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Accounting disclosure of environmental performance in the financial reports of Tebessa Cement Company

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Abstract:
This study aims to highlight the extent of the Cement Company's commitment in Tébessa State to the accounting disclosure of its environmental performance in financial reports. The study addresses the following topics using a descriptive analysis approach: Firstly, environmental accounting and the environment; secondly, accounting disclosure of environmental performance, and finally, the analysis and results of the disclosure of environmental performance in the financial reports of the Cement Company in Tébessa State.
The study finds that the company uses disclosure in management reports forenvironmental accounting and is committed to disclosing environmental performance in financial reports. The disclosure is mainly positive, emphasizing environmental protection expenditures and measures under the Environmental Management System. However, it lacks quantitative information on negative environmental impacts, such as emissions and waste.
Keywords: Accounting disclosure, environmental disclosure, environmentalperformance, financial reports.
Jel Classification Codes:

I. Introduction

Using environmental information alongside other data provides a comprehensive picture of an organization's position within society. As an independent entity, organizations often rely on profit maximization or cost reduction, whether it is related to production costs or non-revenue generating costs. However, due to the responsibility of the organization towards external stakeholders, society, and the environment, it is committed to fulfilling obligations to meet its responsibilities towards these parties, whether they are social or environmental responsibilities.

Environmental problems have a direct impact on development, such as pollution and non-economic use of limited economic resources, especially in light of the expansion of the industrial sector and technological development. Organizations must consider fulfilling their responsibility towards society by not harming the environment in which society lives when performing their tasks. As a result, organizations have borne significant costs and burdens to care for and preserve the environment. Hence, the accounting role is crucial in addressing environmental problems, especially in light of the growing awareness of the need for a close relationship between the organization and the environment.

Problem and Study Objectives:

Based on the above, the problem of the study can be identified in the following question: What is the extent of the cement company in the state of Tebessa's commitment to environmental accounting disclosure in financial reports? In light of this, the study aims to achieve the following objectives:

- Identify the conceptual framework for environmental performance disclosure.
- Highlight the importance and methods of environmental performance disclosure.
- Study and analyze the disclosure of environmental performance in the financial reports of the cement company in Tebessa.

Study Methodology:

The study adopted a descriptive-analytical methodology and a case study approach. The following methods were used in the data collection process: In the theoretical literature, data were obtained by reviewing theoretical and field studies and research. As for the case study, the content analysis method was relied upon to analyze the financial reports of the company.

Previous studies:

1. Mahmoud Mohamed Abdelhay's study "The Role of Environmental Accounting in the Sustainability of Industrial Facilities" aimed to demonstrate the effectiveness of environmental information, especially accounting, in decision-making by providing the necessary economic accounting information and how environmental accounting can be applied in industrial facilities. The study also explored the possibility of preparing information that reflects environmental responsibility and the role of industrial facilities in reducing the risks of pollution to workers, the community, and the environment. The study reached several conclusions, including:
   - There is the possibility of applying environmental accounting to measure and identify environmental inputs and outputs and disclose them.
   - The economic unit can affect environmental protection from pollution through accounting disclosure.
   - Reporting on environmental accounting information is considered part of accounting principles and a level of accounting.
   - The costs borne by the project to protect the environment and control pollution lead to the presentation of the project's true profit.
   - The need to pay attention to the ethics and behavior aspects of the accounting profession to achieve the protection of the multiple interests of various segments in societies, such as environmental, health, and safety issues.
2. Norhasimah Md Nor's study et al. "The Effects of Environmental Disclosure on Financial Performance in Malaysia" aimed to verify the existence of environmental disclosure and financial performance among the top 100 companies in terms of market value in Malaysia for the year 2011. The required information was examined through content analysis of the companies' annual reports. The analysis showed mixed results between the existence of environmental disclosure practices in Malaysia and financial performance, and this issue is still being discussed at the international and national levels because environmental accounting is evolving and expanding with increasing social focus on the environment.

There are no such regulations and legal requirements for companies in Malaysia to disclose environmental sustainability. However, there is still a need for environmental disclosure if companies want to legitimize their position among the community to enhance expectations in measuring the environment.

