

Study on the Path of High-Quality Development of Baijiu Enterprises Driven by ESG Concepts

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Abstract: The report of the Twentieth National Congress clearly states that high-quality development is the primary task of China's comprehensive construction of a modern socialist country in the context of the new era. With the global emphasis on sustainable development issues, the concept of environmental, social and corporate governance (ESG) has gradually become the key to achieve high-quality development of liquor enterprises. This paper discusses the status quo of high-quality development of white wine enterprises with ESG concepts, analyzes the current reality of the challenges faced, and puts forward the corresponding path options. It aims to provide reference for the implementation of ESG strategy for liquor enterprises, and promote the industry to a more green, harmonious and sustainable direction.

Keywords: ESG, Baijiu enterprises, High-quality development.

1. Introduction

ESG, short for Environment, Social and Governance, is a comprehensive and detailed assessment framework designed to measure the sustainability of a company's business activities and its far-reaching impact on social values. In 2006, the United Nations Principles for Responsible Investment (PRI) organization formally promulgated the Principles for Responsible Investment (PRI), which guides investment institutions to In 2006, the United Nations Principles for Responsible Investment (UNPRI) promulgated the Principles for Responsible Investment (PRI), which guides investment organizations to comprehensively incorporate environmental, social and governance (ESG) considerations into their assessment of corporate value, thereby encouraging corporations to be environmentally, socially and governance-responsible in their pursuit of economic benefits. innovation, coordination, green, openness and sharing" advocated by China's "five-in-one" overall layout and the new development concept [1]. The concept of ESG is highly compatible with the spirit of "innovation, coordination, green, openness and sharing" advocated by China's "five-in-one" overall layout and new development concept. Therefore, in recent years, China's government departments have paid great attention to the ESG concept and introduced a series of relevant policies, aiming to promote the dual enhancement of the economic and social values of enterprises, and thus realize the goal of sustainable and high-quality economic and social development. Currently, more than 60% of listed wine companies have disclosed ESG-related information in their social responsibility reports or ESG reports [2]. The company has already disclosed ESG-related information in its social responsibility report or ESG report in detail. The integration of ESG into the liquor industry and traditional liquor culture is not only conducive to the establishment of a stronger brand image of liquor, but also injects a new impetus into the high-quality development of liquor enterprises.

In essence, there is a natural and close fit between ESG and the liquor industry. In the process of actively practicing the concept of ESG, liquor companies are actually exploring and practicing the feasible path of sustainable development. In the

modernized governance of liquor enterprises, ESG has become an indispensable management strategy and tool [3]. ESG has become an indispensable management strategy and tool in the modernized governance of liquor companies. From a strategic perspective, the in-depth integration of ESG development concepts in corporate strategic planning and organizational management systems not only lays a solid foundation for high-quality corporate development, but also comprehensively meets the diverse expectations of stakeholders. This integration aims to promote the common construction and sharing of sustainable development concepts. By establishing clear implementation paths, professional management processes, and standardized operation systems, companies can more effectively implement ESG goals and respond to global challenges such as climate change. This strategic transformation not only demonstrates the company's foresight, but also promotes the company's long-term vision of sustainable development [4]. The company's strategic transformation not only demonstrates the company's vision but will also drive the company's long-term vision of sustainable development.

2. Analysis of the Current State of Research

2.1. Relevant Studies on High-Quality Development

Understanding the core connotation of high-quality development is the cornerstone of conducting relevant research. In this area, many scholars have made a comprehensive and in-depth interpretation of the connotation of high-quality development through different disciplinary perspectives and diversified industry levels. Gao Peiyong and other scholars have proposed that the concept of "high-quality development" is comprehensive and all-encompassing [5]. Gao Peiyong and other scholars have suggested that the concept of "high-quality development" is comprehensive and all-encompassing, and that it embodies a

balanced development model of a composite system in which resources, ecology, economy, and society work together [6]. The concept of "high-quality development" is

