

# Does Green Credit Policy Affect Dividend Distribution

-- Evidence From A-share Listed Companies

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**Abstract:** Green credit means that banks and financial institutions provide loans and financing to enterprises and projects that contribute to environmental protection in order to support the development of green economy. The development of green credit is not only of great significance to environmental protection and sustainable development, but also has a profound impact on the operation and development of enterprises. This kind of influence is mainly reflected in the business performance and the image reputation of the enterprise, so it will also affect the dividend distribution of the enterprise. Firstly, this paper summarizes the relevant literature at home and abroad, and sorts out the existing literature on the impact of green credit policy on dividend distribution. According to the innovation of the existing literature, this paper discusses the influence mechanism of green credit policy on corporate dividend distribution. Then, this paper empirically tests the dividend data and green credit scale data of A-share listed companies, and finally draws A conclusion. This paper adopts PSM-DID empirical test method and finds that green credit policy has a significant positive impact on dividend distribution of listed companies.

**Keywords:** Green credit; Dividend distribut.

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## 1. Introduction

Since 2007, China has gradually carried out green credit business. In 2012, the “Green Credit Guidelines” has provided guidance for China’s financial institutions to carry out green credit business, and clarified the standards of green credit issuance. With the development of a series of green credit, it will inevitably affect the financing constraints of the company, social responsibility, thus having a certain impact on the company’s dividend payment.

Will the implementation of the green credit policy affect the dividend distribution of enterprises? On the basis of explaining the action mechanism of green credit, the double difference model will be used to analyze the impact of green credit policy on the company’s dividend distribution.

### 1.1. Research significance

Green credit policy aims to support environmental protection and sustainable development projects. By studying the impact of providing green credit to companies, we can evaluate the actual contribution of these projects to the environment and society, thus promoting the application of the concept of sustainable development in the company’s business decisions.

As environmental and social problems become increasingly prominent, more and more investors begin to take environmental and social factors into their investment decisions. Impact research of green credit can help investors assess company performance in environmental and social responsibility and thus guide their investment decisions.

By obtaining green credit and implementing green projects, the company will enhance its environmental and social image, thereby increasing its brand value and reputation. Research on the impact of corporate dividend distribution can help companies understand the specific impact of green credit on corporate image, so as to provide reference for its image building and brand building.

The impact study of green credit policies can also help companies assess the potential impact of environmental and social risks on business operations and dividend distribution. By identifying and managing these risks, companies can reduce the financial and reputational risks posed by future environmental and social problems and protect shareholders.

In short, the significance of the research on the impact of corporate dividend distribution is to promote sustainable development, meet the needs of investors, shape corporate image and manage risks, so as to provide beneficial guidance for the long-term sustainable development of enterprises.

### 1.2. Research ideas

This paper mainly adopts the overall research idea of “problem proposal-theoretical analysis-hypothesis proposal-empirical test”. Firstly, the research background, research significance and research status at home and abroad are introduced; secondly, the theoretical analysis is conducted to further promote the dividend distribution of the company; then, propose reasonable assumptions based on theoretical analysis; finally, empirically test the hypothesis and analyze the results. The structure of this paper is arranged as follows:

Chapter 1, the Introduction. This chapter will elaborate on the research significance and research ideas of this paper, and establish a writing framework for the development of the later research.

Chapter 2, The Literature Review. This chapter will elaborate on the green credit policy and its development process, dividend distribution and its influencing factors, and the research status at home and abroad, and lay a foundation for theoretical analysis and hypothesis proposal.

Chapter three, theoretical analysis and research hypothesis. After this chapter, the theoretical analysis of the influence of green credit on enterprise dividend distribution is conducted in detail, and the research hypothesis is put forward.

Chapter four, sample selection and study design, This chapter describes the sample selection and data source of

empirical analysis, control variables, interpretation and explained variables, and model construction. Lay the foundation for the empirical analysis part.

Chapter five, empirical analysis and conclusion. This chapter starts with summary statistics and 1% tail reduction to reflect the data characteristics of the control variables. Secondly, the PSM-DID model was established, the PSM used nuclear matching, and the model regression analysis, and the final conclusion.