3. Dr. Khaled Saeed Barakat's study "Describing the Relationship between Accounting Disclosure of Corporate Social Responsibility Dimensions and Financial Performance: A Descriptive Analytical Study on Saudi Companies" aimed to provide a positive guide from the Saudi business environment that contributes to describing the relationship between the different dimensions of corporate social responsibility and their financial performance. To achieve this, a descriptive analytical approach was used. The study reached several conclusions, the most important of which are:
   - There is a positive impact of the dimensions of social responsibility related to customers, community, and the environment on the financial performance of Saudi companies.
   - There is an indirect positive impact of the employees' dimension on this performance due to its partial interaction and convergence with the other dimensions.
   - The motivation behind practicing and disclosing all dimensions of social responsibility in the Saudi market is economic, not ethical, as a result of the interaction and convergence between the dimensions of social responsibility, they should be considered relatively equally important when drawing a policy for their practice and disclosure in Saudi companies.

These studies differ from the current study in the spatial and temporal boundaries of the applied study, as well as in the focus on accounting disclosure of environmental performance in the financial statements of the cement company in the state of Tebessa.

II. Environmental Accounting and the Environment:

1. The Environment

The environment is defined as a collection of scarce resources on the planet Earth, within the atmospheric envelope surrounding it, and the scarcity of these resources makes it necessary to consider them as types of environmental assets. (Moaied Al-Fadl et al., 2002, p. 222)

With the development of societies economically and culturally, and due to globalization, the profession of accounting has developed, and there are now other branches of accounting such as cost accounting, government accounting, social accounting, from which environmental accounting

derived. Social accounting aims to measure the performance of the institution according to the demands and needs of the community from the economic unit and its commitment to social obligations. There is an aspect related to the environment, such as limiting or preventing pollution and the various methods of treating this problem, which requires awareness and recognition of the social and material returns of institutions and organizations in addition to the financial returns. The financial return achieved as a result of social responsibility towards protecting the environment is reflected in the savings achieved from pollution prevention. This requires measuring and analyzing environmental costs and returns in order to give an accurate and comprehensive picture of the institution. The institution needs to gain a competitive advantage through transparency in the information published to gain the confidence of the users of this information. The report issued by the Environmental Committee in the United States(Office of Pollution Prevention and Toxics, 1993, pp: 1-2)referred to the accounting role in measuring and analyzing environmental costs resulting from pollution and integrating them with the cost of the final product, which adds transparency to the business results and has a positive impact on the decisions of investors and shareholders who demanded that reducing pollution should be a priority when institutions are active. Based on that, an environmental accounting project was established in 1992 in cooperation with the EPA's Pollution Prevention Committee to take the necessary measures to reduce pollution, and to indicate its impact on product quality, pricing decisions, performance evaluation, and product profitability in the face of environmental waste and pollution reduction

In general, the application of environmental accounting requires the availability of several essential elements, the most important of which are: (Amal Abdul Hussein, p. 307)

Determination of important policies for environmental accounting, which requires the clear definition of the objectives of environmental accounting activities, in order to ensure the compatibility of the objectives of environmental accounting with the policies and general objectives of the institution, as far as they relate to environmental management.

Determination of the period and scope targeted for environmental accounts, which requires the accurate identification of the following elements:

- Thetargeted period, which is the same period covered by the environmental report of the institution.
- The scope of environmental data aggregation, which is the same scope specified in the environmental report of the institution.

It can be said that the costs of pollution and the costs resulting from environmental damage are one of the most important items of product costs, which some institutions neglect or do not care about enough, leading to misleading figures and indicators, in addition to lack of transparency in the published results. This affects the decisions of investors and concerned parties who use these results. Reducing the costs of pollution and environmental damage, in addition to other costs, will lead to reducing the final cost of the product, which is a goal sought by institutions to increase profitability and increase the community's confidence in dealing with an institution that takes environmental aspects into account, which adds a moral aspect in addition to the material aspect. This requires the necessity of working to increase environmental awareness at the national level and its harmful effects on the level of institutions, by preparing programs to prevent or reduce pollution, which requires recognition of the costs related to pollution treatment or prevention and adding them to the total production costs.

2. Advantages of Environmental Accounting

Accounting literature has discussed the benefits and advantages of Environmental Accounting technology, and the most important benefits resulting from the application of this technology can be summarized as follows: (Sulaiman Sind Al-Jarbou, p. 439)

Environmental accounting contributes to improving the competitive advantages of institutions by facilitating the quality of the product.

