

## A Survey of Financial Reporting of Environmental Performance of Polluting Companies on Tehran Stock Exchange

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### Abstract

**Introduction:** The main purpose of this study was to investigate the disclosure or non-disclosure of information regarding environmental performance by polluting companies listed in Tehran Stock Exchange according to the requirements of the current laws and regulations, as well as the accounting standards of Iran (VAT rules, the fifth development plan, the collection of some of the government revenues and other relevant laws).

**Methods:** In this study, there was an attempt to use the descriptive survey method for research. To this aim, five issues regarding the environmental performance reporting were investigated in 47 polluting companies including 9 industries during 2002–2008.

**Results:** The results obtained through binominal test demonstrate that at least 50% of the observations made about the polluting companies are indicative of the fact that their board of directors discloses the information regarding the environmental financial performance to the general assembly meeting via financial notes and reports.

**Conclusion:** The findings of the present study suggest that polluting companies listed in Tehran Stock Exchange disclose their environmental financial performance to the general assembly meeting through notes with financial statements, and also through the reports of board of directors. It is worth mentioning that as long as the disclosure of information regarding the environmental performance is arbitrary and voluntary, companies use different procedures for reporting, and their level of disclosure of environmental performance fluctuates.

**Key words:** Environmental Financial Performance, Disclosure of Financial Information of the Polluting Companies and Environment Financial Reporting.

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