## **2. Literature Review**

### **2.1. Green credit policies and their development**

Green credit comes from green finance, which refers to the loan or financing support provided by banks or other financial institutions to enterprises that meet certain environmentally friendly standards. And green credit policy (green-credit policy), refers to the environmental protection, the People's Bank of China, the China banking regulatory commission three departments in order to curb the blind expansion of energy intensive polluting industries, on July 30, 2007 jointly proposed a new credit policy, namely on the implementation of environmental protection policies and regulations to prevent credit risk, will through financial leverage to achieve environmental regulation. Specifically, establish environmental entry threshold in the field of financial credit, and provide no credit support for new projects with restriction and elimination; for eliminated projects, various forms of new credit support shall be stopped, and measures shall be taken to recover the loans issued, cut off the economic lifeline of disorderly development and blind expansion of high energy consumption and high polluting industries from the source, effectively cut off the capital chain of serious offenders, curb their investment impulse, and solve environmental problems, and adjust the industrial structure through credit issuance.

In recent years, green finance has become a hot topic of concern to the international community. More and more financial institutions in the world begin to pay attention to environmental protection and sustainable development, and guide enterprises to transform and upgrade to the field of environmental protection through the introduction of green credit policies.

Our country starts with the policy, By introducing a number of green credit policies, Encourage and develop green credit, Since the Opinions on the Implementation of Environmental Protection Policies and Regulations on July 30,2007, A number of policies have followed, In February, 2012, The CBRC launched the Green Credit Guidelines, From the green credit concept, The green credit management system of the banking industry is constructed, It clearly requires banks to make an effective assessment of the environmental performance and risks of lending enterprises to rationally allocate credit resources, Provide low-rate preferential policies for project loans to environmentally friendly enterprises, Restrictions on the loan projects of polluting enterprises; In July, 2013, The CBRC launched the Green Credit Statistics System, The relevant statistical areas of green credit are clearly divided, Green credit projects are divided into green agriculture, green forestry, industrial energy saving and water saving; In June 2014, the CBRC launched the Key Evaluation Indicators for the Implementation of Green Credit; In December, 2017, The China Banking Association launched the Implementation

Plan of Green Bank Rating in China's Banking Industry, To carry out the green bank evaluation work; In June 2021, the Central Bank launched the Green Finance Rating Scheme for Banking Financial Institutions; In June 2022, the China Banking and Insurance Regulatory Commission issued the Guidelines on Green Finance in the Banking and Insurance Industry, The environment, society, Governance requirements are incorporated into management processes and comprehensive risk management systems; The outline of the 14th Five-Year Plan also emphasizes the need to vigorously develop green finance. Under the guidance of the green credit policy, China's banks and other financial institutions constantly promote the development of green credit business.

After more than ten years of efforts, CBRC has established a green credit policy system with the "Green Credit Guidelines" as the core and the green credit statistical system and the assessment and evaluation mechanism as the two cornerstones, effectively regulating the development of green credit by China's banking financial institutions.

Due to recent decades in a series of green credit policy, issued in 2012 is the core green credit guidelines system, other green credit policy and the green credit guidelines to achieve the purpose is consistent, namely the influence on the enterprise is the same, therefore, we choose the green credit guidelines as a representative of the green credit policy on the study of the dividend distribution.

### **2.2. Dividend distribution and its influencing factors**

Dividend refers to the dividends obtained by the shareholders of a listed company when distributing dividends according to the proportion of their actual capital contribution. Dividend distribution generally includes: cash dividend, stock dividend, property dividend and liability dividend. Among them, cash dividends and stock dividends are relatively common. The dividend distribution of most listed companies in China is to return the profits to the shareholders by issuing cash dividends.

There are several main influencing factors for corporate dividend distribution, namely, equity structure, profit and cash flow status, policies and regulations, and market factors. The influence of equity structure on dividend distribution mainly lies that the major shareholders will intervene in the dividend distribution policy due to the interests, and some high-income shareholders oppose the company to pay more dividends in order to reduce the income tax; profit and cash flow are the basis of the company, a mature enterprise with high profit and high cash flow often pay more dividends, and the legal policy restricts dividend distribution, such as capital preservation restriction, tax policy; market factors include many aspects, such as market concentration, social responsibility, and investor factors. The dividend is the best proof of the development of the company. If the company pays most of the surplus, it shows that the company is more stable and investors will be more willing to invest their funds in the company.

