

Research on the Impact of ESG Information Disclosure on Corporate Financial Performance

-- Taking Pinduoduo as an Example

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Abstract: In recent years, with the proposal of the 14th Five Year Plan and the continuous promotion of the "dual carbon" goals, the ESG concept, which is highly compatible with its development philosophy, has attracted increasing attention from scholars and corporate leaders at home and abroad. The ESG concept emphasizes the performance of enterprises in environmental, social, and corporate governance aspects. Actively practicing ESG practices not only significantly reduces operating costs and establishes a good corporate image, but also directly improves the financial performance of enterprises. This article adopts a case study method and selects listed company Pinduoduo as the research object. By analyzing its ESG information disclosure and performance, as well as its financial performance in recent years, it argues that ESG information disclosure of enterprises will effectively improve their financial performance. Based on the research findings, suggestions are proposed for the further development of ESG practices in China for reference.

Keywords: ESG; Information disclosure; Financial performance; Pinduoduo.

1. Introduction

With the increasing advancement of globalization and sustainable development, ESG has received increasing attention. ESG, Environmental, social, and corporate governance have become important indicators for measuring a company's development and management capabilities. Focusing on ESG development will help improve company performance, attract more consumers and investors, and enhance sustainable development capabilities. Firstly, from an environmental perspective, strengthening environmental investment and improving environmental protection measures by enterprises can not only reduce operating costs and increase profits, but also respond to the national green development concept and enhance brand image; Secondly, from a social perspective, actively fulfilling social responsibilities, improving employee welfare, and enhancing consumer satisfaction can not only increase social contribution but also contribute to improving financial performance; Finally, from the perspective of corporate governance, companies that focus on improving their corporate governance structure and strengthening corporate governance will greatly enhance their decision-making efficiency and execution capabilities, promote stable development, and improve profitability.

In recent years, ESG concepts have become a focus of attention in the capital market. More and more companies are integrating ESG concepts into their development strategies, further deepening and expanding ESG concepts. More and more scholars are actively conducting research on ESG, combining different cases to explore the relationship between ESG concepts, information disclosure, and corporate financial performance. Ren Zixian, Gu Shuchang, and others (2020), starting from the perspective of coordinating economic development and environmental protection, combined with the annual report data of listed companies in

China from 2015 to 2019, empirically studied and proved that there is a significant positive correlation between corporate ESG performance and financial performance. They suggested that companies should deepen their ESG management concepts and formulate corresponding policies to promote the development of ESG in the future; Sun Hui and Zhu Shusen (2023) believe that there is a compensatory effect of corporate ESG performance on financial performance. When a company's financial performance falls below the expected level, ESG performance becomes an important means of improving the company's financial performance; Wang Dian (2023) believes that good ESG performance can enhance a company's reputation, establish a positive image among stakeholders, and gain more support and recognition; Chen Nana (2025) selected Yili Group as the case study object and demonstrated that good ESG performance has a positive effect on the improvement of corporate financial performance, which helps promote the green transformation and sustainable development of enterprises; Khan et al. (2016) proposed that companies with excellent ESG performance have advantages in terms of capital costs, stock price fluctuations, and other aspects; Flammer et al. (2023) found through tracking S&P 500 companies that companies with excellent ESG performance experienced significant fluctuations in stock prices during the pandemic, and their long-term shareholder returns were significantly higher than the industry average; Garcia et al. (2023) proposed that ESG practices can reduce the risk of supply chain disruptions and indirectly enhance corporate profitability. Research on ESG in foreign countries started earlier than in China, and there is also a wealth of theoretical and empirical research. The study of ESG and corporate financial performance is constrained by sample selection, methodology, and situational factors. Different scholars have different views on it, and some scholars believe that ESG performance is negatively correlated with corporate financial performance, but most still believe that the two have a positive relationship. It is recommended that companies

actively deepen their ESG practices.

The ESG concept emphasizes the performance of enterprises in environmental, social responsibility, and corporate governance. It not only requires enterprises to increase research and development of green technologies, increase investment in environmental protection, actively respond to the demands of communities, governments, and the public for ecological protection, but also requires enterprises to focus on improving employee welfare, increasing consumer satisfaction, actively fulfilling social responsibilities, and strengthening corporate governance to meet the expectations of shareholders and regulatory agencies through transparent management. Actively practicing ESG practices in enterprises is conducive to meeting the needs of multiple stakeholders, maximizing enterprise value, and ultimately transforming it into financial performance through reputation accumulation, risk control, and resource integration. This article takes Pinduoduo as an example to study the impact of ESG information disclosure on corporate financial performance. The results show that ESG practices of companies will effectively improve their financial performance.

