

# Research on social responsibility information disclosure of listed companies in feed industry

## —Statistical analysis based on social responsibility reports

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**Abstract:** This paper takes the independently released social responsibility reports of China's A-share feed industry listed companies in 2015-2021 as the research object, and comprehensively analyzes the disclosure status from the aspects of the frequency of report releases, the basis of compilation, the length and content, and the disclosure of relevant industry standards. The study found that the current A-share feed industry listed companies have made significant progress in social responsibility information disclosure, the disclosure content is more comprehensive, in line with the relevant standards, the overall disclosure situation is better, but there is still a requirement for further optimization and enhancement of the disclosure of the continuity and uniformity of standards. In this regard, it is proposed that the guidance incentive and education training on social responsibility disclosure should be increased, and the unified and standardized standards and requirements for the preparation of social responsibility reports should be established in order to continuously optimize the social responsibility disclosure system.

**Keywords:** Feed Industry; Social Responsibility Disclosure; Social Responsibility Report

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## 1. Introduction

As an important area of China's rural industrial revitalization, the feed industry bears the great responsibility of stimulating the development of planting and breeding industry and driving farmers to increase their income, which is closely related to food safety and food security, as well as the key industry of ecological protection and green low-carbon development, and its importance is increasingly prominent. The fulfillment of corporate social responsibility is reflected and revealed through the disclosure of corporate social responsibility information. Whether the disclosure of social responsibility information of listed companies in the A-share feed industry is comprehensive and reliable, and whether it can positively promote the better fulfillment of corporate social responsibility, is a topic that needs to be studied urgently. This paper takes the 84 annual social responsibility reports independently released by A-share feed industry listed companies during 2015-2021 as the research object, and systematically analyzes their social responsibility information disclosure from four aspects: the number and frequency of release of social responsibility reports, the basis of report preparation, the length and disclosure content of the report, and disclosure of relevant industry standards and quality management system, and puts forward corresponding optimization suggestions accordingly.

## 2. Analysis of the Number and Frequency of Social Responsibility Reports Issued by A-share Listed Companies in the Feed Industry

According to the classification of the main business of the company by the SZSE letter data service platform, there are a total of 41 listed companies in the A-share feed industry. According to statistics, during the period of 2015-2021, 18 of these 41 companies released annual social responsibility reports continuously or intermittently, totaling 84 copies. From the point of view of the number of releases, a total of 17 releases in 2021, an increase of 1.8 times over 2015, the overall trend of rising year after year. In terms of the frequency of release, 7 companies, or 38.9%, were able to release social responsibility reports for 7 consecutive years, and 13 companies, or 72.2%, released social responsibility reports for more than 3 consecutive years.

Compared with the total number of listed companies in the feed industry, 43.9% of companies have independently published social responsibility reports during 2015-2021. Vertically, the number of social responsibility report releases has been rising, and the social responsibility disclosure of the feed industry as a whole has been improving. It can be seen that as far as the feed industry as a whole is concerned,

the disclosure of social responsibility information has made great progress, and more and more A-share listed companies in the feed industry have a clear understanding of the importance of social responsibility information disclosure and take the preparation of social responsibility reports as an effective way to enhance the company's value and social reputation, but there is still room for improvement in terms of the continuity of disclosure.

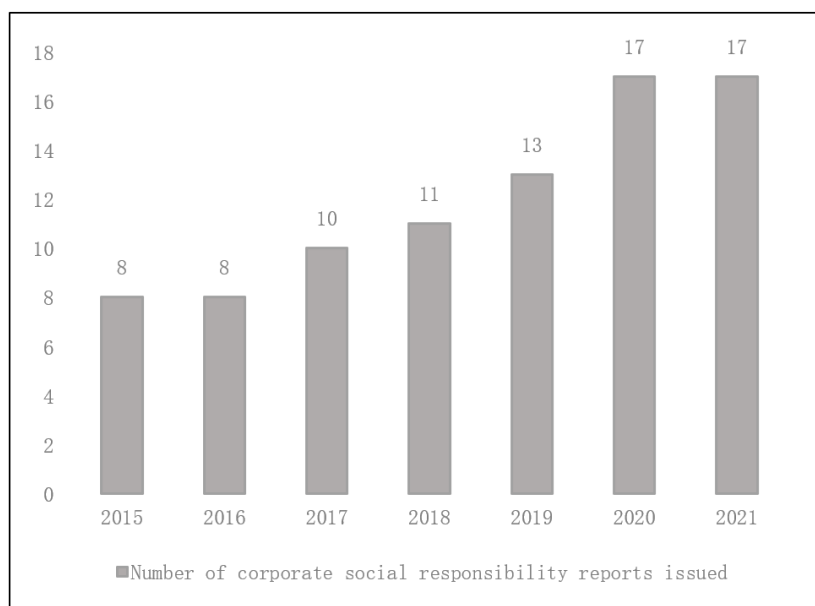


Fig. 1 Number of Social Responsibility Reports Published by Listed Companies in the Feed Industry, 2015-2021

