



Study on the Localisation of Corporate ESG Disclosure --Taking Listed Companies Held by Central Enterprises as an Example

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Abstract. With the rapid development of the global economy, society's concern for sustainable development is increasing, and ESG (Environmental, Social, and Governance) issues are emerging, this paper selects central enterprise holding listed companies as the main body of analysis, and from the perspective of localisation and conformity with China's national conditions, we will discuss ESG information in depth. The paper discusses the localised practice path of ESG information disclosure and promotes the improvement and development of China's ESG information disclosure system. Through statistical method, case study method, etc., the analysis obtains that: (1) China's information disclosure system needs to be improved and unified, and a targeted information disclosure system combining mandatory and voluntary information disclosure should be formulated based on the different situations in different regions; (2) based on the leading role of central enterprise-controlled listed companies in China, they should be taken as pioneers to comprehensively implement the localisation of the ESG disclosure system in accordance with the characteristics of various types of enterprises. .

Keywords: ESG, disclosure, localisation, harmonised standards

1 Introduction and Literature Review

On 22 September 2020, during the general debate of the 75th United Nations General Assembly, China formally put forward the "dual-carbon" goals of carbon peaking and carbon neutrality. Under the concept of sustainable development and the accelerated realisation of the "dual-carbon" goal, environmental-social responsibility-corporate governance (ESG) has gradually become a hotly debated topic in all walks of life, and is also an important performance indicator for the implementation of low-carbon, environmental protection and green development by enterprises in China. Investors and consumers are more and more concerned about the sustainable development ability of enterprises, and the demand for information on the performance of enterprises in governance structure, environmental protection, social contribution, etc. increases;^[1] Wang Linlin et al. empirically examined the mechanism of the impact of ESG performance on enterprise value, and analysed the mechanism of the role of a good ESG performance

can help to improve the efficiency of enterprise operation, reduce the financial risk of the enterprise, and thus enhance the value of the enterprise. While Bai Xiong et al. in "ESG Performance, Institutional Investors' Preferences and Corporate Value" concluded that institutional investors are able to tolerate, to a certain extent, the low short-term operating performance of listed companies with good ESG performance due to the existence of ESG investment preferences. As a result, ESG disclosure has gradually become an important tool for investors to assess the potential risks and opportunities of enterprises and an important part of corporate social responsibility for the capital market.

In China, as an important pillar of the national economy, the ESG performance of central enterprises has received a great deal of attention from the government, investors and the public. However, Lai Yan et al.'s analysis in the article "Current Situation, Hot Spots and Prospects of ESG Research in China" found that research in the field of ESG in China started late and did not pay enough attention to the governmental body, and the current research on ESG disclosure of central enterprises is relatively limited, especially from the perspectives of localisation and conformity with China's national conditions.^[2] Based on this, this paper discusses in depth the localisation practice of ESG disclosure, starting from listed companies held by central enterprises, adopts statistical method, case study method, MECE analysis method, etc., and conducts research on the localisation of corporate ESG based on corporate information and documents on ESG disclosure, etc., and provides strategic suggestions to improve the quality and transparency of corporate ESG disclosure by analysing existing ESG frameworks and guiding principles. Provide strategic suggestions, which help to understand and improve the ESG disclosure practice of central enterprise holding listed companies, and promote the improvement and development of China's ESG disclosure system, so as to enhance the international competitiveness and social image of enterprises.

2 Overview of Domestic and International Disclosure Standards

2.1 Overview of ESG Disclosure

As early as 1992, the United Nations Environment Programme's Finance Initiative (UNEP FI) raised the hope that financial institutions would also incorporate ESG factors into the decision-making process of their investments. The United States is the earliest country in the world to focus on ESG disclosure, while the European Union and Hong Kong, China are also at the forefront of the world's systematic construction of ESG disclosure systems.

The China Securities Regulatory Commission (CSRC) released a revised version of the Code of Governance for Listed Companies in September 2018, which for the first time explicitly requires listed companies to disclose information on environmental, social and corporate governance^[3]. In recent years, the CSRC has attached great importance to guiding listed companies to implement the development concepts of innovation, coordination, greenness, openness and sharing, and has continued to strengthen

the requirements for disclosure of listed companies' environmental, social responsibility and corporate governance information by taking information disclosure as a tool, gradually forming a set of basic institutional frameworks to promote listed companies' practice of green development, fulfilment of their social responsibility and standardisation of their corporate governance.

