

Research on the Factors Influencing the Quality of Corporate ESG Information Disclosure

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Abstract

With the development of the social economy, the advancement of the “dual carbon” goals and the in-depth implementation of sustainable development strategies, the country has imposed higher requirements on the sustainable development of enterprises. ESG (Environmental, Social, and Governance) information disclosure has increasingly garnered widespread attention from stakeholders such as investors and consumers. However, in practice, influenced by various factors including policies and regulatory intensity, many enterprises’ ESG information disclosure exhibits significant issues, such as the prevalence of arbitrary and subjective “voluntary disclosure” forms and inadequate coverage of substantive ESG topics, which hinders the high-quality development of enterprises and the broader social economy. After reviewing existing research on corporate ESG information disclosure quality, this paper focuses on analyzing and synthesizing the key factors influencing the quality of ESG information disclosure. The findings reveal that external regulatory pressures, such as government oversight, the degree of association between enterprises and the government, and media attention, as well as internal company structures, financial characteristics, and the implementation of relevant policies, all exert a relatively significant impact on the quality of ESG information disclosure.

Keywords

enterprises, esg information, disclosure, quality, influencing factors

1. Introduction

In 2020, China explicitly proposed the “dual carbon” goals of “striving to achieve carbon peaking before 2030 and carbon neutrality before 2060”. This major strategic decision not only points the way for the country’s green and low-carbon development but also profoundly reshapes the development logic of enterprises. Against this backdrop, the ESG concept, with its systematic consideration of corporate sustainable development, has rapidly evolved from a mere “bonus item” in the past to the “core lever” for enterprises’ green transformation, becoming a key link connecting national strategic objectives with corporate practical actions. The report of the 20th National Congress of the Communist Party of China also emphasized that “promoting the green and low-carbon transformation of economic and social development is a key link in achieving high-quality development”. On June 15, 2018, the China Securities Regulatory Commission (CSRC) released the revised version of the Code of Corporate Governance for Listed Companies, which for the first time explicitly required listed companies to disclose information on environmental, social, and governance aspects. As the basic units of economic operation, enterprises serve as the “implementers” of the ESG concept and drivers of sustainable development. ESG performance, as an important indicator for evaluating the level

of green sustainable development of enterprises, requires companies to pay attention to their comprehensive value in environmental, social, and corporate governance aspects.

However, relevant statistics show that in 2021, the disclosure rate of ESG reports by listed companies was only 29.42%, with the number of listed companies disclosing ESG information remaining at a low level (He, 2019). As of June 2024, the number of listed companies disclosing ESG reports has increased to 2,124, accounting for 39.88% of the total. However, due to the late start of ESG development in China, the autonomy and practical level of enterprises' participation in ESG activities are generally low, and some enterprises have failed to proactively assume ESG responsibilities (He, 2019). Therefore, promoting enterprises' active participation in ESG activities and improving the quality of corporate ESG information disclosure holds significant importance for China's high-quality economic development. This contradiction of "high policy requirements, strong market demand, but weak corporate practice" makes us realize that without clearly identifying the key factors influencing the quality of ESG information disclosure, it is impossible to address the disclosure dilemmas faced by enterprises in a targeted manner. This is precisely the core motivation of this study, which is, to dissect the influencing factors, provide clear guidance for enterprises to enhance disclosure quality, and bridge the gap between "demand and practice". Through a review of existing literature, it is found that current research often focuses on single factors or only on the environmental dimension, lacking systematic integration of the influencing factors across the three dimensions of ESG information disclosure quality. Moreover, although the academic community has produced a rich body of research on this topic, differences in research perspectives, sample selection, and other aspects have led to significant divergences in conclusions, without forming a unified cognitive framework. This underscores the necessity and importance of integrating and synthesizing existing research outcomes. Therefore, this study reviews relevant research literature from 2015 to 2025, with a focus on analyzing the significant factors influencing the three aspects, aiming to enrich theoretical understanding, provide practical guidance for enterprises to improve disclosure quality, and contribute to resolving challenges in corporate high-quality development and achieving sustainable development.