2. Disclosure and Performance of ESG Information by Pinduoduo Company

2.1. Company Overview

Pinduoduo Holding Co., Ltd., a Chinese mobile Internet e-commerce platform company, was founded in Shanghai in 2015 and listed on NASDAQ in July 2018. As a pioneer of new e-commerce, Pinduoduo started with retail of agricultural products and gradually developed into a comprehensive e-commerce platform with agricultural and sideline products as its distinctive feature. It is the only pure mobile e-commerce platform with scale in the world. Pinduoduo focuses on C2M group shopping, allowing users to purchase products through group buying. This not only reduces product prices, but also enhances user stickiness and accumulates more users. For a long time, Pinduoduo has been committed to the core values of "inclusiveness, people-oriented, and more openness", integrating "multiple benefits" and "multiple fun". Through innovative interactive experiences, Pinduoduo has pioneered the "cloud farming of farmland+direct delivery from production areas" model, established billion dollar subsidy projects, reduced transaction costs, and empowered small and medium-sized enterprises and agriculture.

Since the widespread dissemination of ESG concepts in China, Pinduoduo has actively practiced its development philosophy, making concerted efforts in environmental, social, and corporate governance aspects, and taking various

measures to promote sustainable development. However, due to internal reasons, the latest ESG report is still stuck in 2020, which has led to a continuous decline in Pinduoduo's rating when facing ESG institutions in China in recent years. Due to the lack of a complete ESG development report for Pinduoduo in recent years, this article comprehensively analyzes Pinduoduo's ESG performance based on the company's ESG report released in 2020, as well as its development strategy, actual actions, and current situation in recent years.

2.2. Environmental Aspect

As one of the largest e-commerce platforms in China, Pinduoduo has always been committed to the concept of sustainable development and environmental protection, reducing pollution and carbon emissions from the root, and contributing to the development of China's "dual carbon" goals.

Firstly, based on the dependence on multiple distributors, slow product circulation, and high prices among Chinese manufacturers, consumers, and agricultural producers, Pinduoduo has taken the lead in building a digital supply chain in China, reducing distribution levels, helping producers save transportation and storage costs, and minimizing environmental impact; Secondly, Pinduoduo collaborates with manufacturers across China to develop the "C2M" program, providing them with direct market-oriented consumer insights, helping them define and customize products, improve supply chain efficiency, and directly market to interested consumers. This transforms the traditional "how much we can produce" into "how much we should produce", allowing manufacturers to better adapt to consumer demand, optimize operations to improve procurement, optimize production, reduce inventory, and improve cash conversion cycles, ultimately reducing resource waste in the long run; In addition, Pinduoduo has also launched its own electronic waybill system since the first quarter of 2019, eliminating the use of traditional paper waybills with multiple copies and reducing the possibility of human errors leading to incorrect delivery addresses. This system is gradually being developed into a more comprehensive logistics technology platform to improve delivery efficiency, reduce carbon emissions, and lower costs; Finally, Pinduoduo also increases its investment in green technology research and development every year. It not only actively invests in machine learning technology to optimize delivery routes, making delivery more environmentally friendly and efficient, but also actively invests in the research and development of green packaging design and materials, providing more suitable and environmentally friendly packaging solutions for businesses and promoting green development.

Table 1. Environmental Dimension Related Indicators from 2019 to 2023

| Indicator category | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|------|------|------|------|------|
| Green packaging coverage rate (%) | <10 | 15 | 30 | 60 | 80 |
| Packaging material savings (ton) | * | 200 | 800 | 1500 | 2300 |
| Green technology research and development investment (in billions of yuan) | * | * | 1.5 | 3.2 | 5.0 |
| Proportion of green technology R&D investment in R&D expenses (%) | * | * | 5 | 8 | 12 |
| Government related subsidies (in billions of yuan) | * | * | 0.8 | 1.5 | 2.3 |

Note: * represents that the company did not disclose it in the current year.

From Table 1, it can be seen that Pinduoduo has made significant efforts in environmental protection. The coverage rate of green packaging has increased from less than 10% in 2019 to 80% in 2023. The investment in green technology research and development and the proportion of green technology research and development investment in research and development expenses have steadily increased; At the same time, it has improved the company's economic efficiency, saving only 200 tons of packaging materials in

2020 and reaching 2300 tons in 2023. Government subsidies have also increased year by year.