comprehensive and all-encompassing. This concept embodies a comprehensive strategic perspective and reflects the diversified economic and social forms, and its goal is to help synergize and support the five major areas of economic, political, cultural, social and ecological civilization construction [7, 8]. Zhao Jianbo et al. emphasize that the core meaning of high-quality development can be more comprehensively grasped by comprehensively examining it from the three dimensions of economic development, people's livelihood, and system balance [8]. Jin Beibei pointed out that "high-quality development is not only the most important factor in the development of China, but also the most important factor in the development of China. Jin Beibei pointed out that "high-quality development urgently needs to build a new type of power mechanism based on true value rationality" [9]. To build a new pattern of development in which demand leads to supply, supply creates demand, and supply and demand are in balance [10]. The new development pattern of demand-led supply and supply created demand, and supply-demand balance. Gong Runa and other scholars have discussed the connotation of high-quality development in depth and emphasized that it is not limited to a single dimension of growth rate, but rather the pursuit of a more durable and comprehensive sustainable development model. High-quality development aims to continuously meet the people's growing demand for a better life, and the realization of this goal requires us to consider and measure the economic, social, ecological and other dimensions in a comprehensive manner [11]. This goal requires comprehensive consideration and measurement from multiple dimensions, including economic, social, and ecological dimensions. In the Recommendations of the Central Committee of the Communist Party of China on the Fourteenth Five-Year Plan for National Economic and Social Development and the Vision and Goals for the 23rd Five-Year Plan, high-quality development has been established as the core orientation of China's economic and social development during the 14th Five-Year Plan period. This orientation requires us, on the basis of a comprehensive review of the country's stage of development, development environment and changing conditions, to put into practice the new development concept and promote fundamental changes in quality, efficiency and dynamics. The purpose of this change is to ensure that the fruits of development benefit all people more equitably and to continue to respond to and satisfy the people's ardent pursuit of and aspirations for a better life, to promote China's economic and social development in a comprehensive, sustained, healthy and high-quality manner [12].

In the context of the new era, the development of the liquor industry must be closely linked with the new development concept, to accurately capture the pulse and direction of the industry's evolution. First, the liquor industry should be strengthened in the promotion of production area synergy, industrial integration of the leading role, to enhance its radiation-driven ability. At the same time, on the supply side, we should increase innovation efforts to enhance its radiation-driven ability. On the supply side, we should increase investment in innovation, innovation-driven as the endogenous driving force to promote quality-based growth. At the same time, it cannot be ignored that the liquor industry also needs to strengthen the "demand side" of the quality upgrade trend of response, to ensure that the quality of products and services can continue to meet the growing market demand for high quality. In the pursuit of ecological

civilization and sustainable development of the road, the liquor industry should play the role of guarantor, using environmental protection, low-carbon production methods, for diversified economic and social quality optimization and high-quality long-term development contribution.

2.2. Studies Related to ESG and High-Quality Development

Friede, Busch, Bassen (2015) based on the empirical research of more than two thousand scholars, explored the impact between environment, social responsibility, and corporate governance on the company's operating efficiency by extracting the data from the literature research, and concluded that there is a positive correlation relationship between ESG and the company's operating efficiency [13]. Faremi, Glaum, Kaiser (2017) also found in their study that there is a positive correlation between ESG and company's operating efficiency, i.e., increasing the investment in ESG can effectively improve the company's operating efficiency and further increase the value of the company; on the contrary, decreasing the investment in ESG will reduce the operating efficiency of the company and produce the result of decreasing the value of the company, which is also, to a certain extent, in fits with the findings of Friede et al [14]. Velte (2019) took German listed companies as the research object and used their ESG data performance as the explanatory variable and the data performance of the company's operating efficiency data as the explanatory variable, and conducted an empirical study to find that ESG has a significant positive impact on the company's operating efficiency, in which the impact of corporate governance on the company's operating efficiency is particularly prominent, ranking first among the three factors [15].

2.3. Theoretical Foundations of ESG for High-Quality Development

Against the backdrop of China's firm promotion of the "dual carbon" goal, a green, sustainable and high-quality economic development model has become the dominant trend in the capital market. Baijiu enterprises have responded positively by strengthening ESG (Environmental, Social and Governance) practices, actively absorbing external high-quality resources, and continuously enhancing their long-term value and competitiveness through internal integration and upgrading, and continuous learning and transformation.

In exploring the link between environmental performance and high-quality corporate development, in the face of increasingly stringent environmental regulations and the soft pressure of public scrutiny, companies will be more inclined to proactively enhance and improve their environmental performance to avoid potential compliance risks and costs [16]. In order to emphasize the importance of their environmental governance in order to emphasize the excellence of their environmental governance, environmentally responsible companies tend to showcase their environmental governance achievements to attract the attention and financial support of a highly environmentally sensitive investor base. These investors are inclined to offer higher premiums to promote the implementation of green innovation, energy saving and emission reduction, and other environmental improvement measures, which in turn promote higher quality development and progress at the environmental level [17]. The following are some examples of the types of companies that have been recognized by the Chinese

government for their environmental performance.