2. Manifestations of Problems in Corporate ESG Information Disclosure

2.1 Prevalence of Arbitrary and Subjective "Voluntary Disclosure" Forms

ESG policies serve as the basis for enterprises in preparing ESG reports, but China currently lacks unified ESG information disclosure policies and standards. Under the successive issuance and updates of relevant policy guidelines by Chinese authorities, enterprises at this stage voluntarily select disclosure standards and engage in voluntary disclosure. Due to differences in industry characteristics among various enterprises, the content, areas, and emphases of information disclosure they choose also vary, often resulting in the disclosure of only information beneficial to themselves, thereby achieving the purpose of maintaining a positive external image. This phenomenon leads to situations where the information disclosed by some enterprises does not align with their actual conditions, concealing the truth and deceiving their stakeholders.

2.2 Inadequate Disclosure of Substantive ESG Issues

Inadequate disclosure of substantive ESG issues is a common problem in current corporate ESG information disclosure. This phenomenon primarily refers to enterprises' insufficient disclosure of core issues concerning their operations and the interests of stakeholders, while mainly disclosing formalized peripheral information, which prevents external parties from conducting evaluations of the enterprise with reference value. At present, the main manifestation of this issue is that enterprises' information disclosure is limited to qualitative analysis, lacking quantitative analysis, i.e., without supporting specific data, resulting in a lack of credibility. This easily leads to market skepticism regarding the enterprise's "greenwashing", and consequently, investors' ESG ratings for the relevant enterprises also decline.

2.3 Severe Phenomenon of ESG Information Embellishment

ESG information embellishment is a common issue in corporate accounting information disclosure and a key factor affecting its quality. Information embellishment not only misleads stakeholders and seriously impacts the normal operations of enterprises but also severely damages the company's own reputation,

undermining the principles of fairness and justice. This phenomenon is most common in environmental information disclosure. For instance, in 2022, Xingye Technology, which ranked first in the amount of environmental fines, was fined 3.66 million yuan and had received multiple environmental fines exceeding 100,000 yuan. However, Xingye Technology, which frequently faces environmental issues, publicly claims that the company has always emphasized environmental investments and pioneered the adoption of advanced wastewater treatment environmental equipment (Zhang et al., 2016). In response to national green development policies, enterprises at this stage engage in low-cost environmental information embellishment (Ananzeh et al., 2022) to project an environmentally friendly and green image externally, seeking to attract investors. Over time, this will foster the unhealthy trend of enterprises engaging in ESG information embellishment.

3. Main Factors Influencing the Quality of Corporate ESG Information Disclosure

3.1 External Regulatory Pressure

Government agencies are the primary force in supervising corporate governance information disclosure. Corporate information disclosure is mainly divided into voluntary disclosure and mandatory disclosure. To enhance their image, some enterprises choose voluntary disclosure of information beneficial to themselves, leading to frequent occurrences of “greenwashing” phenomena. Zhang Xiumin et al. used the number of environmental regulatory laws and regulations, the pollution information disclosure index, and the number of environmental administrative penalty cases as proxy variables for government regulatory intensity, further verifying that under strong environmental regulatory pressure, the quality of environmental information disclosed by enterprises is often higher, and this effect is more significant if the environmental regulation has legal enforceability (Zhang et al., 2016). Therefore, the stronger the government’s regulatory power, the higher the quality of enterprises’ environmental information disclosure.

However, at the current stage, the focus of government regulation is mainly on the timeliness and authenticity of information disclosure, neglecting its completeness. When companies disclose information within the stipulated timeframe and rectify inaccurate information in accordance with government recommendations, the government considers the enterprise’s information disclosure to meet the requirements. However, many enterprises at this stage only engage in superficial and formal disclosure of information, without substantive disclosure of corporate governance information, which is highly detrimental to stakeholders and external parties in effectively evaluating the enterprise’s value. In addition, when significant issues arise in a company’s information disclosure work, the government often imposes penalties in the form of criticism or public condemnation. These non-material punitive measures lack deterrence, making it difficult to effectively regulate enterprise behavior, urge rectification, or promote high-quality disclosure of relevant information by enterprises.