The United Nations Department of Sustainable Development's (UNDSD) report indicated that environmental accounting represents a common gateway that provides data taken from financial and cost accounting to serve main purposes, including:

Increasing the efficiency of material and energy use;

Reducing environmental impact and risks;
Reducing the costs of environmental protection.
Practical application carried out by Pricewaterhouse Coopers showed that environmental management accounting clearly provides information on the total annual costs resulting from inefficiency, leading the company to improve options related to material efficiency. In addition, it achieves a range of benefits at other levels:
At the institutional level, it leads to improving capital and operational decision-making related to environmental activities.
At the operational level, it helps managers adopt preferred operational methods from financial and environmental perspectives.
At the product level, data can be used for pricing purposes, product mix decisions, and identifying areas of environmental costs and causes.

3. Environmental performance

Firstly, it is necessary to address the concept of performance individually. The term "performance" is not new, as it has been addressed by many studies and research from both theoretical and applied perspectives that aim to clarify its concept. However, there is no general agreement on its definition, which led to the diversity of different perspectives on its meaning and therefore, the variation in defining and evaluating indicators. In addition to the differences in the terms used to refer to performance such as efficiency and effectiveness.

The industrial progress and modern production technology, along with the waste and harmful residues that accompany it, have led countries to increase their interest in environmental performance recently. Environmental performance reflects the efforts of institutions to reduce the negative environmental impacts resulting from their products or various operational processes. This is achieved through rationalization in the consumption of raw materials, energy, and various resources, and the reduction of risks that may affect the surrounding environment. There is a diversity of terms used to refer to environmental performance, including environmental condition, environmental improvement direction, environmental efficiency, environmental effectiveness, and compliance with

environmental laws. (Lundberg, 2009, p.1018)
According to Scheibe, environmental performance includes "all the institution's actions towards the environment, regardless of their measurability and their impact on it, whether positive or negative" (Othman, 2008, p.526). The ISO 14001 standard defined environmental performance as "measurable results for managing the environmental aspects of an institution that can be measured within the framework of environmental management systems based on the policies, objectives, and environmental goals of the institution or any other environmental performance requirements" (ISO 14001, 2004, p.2).
In the same context, it is known that "all the activities and operations carried out by the institution, whether mandatory or voluntary, are aimed at preventing or mitigating the environmental and social damage resulting from the productive or service activities of the institution." (Al-Shahada, 2010, p. 223)
Through the above definitions, we find that the concept of environmental performance has been limited to environmental measures, while in reality; environmental performance should reflect the environmental impacts of the institution, as well as how it manages these impacts. We also find that these definitions have focused on preventive environmental measures, while neglecting measures for addressing damage.
Some have focused on defining environmental performance based on the environmental impacts of the institution on the community, while neglecting the measures for managing these impacts.
They define it as "reflecting the positive and negative effects of the institution's activities on its natural and social environment (Juan Ramón, 2012, p. 64.) which may include either direct effects resulting from resource consumption and emissions generated directly from products or the institution's activities, or indirect effects that arise after the product leaves the institution towards the customer for consumption.
It can be defined as "the ability of the institution to achieve basic environmental protection, which is represented in producing environmentally friendly products, achieving internal safety for workers, controlling hazardous emissions, and safely disposing of waste" (Ibid: p. 65).
From the above definitions, we can conclude that environmental performance reflects the positive or negative environmental impacts, direct and indirect, of the institution's activities on the surrounding environment, as well as the efficiency and effectiveness of the mandatory or voluntary, preventive or remedial measures

and actions that the institution takes to address these impacts. This is because the environmental efficiency standard refers to the extent of rational use of fewer resources and the reduction of negative environmental impacts, while environmental effectiveness reflects the extent of the institution's success in achieving its environmental objectives and goals.

4. Reasons for the interest in environmental performance:

The most important reasons for interest in environmental performance in economic institutions are as follows:

- The World Trade Organization agreement, partnership agreements and their annexes, and the international requirements and standards for environmental protection that they include, which have made them a requirement for export and import operations, obliging institutions to consider product quality standards and environmental standards.

