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ASSESSING THE IMPACT OF ENVIRONMENTAL ACCOUNTING DISCLOSURE ON CORPORATE PERFORMANCE IN CHINA

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Abstract

The Chinese government has recently adopted green accounting as part of its national sustainable development plan, which highlights the importance of standardizing corporate environmental accounting. However, there is a lack of research on the impact of environmental accounting information disclosure (EAID) on firm performance in a specific industry in China. This study aims to fill this gap by exploring the relationship between EAID and firm performance using a sample of 34 listed mining companies and secondary data from 2000 to 2018. The study identifies 12 variables to measure firm performance and uses Principal Component Analysis (PCA) to reduce them to four factors. The Generalized Methods of Moments (GMM) regression analysis is then employed to analyze the data. The results show that there is a positive relationship between EAID and return on equity and quick ratio, while return on assets (ROA) has a positive but insignificant link with EAID. These findings are significant in the literature on environmental disclosures and performance from an industry perspective.

Key words: China, corporate performance, environmental accounting disclosure, mining

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