2.3. Social Level

Pinduoduo adheres to the core values of "universal benefit, people-oriented, and more open", actively fulfills social responsibilities, assists in rural revitalization, supports impoverished populations, and promotes social harmony and development.

Table 2. Social Dimension Related Indicators from 2019 to 2023

| index classification | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|------|------|-------|-------|-------|
| Sales revenue from agricultural assistance (in billions of yuan) | 1364 | 2700 | 3400 | 4500 | 5200 |
| Number of rural areas covered (counties) | 800 | 1200 | 1600 | 2000 | 2300 |
| Number of beneficiary households (10000) | 500 | 800 | 1200 | 1500 | 1800 |
| Total number of employees (person) | 5823 | 7492 | 10356 | 12890 | 15200 |
| Employee training investment (10000 yuan) | * | 500 | 1200 | 2500 | 3800 |
| Public welfare donation (in billions of yuan) | 0.3 | 0.8 | 1.2 | 1.5 | 2.0 |

Note: * represents that the company did not disclose it in the current year.

From Table 1, it can be seen that Pinduoduo focuses on social benefits. Firstly, Pinduoduo actively promotes the development of rural revitalization in China. Since its establishment, it has focused on breaking down artificial barriers between farmers and consumers, enabling farmers to enjoy the benefits of e-commerce and economic digitization, and connecting farmers and consumers through e-commerce platforms. In 2019, the Duoduo Farm Plan was launched in cooperation with the Yunnan Provincial Government, with an investment of over 100 million yuan, to help 74 impoverished counties in 13 prefectures of Yunnan Province lift themselves out of poverty. The plan is to launch 100 Duoduo Farm projects within 5 years and train 10000 local people to master e-commerce knowledge; In 2021, launch the "Hometown Good Things Live Streaming" and carry out live streaming to assist agriculture; In 2022, we will promote the "E-commerce Westward Expansion" initiative, innovate logistics methods, reduce logistics costs, and enable the western region to also enjoy the convenience of the times; In 2023, the "Nongyun Action" will be launched to provide one-on-one guidance and help accelerate the digitization of 100 agricultural belts in major agricultural provinces across the country. These measures have steadily increased the sales of agricultural assistance, coverage of rural areas, and benefiting farmers, reaching 520 billion yuan, 2300 counties, and 18 million households respectively by 2023. They not only provide more employment opportunities for local farmers, drive income growth, but also greatly contribute to the promotion of China's rural revitalization strategy. Secondly, Pinduoduo also pays attention to the protection of labor rights and consumer rights. From 2019 to 2023, the number of employees under Pinduoduo has increased from 5823 to 15200, and the proportion of female employees has also been increasing year by year, from 42% to 49%. Pinduoduo is committed to creating a diversified and equal working environment, and actively invests large amounts of funds every year to increase knowledge and skill training and welfare improvement for employees. For consumer rights, Pinduoduo has formulated strict policies, adopting a zero tolerance policy and a 10 fold compensation policy for counterfeit goods, improving after-sales product protection policies, and launching services such as shipping insurance,

seven day no reason return, refund only, and genuine product protection, committed to improving consumer satisfaction. Finally, Pinduoduo actively practices its social responsibility and gives back to society. In the face of the epidemic and disaster, it stands up and provides financial and material support. Every year, it actively builds rural primary schools and focuses on poverty alleviation through education. As of 2023, Pinduoduo has sponsored multiple schools, and the "Duoduo Classroom" project has covered more than 50000 students.

2.4. Corporate Governance Level

A good governance structure is an important guarantee for maintaining the normal operation of a company. In terms of organizational structure, Pinduoduo Company implements flat management with a simple internal hierarchical structure, mainly consisting of three levels of D2-D4, reducing hierarchical relationships, increasing equal relationships, and improving decision-making efficiency and employee motivation; In terms of equity structure, Pinduoduo adopts AB share structure and VIE structure, which can ensure the absolute control of the company's founder, effectively resist external capital interference, maintain the stability and continuity of the company's strategy, and better adapt to the needs of the international market, providing more possibilities for the company's future development; In terms of decision-making mechanism, Pinduoduo's decision-making mechanism includes the shareholders' meeting and the board of directors. The shareholders' meeting is the highest decision-making body of the company, which decides on major issues. Pinduoduo's management holds 33.2% of the shares, and the board of directors is composed of three executive directors and four external independent directors to ensure transparency and fairness in decision-making. Pinduoduo's corporate governance focuses on meeting legal requirements, aligning with the company's best practices, and maintaining active engagement with shareholders and other stakeholders. Corporate governance advocates open and fair competition, opposes any form of bribery and corruption, adopts a dual approach of prevention and law enforcement to combat corruption, and requires employees to have high standards of integrity through the establishment of anti-corruption policies and guidelines. At present, the company has established a comprehensive internal control system to

ensure the compliance and stability of its operations.

