Academic Journal of Management and Social Sciences
ISSN: 2958-4396 | Vol. 3, No. 3, 2023

Evaluation Study on the Level of Social Responsibility Accounting Disclosure of Huaxi Biologicals

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Abstract: Enterprises in the development process should not only be committed to the development of business activities, but also must take up the huge impact on the social economy and nature produced with the development and growth of the company, and assume responsibility for society. This paper takes Huaxi Biological as the research object, analyzes the form and content of the disclosure of corporate social responsibility information in the medical industry based on the table of corporate social responsibility information scoring system of the medical industry, and finds that there are problems such as the lack of indicators, unbalanced disclosure, and incompleteness of Huaxi Biological's CSR report, etc. Finally, this paper puts forward suggestions from the three levels of the disclosure system, indicators, and regulation with the aim of promoting China's medical industry social responsibility disclosure's overall sustainable development.

Keywords: Corporate Social Responsibility; Pharmaceutical Industry; Information Disclosure; Huaxi Biologicals.

1. Introduction

With the change of the times, China's economic level has realized a rapid increase in a short period of time, and at the same time, this has brought a huge burden on the sustainable development capacity of society and the environment. As a result, both the national government and the public have paid more attention to and communicated and analyzed the lack of fulfillment and disclosure of social responsibility by enterprises, and further improved and standardized the mode of disclosure of information on corporate social responsibility, so as to promote better sustainable development of enterprises, which is beneficial to all parties concerned.

Against the background of the gradual improvement of China's medical security system and the increasingly serious problem of population aging, the pharmaceutical industry, an important industry related to the national economy and people's livelihood, has shown a good momentum of development, so it is of great practical significance to study the social responsibility behavior of typical companies in this field. As the leading hyaluronic acid raw material, Huaxi Bio has a global market share of 39.74% in 2021. The company started with the production of hyaluronic acid raw materials, and then successively expanded the medical terminal products, functional skin care products, functional food and other businesses, and has formed a four-wheel-drive strategic pattern. As a highly socially responsible enterprise, Huaxi Bio has promoted the construction of corporate ESG in depth, and the fulfillment and disclosure of social responsibility has already had a certain performance, in which the highlights of the performance and shortcomings deserve our in-depth analysis and study.

2. Theories Related to Corporate Social Responsibility Information Disclosure

(1) The concept of CSR accounting

In the history of accounting development, socially responsible accounting has been called the "fourth revolution". So far, the international academic community has not reached a final conclusion on what "social responsibility" is. At present, there are four internationally recognized scholars' views: one is the American accountant David Flynns in his book "Social and Economic Accounting" creatively put forward "social responsibility accounting is the combination of accounting, political science and economics and other social sciences". The second is the American accounting teacher Siri Mobley, who believes that the daily economic activities of a company have a great impact on the public, and therefore, social responsibility auditing is carried out for the public. The third one is Ahmed Berrikeo, a famous American accounting teacher, who advocates that socially responsible accounting of enterprises should account for the negative effects of enterprises and disclose and manage them. This theory describes the main contents of accounting from the subject of accounting, the content of accounting, the task of accounting, and the method of accounting, etc., but there is also the problem that the accounting statements do not reflect the social value of the enterprise. The fourth one is the Japanese accounting master Kaichiro Sanda, who believes that the purpose of the company's operation is to maximize the social value, so the company's social responsibility accounting should serve the company's stakeholders.

By sorting out the above concepts, we can see that social responsibility accounting is a generalization and supplementation of traditional financial accounting and management accounting, and research on it on this basis. Therefore, the significance of social responsibility accounting is to measure the benefits and losses of the enterprise's business activities to various aspects of society, so as to provide the stakeholders with social responsibility fulfillment related to the enterprise that can be expressed by accounting information when making decision-making judgments on the enterprise.