3.2 Media Attention

In the current corporate development and social evaluation system, ESG information has become a key indicator for measuring a company’s overall image, with environmental information disclosure serving as a core component. High-quality environmental information disclosure not only signals to the market that the enterprise is actively fulfilling its environmental responsibilities, effectively attracting investors focused on sustainable development, thereby helping enterprises expand financing channels and reduce financing costs, but also leverages a responsible brand image to win consumer favor, enhance brand recognition and loyalty, and lay a solid foundation for market expansion. For this reason, most enterprises attach great importance to external media coverage of their ESG-related information, especially environmental information. Positive media reports act as a “bonus” for the enterprise’s image, widely disseminating the enterprise’s efforts and achievements in the environmental field, further enhancing its positive image in the minds of the public, investors, and partners, and strengthening the enterprise’s market competitiveness.

From the perspective of the impact of reporting sentiment on corporate decision-making, there are obvious differential characteristics: most enterprises make relatively limited adjustments to environmental report management decisions when facing positive reports; however, when encountering negative media reports, such as exposures of environmental violations or pollution issues, enterprises often respond swiftly. Negative

reports directly damage the enterprise's image and may even trigger market trust crises. This external pressure will, to a large extent, stimulate enterprises to reflect on their own environmental management shortcomings and proactively take measures to improve the quality of environmental information disclosure. Through more transparent and comprehensive disclosure, enterprises can repair their image, rebuild trust, and ensure long-term stable development.

3.3 Political Association

Political association closely influences the quality of corporate social responsibility information disclosure, with companies having stronger political associations exhibiting higher disclosure quality. Ananzeh et al. selected companies in Jordan and quantified the relationship between corporate social responsibility disclosure (CSRD) quality and political association through variable definitions and regression models. They found that the average CSRD quality of politically associated enterprises was significantly higher than that of non-politically associated enterprises, indicating a positive correlation between political association and CSRD quality (Ananzeh et al., 2022). On one hand, the government is the main controller of key resources for enterprises, such as policy support, subsidies, and market access. Enterprises need to demonstrate their "social compliance" through CSRD to gain political legitimacy and maintain government trust. Politically associated enterprises interact more frequently with the government and have a stronger demand for "legitimacy signals", thus tending to convey compliance intentions through high-quality CSRD. On the other hand, politically associated enterprises usually obtain additional benefits from the government, such as tax incentives, anti-monopoly protection, and financing convenience. According to the principle of "social exchange reciprocity", enterprises need to reciprocate the government's social welfare and environmental policies through CSRD to maintain political relationships, forming a cycle of "government support → enterprise CSRD → consolidation of political association".

3.4 Internal Corporate Governance Characteristics

From the perspective of information asymmetry theory, enterprises with a sound corporate governance system have more diversified investor sources and a higher proportion of independent directors on the board. They also conduct more in-depth and comprehensive research on national policies and place greater emphasis on maintaining the enterprise's image. As ESG information is an important factor influencing the enterprise's image, the management naturally attaches great importance to it. Xu Subo et al. found that board size, number of meetings, and number of independent directors are linearly related to the quality of environmental information disclosure. A sound corporate governance enhances the transparency of environmental information disclosure, thereby improving disclosure quality (Xu and Zhao, 2023). When the board size is large, disagreements among directors are prone to arise, affecting decision-making and company operations, leading to low operational efficiency; when the board size is small, the internal personnel composition is relatively homogeneous, and the professional structure and experience backgrounds often fail to complement each other. In discussing issues and formulating plans, it is difficult to achieve the effect of pooling wisdom through multi-party discussions, which can easily result in singular and rigid decision-making, unfavorable for enterprises to make more comprehensive and forward-looking judgments in complex market environments. Finally, it is found that a board size of 9 members is the most reasonable structure, more likely to foster innovative initiatives that improve information disclosure quality (Zheng, 2016).