2.2 Foreign Disclosure Standards

ESG disclosure has become an integral part of international investors' examination of investment targets and economic organisations' disclosure of non-financial information. Internationally, there are several standard frameworks for ESG disclosure, each with a different focus and application area. The mainstream disclosure frameworks cited by global exchanges are mainly divided into two categories: comprehensive reporting disclosure frameworks represented by GRI, SASB, IIRC, etc., and disclosure frameworks focusing on climate change, water resources and other areas represented by TCFD and CDP. Globally, the GRI standard is widely cited, with 95 per cent of disclosure documents issued by member exchanges citing the GRI standard, according to the SEE website. Other standards such as the Sustainability Accounting Standards Board SASB, the International Integrated Reporting Council IIRC, and the Centre for Global Environmental Information and Research CDP have also been widely adopted.

In order to promote the federal government sector to actively respond to the issue of climate change, the U.S. Congress passed the National Environmental Policy Act (NEPA) as early as 1969, which is the earliest environmental basic law in the international arena, and it also prompted the U.S. Securities and Exchange Commission (SEC) to include non-financial information, such as environmental protection, in the scope of disclosure of issuers. However, against the background of market-led and corporate autonomy as the main legislative model and the conflicting philosophy of two-party governance, the implementation of mandatory ESG investment indicators in the financial investment sector in the United States has affected investors' investment returns to a certain extent, and has been opposed by the masses in various states, ushering in a wave of anti-ESG campaigns; in order to implement the ESG investment policy, Biden even exercised the presidential veto power for the first time on 20 March 2023, and the Presidential veto power was exercised for the first time. Biden even exercised his presidential veto for the first time on 20 March 2023 to implement ESG investment policies. Therefore, regarding ESG legislation, each country should jointly examine the political and economic conditions, combine with the actual situation of their own country, and comprehensively consider the needs of market players with relevant interests, so as to find more practical ESG legislative solutions and accelerate the localisation process of ESG information disclosure.

Since 2010, European countries have issued ESG disclosure policy documents for large enterprises, and the EU Carbon Border Adjustment Mechanism ("CBAM" or "Carbon Tariff") has come into effect on 17 May 2023; this trend has gradually spread to Asia-Pacific, Australia, Africa, North America, and the Middle East, etc. This is conducive to the improvement of the quality of non-financial information disclosure. The EU Carbon Border Adjustment Mechanism ("CBAM" or "Carbon Tariff"), which

came into effect on 17 May 2023, is conducive to the sustainable development of the environment and financial markets and promotes the improvement of the quality of non-financial disclosure; this trend is gradually spreading to Asia-Pacific, Australia, Africa, North America, the Middle East and other regions.^[4]

2.3 Domestic Disclosure Standards

China's ESG disclosure standards framework is being gradually improved, and the relevant disclosure requirements are mostly focused on social responsibility, mainly related to the publication format guidelines for listed companies' annual and semi-annual reports. In January 2022, the SSE for the first time put forward mandatory requirements for the disclosure of social responsibility reports of companies on the Techchina board.^[5]

Data shows that from 2007 to 2022, the average fluctuation of the disclosure ratio of independent ESG/social responsibility reports basically remained around 20%-25%, indicating that about a quarter of the listed companies in the current market are able to voluntarily and proactively disclose ESG-related information, and that the disclosure rate of A-share disclosure of ESG or social responsibility reports will be 36.48% in 2023, reaching a record high. Table 1 shows the disclosure status of different enterprise attributes. In May 2022, SASAC issued the Work Programme for Improving the Quality of Listed Companies Held by Central Enterprises, proposing to strive to achieve full coverage of ESG reports of central enterprises by 2023, and to promote the establishment of an ESG rating system for central enterprises. By the end of June 2023, there were already 2 types of listed companies with a disclosure rate of more than 50% for their ESG/social responsibility reports for the new year, of which the disclosure rate for central SOEs had exceeded 70%.

Table 1. ESG disclosure by type of business (as of March 2023)

Enterprise Attributes	Number of disclosures	disclosure rate	year-on-year growth rate
Central state-owned enterprises	330	73.50 per cent	24.06 per cent
Local state-owned enterprises	467	50.32 per cent	24.87 per cent
public enterprise	125	41.95 per cent	6.84 per cent
Other enterprises	9	33.33 per cent	50.00 per cent
collective enterprise	7	30.43 per cent	0.00 per cent
foreign enterprise	53	29.28 per cent	3.92 per cent
private business	747	22.52 per cent	24.09 per cent

Specifically, the carriers of ESG disclosure for listed companies on the Shanghai and Shenzhen Stock Exchanges mainly include thematic reports such as ESG report, CSR report and sustainable development report, or disclosure in the mid-year report and annual report. SZSE and SSE have not yet formed a complete ESG reporting system, and

the relevant disclosure requirements have not yet been unified and complete, presenting a gradual expansion of the subject of disclosure, a gradual comprehensiveness of disclosure content, and a gradual transformation from voluntary to mandatory.