(2) Key Corporate Social Responsibilities in the Healthcare Industry

Enterprises in the medical industry are characterized by two features: firstly, the enterprises themselves have strong attributes of science and innovation, which are strongly related to scientific ethics, and at the same time, they also have high risks, such as high liabilities, starting from the start-up period and the growth period, etc., which have a great impact on the fulfillment of their social responsibility; secondly, enterprises in the medical industry inevitably have their own special social responsibility, and the research and development, production, and sales of their products are closely related to science and ethics, ecological environment, social security and so on. On this basis, this paper will explain the main social responsibilities of enterprises in the medical industry according to different stakeholders.

For shareholders, in addition to maintaining stable development and timely dividends, enterprises in the medical industry also need to enable them to fully understand the actual development of the enterprise. The business of the medical industry involves a wide range of professional barriers, many key products or technical information comes with professional barriers, for non-professional investors, it is difficult to judge whether the enterprise has achieved industry breakthroughs through new business, whether it solves the key needs of the customer, which requires medical industry enterprises to pay full attention to the information needs of shareholders.

For creditors, enterprises in the medical industry should fulfill their responsibility of repaying creditors the principal and interest on time to ensure the stability of the capital chain, especially the stability of cash flow. Most of the enterprises are in the start-up and growth period, with high performance volatility, high debt ratio, and large amount of capital invested in research and development, which can't get full returns in a short period of time, which is very likely to cause the risk of the enterprise's capital chain breakage, which requires the enterprise to develop itself fully and run its business properly, and at the same time, it should also take its social responsibility to the creditors into consideration, and set up a reasonable capital structure.

For suppliers, enterprises need to strictly carry out quality assessment, for their comprehensive qualification, financial status, technical ability, product and service quality, technology and process quality of production operations. Select suppliers that can meet the strict safety standards of the pharmaceutical industry, and form a long and solid cooperative relationship with them, and implement the principle of intolerance for suppliers who have violated the law, in order to avoid their own possible risks as early as possible and comprehensively.

For customers, enterprises need to focus on summarizing and reflecting on the results of customer feedback while providing products or services that satisfy them, such as focusing on customer satisfaction and accepting suggestions. In addition, the healthcare industry will collect a large number of customers' private information while carrying out customer service, and enterprises should also focus on the protection of customers' personal rights in the process of storing, processing and analyzing data, and not do anything that infringes on the interests of the customers, for example, preventing data theft, eliminating the trafficking of data, and infringing on the sharing of data.

As far as employees are concerned, enterprises in the medical industry should, on the basis of the establishment of a basic employment system and salary system, focus on the core training of employees, especially the knowledge and skill training of core R&D personnel, stimulate the learning consciousness of employees through industry-academia-research, salary incentives and other forms to enhance the loyalty of employees, so as to prevent the loss of key personnel. At the same time, enterprises should pay more attention to the maintenance of the physical and mental health of employees, strengthen the due values, the concept of social responsibility, and abide by the due behavioral norms, but also to avoid the risk of damage to the health of employees due to research and development.

For the environment, firstly, companies need to fully consider and emphasize their environmental responsibilities and build comprehensive prevention and treatment facilities; secondly, companies in the medical industry should pay more attention to the long-term impact of their pollutants on the environment and establish a comprehensive environmental management system, such as timely disclosure of daily environmental protection inputs and pollutant treatment costs. Others include: complying with environmental protection laws, regulations and industry standards, designating the implementation of the company's environmental protection program, and paying the full amount of environmental protection-related taxes and fees.

For public utilities and social welfare, the social responsibility of enterprises in the medical industry mainly includes precise poverty alleviation, charitable donations and voluntary activities. The special social responsibilities of enterprises in the medical industry are the inputs made in the medical field, such as participation in the formulation of industry standards, participation in the activities organized by industry associations, etc., as well as research and development innovations, such as the rate of conversion of innovations, the number of patents declared, various types of awards won, and scientific research and construction.