### 3. Analysis of the Basis for Preparing Social Responsibility Reports of A-share Listed Companies in the Feed Industry

Among the 18 listed feed companies that have published social responsibility reports during 2015-2021, 17 of them have conducted disclosure of the basis of preparation of the report, and the overall disclosure of the basis of preparation is good. Among these 17 companies, 14 companies disclosed their reports based on multiple preparation bases, and 3 companies disclosed based on a single preparation basis, and the statistical results are shown in Table 1.

Table 1 Criteria for the preparation of social responsibility reports of listed companies in the feed industry

| Reporting Standards  | Publishing Units,                           | Number of Disclosing Companies |
|--|---|--------------------------------|
| GRI-standards  | GRI   | 6                              |
| China CSR Reporting Guide  | Chinese Academy of Social Sciences (CASS)   | 6                              |
| Guidelines on Social Responsibility for Listed Companies on the Shenzhen Stock Exchange  | Shenzhen Stock Exchange (SZSE)              | 5                              |
| Guidelines on the Standardized Operation of Listed Companies on the Shenzhen Stock Exchange  | Shenzhen Stock Exchange (SZSE)              | 4                              |
| Guidelines on Social Responsibility (ISO 26000)  | ISO   | 3                              |
| Environmental, Social and Governance Reporting Guidelines  | Hong Kong Stock Exchange                    | 2                              |
| Disclosure Requirements for Social Responsibility Reports of Listed Companies on the Shenzhen Stock Exchange GEM Board                               | Shenzhen Stock Exchange (SZSE)              | 1                              |
| Shenzhen Stock Exchange Listed Company Business Handling Guideline No. 2-Related Matters on Disclosure of Periodic Reports                           | Shenzhen Stock Exchange (SZSE)              | 1                              |
| Guidelines on Disclosure of Environmental, Social Responsibility and Corporate Governance Information by Listed Companies of Shenzhen Stock Exchange | Shenzhen Stock Exchange (SZSE)              | 1                              |
| Administrative Measures for Disclosure of Information by Listed Companies  | China securities regulatory commission CSRC | 1                              |

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|---|--|---|
| Guidelines for the Preparation of Reports on Corporate Social Responsibility  | Shanghai Stock Exchange (SSE)                  | 1 |
| Fujian listed companies, securities and futures operators, Social Responsibility Guidelines for Securities and Futures Service Organizations  | Fujian Securities Regulatory Commission (SSRC) | 1 |
| Guidelines on Environmental Information Disclosure for Listed Companies on the Shanghai Stock Exchange  | Shanghai Stock Exchange (SSE)                  | 1 |
| Code of Governance for Listed Companies   | China securities regulatory commission CSRC    | 1 |
| Guidelines on the Content and Format of Information Disclosure by Companies Offering Public Securities No. 2 - Content and Format of Annual Reports                                     | Shanghai Stock Exchange (SSE)                  | 1 |
| Notice on Strengthening the Social Responsibility of Listed Companies and Issuing the Guidelines on Environmental Information Disclosure of Listed Companies on Shanghai Stock Exchange | Shanghai Stock Exchange (SSE)                  | 1 |
| Self-Regulatory Guidelines for Listed Companies No. 1 - Regulating the Operation of Main Board Listed Companies   | Shenzhen Stock Exchange (SZSE)                 | 1 |

As can be seen from Table 1, a total of 17 preparation bases are involved, of which the most used preparation bases are the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) GRI and the Chinese Academy of Social Sciences (CASS) Guidelines for Corporate Social Responsibility Reporting in China, which are used by 6 companies, most of the preparation bases are used by only 1 company, and 9 companies use the internationalization standards of the GRI and the ISO, and involve international business A-share listed companies in the feed industry pay more attention to internationalization standards. It can be seen that the compilation basis of social responsibility information disclosure of listed companies in the feed industry is relatively decentralized, and the disclosure standards are diversified. the expression form and content of social responsibility reports of listed companies in the A-share feed industry are in line with the corresponding compilation standards, and the quality of the disclosed social responsibility information is relatively high, but there is still the problem of information comparability, and it is a worthy topic to explore in depth how to form a relatively unified standard of disclosure of social responsibility information in the feed industry. How to form a relatively unified standard of social responsibility information disclosure in the feed industry is a topic worthy of in-depth investigation.