Compared with the international ESG disclosure standards, there is no complete ESG disclosure standards framework in China, and the disclosure content focuses on corporate social responsibility or environmental protection information, with problems such as insufficient mandatory disclosure, overly homogeneous disclosure content, small scope of participating disclosure subjects, inconsistent disclosure format, and a lack of independent validation of the disclosure report.

Overall, ESG disclosure is becoming more and more important in China. Regulators and exchanges should promote listed companies to improve the transparency of ESG information and improve the ESG disclosure system to promote sustainable development and investor decision-making.

3 Analysis of the Current Status of ESG Information Disclosure of Listed Companies Held by Central Enterprises--Taking China Mobile as Example

3.1 Reasons for Voluntary and Autonomous ESG Disclosure

With the strengthening of environmental awareness, investors and the public have higher and higher expectations of corporate environmental responsibility. By publicly disclosing their environmental protection measures, they can improve transparency and increase public trust in the company. Public disclosure of ESG can help companies better assess and manage risks such as carbon emissions, energy efficiency, biodiversity conservation, employee safety, and administrative anti-corruption, as well as meet increasingly stringent domestic and international environmental regulations. ESG disclosure can enhance one's market competitiveness and is a sign of corporate social responsibility and response to society, which can improve social reputation.

Yang Jie, secretary of the party group and chairman of China Mobile Communications Corporation, said that China Mobile takes sustainable development as a long-term strategy, and has published the Sustainable Development Report for 17 consecutive years, continuously applying the advantages of information technology to serve the national strategy and the economy, society and people's livelihood. Under the current new requirements of high-quality development, China Mobile is accelerating the promotion of "two new types", that is, the system to build a new type of information infrastructure focusing on 5G, arithmetic network, and capacity centre, and innovatively build a new type of information service system with "connection + arithmetic + capacity". Technology is the first productive force. Science and technology is the first productive force, and China Mobile has made every effort to promote scientific and technological innovation, launching the "BASIC6" scientific and technological innovation plan for six major fields, such as arithmetic network, capability centre, artificial intelligence, etc., to further promote the integration and innovation of information energy, new generation of information technology and information service system and social operation

system, so as to promote the high-quality development of the whole society. The whole society will be developed with high quality.

3.2 Analysis of the Current Status of China Mobile's ESG Disclosure

China Mobile Communications Corporation (hereinafter referred to as "China Mobile"), is a company established in accordance with the national telecommunication system reform. system reform (hereinafter referred to as "CMCC") was established in 2000 in accordance with the overall deployment of the national telecommunication system reform. centralised enterprise China Mobile is a centralised enterprise established in 2000 in accordance with the overall plan of national telecommunication reform. Based on the positive performance of China Mobile in ESG disclosure, this paper selects China Mobile as a representative of listed companies held by central enterprises, and further analyses it in order to find a practical path to localise ESG disclosure. The following is an analysis of China Mobile's ESG disclosure.

3.2.1 Environmental Analysis

China Mobile firmly establishes and practices the concept that green water and green mountains are golden mountains and silver mountains, and plans its development from the perspective of the harmonious coexistence of mankind and nature, vigorously promotes its own energy conservation and emission reduction, effectively drives the establishment of green standards in the industrial chain, and empowers the whole society to save energy and reduce carbon emissions by means of information technology, and actively contributes to ecosystem diversity, stability, and continuity, so as to contribute to the construction of a beautiful China with its "mobile power". power" for building a beautiful China.

China Mobile has anchored itself in the goal of "double carbon" and continued to promote the "C² Triple Energy - China Mobile's Carbon Peak Carbon Neutral Action Plan", with the main lines of action being "energy saving, energy cleaning and energy empowerment". With "energy-saving, energy-cleaning and energy-empowering" as the main line of action, China Mobile has continuously promoted the realisation paths of green network, green energy consumption, green supply chain, green office, green energy-empowering and green culture, and has carried out the concept of green and low-carbon development through all aspects of the company's production and operation. At the same time, China Mobile has set up a climate change control structure, dividing the enterprise into three levels: decision-making level, management level and execution level, combining with a risk assessment system, clarifying the division of functions, identifying potential risks, and introducing industrial energy saving scenarios and models for analysis, so as to strengthen the understanding and identification of climate risks in different situations across the enterprise and to facilitate the enterprise's timely detection of risks and formulation of countermeasure strategies, so as to better push forward the development of the energy saving process and achieve the enterprise's sustainable development. This will enable the enterprise to detect risks and formulate

response strategies in a timely manner, so as to better promote the development of energy saving process and achieve sustainable development of enterprises.

