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## **THE RELATIONSHIP BETWEEN ENVIRONMENTAL ACCOUNTING INFORMATION DISCLOSURE AND BUSINESS PERFORMANCE: EVIDENCE FROM HEAVILY POLLUTING ENTERPRISES IN CHINA**

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### **Abstract**

This study explores the impact of Environmental Accounting Information Disclosure (EAID) on business performance, with a particular focus on the mediating role of main business revenue. By analyzing a sample of 1,029 A-share listed companies in heavily polluting industries from 2018 to 2022, this research employs a fixed-effects model to test its hypotheses. The findings reveal that EAID positively influences business performance, and main business revenue serves as a crucial transmission channel in this relationship. Further analysis indicates that this positive relationship is more pronounced in non-state-owned enterprises than in state-owned enterprises. Similarly, firms with strong internal controls exhibit a stronger positive association between EAID and business performance than those with weak internal controls. High-quality EAID not only enhances business performance but also promotes voluntary disclosure practices, offering valuable insights for corporate decision-makers and policymakers. This study contributes to the literature by refining the understanding of EAID's economic consequences and providing novel explanatory mechanisms to elucidate its role in business performance.

**Key words:** business performance, environmental accounting information disclosure, green accounting, heavily polluting enterprises

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