### **2.3. Research status at home and abroad**

At present, there is little research on the impact of green credit policies on dividend distribution at home and abroad, most of which focus on the impact of green credit policies on enterprise performance, financing ability and green innovation. It is pointed out that the green credit policy has a significant reverse impact on the performance of industries

restricted by green credit [1]. The study found that after the implementation of the green credit policy in 2012, the debt financing cost of heavily polluting enterprises increased significantly [2]. The research shows that after the implementation of the green credit policy with "Green Credit Guidelines" as the core of the system, the green innovation output of this type of listed enterprises can be significantly promoted for non-heavy polluting enterprises or heavy polluting enterprises [3].

In terms of foreign research, European and American countries have developed a relatively mature research in the field of green finance. Research shows that the impact of green credit on dividend distribution depends on the environmental responsibility of companies and the development of green financial market. Among companies with high environmental responsibility, green credit can encourage companies to increase their investment in environmental protection and increase their dividend distribution ratio. It is pointed out that enterprises that can develop excellent social responsibility strategy will bring tangible benefits to shareholders through the form of high dividend payment level [5]. A study of 22,839 American companies between 1991 and 2012 found that the higher the fulfillment of social responsibility, the higher the dividend payout ratio [6]. In countries with mature green finance market, the introduction of green credit can promote the stability and sustainability of dividend distribution. In addition, some studies have found that green credit can improve corporate governance structure, improve corporate transparency and disclosure level, which in turn affects dividend distribution.

### **3. Theoretical Analysis and Research Hypothesis**

#### **3.1. Theoretical analysis and hypothesis proposal**

The impact of green credit on corporate dividend distribution is mainly realized by affecting both ESG and HHI.

##### **1. The ESG affects the dividend distribution**

From an investor perspective, investors are increasingly concerned with environmental, social and governance (ESG) factors and are more willing to invest in companies with high ESG scores. By adopting sustainable practices supported by green credit policies, companies can improve their ESG scores, attract more investors, and in turn boost share prices, thus increasing dividend distribution. At the same time, enterprises will not reduce the dividend distribution because of the investment of social responsibility, foreign scholar Rakotomavo found that the resources that companies use to fulfill their social responsibilities did not reduce the cash flow paid to investors [4].

From the perspective of enterprises, green credit policies can have a positive impact on the dividend distribution of enterprises by reducing loan costs, improving sustainability and fulfilling social responsibilities. In companies with higher ESG scores, more sustainable practices have often been adopted, which represents a strong sense of social responsibility and makes it easier to access the benefits of green credit policies. These companies are more likely to benefit from low-cost financing, attract more investors and improve sustainability, and therefore are able to more actively distribute dividends to shareholders. In China, It is found that among China's A-share listed companies, the stronger the

sense of social responsibility, the more active the cash dividend payment, and the concept of social responsibility can reduce the interests of the major shareholders and controlling shareholders of the company [7]. Semutin and Shi Changming et al. Based on the perspective of stakeholders, the company that takes the initiative to undertake social responsibility pays higher dividends to the shareholders of the company [8] [9]. The study of He Limei and Qin Fangling found that investors will push companies to increase cash dividends by suggesting them to take on social responsibility [10].

Therefore, based on the above analysis, this paper proposes the following assumptions:

Hypothesis 1: Green credit policies will promote enterprises to fulfill their social responsibilities, improve their ESG scores, attract more investors, and have a positive impact on dividend distribution.

##### **2. HHI affects dividend distribution**

The Herfindahl-Hirschman Index (HHI) is a tool used to measure the degree of market competition, and it is usually used to assess the degree of market monopoly or oligopoly. In finance, HHI can also be used to assess the market share distribution of companies within the industry. If the higher the HHI is, the market is more concentrated, with a few companies taking a larger market share and relatively low competition. In markets with relatively stable market share distribution, the intensity of market competition is relatively low, and it is easier for enterprises to obtain stable cash flow, which helps enterprises to plan and maintain stable dividend policies easier, because they are less affected by the sharp fluctuations in market share. In the case of market monopoly or oligopoly, enterprises usually have higher pricing power and can raise the price of products or services more easily. That means they have more leeway to generate additional cash flow, which can be used for dividend distribution. Companies with large market shares often have a larger pool of resources that can more easily finance sustainability and green projects without excessive pressure from market competition. This can help them implement environmental measures to meet the requirements of green credit policies. Higher HHI may reflect a strong corporate position in the market, which may attract more investors, including those seeking a higher dividend yield. The needs of these investors help drive companies to maintain or increase dividend distribution. It is important to note that while higher HHI may help companies benefit from green credit policies, this does not mean that market concentration itself is positive. Market competition is often beneficial for consumers and economic efficiency. Therefore, the design of green credit policies needs to balance the need to support the sustainable development goals and maintain the market competition.