- The increasing awareness of countries of the environmental risks resulting from the activities of institutions, and the adoption of programs and policies aimed at preventing pollution and reducing environmental risks of various kinds.
- The emergence of many institutions and associations interested in environmental affairs, and the increasing pressure they exert on industrial institutions to provide means of protection, prevent pollution, and provide environmentally safe products. For example, in the United States, there is the Environmental Protection Agency, and in the United Kingdom, there are centers for accounting, social, and environmental studies. (Epstein, M.J. & P.S. Wisner, 2001, pp.1-10).

- The continuous increase in public awareness towards institutions' commitment to producing environmentally friendly products, and the increasing trend of consumers towards using non-harmful environmental products without neglecting quality and appropriate prices. (Atiya, 2000, pp. 261-262)

III. Accounting disclosure of environmental performance:

1. Definition of accounting disclosure of environmental performance:

The concept of disclosure generally refers to revealing something so that it is known and clear. The main objective of disclosure is to provide information that is useful to various parties in making decisions, especially economic ones. In order for accounting to keep up with the development in all branches of knowledge, its role should not be limited to the traditional disclosure of the economic activity of the institution. It should also extend to include the effects of the institution's activity on the environment and provide a clear picture of it, so that those effects can be evaluated with regard to society in addition to evaluating its economic performance (Ashari, 2011, p.7).

Researchers have addressed the concept of environmental performance disclosure with different definitions, some of which focused on its means, defining it as "publishing information that expresses the environmental performance of companies through various means, whether in financial and administrative reports published, or through the company's websites or conferences and newspapers" (Al-Dabbagh et al., 2012, p.177).

It is also defined as "the method or approach by which organizations can inform society about its various aspects of different environmental activities, and financial statements or accompanying reports are a suitable tool for achieving this" (Al-Bahloul & Hamidan, 2011, p.447).

Regarding the nature of the disclosed information, some have defined it as "a set of information items related to the environmental management performance and activities of the company; and the financial impacts resulting from it in the past, present, and future" (Abu Al-Azm Mohamed, 2005, p.48).

As an action carried out within the framework of the institution's commitment to its environmental responsibility; some have defined it as "the process by which information on the environmental obligations resulting from the organization's daily activities is presented, and the extent of the organization's response to these obligations is stated so that stakeholders can obtain the necessary information for planning, control, and performance evaluation." (Hassan Abdul Saeed et al., 2009, p.19).

The previous definitions imply that environmental performance disclosure is the process of presenting and publishing information related to the environmental performance of an organization, which is done through various means such as financial and administrative reports, independent environmental reports, websites, conferences, or newspapers, in order to enable different stakeholders to obtain the necessary information for planning, monitoring, and evaluating performance.

Environmental performance disclosure can be mandatory or voluntary, with mandatory disclosure subject to a set of laws and regulations developed by governmental bodies or professional organizations. The aim is to require organizations to disclose everything that could affect the external environment and pollute it in order to improve its protection and prevent pollution in all its forms, in addition to achieving environmental and competitive advantages for that organization and achieving the goal of delivering that information to all parties in need of it.

As for voluntary environmental disclosure, it is the disclosure that is legitimized by administrative decisions related to the same economic institution. In this type, the organization is not obligated to disclose environmental information, but rather has the option to do so. There are a number of factors that play a major role in the choice process, including values, ethical principles, customs, environmental awareness, as well as the culture of the organization and its understanding of the importance of that. (Nima Al-Yasiri, 2007, p. 486)

2. The importance of disclosing the environmental performance of the institution:

The process of measuring and evaluating environmental performance refers to a method of facilitating managerial decisions related to the environmental performance of the institution by selecting indicators: collecting and analyzing data, evaluating information by comparing it with specified environmental performance standards, preparing reports and conveying information, and reviewing and improving this method periodically (1999 ISO 14031, p.2). It aims to evaluate the efficiency and effectiveness of the institution in achieving its environmental objectives, and the results of environmental performance evaluation represent an important source of necessary information to make many decisions for stakeholders outside the institution and at different regulatory levels within the institution. The following highlights the importance of measuring and disclosing environmental performance for each of these categories. (X. Olsthoorn et al, 2001, p454.)

