

report but without directly awarded the honors of environmental protection, also obtained financial or technical support from government. Therefore, it indicates that the firms with proactively strategy of fulfilling their environmental responsibilities are more likely to voluntarily disclose environmental information, and are easier in turn to get the government environmental incentives and supports.

The Ministry of Environment of China has criticized and exposed the list of firms including 54 listed companies which failed to conform to national environmental regulation in 2010. There were two companies in paper making & printing industry. Surprisingly, they both obtained honors of environmental protection. Of the two firms, one has potential environmental risk; the other resulted in gas pollution. The two companies disclosed more information to show their efforts and embody environmental legitimacy.

4. Conclusions and implications

Based on content analysis of annual and CSR reports of Chinese listed companies in the heavy pollution industry of paper making & printing, we concluded that the quantity of proactive environmental disclosure increased gradually but there are still many issues of environmental disclosure that need to be addressed (e.g., low proportion of environment disclosure in CSR report, more qualitative rather than quantitative disclosure, various forms without uniform standard, selective environment information, low level of environmental content, and lack of third-party audit). In addition, proactive environmental disclosure is linked with governmental support. The findings have important implications for regulator. First, the government would encourage firms to voluntarily disclose additional environmental information, and set up more detailed and mandatory regulations to guide corporate

environmental disclosure. Second, it needs to smooth the ways for external stakeholders (e.g., the public, media, suppliers, consumers, communities) to easier access corporate environmental management. Third, it is necessary to standardize the environmental disclosure form and content and initiate CSR report or stand-alone environment report as main documents to disclose environmental information. Finally, third-party audit should be introduced into CSR with reference to developed countries and a suitable audit standard should be established for Chinese listed companies.

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5. References

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