3. Analysis of the Current Situation of Huaxi Bio's Social Responsibility Information Disclosure

(1) Company Profile

Huaxi Bio-Tech Co., Ltd (Huaxi Bio for short) was founded in 1998 and listed on the Science and Technology Board on November 6, 2019. It is a company that integrates research and development, production, and sales, and is geared towards pharmaceutical, cosmetic, and food manufacturers, healthcare institutions, and end-consumers around the globe. Its "Runbayan", "Mibelle" and other brands in the field of skin care is known as "the light of national products", and its cooperation with the Palace Museum to produce the "Forbidden City Lipstick" is in 2018 as an industry classic, the cosmetic industry in China has played a huge role in promoting. Huaxi Biological is the world's largest hyaluronic acid manufacturer, which has its own laboratories in Shanghai, Jinan and other places, and has cooperated with Tsinghua University and Harvard University in the U.S., and is committed to the research of hyaluronic acid and other drugs.

The main business of Huaxi Biological is to hyaluronic acid as the core of bioactive substances raw material products, for product development and production, sales of related raw material products and biomedical materials end products. In terms of technology, Huaxi Bio is the first to realize the technology of microbial fermentation and culture for the preparation of hyaluronic acid in China, and realize the industrialization of hyaluronic acid raw materials. The enterprise has four core technologies and three scientific and technological platforms, which are microbial fermentation, cross-linking technology and synthetic biology platform. By virtue of its technological advantages, it has not only won a number of scientific and technological awards, but also pushed forward the development of the enterprise to form a large-scale industry, reduced production costs, and the production capacity and quality of hyaluronic acid are also constantly improving, and it has successfully jumped into the global hyaluronic acid industry's leading enterprises. In terms of product quality, the market access requirements for hyaluronic acid raw materials in various countries are very strict and have different standards, Huaxi Bio through the application of core technology and product quality control, has obtained a number of international and internal and external qualifications. With the hyaluronic acid raw materials market gradually stabilized and expanded, Huaxi Bio began to develop from the upstream raw materials to the product side, in the beauty and medical care, functional skincare products, functional food in multiple fields, began to build the R & D, production to sales of the whole industry chain enterprise model.

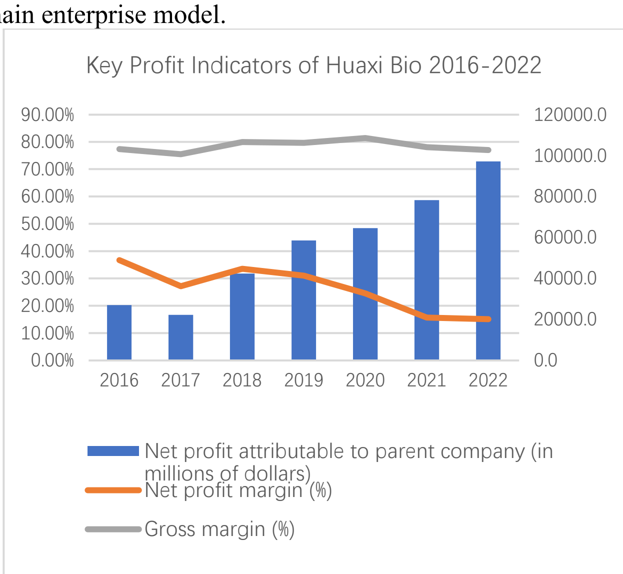

Figure 1. Huaxi Bio's Profit 2016-2022

As shown in Figure 2.1, the profit of Huaxi Biologicals, as a whole, the net profit of Huaxi Biologicals shows a steady upward trend, and the gross profit margin is also relatively stable. After a sharp rise in net profit in 2018, the fluctuation of the gross profit margin is small and stable at about 79%; the net profit margin shows a downward trend from 2018, and in 2021, the net profit margin shows a sharp decline and is larger than the change in the gross profit margin, which indicates that there is a large fluctuation in cost control or expense control, which makes the net profit margin decline.

(2) Forms of Disclosure of Huaxi Biological Social Responsibility Information

The main ways of CSR information disclosure are: annual report, social responsibility report, environmental report, sustainable development report, ESG report, board of directors' announcement, prospectus, and official website of the company. By statistically analyzing the public information of Huaxi Bio over the past three years, it is found that its public information is mainly in three ways: annual report, board of directors' announcement and official website, and this paper discusses the completeness and comprehensiveness of its public information in this way.

