

# Research on the Impact of ESG Information Disclosure on the Green Innovation Performance of New Energy Enterprises under the Background of "Double Carbon"

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## Abstract

**Under the background of "dual carbon", ESG performance is an important indicator to measure the sustainable development of the green economy of enterprises. ESG information disclosure is the behavior of enterprises to disclose information to internal information users and external stakeholders, and it is the guarantee for enterprises to improve internal risk governance and strengthen external risk management and control. This paper will analyze the status quo of ESG information disclosure of new energy companies on the basis of elaborating the relevant content of ESG information disclosure, and study the impact of ESG information disclosure on green innovation performance of new energy companies. ESG information disclosure has a more significant positive impact on the green innovation performance of new energy companies.**

## Keywords

**ESG Information Disclosure; Green Innovation Performance; New Energy Companies.**

## 1. Introduction

Green innovation plays a key role in the continuous transformation of my country's economic development. It is not only the first driving force to promote high-quality economic development, but also an important source of supporting a country's scientific and technological strength, and an important means to enhance the innovation and competitiveness of the country's industrial economy. As well as an important way to build a sustainable competitive advantage for enterprises, its importance is self-evident. From the perspective of an enterprise, innovation can not only provide new products and services, but also strengthen management and improve enterprise competitiveness. It is also an important criterion for testing whether an enterprise can survive in a changing market environment. In the face of a complex and ever-changing economic environment, enterprises are facing increasing pressure from resources, energy and the environment. It is imminent to improve the ability of independent innovation in science and technology, and innovation has become the trend of the times. Therefore, only by emphasizing innovation activities can enterprises be in a favorable position in the fierce competition and obtain sustainable benefits and advantages. The concept of ESG was formally proposed by the United Nations Principles for Responsible Investment in 2006, which represents a more environmentally friendly development mode, a more responsible corporate image and a more effective internal governance mechanism, and is highly consistent with the requirements of high-quality development; at the same time, as a consideration, it is more The comprehensive concept of sustainable and coordinated development and a comprehensive and pragmatic governance method are also highly in line with the development concept of the new era. ESG performance, as an important information disclosed by the company, comprehensively shows the impact of the company's internal governance, internal and external stakeholders and systems on the company, and also reflects the company's overall performance in the market, and more comprehensively reflects the

company's environmental protection and social responsibility. As well as the understanding of corporate governance, companies are required to take the environment, society and internal governance into consideration when making business decisions, and at the same time promote relevant organizations to pay attention to corporate ESG performance and related information disclosure. In the context of China's continuous promotion of the implementation of innovation-driven development strategies and high-quality economic development, it is particularly necessary to study the impact mechanism between ESG information disclosure and corporate green innovation performance.

## **2. Overview of ESG Information Disclosure**

### **2.1. Connotation of ESG Information Disclosure**

ESG stands for Environmental, Social and Corporate Governance. The role of enterprises on the environment is called environmental information, which usually refers to the consumption of natural resources by enterprises; the role of enterprises on society is called social information, which usually includes the relationship between enterprises and society, the protection of employees' rights and interests, etc.; the corporate governance of enterprises It is called governance information, which mainly includes enterprise development strategy, risk control, salary system transparency and promotion system, etc. ESG information disclosure refers to the behavior of enterprises to disclose information to different internal and external stakeholders due to the above three aspects. In recent years, companies have carried out a series of activities in ESG information disclosure, such as ESG index evaluation, green investment, etc. These activities are carried out from the perspective of corporate non-financial performance, which has gone beyond the scope of traditional financial performance. ESG information disclosure has not only become the focus of attention of global companies, but also the focus of corporate stakeholders. The effective disclosure of ESG information is not only one of the guarantees to improve the internal control and risk management of enterprises, but also an important way to enhance the trust of information users and improve the transparency of enterprise information.