With the goal of greening network architecture and energy-saving network technology, China Mobile has continued to promote the green and low-carbon development of the entire life cycle of communications base stations and data centres, and has promoted the transformation of equipment to retire from the network to create a green network. The implementation of "5G+" empowers the construction of green data centres, which reduces energy consumption by about 20% compared with traditional facilities; through the use of renewable materials, rainwater recycling systems, and direct-cooled natural cooling systems, it reduces material loss, energy loss and the impact on the ecological environment during the construction phase, and China Mobile Park Construction and Development Company China Mobile Park Construction and Development Company explored energy saving and consumption reduction in data centres and achieved innovative energy saving through the addition of cold storage and heat exchange equipment, the pilot cooling tower permanent magnet motor modification and other technological applications, and was awarded the "2022 Typical Project Award for High-Efficiency Cooling in Data Centres" by the China Refrigeration Society. Meanwhile, in respect of the monitoring and analysis mechanism for energy efficiency and consumption, relevant data shows that as of the end of December 2022, China Mobile had achieved centralised monitoring and analysis of energy consumption of more than 9,800 stations across the entire network in various types of data centres, core buildings, important convergence rooms and high energy-consuming base stations.

China Mobile actively aims at electrification of energy consumption and scaling up of green power application, introducing green energy, steadily reducing traditional energy use and promoting comprehensive energy utilisation to achieve green energy use. According to statistics, during the 2022 Beijing Winter Olympics, Beijing Mobile actively researched and innovated green and low-carbon base station technology, and the cumulative power savings of wireless network base stations reached 37.56 million kilowatt-hours, and the reduction of indirect carbon dioxide emissions amounted to 21,400 tonnes, which created a whole-life-cycle low-carbon base station system of planning, construction, operation and maintenance, and helped green the Winter Olympics with practical actions.

At the same time, China Mobile actively conveys the concept of green development, makes every effort to promote the construction of green culture, widely carries out environmental protection public welfare activities, and advocates a green and environmentally friendly lifestyle; it extends the concept of green environmental protection to the whole life cycle of products and services, continuously improves the green procurement system, guides green production in the supply chain, and drives the green transformation of the industrial chain. 2022, China Mobile will carry out a cumulative total of about 40,000 paperless procurement projects, with the rate of paperless procurement reaching 99.9%, reducing the number of paper documents by about 240 tonnes. The paperless procurement rate reached 99.9%, reducing the number of paper documents by about 120 million and carbon emissions by about 240 tonnes. The coverage of electronic signatures was further expanded, with 53 units and 8,354 projects realising the electronic signing of bid evaluation reports.

3.2.2 Social Analyses

China Mobile adheres to the "Talent Strengthening Enterprise" plan, and creates favourable conditions and environment for excellent talents by formulating perfect talent construction plan, talent cultivation and incentive mechanism, giving full play to the roles of all kinds of talents at all levels, and promoting the common growth of employees and the enterprise. The company organises and implements special talent attraction plans, attracts talents through multiple channels, and fully creates a fair, open and just talent attraction atmosphere. At the same time, the company focuses on employee safety and actively balances the work and life of employees. According to the survey, China Mobile organises classes for employee mental health care specialists to improve job work skills. 2022, the number of employees covered by employee mental health care exceeded 400,000, the cumulative training of more than 3,000 employee mental health care specialists, and the cumulative completion of more than 100 stress-reducing rooms and care rooms.