(3) Content of Huaxi Biological Social Responsibility Information Disclosure

Liability to shareholders and creditors. Shareholders and creditors, as the main financing entities, are the biggest stakeholders of the enterprise. Enterprises have to pursue continuous, sustained and consistent profit growth and innovation to meet the needs of shareholders and creditors. For the fulfillment of responsibilities to shareholders and creditors, the return on investment of shareholders and creditors can be analyzed through the quantitative disclosure of the company's dividend distribution plan, the main financial indicators of profitability and solvency. Therefore, we have summarized the disclosures of Huaxi Biological Company for the period 2020-2022 in Table 1.

Table 1. Major disclosures of Huaxi Bio's responsibilities to shareholders and creditors in the past three years

particular year	2020	2021	2022
earnings per share	1.35	1.63	2.02
Cash dividend per 10 shares (RMB) (tax included)	4.1	4.9	6.1
Return on net assets (%)	13.46%	14.6%	15.75%
Growth rate of operating income (%)	39.63%	87.93%	28.53%
Net profit growth rate (%)	10.29%	21.13%	24.11%
current ratio	6.626	2.845	2.447
Gearing ratio (%)	12.22%	24.01%	23.02%

As shown in Table 1, Huaxi's earnings per share have been growing in the last three years; in 2020, due to the impact of the general environment, the growth rate of the pharmaceutical industry's operating income and net profit declined, but the next three years have maintained a stable growth trend; the company's dividend payout and stock dividends have remained basically stable; in general, the return on net assets ratio (RONA) is recommended to be the most appropriate at 15% to 39%, and Huaxi The return on net assets ratio of Huaxi Bio is low in 2020-2021, but rises to a better level in 2022, and shareholders' investment is in a safer position. The company's current ratio has been on a downward trend after a relatively large decline in 2021, indicating that Huaxi biological liquidity decline, facing certain short-term debt service risk, while Huaxi biological gearing ratio showed a significant upward trend, stable in the past two years at about 23%, indicating that Huaxi biological overall financial risk is small, long-term debt service ability. The company will analyze the revenue and cost of its main business by category every year, which can help shareholders and creditors better understand the company's operating conditions and assess the investment risk.

Responsibility to employees. In terms of employee rights and interests' protection, according to the disclosure scoring system of Employee Rights and Interests Protection Category of CSR Information in Healthcare Industry in Table 2, Huaxi Bio disclosed the company's employees' information, compensation policy and welfare benefits, as well as talent building and training programs. In the past three years, the company's total number of employees has increased from 2,082 to 4,278 and is still expanding. The Company discloses the assessment mechanism for senior management, the establishment and implementation of incentive mechanisms, and provides quantitative information on the accrual and implementation amounts of equity incentive expenses in the relevant programs. Corporate training is operated in a group manner, with a dedicated Huaxi Management Institute of Higher Learning, whose job function is to promote strategy execution by improving managerial ability, organizational capacity and operational efficiency. Insufficient disclosure is mainly related to employee safety and security (related welfare policies, security measures for safety accidents, etc.), as well as employee training (number of times, scale, etc.) and cultivation and development, which are characterized by the need for actual data to illustrate the results.

Table 2. Scoring System for Disclosure of CSR Information on Employee Rights and Interests Protection Category in the Healthcare Sector

Level 1 indicators		Secondary indicators
Employee rights and interests' protection category	employment system	Staffing structure, talent mobility
	Basis for the development of the management system	Laws and regulations
	Employee Safety and Security	Safety management system, safety facilities and inputs
	Employee Training and Development	Personnel training program
		Professional Training Development
	Employee Compensation and Benefits	Compensation system, subsidies, labor insurance, and payment of five insurance policies and one pension.
	Employees' physical and mental health	Psychological counseling, health maintenance
	Core Staff Maintenance	Compensation incentives, equity incentives
	Enterprise culture construction	