Based on the above analysis, the second hypothesis is proposed:

Hypothesis 2: The green credit policy promotes the dividend distribution of enterprises with higher market concentration.

### **4. Sample Selection and Study Design**

#### **4.1. Model setting and index selection**

##### **1. Sample selection and data source**

In this paper, all A-share listed companies from 2008 to 2021 were selected as the research and analysis samples. The sample selection logic is as follows: in the consideration of

data availability, this paper selects A-share listed companies as the research and analysis samples; considering the second half of 2005 to the end of 2007, the intense sentiment of the A-share market, great influence on the valuation of the listed companies, and the new listing criteria formally implemented in the listed companies since January 1,2007, varying statistical caliber and poor comparability, this paper selects 2008 as the starting year of the data, 2008-2021 as the time range for analysis.

We selected the promulgation of the Green Credit Guidelines as the time node, 2008-2011 as the year before the implementation of the policy, and 2012-2021 as the year after the implementation of the policy. In order to study the impact of green credit policy on corporate dividend distribution.

Two groups were performed when performing empirical tests, without the first and the second.

## 2. Variable selection

### (1) The explained variables

In order to measure the dividend distribution of listed companies, the main explanatory variable used in the empirical part of this paper is the dividend distribution rate of listed companies ( $Div\_r$ ).

## 4.2. Core explanatory variables

Whether the listed companies are affected by the green credit policy, DID (= Policy×Gres).

Among them, Policy is the virtual variable before and after the implementation of the Green Credit Guidelines, the value of the period (2012 and after) is 1, and the period before the implementation (before 2012) is 0. Gres characterized the green credit policy implementation industries identified in the Guidelines, with Gres = 1 for the experimental group and Gres = 0 for the control group. We are most concerned about

the interaction item Policy Gres, which examines the impact of the Guidelines on green innovation in green and non-green credit restricted industries before and after the implementation of the Guidelines.

## 4.3. Control variables

Sicda (CSRC 2012, To control the nature of the industry in which the listed companies are located), Age (age of the listed company), Size (company size = In (total assets)), The cflow (cash flow = net cash flow from operating activities/total assets), And tl(total liability ratio = total liabilities/total assets), Ownership\_101 (Company nature), Area\_reg (registered address: eastern, central and western), FC\_index(FC index: used to measure financing constraints), the invt(investment expenditure rate = cash/total assets paid for purchasing fixed assets, intangible assets and other long-term assets)

### 1. Model building

Based on the PSM-DID model, we constructed the following model to test the effect of green credit on dividend distribution:

$$Div\_r_{it} = \alpha_0 + \alpha_1 DID + Control_{it} + \lambda_i + \nu_t + \varepsilon_{it}$$

The explained variable is dividend distribution rate, which is a double difference variable: Policy x Gres; control variable; time fixed effect, random disturbance term; and individual fixed effect.  $Div\_r_{it}DIDControl_{it}\lambda_i\varepsilon_{it}\nu_t$

## 5. Empirical Analysis

### 5.1. Regression results

#### 1. Summary statistics

The control variables were tailed 1% and summary statistics.

**Table 1.** Summary statistics of control variables

VarName	Obs	Mean	SD	Min	Median	Max
Div_r	38741	0.2966	0.684	0.00	0.22	76.21
DID	38741	0.0171	0.130	0.00	0.00	1.00
Sicda	38741	37.6856	17.589	1.00	34.00	85.00
Age	37641	2.0058	0.940	0.00	2.20	3.47
size	38698	22.0073	1.389	10.84	21.84	28.64
cflow	38693	0.0488	0.342	-11.06	0.05	62.79
tl	38737	0.4685	1.794	-0.19	0.42	178.35
Ownership_101	37524	2.9206	1.695	1.00	4.00	7.00
area_reg	38480	1.4409	0.723	1.00	1.00	3.00
FC_index	32675	0.4860	0.275	0.00	0.51	0.99
invt	38662	0.0521	0.051	0.00	0.04	0.64

### 2. Regression analysis

Regression analysis was performed based on the PSM-DID model established as described above. Group (1) did not include the control variable, and group (2) added the control variable.