Examining the correlation between CSR performance and high-quality development, companies can build a unique and attractive brand image through active fulfillment of social responsibility, which further deepens consumers' purchasing preferences for goods and services [18]. This further deepens consumers' purchasing preferences for goods and services. Transparency of CSR information not only helps to reduce the information gap between enterprises and stakeholders, but also promotes smooth communication and positive interaction between the two sides, thus strengthening stakeholders' trust and recognition of enterprises. This trust and recognition, as a valuable intangible asset, can be effectively transformed into the core competitiveness of the enterprise, and promote the enterprise to realize a higher quality development in social responsibility.

From the perspective of exploring the intrinsic link between corporate governance performance and high-quality development of enterprises, in the daily operation of enterprises, the agency problem is often regarded as the core issue that triggers conflicts of interest between shareholders and management, and even between majority and minority shareholders. To effectively resolve these potential conflicts, it is particularly important to construct a set of sound and efficient corporate governance mechanisms. This not only helps to balance the interests of all parties, but also promotes the realization of a more robust and sustainable high-quality development of enterprises. In optimizing the corporate governance structure, shareholders can effectively curb potential self-interest by strengthening the supervision of the management, which aims to reduce the primary agency costs arising from the divergence of interests between shareholders and management. In addition, the construction of a perfect equity incentive mechanism can not only effectively stimulate the management's motivation to create more value for the enterprise, but also inhibit the impulse of major shareholders to excessively pursue short-term interests, which in turn reduces the second type of agency costs between major shareholders and minority shareholders [19]. and thus promote the enterprise to realize high-quality development at the governance level.

3. Realistic Challenges of ESG Concepts for High-Quality Development of Baijiu Enterprises

Extensive research has shown that investors place a high value on ESG (environmental, social and governance) risks, and that these concerns have a direct impact on the share price volatility of liquor companies. Specifically, when a liquor company's ESG risk rises, its share price volatility tends to increase accordingly in the coming year. More seriously, ESG risk may also trigger a series of chain reactions, such as market risk and liquidity risk, which can have an immeasurable impact on the enterprise [20, 21]. The impact of ESG risk on a company is incalculable.

3.1. ESG and Market Risk

ESG risk is a potential trigger of market risk for liquor companies. According to research, elevated ESG risk is significantly and positively correlated with increased corporate stock volatility, a trend that undoubtedly exacerbates the instability of corporate asset values. When ESG risk exceeds management's control thresholds, investors

may become seriously concerned about a firm's future prospects and thus tend to sell their shares on a large scale. Such a market reaction would have a significant impact on the firm's shareholders' equity and may weaken the value of the firm's assets.

3.2. ESG and Reputational Risk

Under the guidance of the "double carbon" target, the state is gradually strengthening the supervision of carbon emissions of enterprises. If a liquor company's carbon emissions exceed reasonable levels during the brewing process, it will significantly increase the company's ESG risk. However, some unscrupulous companies may adopt improper means such as falsifying carbon emission data to avoid exposure of environmental issues, which is not only an evasion of environmental responsibility, but also a serious damage to corporate integrity and reputation. Such behavior not only violates the principle of sustainable development, but also damages the long-term interests of enterprises. For example, in May 2022, a city revealed the existence of several white wine enterprises with bad behaviors such as illegal discharge of wastewater and other serious damage to the ecological environment. In order to curb the spread of this phenomenon, the local government has taken decisive measures to shut down liquor enterprises involved in environmental pollution. This incident should be a profound lesson for all liquor enterprises, warning us that we must strictly abide by environmental protection regulations, effectively fulfill our social responsibility, and jointly protect the ecological environment.

3.3. ESG and Compliance Risk

Although a comprehensive legal system on ESG has not yet been issued in China, there are already legal norms addressing the environment, society and corporate governance respectively, such as the Environmental Protection Law, the Company Law, and the explicit requirements of the China Securities Regulatory Commission (CSRC) and the exchanges for the disclosure of non-financial information of listed companies. In response to compliance risk, a liquor company provides a typical case study. In 2011, the company committed misconducts such as inflated sales and apparent external benefit transfers in its financial reports, which seriously violated the regulatory requirements promulgated by the SEC and in turn led to the failure of its initial public offering (IPO). Since then, between 2016 and 2018, the enterprise has repeatedly sought an IPO, but due to its repeated violations of relevant laws and regulations and other negative publicity, its IPO application has not been successful so far.

3.4. ESG and Liquidity Risk

Under the impact of ESG risks, liquor companies often face the intertwined challenges of market risk, reputation risk and compliance risk at the same time, and are accompanied by heavy debt repayment pressure. In order to bridge the huge gap between assets and liabilities, these companies may take irrational asset liquidation measures to repay their debts, which will undoubtedly further weaken their asset size and seriously weaken their cash flow position. This vicious circle tends to put enterprises in an even more difficult survival situation, with a worrisome outlook.

