The Impact of Green Bond Financing on Corporate ESG Performance

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Abstract

In order to better promote enterprises to actively undertake social responsibility and achieve sustainable development, this paper examines whether enterprises' ESG performance can be improved through green bond financing and its mechanism with the help of a multi-period double-difference model and a composite multiple intermediary effect model, using the data of listed enterprises from 2013 to 2022. The study finds that green bond financing helps to improve the ESG performance of enterprises, but the improvement effect varies among different industries and different equity nature of enterprises. The mechanism study shows that green bond financing can not only improve ESG performance through four independent intermediary effects: alleviating financing constraints, improving the level of green innovation technology of enterprises, improving the level of social supervision of enterprises, and reducing the agency cost of enterprises, but also improve ESG performance through the chain intermediary effects between the alleviation of financing constraints and the improvement of green innovation technology level of enterprises, and the chain intermediary effects between the improvement of the level of social supervision and the reduction of the agency cost. It can also improve the ESG performance of enterprises through the chain intermediary effect between easing financing constraints and improving the level of green innovation technology of enterprises, and the chain intermediary effect between improving the level of social supervision and reducing agency costs. The findings of this paper bring useful policy insights for improving the green bond system and promoting the sustainable development of enterprises.

Keywords

Green Bond, ESG, Financing Constraints, Green Technology Innovation, Multiple Mediating Effects, Social Supervision, Agency Cost