China Mobile adheres to the people-oriented approach, helps special people to cross the digital divide, continues to struggle for rural revitalisation, actively carries out public welfare and charitable activities, provides high-quality services to support the coordinated development of the region, strengthens the effectiveness of overseas performance, and shares the fruits of social development with the people. 2022, China Mobile has been solidly pushing forward the work of raising speed and lowering fees and charges, and benefiting the enterprise and the people with remarkable results, and, according to the statistics, the company's precise fee reductions benefited the three types of groups of people totalling 37.167 million people. The company actively implements the requirements for high-quality development of the silver-hair industry, and focuses on bridging the "digital divide" for the elderly. By the end of December 2022, the company had built a total of 120 demonstration sites for smart elderly care, contracted with 117 cooperative elderly care organisations, and built more than 2,700 home-based elderly care beds, serving more than 1.3 million users; since the end of 2020, it has provided services until the end of December 2022, and has been providing services to the public. end of the year to provide services to the end of December 2022, the cumulative number of elderly customers served exceeded 55 million, with a cumulative manual service volume of 209 million times. Focusing on the needs of building a high-quality education system, high-quality and balanced development of education and urban-rural integration, China Mobile develops applications such as the double-decrease service platform, electronic student ID card and 5G cloud examination centre to help the digital development of education; dedicated network connection, creating a 5G dedicated network for the education industry, which has been landed in nearly one hundred schools; technology exploration, formulating a white paper on the dual-domain dedicated network for the education industry, and applying for four invention patents and two high-quality patents; application Innovation, creating 10 applications and landing more than 1,500 5G+ smart campus projects. Implemented the "Digital Intelligence Rural Revitalisation Plan". By the end of December 2022, the company had sent more than 2,400 helping cadres on duty, donated RMB 287 million to the eight counties of the headquarter, and donated RMB 348 million to helping areas across the country, with a

consumption of RMB 470 million, and trained grass-roots cadres and masses for 90,000 times. The company also trained 9,000 grass-roots cadres and masses.

China Mobile shares the fruits of corporate development with its employees by building a high-quality digital and intellectual talent team; it continues to improve the quality of life of the people by actively assuming its social responsibility, so that the fruits of modernisation can benefit the people more and more equitably and the people's vision of their livelihoods can become a happy reality.

3.2.3 Governance Analysis

Adhering to the principles of integrity, transparency, openness and efficiency in corporate governance, China Mobile has gradually established a series of policy systems, internal control systems, and management mechanisms and processes to form a corporate governance mechanism with legal rights and responsibilities, transparency of rights and responsibilities, co-ordination of operations, and effective checks and balances, to continuously improve the effectiveness of corporate governance, to comprehensively prevent and mitigate risks, and to commit itself to enhancing the long-term value of the enterprise and safeguarding the company's sustainable development.

China Mobile has a clear corporate governance framework to ensure transparency and accountability in its operations. As a state-owned enterprise in China, CMCC operates and governs under the guidance of relevant laws and regulations for state-owned enterprises, and its equity is mainly managed by the SASAC of the State Council of China, which exercises the rights and interests of funders on behalf of the State, and plays an important role in influencing the strategic direction of the enterprise and major decision-making, etc.; it establishes a standardised board of directors' system, and combines the practice to refine and clarify the boundaries of the powers and responsibilities of the board of directors with the party group and the managerial layer, and further optimises the authorisation and management mechanism of the board of directors. Optimise the authorisation and management mechanism of the board of directors. China Mobile has deepened its reform in all aspects, taking the three-year action of state-owned enterprise reform as the main line, taking deepening reform as the fundamental way of "creating first-class", making efforts to promote the breaking down of system and mechanism barriers, and creating a synergistic mechanism of "headquarter in charge of the overall management, regional main battle, and specialised main construction". At the same time, the company deeply implements the deployment requirements of special projects for state-owned enterprise reform, promotes the comprehensive application and system integration of various policies and measures for state-owned enterprise reform, and gives full play to the role of demonstration leading and breakthrough driving. In order to better implement and promote ESG management, the Company has built a three-tier sustainable development management structure of "decision-making, organisation and implementation" with in-depth participation of the top management, horizontal coordination and vertical linkage, and has taken the regular compilation and release of sustainable development reports as a working tool to build a long-term ESG promotion mechanism covering the whole staff and the whole process.

3.3 Relationship between ESG disclosure and financial performance of China Mobile

Anchored on the development positioning of "world-class information service technology innovation company" and the development strategy of creating a world-class "power building", the Company adheres to the general tone of seeking progress while maintaining stability, focuses on building a new type of information infrastructure with 5G, arithmetic network, and capacity centre, and innovatively constructs a new type of information service system of "connectivity + arithmetic + capacity". It has focused on building a new information infrastructure focusing on 5G network and capacity centre, innovatively constructed a new information service system of "connectivity+calculation+capability", comprehensively promoted the all-round force and integrated development of CHBN (personal, household, government and enterprise, and emerging market), and accelerated the integration of information services into all industries and services for the general public, and its operating revenue has risen to the top position among the world's operators for the first time, and its profits have continued to grow well on the basis of a high base. Profit continued to grow well from a high base.