3. The Impact of ESG Information Disclosure and Performance on Corporate Financial Performance

3.1. Profitability

Profitability is the comprehensive ability of a company to earn profits, mainly reflected through indicators such as return on equity (ROE), return on total assets (ROA), sales net profit margin, and sales gross profit margin. This article selects four relative indicators, namely return on equity, return on total assets, gross profit margin on sales, and net profit margin on sales, to measure the impact of Pinduoduo's ESG information disclosure and performance on the company's profitability.

Table 3. Profitability Indicators of Pinduoduo from 2019 to 2023

| Year | Return on equity (%) | Return on total assets (%) | Sales gross profit margin (%) | Sales net profit margin (%) |
|------|----------------------|----------------------------|-------------------------------|-----------------------------|
| 2019 | -32.06 | -11.69 | 78.97 | -23.12 |
| 2020 | -16.93 | -6.11 | 67.59 | -12.07 |
| 2021 | 11.48 | 4.57 | 66.24 | 8.27 |
| 2022 | 32.70 | 15.08 | 75.90 | 24.16 |
| 2023 | 39.36 | 20.51 | 62.96 | 24.24 |

According to the data analysis in Table 3, it can be seen that from 2019 to 2023, Pinduoduo's various profit indicators have shown an increasing trend. However, from 2019 to 2020, whether it is the return on net assets, the return on total assets, or the sales net profit margin, they are all negative. The company is basically in a loss making state and has no profit to speak of. This is mainly because the early practice of ESG also requires a lot of manpower, material resources, and financial resources, which has a certain lag. In addition, the economic downturn under the influence of the epidemic has put the company in a loss making state. Since 2022, various profit indicators of enterprises have gradually improved, and the impact of ESG on corporate financial performance has also gradually become apparent.

From an environmental perspective, Pinduoduo's green supply chain has achieved cost reduction and efficiency improvement for enterprises, intelligent warehousing has shortened transportation distances, green packaging has saved packaging costs, and cost reduction has expanded the profit margin of enterprises, thereby enhancing profitability and profitability; From a social perspective, Pinduoduo's agricultural assistance program drives the growth of enterprise GMV. Its agricultural assistance program covers more than 2300 counties, reaching 400 million sinking users that traditional e-commerce has not penetrated, directly driving the annual active buyers to 880 million. The repurchase rate of agricultural products is high, and the average annual consumption of users has increased year by year. The billion yuan subsidy and genuine product guarantee projects have also enhanced consumer trust, which directly translates into an increase in enterprise sales and drives the improvement of enterprise profitability.

3.2. Debt Paying Ability

Debt paying ability refers to the ability of an enterprise to use its assets to repay long-term and short-term debts. It is an

important indicator reflecting the financial condition and operational capability of the enterprise, usually measured by indicators such as current ratio, quick ratio, interest coverage ratio, and asset liability ratio. This article mainly selects current ratio and asset liability ratio indicators to measure the impact of Pinduoduo's ESG information disclosure and performance on the company's debt paying ability.

Table 4. Pinduoduo's debt repayment ability indicators from 2019 to 2023

| Year | Current ratio | Asset liability ratio (%) |
|------|---------------|---------------------------|
| 2019 | 1.60 | 67.59 |
| 2020 | 1.78 | 62.13 |
| 2021 | 1.72 | 58.55 |
| 2022 | 1.85 | 50.33 |
| 2023 | 1.93 | 46.21 |

According to the data analysis in Table 4, it can be seen that Pinduoduo Company's various debt repayment ability indicators have shown a positive trend from 2019 to 2023, with the quick ratio showing an increasing trend, reflecting the company's short-term debt repayment ability gradually strengthening. The asset liability ratio has been decreasing year by year, and the company's debt repayment risk has also gradually decreased, collectively reflecting the improvement of the company's debt repayment ability.