### 3. Research conclusions

The results of regression analysis showed that the coefficient of the two-difference interaction term (DID) was significantly positive, and the results were still significant after adding the control variable, reaching the level of 5%, indicating that the promulgation of green credit policy had a significant positive impact on the dividend distribution of

enterprises, and verified hypothesis 1 and 2. From the perspective of goodness of fit, the R square value becomes larger with the addition of the control variable, which further strengthens the robustness of the above conclusions.

### 5.2. Robustness test

In June 2014, CBRC launched the Key Evaluation Indicators for the Implementation of Green Credit, which took 2014 as the node, and the results are as follows. IDID for DID lag of two years and was used for robustness test. It can also partially solve the endogenous problem.

**Table 2.** Results of the regression analysis

	(1)Div r	(2)Div r
DID	0.1190** (2.4301)	0.1390** (2.3209)
Sicda		-0.0004 (-0.6020)
Age		-0.0987*** (-4.7852)
size		0.0024 (0.2074)
cflow		-0.0071 (-0.1073)
tl		-0.4904*** (-11.1858)
Ownership_101		0.0077 (0.5443)
Area_reg		-0.0539 (-1.0974)
FC_index		-0.3078*** (-7.9759)
inv		-0.1017 (-0.9136)
Individual effect	YES	YES
time effect	YES	YES
_cons	0.2481*** (13.1108)	0.8240*** (3.0868)
N	38694	32606
within R2	0.0019	0.0085

t statistics in parentheses  
\*p < 0.1,\*\*p < 0.05,\*\*\*p < 0.01

**Table 3.** Results of the robustness test

	Div r
IDID	0.1058* (1.7828)
Sicda	-0.0009 (-1.2630)
Age	-0.0794*** (-5.5696)
size	0.0154 (1.4061)
cflow	-0.0070 (-0.1032)
tl	-0.5042*** (-11.0725)
Ownership_101	0.0073 (0.4932)
area_reg	-0.0406 (-0.7755)
FC_index	-0.2786*** (-6.7352)
inv	-0.1145 (-0.9883)
Individual effect	YES
time effect	YES
_cons	0.5630** (2.2318)
N	31572
within R2	0.0063

t statistics in parentheses  
\*p < 0.1,\*\*p < 0.05,\*\*\*p < 0.01

As can be seen from the table, the DID coefficient is 0.1058 and significant at the level of 1%, indicating that the green credit policy in 2014 strengthened the dividend distribution of the company. The above results are consistent with the benchmark regression results, so it is considered that the benchmark regression results are basically reliable.

### 5.3. Heterogeneity analysis

#### 1. Group by ESG score

We grouped the samples according to ESG scores, ESG = 1, 2, 3 as low, medium, and high to study the effect of green credit policy on dividend distribution of different ESG scores.

**Table 4.** The regression results after grouping by ESG score

	(ESG=1) Div_r	(ESG=2) Div_r	(ESG=3) Div_r
DID	0.0754 (1.0197)	0.0326 (0.4580)	0.4710** (2.3295)
Sicda	-0.0015** (-2.0036)	0.0001 (0.1116)	-0.0008 (-0.3519)
Age	-0.0930*** (-3.3740)	-0.0730*** (-2.9069)	-0.1342* (-1.8935)
size	0.0142 (1.2074)	0.0041 (0.2463)	0.0617 (1.3866)
cflow	0.0599 (0.8476)	0.0399 (0.5018)	-0.1908 (-0.8623)
tl	-0.3029*** (-6.5648)	-0.4939*** (-8.3697)	-0.7439*** (-4.3606)
Ownership_101	0.0060 (0.3984)	0.0219 (1.0843)	-0.0149 (-0.3127)
area_reg	-0.1330** (-2.5264)	-0.0263 (-0.3766)	0.0969 (0.5555)
FC_index	-0.1716*** (-4.2348)	-0.3146*** (-5.9193)	-0.3325** (-2.5692)
inv_t	-0.1265 (-1.0162)	-0.0501 (-0.3740)	0.0146 (0.0361)
Individual effect	YES	YES	YES
time effect	YES	YES	YES
_cons	0.5867** (2.1233)	0.6735* (1.7393)	-0.3659 (-0.3672)
N	11399	11642	9565
within R2	0.0153	0.0147	0.0068

t statistics in parentheses

\*p &lt; 0.1,\*\*p &lt; 0.05,\*\*\*p &lt; 0.01

According to Table 4, the DID coefficient of different ESG scores was 0.075, 0.033, 0.471, and the group with ESG = 3 was significant at the 5% confidence level, indicating the significant influence of green credit policy on enterprises with high ESG scores.