### **2.2. ESG Information Disclosure Specifications**

Generally speaking, the financial and accounting information disclosure of enterprises is based on accounting standards related to production and operation, and their performance is disclosed, while ESG information disclosure is based on relevant standards or guidelines issued by different organizations and institutions at home and abroad. disclosure. There are many international norms and standards for ESG information disclosure, such as the Global Reporting Initiative Guidelines and Sustainable Development Accounting Standards. Although various standards have different opinions on the classification of ESG and the setting of specific indicators, there is a high degree of consistency in the expression of the connotation of corporate performance in non-financial areas such as the environment, society, and corporate governance, especially in the investment process. Pay attention to the core elements closely related to sustainable development.

## **3. Problems in ESG Information Disclosure of New Energy Companies**

### **3.1. Few Companies Disclose ESG Information**

In 2022, there will be a total of 542 new energy companies listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange. Among the listed companies, there are 109 A-share companies, 111 companies on the New Third Board, and 306 companies on the New Fourth Board. Very few companies disclose ESG information.

### **3.2. Lack of Continuity in ESG Information Disclosure**

When collecting and sorting out the ESG information disclosure of listed companies of new energy companies, it was found that some new energy companies only disclosed ESG information in certain years . - No ESG information disclosed in 2021.

### **3.3. Irregular Compilation of ESG Reports**

The ESG report preparation standards issued by listed companies of new energy companies are not uniform, and the preparation standards do not reflect the characteristics of energy companies. The reference standards of some listed companies of new energy companies are outdated. The lack of uniform standards makes the disclosure of ESG information in this industry confusing . It is beneficial for information users to compare and analyze the contents of ESC information disclosure of listed companies of new energy enterprises.

## **4. The Impact of ESG Information Disclosure on Green Innovation Performance of New Energy Companies**

For enterprises, the success of innovation means the improvement of efficiency, performance improvement and competitive advantage over other enterprises in the market. Compared with general traditional investment activities, innovative investment activities may face higher investment risks due to the characteristics of long cycle and high risk, and the existence of information asymmetry and agency problems also greatly restricts enterprise innovation. As an evaluation system that comprehensively reflects the performance of companies in terms of environmental protection, social responsibility and corporate governance, ESG information disclosure can stimulate companies to solve problems in corporate innovation and stimulate corporate innovation enthusiasm and enthusiasm. As stakeholders continue to pay more attention to corporate responsibility, the importance of corporate ESG performance is also becoming more prominent.

From the perspective of information asymmetry, internal managers generally have priority over external investors in mastering effective corporate information, which is the main reason why external financing costs are much higher than internal capital costs, so companies have incentives to improve their ESG performance and the quality of information disclosure, so as to effectively reduce the information asymmetry caused by the blockage of information acquisition channels, and enable enterprises to obtain the resources needed for innovation. From the perspective of signal transmission theory, good ESG performance sends positive signals to the external capital market, which is conducive to the company's support and recognition from external investors and creditors: good ESG performance reflects that the corporate governance mechanism is relatively complete. Under the constraints of the mechanism, the self-interest and speculative behavior of corporate managers will be greatly restricted, which will prompt managers to invest more energy in corporate innovation. Therefore, under the trend of the country vigorously promoting corporate innovation, in order to improve their ESG performance, companies will inevitably Pay more attention to long-term development.

Innovation, as an important driving force for enterprise development, enables the management to increase innovation willingness and increase investment in R&D, which is conducive to establishing a good corporate image, promoting trust between the enterprise and stakeholders, improving corporate reputation, and firm funding suppliers. The confidence of the enterprise reduces the decision-making risks of creditors and investors, enables the enterprise to gain the favor of external investors, eases the financing constraints of the enterprise, prompts the enterprise to increase investment in independent research and development, and improves innovation performance. Then analyze from the perspective of sustainable development theory:

financing constraints depend to a large extent on the long-term health of the company. In the short term, corporate ESG investment will increase corporate costs, but from a long-term perspective, it can improve corporate operating efficiency and increase The market value of the enterprise can alleviate the degree of financing constraints of the enterprise, obtain more financial support for the innovation activities of the enterprise, and encourage the enterprise to increase R&D investment and improve innovation performance. From the perspective of the reputation mechanism, a company's good ESG performance not only wins the reputation but also attracts media attention and reports. Under the supervision and constraints of the media, it can weaken the information asymmetry of the company and effectively restrain the self-interested and speculative behavior of the management. , to urge the management to attach importance to innovative R&D activities and improve corporate innovation performance. Based on the above analysis, Hypothesis 1 is put forward:

H1: When other conditions remain unchanged, a company's good ESG performance can promote the improvement of innovation performance.