Responsibilities to suppliers and customers. At the level of suppliers and customers, the main purpose is to build a fair and open, win-win and mutual advancement of the supply, production and marketing environment, the company's raw material procurement, the whole production process, product quality transparency and safety. According to Table 3 Medical Industry CSR Information Supplier, Customer, Consumer Rights and Interests Protection Category Disclosure Scoring System Table , regarding the procurement mode, Huaxi Biologicals has a strict supplier management system, and annually evaluates the qualified suppliers to form a list of qualified suppliers, and announced the winning bid of the centralized bidding and procurement of medicines in 2022, and all of its products have reached the U.S. cGMP, Chinese GMP,ICHQ7 and other high standards, and has passed the on-site inspection of FDA, Korea MFDS, China GMP. Huaxi Bio's top five suppliers in the last three years accounted for more than 25% of purchases, and the top five customers accounted for more than 10% of sales, and are not related parties of internal transactions. Huaxi Bio also announced the company's special safety inspections, safety training and various emergency drills and other specifics, the company has established a R & D team of thousands of people, its R & D centers around the world, but its R & D costs only accounted for about 5% of operating income, compared with the same size of foreign biopharmaceutical companies, its R & D costs of about 8%.

Table 3. Scoring system for disclosure of CSR information in the healthcare industry in the categories of suppliers, customers, and consumer protection

Level 1 indicators	Level 1 indicators	Secondary indicators
Suppliers, customer, consumes Protection of rights and interests	Supply Chain Management Culture	Laws and regulations
	Supply chain management rationale	
	Client Management System	
	Customer Satisfaction	
	After-sales feedback management	
	Supplier management system	
	Supplier quality evaluation system	Quality evaluation, access and exit mechanisms
	business model	Enterprise business management model

Responsibility for the environment. In terms of environmental protection, According to Table 4 of the scoring system for environmental disclosure of CSR information in the healthcare industry, Huaxi Biotechnology is driven by synthetic biotechnology, focusing on research on synthetic biotechnology and industrial transformation of related bioactives, providing important bottom-up support for the realization of the goals of "Green Manufacturing" and "Carbon Peak and Carbon Neutrality". "The main content of environmental protection information includes: information on the discharge of key sewage disposal units announced by the environmental protection department, environmental impact assessment of construction projects, construction and operation of pollution prevention and control facilities, environmental self-monitoring program and contingency plans for environmental emergencies.

Responsibility to society. Huaxi Biotechnology has always adhered to the concept of sustainable development and actively fulfilled its social responsibility while ensuring its own business development and continuous creation of economic value. According to Table 5 of the medical industry corporate social responsibility information environment-related disclosure scoring system, Huaxi Biotechnology is far ahead of the industry, not only took the initiative to disclose a high-quality social responsibility report, but also in the annual report on the content of each module combined with specific examples are described in detail, the disclosure of content is more comprehensive and informative.

Table 4. Scoring system for disclosure of CSR information in the healthcare industry in the environment-related category

<table>
<tr><th>Level 1 indicators</th><th>Level 1 indicators</th><th>Secondary indicators</th></tr>
<tr><td rowspan="16">Environment -related</td><td>media, esp. news media</td><td>Focus on media information</td></tr>
<tr><td>regulatory body</td><td rowspan="2">Cooperate with regulatory inspections</td></tr>
<tr><td>Concept of Environmental Social Responsibility</td></tr>
<tr><td>Number of environmental inputs</td><td rowspan="2">Amount of investment in environmental governance or share of operating revenue</td></tr>
<tr><td>Pollutant treatment costs</td></tr>
<tr><td>Pollutant emissions</td><td>Pollutant emission indicator information, greenhouse gas emission data</td></tr>
<tr><td>Environmental management system</td><td>Environmental guidelines and commitments, environmental impacts of construction projects</td></tr>
<tr><td>legal basis</td><td>Relevant laws and regulations, emission standards</td></tr>
<tr><td>Pollution prevention and management</td><td>Construction and management of facilities</td></tr>
<tr><td>Administrative licenses for environmental protection</td><td rowspan="6">ISO14001 certification, etc.</td></tr>
<tr><td>Environmental self-monitoring program</td></tr>
<tr><td>Emergency Response Plan for Environmental Emergencies</td></tr>
<tr><td>Qualification</td></tr>
<tr><td>Energy utilization</td></tr>
<tr><td>Management approaches and indicators for the supplier environment</td></tr>
<tr><td>Environmental Protection Follow-up Program</td><td rowspan="2">Environmental Improvement Goals</td></tr>
<tr><td>Relevant penalties</td></tr>
</table>