The improvement of a company's debt paying ability is closely related to its ESG practices. Firstly, from an environmental perspective, Pinduoduo's investment in environmental protection and the establishment of a green supply chain have brought cost savings to the company, directly releasing more cash flow and providing a stable funding pool for debt repayment. At the same time, the practice of green projects will also bring certain government subsidies to the company, which can further reduce the pressure of debt repayment; Secondly, from a social perspective, Pinduoduo focuses on protecting consumer rights and is committed to improving consumer satisfaction, which will directly reduce the consumer complaint rate and to some extent avoid potential compensation expenses. The agricultural assistance plan will expand its social influence, reduce its customer acquisition costs, and further reduce its marketing debt dependence; Finally, Pinduoduo's optimization of corporate governance structure and improvement of governance capabilities will also enhance investors' confidence in investment, reduce financing costs, enhance financing capabilities, and ultimately reduce corporate debt financing.

3.3. Operational Capability

Operational capability refers to the efficiency and effectiveness of a company's operating assets. The level of an enterprise's operational capability represents to some extent the level of its economic benefits. It is usually measured by indicators such as accounts receivable turnover, total asset turnover, inventory turnover, accounts receivable turnover days, total asset turnover days, and inventory turnover days. This article mainly selects four indicators, accounts receivable turnover, total asset turnover days, and total asset turnover days, to measure the impact of Pinduoduo's ESG information disclosure and performance on its operational capability.

Table 5. Relevant indicators of Pinduoduo's operational capacity from 2019 to 2023

| Year | Accounts receivable turnover rate (times) | Total asset turnover rate (%) | Receivables | Total asset turnover days |
|------|---|-------------------------------|-------------|---------------------------|
| 2019 | 46.42 | 51.00 | 7.75 | 712.07 |
| 2020 | 66.83 | 51.00 | 5.39 | 710.92 |
| 2021 | 133.9 | 55.00 | 2.69 | 651.64 |
| 2022 | 207 | 62.00 | 1.74 | 576.75 |
| 2023 | 110.02 | 85.00 | 3.27 | 425.36 |

According to the data analysis in Table 5, from 2019 to 2023, Pinduoduo's various operational indicators have shown an upward trend. The accounts receivable turnover rate and asset turnover rate are getting higher and higher, while the accounts receivable turnover days and total asset turnover days are gradually decreasing. The increase in accounts receivable turnover rate and the decrease in accounts receivable turnover days indicate that Pinduoduo's accounts receivable collection speed is fast and the efficiency of its management work is improved. This will be beneficial for the company to timely recover loans, reduce bad debt losses, and improve the liquidity of its assets. The increase in total asset turnover rate reflects the continuous improvement of the company's efficiency in utilizing all assets for operation, and the company's profitability is also gradually increasing. These indicators collectively reflect Pinduoduo's operational ability in recent years. Improvement, stable and positive development of the enterprise.

Since Pinduoduo implemented ESG practices, its green logistics and supply chain have directly improved transportation efficiency and reduced operating costs, not only reducing resource waste, but also greatly improving resource utilization. Its C2M model has also shortened the supply chain hierarchy, allowing farmers to directly communicate with consumers. The optimization of corporate governance has also greatly reduced the company's operational risks. These measures have optimized the company's operational efficiency in different aspects, reduced company risks, and significantly enhanced the company's operational capabilities.

3.4. Development Capability

Development capability refers to the potential ability of a company to expand its scale and strengthen its strength. The level of a company's development capability directly affects the views of investors and other stakeholders on its future development. The indicators that measure a company's development capability mainly include revenue growth rate, profit growth rate, capital accumulation rate, etc. This article mainly selects revenue and revenue growth rate to analyze the impact of Pinduoduo's ESG information disclosure and performance on the company's development capability.

Table 6. Development Capability Related Indicators of Pinduoduo from 2019 to 2023

| Year | Operating revenue (in billions of yuan) | Revenue growth rate |
|------|---|---------------------|
| 2019 | 301.4 | 129.74% |
| 2020 | 594.9 | 97.37% |
| 2021 | 939.5 | 57.92% |
| 2022 | 1306 | 38.97% |
| 2023 | 2476 | 89.68% |

From the data analysis in Table 6, it can be seen that in the past five years, Pinduoduo's operating revenue has shown a linear growth trend. Although the revenue growth rate has declined, it has achieved significant growth from 2022 to 2023, with a revenue growth of over 200 billion yuan in the past five years. Pinduoduo has achieved a transformation from a sinking market to a global e-commerce giant through differentiated market positioning, technology driven, and business model innovation, demonstrating strong strategic resilience and growth momentum, and its development capabilities are also increasing day by day.