## 2. Grouped by the Huffendhl index

We grouped the samples according to the Huffendahl index, with HHI = 1, 2, and 3 as low, medium, and high, respectively. To study the impact of green credit policies on dividend distribution for companies in industries with different markets.

**Table 5.** Regression results grouped by Huffendahl index

	(HHI=1) Div_r	(HHI=2) Div_r	(HHI=3) Div_r
DID	0.0000 (.)	0.1560* (1.9429)	0.3440*** (2.5811)
Sicda	0.0023** (1.9692)	0.0025** (2.1317)	-0.0025 (-1.3801)
Age	-0.0537** (-2.0529)	-0.0679** (-2.3819)	-0.1988*** (-3.9647)
size	-0.0282* (-1.8822)	0.0002 (0.0150)	-0.0021 (-0.0738)
cflow	0.0411 (0.5216)	-0.0671 (-0.8313)	-0.0326 (-0.2092)
tl	-0.5607*** (-10.3478)	-0.4033*** (-6.6902)	-0.6170*** (-5.7162)
Ownership_101	-0.0261 (-1.4154)	0.0249 (1.2866)	0.0080 (0.1983)
area_reg	-0.2171** (-2.2561)	0.0482 (0.7418)	-0.1100 (-0.8065)
FC_index	-0.3637*** (-8.1189)	-0.3055*** (-5.8032)	-0.4538*** (-4.9157)
inv_t	-0.0514 (-0.4060)	-0.1501 (-0.9900)	0.1191 (0.4580)
Individual effect	YES	YES	YES
time effect	YES	YES	YES
_cons	1.6929*** (4.7020)	0.4918 (1.3451)	1.3348** (1.9718)
N	10892	10934	10780
within R2	0.0225	0.0134	0.0112

t statistics in parentheses

\*p &lt; 0.1,\*\*p &lt; 0.05,\*\*\*p &lt; 0.01

According to Table 5, the DID coefficient of different HHI was 0.00, 0.156, 0.344, respectively. The HHI = 2 group was significant at the 10% confidence level, and the HHI = 3 group was significant at the 1% confidence level, indicating that the green credit policy promotes the dividend distribution of companies in higher market concentrated industries.

## 6. Conclusion and Policy Recommendations

Based on the above research conclusions, this article proposes the following policy implications :

1. Establish a sound green credit standard system and strengthen the capital market incentive function of green credit. In the early stages of implementing the green credit policy, the green evaluation mechanism of banks was not yet perfect, and the design of evaluation indicators, the organizational process of evaluation work, and the analysis of evaluation results were not fully and reasonably utilized. To achieve the goals of green credit policies, banks need to establish a comprehensive dynamic credit mechanism, incorporate the ESG rating system of enterprises into the credit review system, leverage the incentive effect of green credit policies, timely provide credit funds and financing facilities for relevant enterprises, and avoid the "one size fits all" credit decision-making of green credit policies.

2. Improve the assessment mechanism for green credit business in the financial sector and alleviate the risk of credit discrimination. Banks prefer to lend to enterprises with large fixed assets and strong profitability, and the lack of reasonable financial supervision can lead to credit discrimination risks in banks, and the resource allocation function of green credit cannot be fully reflected. To solve the above problems, it is necessary to establish a comprehensive evaluation and assessment mechanism for green credit business, improve the green credit statistical system, strengthen the monitoring and evaluation of green credit implementation, use key indicators of green credit implementation as important references for evaluating bank work, and fill the gaps in green financial supervision. Strengthen deep cooperation between the government and banks, build a platform for government bank enterprise cooperation and a green credit innovation service platform, and provide impetus and buffer mechanism for enterprise green transformation

3. Strengthen the quality supervision of green innovation and leverage the driving role of substantive green innovation in the high-quality development of enterprises. The government should strengthen the supervision of the

assessment of green innovation, quality, and transformation performance of enterprises, promote the joint establishment of a green innovation project evaluation mechanism by multiple departments, formulate detailed rules for heavily polluting enterprises, pay attention to preventing enterprises from implementing "washing green" through strategic green innovation, increase credit scale by increasing ESG scores, and strictly review and supervise the use of green credit funds by enterprises, Fully guide enterprises to use green credit funds and financial allocations to improve their own green innovation quality, and strive to improve the efficiency of policy fund allocation as much as possible.

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