Research on Social Responsibility Information Disclosure of Listed Companies in the Steel Industry

SONG Guomin
School of Accountancy, Shandong Women’s University, P.R. China, 250300
songgm525@126.com

Abstract. Corporate social responsibility helps to enhance the corporate image and win the trust and support of stakeholders. This article takes the listed companies in the steel industry as the research object. Based on the analysis of the status quo of corporate social responsibility information disclosure, this paper analyzes the current social responsibility information disclosure problem of listed companies in the steel industry, and proposes suggestions for improving corporate social responsibility information disclosure.

1. Introduction
In recent years, corporate social responsibility issues have been frequent. The lack of corporate social responsibility such as Michelin's environmental violations, Carlsberg's illegal sewage discharge, Volkswagen quality defects, and Johnson & Johnson recalls have frequently erupted, and social responsibility has increasingly attracted widespread public attention. As a high-pollution and energy-intensive enterprise, the steel industry has brought a series of pressures to the environment. Paying attention to the disclosure of social responsibility information of iron and steel enterprises will help raise awareness of corporate social responsibility disclosure and promote enterprises to fulfill their social responsibilities better.

2. Content of Social Responsibility Information Disclosure in the Steel Industry

2.1. Guidance on Social Responsibility Reporting
The National Standards Committee and the General Administration of Quality Supervision, Inspection and Quarantine jointly issued a series of national standards for social responsibility in 2015. Among them, the Social Responsibility Reporting Guidelines stipulate that the social responsibility report prepared by the enterprise should cover the seven core social responsibility topics of organizational governance, human rights, labor practices, environment, fair operating practices, consumer issues, community participation and development.

2.2. Sustainability Reporting Guidelines
The Sustainability Reporting Guidelines issued by the Global Reporting Initiative (GRI) believe that corporate performance should be reported from an economic, environmental and social perspective.

2.3. Hexun.com Social Responsibility Evaluation System
The social responsibility report professional evaluation system released by Hexun.com examines the performance of social responsibility from the five aspects of listed company shareholder responsibility,
employee responsibility, supplier, customer and consumer rights responsibility, environmental responsibility and social responsibility.

2.3.1. Shareholder Responsibility
The performance of listed companies on shareholder social responsibility mainly depends on the company's profitability, solvency, investment returns, credit approval and innovation capabilities.

2.3.2. Employee Responsibility
The performance of listed companies on employee social responsibility is mainly based on employee income, training opportunities, safety and caring for employees.

2.3.3. Supplier, Customer and Consumer Rights Responsibility
The social responsibility of listed companies to suppliers is mainly reflected in the performance of fair competition, integrity and reciprocity. The performance of listed companies on customer and consumer social responsibility is mainly reflected in product quality and after-sales service.

2.3.4. Environmental Responsibility
The social responsibility of listed companies for environmental performance is mainly reflected in the company's environmental awareness, environmental protection investment, energy conservation and other aspects.

2.3.5. Social Responsibility
The responsibility of listed companies for social performance is mainly reflected in the contribution to society, such as the status of corporate donations and the payment of taxes and fees to the government.

3. Status Quo of Social Responsibility Information Disclosure in the Steel Industry
This paper takes twenty-nine steel companies listed on the Shanghai and Shenzhen A shares as research samples, and selects their 2017 social responsibility information disclosure data to analyze the disclosure of social responsibility information in the steel industry. The social responsibility information disclosure data mainly comes from cninf Network, Oriental Fortune Network, and corporate official website.

3.1. Disclosure Form
At present, listed companies in China's steel industry mainly disclose their social responsibility information through the preparation of social responsibility reports, sustainable development reports, official website release of social responsibility information, annual reports and other forms of disclosure. Among the twenty-nine listed companies in the steel industry, thirteen companies independently issued social responsibility reports, and one company independently issued a sustainability report. The remaining fifteen companies were mainly disclosed through the official website or annual report.

3.2. Disclosure Content
Through the analysis of the social responsibility reports of twenty-nine listed companies in the steel industry, it is found that the company mainly discloses the protection of shareholders' creditors' rights and interests, the protection of employees' rights and interests, the protection of suppliers' interests, environmental protection and sustainable development, public relations and social welfare undertakings. A few companies disclose social responsibility information in terms of safety production, market performance, social performance, and environmental performance.