In 2023, China Mobile's annual operating revenue reached RMB 1009.3 billion, up 7.7 per cent year-on-year; of which, communications service revenue reached RMB 863.5 billion, up 6.3 per cent year-on-year, higher than the industry's average growth. Total connections reached 3.35 billion, a net increase of 410 million. Net profit reached RMB131.8 billion, up 5.0% year-on-year, with the profit scale reaching a record high. In terms of revenue structure, digital transformation revenue reached RMB253.8 billion, up 22.2% year-on-year, and the ratio of revenue to communication services increased to 29.4%. As a result of the Bank of China's build-up in informatisation, mobile cloud and 5G industrial digitisation, the enterprise's revenue in the government and enterprise market reached RMB 192.1 billion, up 14.2% year-on-year. The number of government and enterprise customers reached 28.37 million, a net increase of 5.17 million. At the same time, the company fully considered the profitability, cash flow situation and future development needs, from 2024 onwards, the profit distributed in cash within three years gradually increased to more than 75% of the profit attributable to shareholders for that year. From this, we can get that China Mobile adjusts its corporate structure through ESG disclosure, guides the digital information transformation of the company, and at the same time builds its organisational structure and optimises its asset allocation, so as to convey positive information to investors.

3.4 The Impact of ESG Disclosure on China Mobile's Financial Decisions

Good ESG performance can improve the company's credibility and attract more socially responsible investors, which may reduce the company's financing costs. By offering green products and services, China Mobile attracts more consumers who care about sustainability, thus increasing revenue. Also, ESG-compliant operations may increase efficiency and reduce costs. Investors may be more willing to fund companies that demonstrate strong ESG practices because they are seen as less risky and more

profitable in the future. Based on the closing price on 21 March 2024, the China Mobile currently trades at a price-to-earnings (TTM) ratio of around 16.67x, a price-to-book (LF) ratio of around 1.68x and a price-to-sales (TTM) ratio of around 2.18x. This indicates that investors are bullish on China Mobile, which has good ESG disclosure and shows a good investment trend.^[6]

According to a Nielsen survey, 66 per cent of global consumers are willing to pay a higher price for brands with a stronger sense of social responsibility. This suggests that companies can improve the attractiveness of their products and services, thereby increasing market share and revenues, by enhancing the disclosure of ESG information and demonstrating their positive impact on society and the environment. China Mobile ESG has already established a good market image with positive effects. As investors become increasingly concerned about ESG factors, China Mobile is placing greater emphasis on compliance with ESG standards in its investment projects and capital allocation. This could mean prioritising companies that comply with ESG guidelines when selecting suppliers, partners or making mergers and acquisitions. When implementing new environmental technologies or social responsibility projects, China Mobile needs to conduct cost-benefit analyses to ensure that these initiatives are not only compliant with ESG standards but also economically viable. This may affect the company's long-term financial planning and budgetary arrangements.

Consideration of ESG factors may influence the company's investment decisions, including capital expenditure and technology upgrades. CMCC has increased its investment in environmentally friendly technologies to reduce the environmental impact of its operations. For example, the CMCC (Xiamen, Fujian) data centre is equipped with a rainwater recycling and reuse facility, which recycles rainwater from roofs and floors to a sunken green area (with an area of 7,300 square metres) and a rainwater reuse pond (200 cubic metres) set up in the campus. After the construction of the rainwater recycling and reuse equipment, the rainwater reuse system can be used to adjust the water use strategy for activities such as green space watering, landscape watering, landscape water replenishment, etc. according to the rainfall and water storage in each season, and a 1,000 cubic metre rainwater recycling tank has been allocated, which saves investment of about RMB 1.5 million. Assessed by the relevant institutions, the total annual rainfall in the park can reach 3260.6 cubic metres, and the total amount of water that can be recycled by controlling the total amount can reach 2234.6 cubic metres. China Mobile's increased investment in environmental protection technology increases costs in the short term, but saves costs in the long term, improves operational efficiency and market competitiveness, and promotes sustainable development.

According to the World Economic Forum, companies that have optimised their ESG practices typically achieve significant improvements in areas such as energy efficiency, resource use and waste management. For example, by reducing energy consumption and waste generation, companies are contributing to environmental protection and saving money at the same time. Some reports indicate that in terms of operating costs, ESG-leading companies are 5 to 10 per cent lower than their peers.