Huaxi Bio mainly disclosed its contribution to the promotion of common prosperity, poverty alleviation and rural revitalization by actively combining and giving full play to its business characteristics and advantages in the field of biomaterials. Biotechnology, biomaterials is a national key to the development of strategic emerging industries, is the "14th Five-Year Plan" bio-economic innovation focus, shouldering the important task of leading the development of high-tech industries, and promote the transformation of economic structure. With synthetic biotechnology as the driving force, Huaxi Biotechnology continues to innovate high-quality biomaterials, providing new kinetic energy for industrial upgrading and economic transformation.

Table 5. Scoring System for Disclosure of CSR Information in the Healthcare Industry in the Category of Public Relations and Social Philanthropy Situation

<table>
<tr><th>Level 1 indicators</th><th>Level 1 indicators</th><th>Secondary indicators</th></tr>
<tr><td rowspan="16">Public relations and social welfare</td><td>Social Responsibility Philosophy</td><td></td></tr>
<tr><td rowspan="2">communal</td><td>Number of persons provided with employment</td></tr>
<tr><td>public welfare activities</td></tr>
<tr><td>public welfare donation</td><td></td></tr>
<tr><td>Poverty alleviation planning</td><td></td></tr>
<tr><td rowspan="4">Research and Development Innovation</td><td>Number of patents filed</td></tr>
<tr><td>R&D investment</td></tr>
<tr><td>Innovation Awards</td></tr>
<tr><td>Scientific research and development (industry, research and learning)</td></tr>
<tr><td rowspan="2">Helping the industry grow</td><td>Participate in the development of industry standards, participate in the activities of industry association organizations</td></tr>
<tr><td>academic exchange</td></tr>
<tr><td rowspan="2">governments</td><td>Amount of tax paid</td></tr>
<tr><td>anti-corruption</td></tr>
<tr><td>media, esp. news media</td><td>Focus on media information</td></tr>
<tr><td>regulatory body</td><td>Cooperate with regulatory inspections</td></tr>
</table>

4. Problems with the Quality of Huaxi Bio's Social Responsibility Disclosure Information

(1) Key social responsibility elements and key indicators missing

As can be seen from the table of the scoring system for CSR disclosure in the healthcare industry in each category, Huaxi Bio also has 28 indicators not disclosed, accounting for 40% of the total number of indicators. There is a big problem with its completeness. Enterprises are coping more with the mandatory disclosure requirements. Especially some key indicators, for example, in the protection of creditors, most of the enterprises are directly skipped, or only "actively protect the rights and interests of creditors" and other vague language for qualitative disclosure, and can directly reflect the enterprise's capital chain status and solvency indicators or to protect the interests of creditors to do the relevant costs of input data, in the No disclosure or explanation is made in this section, and although report users can find relevant liability data in other parts of the annual report, the extent of such disclosure is insufficient, and report users are unable to obtain any substantive and useful information on the actual fulfillment of the enterprise's responsibility to safeguard the interests of creditors.