3.3. Disclosure Length
This section analyzes the social responsibility report and sustainability report published by twenty-nine listed companies in the steel industry in 2017. The statistical results are shown in Table 1.
Table 1. Social responsibility report disclosure length statistics.

| Code  | 2015 | 2016 | 2017 |
|-------|------|------|------|
| 000655| 7    | 8    | 8    |
| 600808| 7    | 17   | 23   |
| 600117| 10   | 10   | 10   |
| 601005| 10   | 12   | 9    |
| 601969| 11   | 11   | 12   |
| 600709| 15   | 13   | 13   |
| 002110| 20   | 22   | 27   |
| 600022| 20   | 18   | 32   |
| 600569| 20   | 18   | -    |
| 000898| 29   | 31   | 29   |
| 600126| 29   | -    | -    |
| 600282| 52   | 48   | 33   |
| 600019| 87   | 71   | 58   |
| 601003| -    | 33   | 51   |
| 600307| -    | 12   | 15   |

3.4. Basis of Preparation
Statistics on fourteen listed companies that issued social responsibility reports and sustainability reports separately found that their reports were mainly based on relevant documents of stock exchanges, guidelines for the preparation of social responsibility reports, guidelines for sustainable development reports, and the guidelines for the preparation of social responsibility reports for the steel industry. Among them, there are twelve companies that have prepared social responsibility reports based on the relevant documents of the stock exchange, and two companies have prepared social responsibility reports according to the guidelines for the preparation of social responsibility reports. There are two social responsibility reports prepared according to the guidelines for the preparation of the steel industry social responsibility report, and two are prepared according to the guidelines for sustainable development reports. At the same time, the basis for the preparation of corporate social responsibility reports is often diverse. The company with the most preparation basis is Baosteel Co., Ltd., and its social responsibility report has seven basis.

3.5. Disclosure Quality
According to Hexun.com's social responsibility rating, the listed company's social responsibility score is E grade below 20 points, 20-40 is grade D, 40-60 is grade C, 60-80 is grade B, and 80-100 is grade A. The social responsibility scores of listed companies in the steel industry in 2015-2017 are shown in Table 2.

Table 2. Distribution of social responsibility grades of listed companies in the steel industry.

| Grade | 2015 | 2016 | 2017 |
|-------|------|------|------|
| A     | 0    | 0    | 0    |
| B     | 0    | 2    | 1    |
| C     | 3    | 4    | 0    |
| D     | 2    | 5    | 10   |
| E     | 24   | 18   | 18   |
4. The Issue of Social Responsibility Information Disclosure in the Steel Industry

4.1. Disclosure form is not standardized
Corporate social responsibility information disclosure is mainly through the separate release of social responsibility reports or sustainability reports. From the perspective of the disclosure of social responsibility information of listed companies in the steel industry in the past three years, less than 50% of enterprises disclose social responsibility information through standardized forms. At present, the form of social responsibility information disclosure in the steel industry is not yet standardized.

4.2. Disclosure content is not uniform
According to the disclosures of the social responsibility report and sustainable development report of listed companies in the steel industry, about 80% of the companies disclosed their performance of social responsibility to shareholders, creditors, employees, suppliers, customers and other stakeholders. It discloses the social responsibility information of enterprises in environmental protection, public relations, and social welfare undertakings. About 20% of the companies did not disclose their social responsibility performance from the above perspectives, and they mainly disclosed social responsibility information from the aspects of corporate responsibility management, market performance, social performance and environmental performance. Judging from the disclosure, listed companies in the steel industry still have problems in the disclosure of social responsibility information.

4.3. The degree of detail of disclosure differs greatly
From the perspective of the social responsibility report and sustainability report disclosed by listed companies in the steel industry, only 15% of companies disclosed more than 30 pages in 2015. In 2016, nearly 29% of companies disclosed more than 30 pages. In 2017, about 31% of companies disclosed more than 30 pages. Although the proportion of companies with more than 30 pages of disclosure has increased year by year, the social responsibility report of most companies is still small. The degree of detail of social responsibility information disclosure between companies varies widely.

4.4. Disclosure basis is not uniform
According to the report preparation basis disclosed in the social responsibility report and sustainability report of the listed companies in the steel industry, only 25% of the companies that disclose the basis for the report preparation have only one basis for preparation, and the remaining 75% of the companies have announced more than two basis for preparation. Among the companies that disclosed multiple compilation basis, 44% of the companies disclosed two basis for preparation, 22% of the companies disclosed three basis for preparation, 11% of the companies prepared four basis for compilation, and the remaining companies disclosed more than five basis for compilation. It can be seen that the basis for the preparation of the companies is not the same, and there is a problem that the basis for compilation is not uniform.

4.5. Disclosure quality is uneven
Among the twenty-nine listed companies in the steel industry, the majority of companies have a social responsibility score below 20 points, which is at the lowest level E. The number of companies rated D in 2017 has increased, but fewer companies have rated C or above. In the past three years, the highest social responsibility score was 68.93 points, which was at the B level. It shows that the overall social responsibility disclosure of listed companies in the steel industry is of poor quality.