#### 4. Analysis of the Length and Disclosure Content of Social Responsibility Reports of A-share Listed Companies in the Feed Industry

A social responsibility report usually starts with a company overview and a description of its preparation, with the company's stakeholders' social responsibility fulfillment as the main body, including text, pictures, and some data, and ends with the company's summary outlook, and some reports are accompanied by a key performance table and a feedback form. Of the 84 published feed industry social responsibility reports, four (4.8%) are over 60 pages, with the largest being 102 pages, 65.5% being less than 30 pages, 20.2% being less than 10 pages, and the smallest being 7 pages. Sixteen reports, or 19.1 per cent, had tables of key performance indicators, and 11 reports, or 13.1 per cent, had feedback forms.

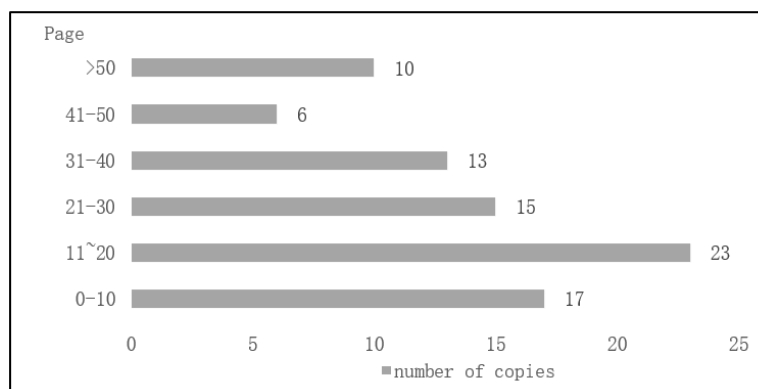


Figure 2 Comparison of Length of Social Responsibility Reports of Listed Companies in the Feed Industry, 2015-2021

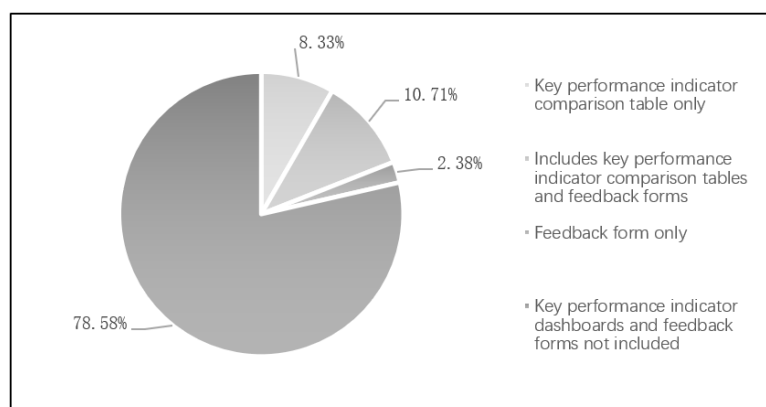


Figure 3 Proportion of listed feed industry CSR reports with key performance and opinion forms, 2015-2021

As can be seen from Figures 2 and 3, the length of the social responsibility reports of listed feed companies varies greatly, with most of the reports focusing on textual descriptive information, supplemented by pictures of activities for proof. A total of five companies disclosed KPI tables in their reports, and six companies disclosed feedback tables in their reports, indicating that A-share listed companies in the feed industry actively consider the objectivity and comprehensiveness of disclosure content when preparing their social responsibility reports.

As there is no specific standard requirement for disclosure content and format, the disclosure methods and contents of social responsibility reports of listed feed companies vary. For example, in terms of safeguarding shareholders' rights and interests, some companies emphasize the maintenance of active dividend policy and perfect governance structure from an economic perspective; some companies emphasize the maintenance of legal rights and interests from the perspective of strict compliance with the requirements of relevant laws and regulations, and the truthfulness, accuracy and completeness of information disclosure to ensure investors can. Some companies emphasize the disclosure of true, accurate and complete information in strict accordance with the requirements of relevant laws and regulations to ensure that investors have equal access to company information. In terms of environmental responsibility disclosure, some companies disclose the amount of nitrogen in feed from the perspective of pollution control and introduce the results of reducing greenhouse gas emissions and saving the use of soybeans; some companies disclose the amount of environmental protection expenditures and measures, and introduce the process of employee environmental protection training and stakeholder communication on environmental protection. Due to the large difference in information provided by different disclosure contents and methods, how to further improve the comparability of disclosure information is also a topic of concern.