The core of ESG is to achieve sustainable development of a company by improving its performance in environmental, social responsibility, and corporate governance. This concept is also deeply reflected in the specific practices of Pinduoduo, such as Pinduoduo's "100 billion support" plan and rural revitalization policies, which directly establish a good corporate image for Pinduoduo, enhance the trust building between Pinduoduo and consumers, expand Pinduoduo's user base, and make more consumers willing to pay for it, thereby increasing its operating income. Its investment in the environment and corporate governance also enhances the confidence of stakeholders and the willingness of other enterprises to cooperate, ensuring the stable development of the company.

4. Conclusion and Suggestions

4.1. Conclusion

This article selects the e-commerce industry giant Pinduoduo as the case study object. Through the analysis of Pinduoduo's ESG performance and financial indicators in the past five years, it can be concluded that a company's good performance in ESG can effectively promote the improvement of its financial performance. The better the company's ESG performance, the more complete its information disclosure, and the higher the recognition of investors and consumers for the company. It can not only better enhance market competitiveness, expand market share, reduce financing costs, improve financial performance, but also better respond to market risks and challenges, enhance the company's risk response ability, and strengthen its core competitiveness.

4.2. Suggestions

Based on the importance of ESG for corporate development and the needs of domestic and international economic development, it is necessary and responsible for us to promote and improve ESG development in China in the future. Based on the current ESG situation in China, in the future, China's ESG development should gradually establish a governance system of "state guidance, social participation, and enterprise leadership", achieve tripartite collaborative governance, balance environmental friendliness, social equity, and high-quality economic development, and contribute to the global sustainable development agenda.

4.2.1. National level

China should actively improve top-level design and institutional safeguards, establish a unified policy framework, and on the one hand, improve relevant laws and regulations, promote the legislation of China's ESG Information Disclosure Law, clarify the scope of mandatory disclosure for enterprises, gradually cover small and medium-sized enterprises, and encourage more enterprises to actively

participate in ESG information disclosure; On the other hand, it is necessary to combine China's national conditions and development needs, and after referring to the international ESG evaluation standard system and studying the differences in ESG among enterprises of different industries and natures, construct ESG evaluation indicators and evaluation systems with Chinese characteristics, and conduct a more reasonable evaluation of the ESG performance of Chinese enterprises. In addition, corresponding incentive and constraint mechanisms should be established to provide preferential policies such as tax reduction and green credit for companies with excellent ESG performance, encourage companies to actively practice ESG concepts, promote sustainable development in China, and strengthen ESG supervision. High penalties should be imposed on fraudulent behaviors such as "greenwashing" to form a good social atmosphere.

4.2.2. Social level

Promoting the development of ESG in China requires the joint efforts of consumers, investors, and third-party institutions. Firstly, from the perspective of consumers, enterprises are profit oriented social organizations, and consumer needs are their strategic orientation. Therefore, it is necessary to actively enhance consumers' awareness of ESG concepts, make them pay attention to ESG concepts, prioritize environmentally friendly, energy-saving, and low-carbon products when choosing products, actively support enterprises with excellent ESG performance, promote enterprises to better respond to national calls, and increase research and development of green products and technologies; Secondly, investors should actively encourage companies to disclose corresponding ESG information. When investing in companies, in addition to paying attention to traditional financial indicators, they should also focus on data related to environmental protection, social responsibility, and corporate governance, optimize investment strategies, strengthen risk management and value discovery, and promote the co construction of ESG ecology; Finally, from the perspective of third-party rating agencies in society, they should strictly follow ESG evaluation indicators and evaluation systems to issue high-quality reports on the ESG development of enterprises, objectively and fairly evaluate the ESG development status of enterprises, so that enterprises can better disclose information.

4.2.3. Enterprise level

Practice has proven that actively deepening ESG practices and disclosing ESG information can effectively improve the financial performance of enterprises. Therefore, in order to achieve high-quality development of enterprises and promote China's ESG cause, enterprises should actively fulfill their responsibilities, incorporate ESG strategies into their long-term development strategies, set quantitative goals, regularly release ESG reports audited by third parties, increase ESG related information disclosure efforts, and improve the authenticity and completeness of ESG information disclosure. Enterprises should not only increase innovation and

application of green technologies, actively utilize technologies such as AI and blockchain to optimize resource efficiency, invest in clean energy and circular economy, and promote the development of China's environmental protection industry, but also pay attention to social responsibility issues, effectively protect employee welfare, carry out community co construction projects, provide employment support for vulnerable groups, and provide assistance and support for sudden social disasters. While achieving their own development, they should also promote the healthy development of society and fulfill their responsibilities and responsibilities.

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