- Company Management: Helps guide environmental development in harmony with strategic goals, identify waste and emissions from the most environmentally harmful pollutants to report on the environmental performance of the institution to stakeholders (shareholders, environmental authorities, customers), and use it as a reference for past periods or years.
- Production Management: Helps identify alternatives to improve the efficiency of the institution, and communicate information about efforts aimed at reducing the environmental impacts of the institution's operations.
- Marketing Management: Contributes to identifying new marketing alternatives, maintaining the institution's position in the market, and providing benchmarking with competitors.
- Purchasing Management: Helps with accountability for the relationship between the institution and client organizations.
- Environmental authorities: Enables testing the compatibility of institutions with licenses and permits.
- Local authorities: Enables the delivery of information about the institution's environmental improvement efforts, and is useful in establishing databases that help develop and localize government environmental policy.
- Investors and shareholders: Can refer to environmental commitments that may affect the financial performance of the institution.
- Consumers: To meet the needs of the green consumer.

For reference, the importance of measuring and evaluating the environmental performance of the institution depends on many factors, including the type and size of the institution, its sector of activity, the environmental sensitivity of its markets, consumption, the size and type of environmental legislation, and the organizational culture.

3. Methods of disclosing environmental performance:

Opinions of authors and researchers in the accounting field have varied regarding methods of disclosing the environmental performance of an institution. These opinions reflect three main trends:

3.1 Disclosure in the form of independent environmental reports:

This involves disclosing information in separate reports from financial statements and their appendices, regardless of the report format, whether descriptive, quantitative, or financial, and whether the disclosure is comprehensive or partial (Ahmed Al-Shahir, 1998, p. 95).

Supporters of this trend prefer disclosing environmental information in special lists directed only to the requesting parties. They argue that disclosing environmental information within financial statements may create great pressure on the institution, leading it to focus on environmental aspects at the expense of other economic aspects. However, this approach is criticized for prioritizing profit maximization, which is no longer the ultimate goal that the institution seeks, at the expense of its responsibilities towards the community and the damages it leaves on the environment, workers, or the society as a whole (Jabbar, 2011, p. 61).

The structure of an independent environmental report may include a set of paragraphs covering the following axes:

- General environmental information, including: defining the institution and giving a brief historical overview; the nature of the environmental effects of the industrial activity during the product life cycle; and any other relevant general environmental information.
- Reporting on environmental management, including: environmental policy; environmental goals and objectives; environmental programs; environmental management system; and environmental insurance.
- Environmental accounting policy information, including: definitions and terminology; principles of measuring financial environmental performance; principles of measuring physical (or physicochemical) environmental performance; and legal rules for measuring environmental performance.

- Financial environmental performance data, including: environmental costs and benefits; environmental investments; environmental commitments; and risk estimation.
- Information about the environmental performance includes: inputs, outputs, risks, incidents, and preventive and remedial measures from a physical perspective.
- Information about the environmental performance from a legal perspective includes: relevant legislation, changes in legislation and the extent to which it is adopted by the institution, environmental legal compliance status, cases of non-compliance and the corrective and preventive measures taken.
- Information about environmental verification and other notes. (Andreas Sturm, 1998, PP. 62-63)

3.2 Traditional financial statement disclosure:

Supporters of this trend believe that disclosing environmental performance is best done within traditional financial statements, as environmental, economic, and social information are integrated and together form a complete and comprehensive expression of the company's performance. The company's environmental activities affect its economic activities, and therefore this should be reflected in the financial statements, with a financial and environmental budget as well as a financial and environmental account. (Jabar, 2011, p.63)

3.3 Disclosure in management reports:

Environmental performance is disclosed in the company's annual report or in the board of directors' report, in a separate section entitled with a title that reflects its content, such as the environmental report or the company's environmental responsibility report. (Ahmed Al-Shaher, 1998, p.96)

IV. Environmental Performance Disclosure Analysis in the Financial Reports of Cement Company in Tebessa Province:

1. Introduction to the Cement Company in Tebessa:

The cement industry is considered one of the most important national industries, especially in developing countries, as it is a necessary means for the development of infrastructure projects. The Cement Company in Tébessa is one of the most prominent regional institutions that works to meet the region's needs for its high-quality product.