## **5. Suggestions on ESG Information Disclosure for New Energy Companies**

### **5.1. Develop a Unified Specification for ESG Information Disclosure**

The Global Reporting Initiative Guidelines are often cited in international ESG information disclosure standards, which include four relatively independent and interrelated modules, covering more than 30 subdivided guidelines. Other standards that are widely adopted include sustainable development accounting standards, ISO26000 social responsibility standards, etc. The core content of different ESC disclosure standards is different, so new energy companies have a larger choice, and they can often choose according to their own development. Different ESG information disclosure standards need to be selected. However, this situation not only makes it difficult for users of ESG reports to compare and analyze the ESG reports of different companies, but also increases the disclosure cost of companies, which instead leads to selective disclosure by companies. At this stage, China has not yet established a unified ESG information disclosure standard. In order to reduce the analysis cost of report users and prevent companies from only disclosing data that is beneficial to themselves, the establishment of a unified ESG information disclosure standard should be accelerated.

### **5.2. Improve the Quality of Disclosure in Comparison with International Standards**

At present, in the absence of a unified ESG information disclosure standard by the Chinese government, listed companies of new energy companies can refer to international mainstream standards, such as compiling ESG reports based on the Global Reporting Initiative guidelines, and specifying ESC indicators in the reports index. International research on ESC information disclosure standards is more mature, and ESG information is more comprehensively classified. For example, environmental protection is specifically divided into environmental management system, water resource protection, and biodiversity. Listed companies of new energy companies can refer to international standards and actively disclose more information, thereby improving the quality of ESG information disclosure.

### **5.3. Implement ESG Information Mandatory Disclosure Mechanism**

At present, the world's major stock exchanges have adopted inconsistent policies on whether to require listed companies to disclose ESC information, and most of them still require disclosure. Among the top ten countries and regions in the world, 40% of them require mandatory disclosure of ESG reports, and 80% of countries and regions require mandatory disclosure of ESG information. ESG has become one of the key concerns of the top five global markets. However, China still implements the policy of voluntary disclosure of ESG information,

and the mandatory constraints on new energy companies are insufficient, making it easy for new energy companies to carry out "selective disclosure" and even "greenwashing" behaviors. Compulsory implementation of the ESC information disclosure system will not only help advance China's overall assessment of the progress of the "dual carbon" goal, but also help to enhance the social responsibility of new energy companies, and help the whole society to participate in the supervision of ESG behavior of new energy companies. action.

## 6. Conclusion

New energy companies should focus on improving management and operation in terms of environmental protection, social responsibility, and corporate governance, improve ESG performance, enhance competitive advantages, optimize governance levels, ease financing constraints, promote innovation performance, and promote high-quality development of enterprises; external investment Investors should regard corporate ESG performance as an important indicator for evaluating corporate investment potential and measuring investment risk, and encourage companies to continuously improve ESG performance. At the same time, government departments should establish and improve the ESG evaluation system, give full play to the influence of the market on enterprises, guide enterprises to achieve standardized information disclosure, improve enterprise ESG performance, and promote the high-quality development of China's economy.

ESG can promote the sustainable development of enterprises. New energy enterprises should see the ESG development trend at home and abroad, take precautions, continuously improve energy utilization efficiency, reduce pollutant emissions, shoulder due social responsibilities, and strive to be the "main force" of energy conservation and emission reduction , to help China realize the "dual carbon" goal as soon as possible, so as to lay a solid foundation for enterprises to achieve sustainable development.

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