ESG disclosure requires companies to identify and manage risks related to the environment, society and governance. China Mobile adds corresponding risk reserves or insurance measures to its financial policies, and implements risk control in a

comprehensive manner from multiple dimensions, such as internal control risks, safety risks, and tax risks, to ensure that it can cope with potential negative impacts, such as environmental pollution, social injustice, or poor governance, which may lead to lawsuits, loss of reputation, or disruption of operations. For example, China Mobile deepened the safety risk and hidden danger investigation and rectification, co-ordinated the promotion of the annual safety production inspection, supervised and guided the units to carry out in-depth self-inspection and self-correction, and completed the safety supervision and inspection of 29 units through the remote inspection of cloud video, on-site inspection at the head office, and mutual learning and mutual inspection. 2022 A total of 50,476 safety hidden dangers were investigated and remedied.

Enhanced ESG disclosure will increase the transparency of companies' financial reporting and help build the trust of investors and regulators. This may lead to stricter internal control and compliance requirements, which in turn will affect the formulation and implementation of financial policies. Since 2006, China Mobile has been publishing an annual sustainability report. The report received a five-star good rating from the China CSR Report Rating Expert Committee.

The consideration of ESG factors will prompt China Mobile to pay more attention to sustainability when formulating its long-term strategy, influencing the company's asset allocation, merger and acquisition activities, and R&D direction, and thus having a far-reaching impact on the company's financial position and operating performance. Since 2006, China Mobile has been guided by the prevailing standards and best practices of global corporate sustainability management, taking into full consideration the realities of corporate operation and management, based on the principle of effectiveness, innovating management tools and instruments, and gradually implementing a strategic corporate sustainability management system, with clear responsibilities and a clear division of labour for the efficient implementation of sustainability work. The company insists on the core position of R&D and innovation in its work, further implements the innovation-driven development strategy, focuses on the needs of social and economic development, leads and concentrates on key core technology research and development, sets up the 5G Innovation Consortium, takes the lead as the "chain leader" of the modern mobile information industry chain, and creates the "curator" of the industry's first-class original technology. "source" of first-class original technology in the industry.

In summary, ESG disclosure has a significant impact on China Mobile's financial policies, which not only involves short-term financial decisions but also long-term strategic planning. Through effective management and disclosure of ESG factors, China Mobile can improve its attractiveness in the capital market, reduce financing costs, enhance risk management capabilities, and ultimately achieve sustainable business growth and profit increase. The above conclusions provide a direction for corporate ESG disclosure, while the conversion of theoretical guidance into practical solutions needs to be combined with market trends and the company's own situation.

4 The Need and Challenges of Localising ESG Disclosure

Localisation of ESG disclosure plays a crucial role in the globalised business environment. With the increasing global emphasis on sustainable development and social responsibility, ESG has become an important indicator for assessing the long-term value and risk of enterprises, and ESG disclosure has become a bridge for enterprises to communicate with investors, regulators and the public. However, the implementation of ESG disclosure is different in different countries and regions due to the differences in cultural, legal and economic backgrounds, and localisation has become a factor that must be taken into account in the construction and implementation of ESG disclosure in each country and region. This is not only for the purpose of adapting to global standards, but also an opportunity to deeply understand and integrate into local realities to better achieve sustainable development. The following is an analysis of the necessity of localising ESG disclosure and the challenges it faces based on China Mobile's relevant data.

4.1 The Need for Localising ESG Disclosure

Different countries have different legal and regulatory requirements for the disclosure of ESG information. Enterprises must comply with local laws and regulations in their global operations, which requires them to consider localised regulatory requirements when disclosing ESG information. A localised legal framework can ensure that companies comply with local laws and regulations and avoid the risk of non-compliance, and the legal framework provides basic guidance and requirements for ESG information disclosure. Legislation can ensure that companies report ESG information in accordance with uniform standards and formats, improving the comparability and reliability of the information. In addition, the law can provide for penalties for enterprises that do not comply with the disclosure requirements, thus enhancing the enforcement of the norms. According to China's existing laws, regulations and policy guidelines, the legal requirements for ESG information disclosure mainly involve environmental information, social responsibility, corporate governance, regulatory framework, etc. China Mobile complies with the legal requirements for ESG information disclosure and actively discloses its own ESG-related information. China Mobile has made every effort to build a high-capacity, multi-routing and high-quality transmission network with "one point of access to the world". By the end of December 2022, the international transmission bandwidth reached 123T, a year-on-year increase of 16%. In this case, China Mobile needs to take into account the local ESG-related legal requirements to carry out localisation reforms, so that the company can develop better in the local area.