1.1. Company Overview :

The Cement Company in Tebessa is a public economic institution that is a subsidiary of the Cement and its Derivatives Company for the East and West. It was established on November 29, 1993, under the name of the Cement and its Derivatives Company for the East-MAA-LABYED Factory. It then separated from the latter to become a standalone institution with a social capital of 2,700,000,000 DZD, divided into 8,000 shares, with a value of 337,500 DZD each. The contributions from the initial capital of 200,000.00 DZD were as follows:

- The Cement and its Derivatives Company for the East (ERCE) with 1,200 shares, or 60%.
- The Cement and its Derivatives Company for the West (ERCO) with 400 shares, or 20%.
- The Cement and its Derivatives Company for Chlef (ECDE) with 400 shares, or 20%.
- The remaining amount was in the form of a loan from the Algerian External Bank (BED).

The establishment of this institution is one of the programs of the Fourth Four-Year Plan (80/67 for Development), which was implemented in 1985 under the supervision of the National Company for the Distribution of Building Materials.

1.2. Factory introduction:

The Cement Factory-Tebessa-MAA-LABYED district, occupies an area of 32 hectares, consisting of a production line with a capacity of 525,000 tons per day of cement. The factory is equipped with modern technology, monitoring, operation, maintenance, and management systems, as well as an electronic computer that provides automatic control. The production equipment is distributed and sequential, and conforms to the nature of productivity. The construction of the factory took about 67 months, or five years and 7 months, from the date of construction on 1990/02/25 until the end of the work on 1995/02/11.

The project started as follows:

- 1994/10/11: Furnace ignition date.
- 1994/10/14: Date of the first clinker.
- 1994/10/16: Date of obtaining cement for the first time.
- 1995/03/12: Date of distributing the first quantity of cement.

1.3. Importance and objectives of the institution:

The Tebessa Cement Factory is one of the most important national institutions in the economy. It was established to meet the growing demand for this material in the industry, due to changing economic conditions and the growth and expansion of projects. Its importance is also highlighted in that the local cement industry restricts the flow of hard currency that would be allocated to cover the demand for this material. In 1985, the imported portion of cement reached 8.5 million tons, while domestic production was 6 million tons, 45% of which was locally produced and the remaining 55% was imported. In 1955, the national production was 90%, with only 10% imported. From this, we conclude that the production of the MAA-LABYED Cement

Factory is now able to meet the demand for local production and contribute significantly to reducing unemployment and providing job opportunities.

The objectives of the institution are as stated in its legal documents: "The Tebessa Cement Factory aims to produce, transport, market, and practice all activities related to cement and building materials in the country and abroad, as well as all financial, real estate, and non-real estate operations, directly or indirectly related to its business."

In addition, there are other explicit and implicit goals, which can be summarized as follows:

- Supporting national efforts in the field of employment.
- Correcting the developmental imbalances by restoring regional balance in the economic field.
- Covering the regional deficit, especially in the cement and building materials sector.
- Producing a product that meets international standards and allows for competition.

1.4. The company's capabilities

Include owning three quarries: a limestone quarry containing 90 million tons of limestone, a clay quarry containing 33,200 tons of clay as reserves, and a sand quarry containing 9 million tons as reserves. These quarries are the primary sources for cement manufacturing, in addition to the gypsum extracted from the Bir Al-Ater unit and the raw iron from the Boukhadra mine unit.

2. Analysis and Results of Environmental Performance Disclosure in the Financial Reports of Cement Company in Tebessa:

The administrative and financial reports of the Tebessa Cement Company were reviewed with the aim of analyzing and evaluating the current state of accounting disclosure regarding environmental performance. It was found that this disclosure is made through management reports and financial statements' appendices.

The following are the results of the examination and analysis of the content of these reports:

❖ Information about environmental performance is presented in the management reports as part of the activity balance sheet through a range of items included in fixed axes. This information includes:

  – Quantity information about energy and material consumption (planned and actual) in the production axis.
  – Cash and descriptive information about environmental protection investments (completed, in progress, and future) in the investment axis.
  – Cash information about environmental risk insurance (premiums and compensations) in the insurance axis.
  – Information about environmental management procedures included in the quality, environment, health, and safety management axis, including:
    - Action plan to remove reservations from external audit committees of environmental management systems.
    - Company's environmental situation (aspects of environmental pollution caused by the company's activities and their effects).