## 5. Analysis of Social Responsibility Reporting Related Standards and Quality Management System Disclosure of A-share Listed Companies in Feed Industry

By the end of 2022, China had formulated and published 341 national and industry standards for the feed industry, including 19 comprehensive standards, 115 method standards, 37 product standards, 48 standards for feed ingredients, 70 standards for feed additives and 52 other related standards. Among the 84 reports of the 18 A-share listed companies in the feed industry studied, 3 companies have carried out the disclosure of participation in the revision of relevant industry standards, including participation in the revision of industry standards NY/T3383 "Packaging and Labeling of Livestock and Poultry Products" and "Sturgeon Complementary Feeds" industry standard NY/T3654-2020, and many other national standards and industry standards, which can be seen that the A-share listed companies in the feed industry have been actively involved in the development and disclosure of industry standards.

As far as quality management system is concerned, there are 6 A-share listed companies in the feed industry out of 18 A-share listed companies in the feed industry have disclosed this. Among them, 5 companies disclosed the adoption of ISO9001 quality management system certification, and 3 companies disclosed the adoption of HACCP quality management system certification. As far as food safety system is concerned, there are four companies that have disclosed that they have passed the ISO22000 food safety management system certification, and three companies that have passed the FSSC22000 food safety certification. As far as the occupational health and safety management sys-

tem is concerned, there are 3 companies that have disclosed that they have passed the OHSAS18001 occupational health and safety management system. As far as the environmental management system is concerned, there are 4 companies that have disclosed that they have passed the ISO14001 environmental management system certification. In addition, one A-share listed company in the feed industry also disclosed that it had adopted the EU's GLOBALGAP (Global Good Agricultural Practices) standard. A-share listed companies in the feed industry actively and comprehensively disclosed their quality management system certifications, and the degree of disclosure of information on environmental management systems has also been greatly improved, but the disclosure of GMP system standards and occupational health and safety of the basis of food management still needs to be further strengthened. The disclosure of GMP system standards and OHS on the basis of food management still needs to be further enhanced.

The key content of social responsibility of A-share listed companies in the feed industry is product safety, and how to ensure the quality and safety of the feed produced and the standardization of the use of feed additives is the focus of the disclosure of social responsibility reports. From 84 social responsibility reports, 18 A-share listed companies in the feed industry have disclosed the adopted food safety and quality management certification standards, and more than half of the enterprises have disclosed the relevant information on the industry standards and quality management system certifications adopted by them, including a series of production steps from raw material collection and storage to feed processing, and the quality requirements of the final products. A-share listed companies in the feed industry have disclosed the important A-share listed companies in the feed industry have a higher degree of disclosure of important information and a stronger demand for disclosure of information on relevant standards of a more specialized nature.

## **6. Suggestions for Optimizing Social Responsibility Disclosure of A-share Listed Companies in the Feed Industry**

### **(1) Further increase social responsibility information disclosure guidance incentives and education and training**

Relevant government departments can increase the guidance and incentives by giving awards, loan discounts, tax incentives, project support, recognition and publicity to A-share listed companies in the feed industry that have continuously and adequately disclosed social responsibility information, to form a favorable atmosphere, so that the company can feel the positive effects brought by the disclosure of social responsibility information, and to improve the company's motivation to disclose social responsibility information. For the disclosure of the A-share listed companies in the feed industry is not active, should increase its production environment, product quality, employee welfare, pollution control and other circumstances of the inspection, to carry out social responsibility information disclosure of education and training, urging them to change their concepts and behaviors.

### **(2) Establishment of harmonized and standardized standards and requirements for the preparation of social responsibility reports**

Study and formulate standards for the preparation of social responsibility reports applicable to the feed industry, and clarify the format, elements, content, indicators, length and scope of the reports. Expand the scope of disclosure of quantitative information, especially monetary information, and fully disclose key information such as product quality and safety, use of feed additives, data on sewage disposal and pollution control, and key monetary information. Accelerate the construction of the third-party assurance system for social responsibility reports, standardize the judgment criteria for the qualification of the main body of the assurance, formulate the systematic identification criteria for its independence and professional competence, and formulate a unified standard for assurance practice, which can draw on the widely used international standards for assurance practice such as AA1000, and formulate the standard for assurance practice to meet the feed industry's own needs, and provide guidance on the principles of assurance, qualification requirements, assurance practice, acceptance and implementation, and assurance report. Undertake and implementation, the type of opinion of the forensic report is fully explained, to enhance the professionalism and credibility of the third-party forensics.

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