In the face of the national emphasis on corporate environmental pollution issues and the era's requirements for green transformation, the association between corporate green transformation policies and environmental information disclosure quality is not a simple positive relationship but is constrained by factors such as the degree of green transformation. Only by accurately assessing themselves and selecting appropriate governance practices can enterprises effectively promote improvements in disclosure quality. Formulating reasonable green transformation policies based on their own development situations can, to a certain extent, help enterprises improve environmental information disclosure quality, but this does not mean that all enterprises can enhance disclosure quality through green transformation as a corporate governance practice. Sun et al., through a study of a new energy company and threshold analysis, indicated that when the green transformation value is below 0.2704, corporate governance hinders the information disclosure quality of new energy companies. Conversely, only when the green transformation value exceeds 0.2704 does corporate governance improve the information disclosure quality of new energy companies (Sun et al., 2025). It is evident that

enterprises need to conduct a thorough assessment of their development situations before selecting reasonable governance practices to have a positive impact on improving environmental information disclosure quality.

3.5 Corporate Financial and Operational Characteristics

Generally speaking, larger-scale enterprises with longer operating histories have accumulated more corporate governance experience and stronger profitability compared to peers. Therefore, these enterprises typically have sufficient confidence and foundation to promote social governance and disclose high-quality social governance information. Moreover, large-scale enterprises bear greater responsibilities, exhibit stronger enthusiasm for fulfilling social responsibilities, invest more time and effort compared to other enterprises, and thus disclose related information more transparently. Through these initiatives, large-scale enterprises establish themselves as “benchmarks” in the industry, build a good reputation, and showcase a positive image externally. Nair et al. further analyzed and found that higher-quality corporate social responsibility disclosure can improve operational indicators, particularly sales revenue and operational performance (Nair et al., 2025). Thus, it is evident that social responsibility disclosure quality and corporate financial characteristics mutually influence and interact with each other.

Dividend policy and corporate ESG information disclosure quality exhibit consistent signaling. Abdeljawad et al., using Logit, Tobit, and system GMM models, found a significant positive correlation between corporate social responsibility and the likelihood and amount of dividend payments (Abdeljawad et al., 2025). Companies disclosing more corporate social responsibility information are not only more likely to pay dividends but also tend to distribute larger amounts. High-quality enterprises with long-term stable dividends have stronger credit standing and maintain their positive image externally through “stable dividends + high-quality social responsibility information disclosure”. Additionally, according to stakeholder theory, companies flexibly and reasonably adjust internal dividend policies, information disclosure policies, and others based on their development needs to balance the demands of shareholders and other stakeholders. When these related policies, especially dividend policies, are reasonable and moderate, enterprises can utilize retained earnings (beyond stable dividends) for fulfilling social responsibilities. This not only accommodates multiple interests but also enhances ESG information disclosure quality, particularly social responsibility information.

4. Conclusion

In this study, it finds that there are numerous research outcomes regarding the factors influencing the quality of corporate ESG information disclosure, with varying conclusions. By integrating the influencing factors across the three aspects of ESG, this paper comprehensively reflects the problems and causes in current enterprises’ ESG activities from different perspectives. Specifically, the study reveals that: at the external level, external regulatory pressures such as the intensity of government regulation and the degree of media attention significantly affect the initiative and authenticity of corporate ESG information disclosure; at the internal level, internal factors such as corporate governance structure, financial characteristics, and the implementation of relevant policies also play a key role in the quality of ESG information disclosure. This research not only integrates the fragmented results from studies on the factors influencing ESG information disclosure quality, further enriching the theoretical framework of interdisciplinary research in corporate governance and ESG information quality, but also provides practical guidance for enterprises to optimize ESG management and enhance information disclosure levels, while clarifying the direction for promoting the sustainable development of the economy and the environment.

However, the current research outcomes still exhibit certain limitations, specifically manifested in the relatively superficial nature of the study, which primarily relies on the collation and analysis of existing literature and lacks support from innovative and diverse theories and models. Future research can employ appropriate models to deeply explore the influencing factors and evaluate the suggestions proposed in this paper, thereby enhancing the feasibility of enterprises implementing these recommendations. Secondly, assessments of ESG information quality vary in focus among scholars, resulting in no unified evaluation standards. In the future, indicators proposed in previous literature can be refined to identify their commonalities and differences, forming a complete and unified ESG information disclosure quality evaluation system that aligns with China’s policy requirements.

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Conflicts of Interest

The authors declare no conflict of interest.

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