- Environmental improvement procedures, including monitoring and reviewing environmental programs, waste management activities, updating the legal texts list in the environmental field, updating the environmental aspects list, conducting internal and external environmental audits, and reviewing the environmental guide.
- Environmental training and awareness.

❖ Regarding the disclosure method of environmental performance indicators in the management reports, the following was found:

- The reports included quantitative and descriptive information about training and awareness activities in the environmental field and descriptive information about environmental management activities. However, the reports did not include information about some other administrative performance indicators, such as evaluating environmental protection programs and cases of non-compliance with environmental laws

- Indicators related to energy and material consumption have been included, while some important indicators of operational performance and environmental status, such as polluted air emissions and waste, have not been disclosed.
- The reports did not include information about the negative environmental impacts of the company's activities on the quality of air, water, and soil, nor did they include information about the positive impacts of the company's environmental performance by highlighting the benefits and savings achieved in this regard. For example, when analyzing the development of energy and material consumption there was no mention that the decrease in consumption was due to savings in materials and energy resulting from the use of environmentally friendly technology.

❖ After tracking the development of the content of the axes in which information about environmental performance was included in management reports from year to year, it became clear that:

- There was no change in the volume and type of information included in the management reports on environmental performance over the years studied. This is due to the company's focus on descriptive information related to improvement procedures only.

- The company did not include all the subsidiary accounts related to environmental performance in the financial statements annex, despite the creation of a group of subsidiary accounts. Only balances of some of these accounts were disclosed, and their development was compared to the previous period. These accounts relate to inventory and expense cycles (capital and current), as balances of waste and residual materials accounts, environmental fees, energy and material consumption were disclosed, indicating poor disclosure of environmental performance.
- In the note related to off-balance sheet commitments, the disclosure included quantitative and cash data related to contracts for environmental equipment supply, which involve dust removal, electricity usage and related spare parts. However, these contracts were not separately disclosed from other supply contracts, and there was no mention that they relate to environmental protection, as stated in management reports.
- Regarding accounting policies applied to accounts related to environmental performance, the financial statements annex included conditions for setting up the site restoration reserve, in accordance with mining law, while policies applied to other environmental items were not disclosed. For example, when disclosing policies applied to measuring inventory items, there was no mention of the method used to measure waste, neglect and residual materials.

Generally, the level of disclosure of information related to environmental performance in the financial statements annex remained unchanged throughout the studied periods. Compared to management reports, the information disclosed in the financial statements annex aboutenvironmental performance was lower in terms of quantity and type.

V. Conclusion:

Environmental performance in cement companies is a vital issue at present. This environmental performance requires adherence to recognized environmental standards and regulations, and reducing the impact of production processes on the environment. Accounting disclosures of environmental performance are considered one of the most important means by which a company's compliance with environmental standards and environmental performance can be improved.

It is worth mentioning that these accounting disclosures are one of the effective tools to increase transparency and accountability in companies, enabling investors and stakeholders to know whether the company has followed appropriate environmental policies, determine its commitment to these policies, and thus increase confidence in the company and improve its reputation.

Through studying and analyzing the financial reports of Tebessa Cement Company, it can be concluded that the company relies on disclosure in management reports as a method of environmental accounting disclosure and is committed to disclosing its environmental performance in financial reports through the activity balance section and financial statements appendix. The disclosure was distinguished by being a positive disclosure focusing on providing positive information related to the company's environmental protection expenses (capital and ongoing environmental expenses), as well as the procedures it undertakes in implementing and reviewing the environmental management system.

In disclosing information related to the negative environmental impacts of the company's activities, only descriptive information was provided in the reports, as they did not include, for example, non-monetary quantitative information on air emissions and waste.

Based on the results obtained in this study, a set of proposals can be presented:

- Working on developing a unified model for the environmental report that includes institutions in general, not just companies that have a significant impact on the environment.
- This report should include financial and non-financial environmental information to cover various aspects of the institution's environmental performance and meet the needs of different parties that require such reports.
- Companies should disclose this information and make it available to everyone by creating a database within the national environmental information system.
- It is also necessary to review accounting legislation to study the possibility of integrating disclosure requirements for environmental performance, and to work on including these requirements in stock market regulations and imposing mandatory preparation and publication of periodic reports.

– The possibility of providing material and moral incentives to Algerian companies should be studied to encourage them to disclose more financial and non-financial information about their environmental performance.

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