(2) Uneven disclosure of social responsibility information

After analysis, it is found that the level of Huaxi Bio's social responsibility disclosure and the company's size and its capital structure have a certain connection, and the level of disclosure has a certain bias. Today's society, social responsibility has been a kind of "spontaneous" behavior of enterprises, but there will be differences in the performance of responsibility, the degree of responsibility, specific details of the arrangements, etc., one of the major factors that is limited by the characteristics of the enterprise itself, such as enterprise size, capital structure and performance development status. This phenomenon is also reflected in the medical industry of the Science and Innovation Board, from the point of view of enterprise scale, in general, among the sample enterprises with higher total score of social responsibility information disclosure, large private enterprises account for the majority, and the registered capital, total assets, total revenue are in the middle and upper level of the industry. This leads to the problem of uneven disclosure of social responsibility information within the healthcare industry in the KCCB.

(3) Incomplete disclosure of negative and risk information

In the past three years, Huaxi Bio has been actively publicizing its social responsibility, such as the increase in R&D funding, the success of its innovative projects, and the effectiveness of its quality control, while deliberately avoiding negative publicity that could have a negative impact on the company. In November of this year, the media reported that Zhao Yan, the former chairman of Huaxi Bio, "violated shareholders' rights and interests by forcibly recovering employees' shares at a low price," while Cui Guangping, co-founder and vice chairman of Huaxi Group, also claimed that his 10% dividend had not been honored, and in response to investor reports, the Shandong Bureau of Securities Supervision had said "is intervening in the investigation", while Huaxi Biological has so far remained silent and has not disclosed any information on the matter. Pharmaceutical companies through the research and development of new drugs, so that they can produce good results for patients, thus generating huge economic benefits. However, before that, there are many potential risks, such as spending a lot of time on clinical trials, who are the subjects of the trials, what are the results of the trials, and what are the outcomes of the trials, which are not mentioned in Huaxi Biologicals' information. The disclosure of CSR information should reflect the risks that the company may face in an objective and truthful way, not just as a means of publicizing its corporate image.

5. Countermeasure Suggestions to Improve the Quality of Huaxi Biological Social Responsibility Information Disclosure

(1) Constructing an information disclosure system for corporate social responsibility

Huaxi Bio should set up an independent CSR disclosure organization including internal accountants, staff from various departments, external professionals, etc., to ensure professional standardization in the process of collecting and disclosing CSR information. When disclosing information, the basis of preparation should be clearly defined to ensure that reports in various forms, such as annual reports and independent reports, are issued on a regular and continuous basis. Accompanied by the development of network technology, enterprises should pay enough attention to informationization construction, and update online information in a timely manner, so that different stakeholders can access it at any time to avoid lagging information. At the same time, they should provide timely and truthful explanations to the public for the negative events occurred and propose corresponding solutions, which is of great significance to improve the reputation of the enterprise.

(2) Increased reporting of quantitative accounting indicators

Pharmaceutical is a livelihood industry, the company should pay more attention to the disclosure of information, and the indicators that are closely related to the life safety and health of consumers. Huaxi Biological Company's financial statements are mainly qualitative statements with few financial indicators, which should increase the financial indicators that characterize the pharmaceutical industry. Enterprises should focus on the integration of economy, society and environment, combine stakeholders organically, construct a perfect indicator system, and relate it to the characteristics of the pharmaceutical industry, such as: the progress of drug research and development projects, the quality inspection pass rate, the rate of pollution emission compliance rate, the rate of expenditure on environmental governance costs, and so on. By introducing quantitative indicators for financial statements, the quality of information disclosure of the company can be improved, thus increasing the value of the company.

(3) Playing a regulatory role for independent directors and the general public

Independent directors are an important part of the corporate governance structure, and with full consideration of the interests of all stakeholders, they are able to exercise their judgment of corporate social responsibility disclosure, which is conducive to the active fulfillment of the company's social responsibility. In the process of drug use, if there is a drug side effect, it is not possible to carry out private disputes in the name of an individual, but to use the media, law and other ways to safeguard their interests. Therefore, social media, the public and consumers have the responsibility and obligation to report on irresponsible behavior of companies, and make use of public opinion supervision, media attention, public promotion and other ways to promote the fulfillment of social responsibility of pharmaceutical companies.

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