4. Path Choice of ESG Concepts to Promote High-Quality Development of Baijiu Enterprises

4.1. Valuing Integrity in Business

The concept of integrity management of liquor enterprises should be carried through the whole chain of their production, sales and after-sales service. In the production stage, enterprises should not simply pursue the production target to the detriment of the essential quality of the product. In the production stage, enterprises should not simply to the pursuit of yield as the goal and damage the essential quality of the product; in the sales process, the enterprise should adhere to the principle of good faith, the use of legitimate marketing means, to avoid substandard and blind expansion, and effectively protect the legitimate rights and interests of consumers; and in the after-sales service, the enterprise should be more active in communicating with consumers, timely and effective solution to the use of the product may appear in the problem, to ensure that the consumer's satisfaction. The satisfaction of consumers. The integrity of liquor enterprises not only safeguard the interests of consumers, but also help to reduce ESG risks and promote the high-quality development of enterprises.

4.2. Creating a "Zero-Carbon Baijiu Company"

In the advocate of low carbon emissions and efficient use of resources in the new era, liquor enterprises should be environmental protection and enhance the ability of sustainable development at the core of the strategy, which not only highlights the determination of the enterprise to fulfill its social responsibility, but also to shape and strengthen the traditional liquor brand image of the road to be taken. This not only shows the determination of enterprises to fulfill social responsibility, but also is the way to shape and strengthen the image of traditional liquor brands. In terms of green energy, liquor enterprises should actively promote clean energy strategy, such as biomass power generation and lees resource utilization, in order to achieve renewable and recycling of energy, to ensure a stable supply of green energy. In addition, enterprises should also actively carry out carbon absorption and carbon trading related work, develop and implement enterprise-level "carbon neutral" standards, and strive to become the industry's leading "zero-carbon liquor enterprises".

4.3. Managing Innovation

The key to improving the ESG level of liquor companies lies in the implementation of efficient management strategies. Baijiu enterprises should pay primary attention to the optimization of their governance structure and integrate and elevate ESG concepts to the strategic core of corporate governance. At the same time, in order to ensure the professionalism of decision-making in the field of ESG, enterprises should set up a specialized ESG management committee to compensate for the professional limitations of the board of directors in this field. At the same time, it is crucial to build a comprehensive ESG governance structure covering the decision-making, supervisory and executive levels to ensure that ESG programs can be integrated into every aspect of corporate operations, thus promoting the overall improvement of ESG levels.

4.4. Strengthening Corporate Values Management

ESG strategy is closely linked to the core values of the enterprise, in which positive corporate values are of great significance for the effective implementation of ESG strategy, which helps the enterprise to reduce ESG risks. In Baijiu enterprises, the board of directors and senior management should play an exemplary role in advocating ESG concepts and guiding all employees to follow ESG standards, so as to cultivate positive values in the corporate culture. This not only enhances employees' sense of identity and belonging to the company, but also stimulates employees' enthusiasm and creativity, laying a solid foundation for the long-term sustainable development of the company.

4.5. Accelerating Talent Development

In recent years, as ESG issues have gradually received widespread attention from all walks of life, the demand for relevant talents has also become increasingly prominent, especially in the liquor industry, the demand for professional ESG talents is particularly urgent. Therefore, liquor companies urgently need to develop a set of comprehensive and forward-looking ESG talent training program. To this end, enterprises can establish a specialized ESG training base and build a systematic and scientific talent training mechanism. Internally, employees with ESG awareness and development potential should be carefully selected and deeply trained through special courses to enhance their professional ability and quality. At the same time, it should strengthen communication and cooperation with the same industry, learn from advanced experience, and continuously improve and optimize ESG talent training programs to cultivate more professional ESG talents that meet the needs of the industry.

5. Conclusion

In summary, this paper draws the following conclusions: First, liquor companies should deeply understand the core role of the ESG concept in realizing high-quality development, and actively take on the multiple responsibilities of environmental protection, society and governance. High-quality ESG performance can not only effectively enhance corporate reputation and alleviate financing difficulties, but also further promote corporate performance, thus laying a solid foundation for high-quality corporate development. Second, enterprises should implement ESG concepts at all stages of their life cycle to maintain and consolidate harmonious relationships with stakeholders. Third, the government should improve the regulatory mechanism, provide resource tilt and policy support for enterprises with good ESG performance, and adopt differentiated support strategies to jointly promote the high-quality development of liquor enterprises.

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