Further, from the perspective of the disclosure quality of the five components of social responsibility, steel listed companies have the best performance of social responsibility to shareholders, rising from an average of 2.81 points in 2015 to 12.3 points in 2017. The performance of the steel company's social responsibility for employees increased from an average of 2.64 points in 2015 to 4.94 points in 2016, but fell to 2.51 points in 2017. The performance of employee responsibility fluctuated greatly. The performance of the steel company's social responsibility to suppliers, customers and consumers fell from
1.38 in 2015 to 0.41 in 2017, a large decline. The performance of the steel company's environmental responsibility fell from 5.16 points in 2016 to 0.69 points in 2017, which was a big drop. The performance of the steel company's social responsibility increased from 1.03 in 2015 to 2.23 in 2017. It can be seen from the above analysis that the performance of the listed companies of the steel on the social responsibility of various stakeholders is quite different, and the quality of disclosure is uneven.

![Figure 1. Distribution of social responsibility scores.](image)

5. Suggestions

5.1. Companies

5.1.1. **Enhance awareness of social responsibility disclosure**
As the main body of social responsibility disclosure, enterprises must bear certain social responsibilities in addition to pursuing economic goals. Compared with enterprises in other industries, iron and steel enterprises, as high-energy-consumption and high-pollution enterprises, consume more resources in the development process and must fulfill their social responsibilities. In the process of regulating the disclosure of social responsibility information in the steel industry, the primary task is to enhance the awareness of social responsibility disclosure of steel companies.

5.1.2. **Improve the quality of social responsibility disclosure**
The high-quality disclosure of social responsibility reports by steel companies will release the signals of good operation and active fulfillment of social responsibilities, which will help support shareholders, creditors, employees, potential investors and other stakeholders to promote the further development of enterprises. At present, the quality of social responsibility disclosure of steel companies is uneven, and steel companies should further improve the disclosure quality of social responsibility reports.

5.2. Industries

5.2.1. **Standardize industry disclosure standards**
Due to the different production characteristics of various industries, it is recommended that the industry unified organization to establish specific industry social responsibility information disclosure standards for industry characteristics.

5.2.2. **Standardize industry disclosures**
The social responsibility guidelines and other provisions are only the disclosure requirements of social responsibility from the overall level of the enterprise, and do not consider the characteristics of the industry in which the enterprise is located. However, due to the different production characteristics of various industries, it is recommended that all industries regulate their social responsibility information
disclosure contents according to their respective characteristics under the guidance of the overall standard.

5.3. Regulatory Authorities

5.3.1. Formulate a system of social responsibility report periodic disclosure
At present, Chinese enterprises are still in the period of voluntary disclosure of social responsibility reports, and fewer companies disclose social responsibility reports. Listed companies, as the companies that disclose the most social responsibility reports, only implement disclosures in accordance with the documents required by the stock exchange. Therefore, China has not yet formed a standardized system of regular disclosure of social responsibility reports. It is recommended that relevant regulatory agencies formulate a system of regular disclosure of social responsibility reports, standardize corporate social responsibility disclosure behaviors, and improve the disclosure quality of social responsibility reports.

5.3.2. Standardize the form of social responsibility disclosure
Due to the current forms of corporate social responsibility disclosure, companies may disclose annual reports, or disclose social responsibility reports, or use other forms of disclosure. The inconsistent form of disclosure between enterprises leads to the difficulty in effectively comparing the quality of social responsibility information disclosure. Therefore, it is recommended that the relevant regulatory authorities should standardize the disclosure of social responsibility.

5.3.3. Establish a social responsibility verification system
From the above analysis, it can be seen that the current disclosure of corporate social responsibility information is different, the basis for compilation is different, and the quality of disclosure is more difficult to evaluate. In order to ensure the authenticity and reliability of corporate social responsibility report disclosure, we recommend that the relevant regulatory authorities formulate a social responsibility report verification system, and an independent third-party verification agency will review the social responsibility report disclosed by the enterprise.

Acknowledgment:
This paper is the phased research result of the social science planning research project in Shandong Province,“Study on the Impact of Social Responsibility on Risk-Taking of Shandong companies in the Background of Supply Side Reform (Project No.18DGLJ13)”.

References
[1] Ji Y and Li YP 2019 State-owned Enterprise CSR Information Disclosure Test and Motivation Analysis Based on State-owned Capital Logic Friends of Accounting 8 102-7
[2] Qi DW, Sun MY and Xiu ZR 2019 Inter-temporal Impact of Interaction between Corporate Social Responsibility and Financial Performance - Empirical Research from Steel, Cement Manufacturing, Petrochemical and Paper-listed companies Friends of Accounting 7 106-13
[3] Tao Y and Leng WW 2018 Research on Social Responsibility Evaluation of Mineral Resources Enterprises - Taking Yanzhou Coal Industry as an Example Journal of Southwest China Normal University(Natural Science Edition) 12 108-14
[4] Chen C, Wang ZJ and Ye Y 2019 The Effect of Corporate Social Responsibility Disclosure on Financial Performance from the Perspective of Signaling Theory Chinese Journal of Management 3 408-17
[5] Li HL 2018 Research on Current Situation of Corporate Social Responsibility Information Disclosure Lanzhou Academic Journal 10 162-73