Cultural differences affect how companies understand and deal with ESG issues. Localised ESG disclosure can better reflect local cultural values and social expectations, thus better achieving sustainable corporate development. For example, in the different countries and regions where it operates, China Mobile needs to take into account local concerns about environmental protection, perceptions of social responsibility, and expectations of its governance structure to ensure that its ESG reports truly reflect its sustainable practices in different cultural contexts.

Investors in different markets may have different concerns about ESG information. Localised disclosure can help companies meet the needs of local investors more accurately, thereby increasing investor confidence in the company, giving the company a greater competitive advantage in the global market, and helping to attract more investors globally and across regions. Localised ESG disclosure can help companies better differentiate themselves from their competitors by combining corporate reality with local conditions, adopting new technologies or new models, better adapting to the development of the company in different regions, and making the disclosure more relevant to the needs of stakeholders. For China Mobile, the use of advanced data analysis tools and sustainability evaluation methods to measure and report on its environmental and social impacts in different regions is conducive to improving the quality of its ESG reports, as well as positively impacting its performance by adopting new technologies and innovative methods to achieve improvements in its operations and management, which will in turn contribute to the further realisation of its sustainable development goals. In this way, it will have a positive and holistic effect both on improving environmental and social performance and on achieving the SDGs.^[7]

Localised ESG reports reflect community concerns and expectations more clearly, which in turn enhances the level of community and other stakeholder engagement, thus bringing valuable local knowledge and insight to the business, enabling an improved sustainability strategy, while supporting long-term business objectives and contributing to socially and environmentally sustainable development, while working with the community deepens the company's local roots and contributes to the local social and environmental sustainability.

Globalised corporate practices, including localised ESG disclosure, can enable companies to combine global sustainability goals with local realities while local practices and local cultures are respected, thus building a solid brand and reputation globally, and gaining more recognition and support at the local level, so that the image of corporate social responsibility can be strengthened, and thus contributing to the global and local sustainability sustainable development goals in order to fulfil its responsibilities as a corporate citizen. By demonstrating its efforts in integrating the local SDGs and priorities globally, China Mobile will strengthen its image as a responsible corporate citizen, contributing to the promotion of the global SDGs and to the local community.

4.2 Challenges of Localising ESG Disclosure

Overcoming the challenges of localising ESG disclosure requires a range of strategies and measures to be adopted and effectively communicated and reported by companies, as inconsistent standards in the context of globalisation is a major challenge for companies, and the absence of globally harmonised ESG reporting standards creates a certain level of complexity for companies to develop cross-regional ESG reporting strategies, as different countries and regions may have different ESG reporting standards in different countries and regions. The extent of ESG reporting disclosure varies significantly across countries and regions, and the lack of uniform ESG disclosure standards in China may lead to a lack of clear guidance and standards for companies when making disclosures. Enterprises need to pay close attention to the development of international

and regional standards, and seek to recognise and integrate these diverse standards, so as to achieve consistency and compatibility in the content of ESG reports across regions. By adopting the above measures, companies will reduce the risks they face due to inconsistent ESG disclosures. At the same time, companies also need to have an in-depth understanding of multiculturalism and use inclusive and sensitive language and expressions to ensure that ESG reports are effectively communicated in different cultural contexts, both in terms of compatibility with the local culture.^[8]

Data access and quality are fundamental to ESG reporting, but access to high-quality data can be challenging in some regions, so firms are expected to improve the efficiency and accuracy of data access by building good relationships with local vendor partners and government agencies. In addition, with the increasing number of ESG evaluation and reporting requirements, it is particularly challenging for companies to continually develop and apply new technologies and methodologies for collecting and analysing ESG data, especially in the context of varying needs across countries or regions.

Limited resources and knowledge, especially for SMEs, is another important challenge. Therefore, enterprises need to spend appropriate resources to enhance the business knowledge and professional skills of team members, including regular education and training for ESG data collection, analysis and reporting, so that they can effectively interpret ESG reports and make reasonable analyses and explanations, and at the same time ensure the quality of the reports and compliance in order to Responding to the ever-changing policy, regulation and regulatory environment, companies should establish appropriate mechanisms to continuously monitor and adapt to these changes, so that ESG disclosure is in line with global standards, while incorporating local requirements. Effective localisation of ESG reporting requires close cross-departmental cooperation and the establishment of internal communication and collaboration mechanisms to overcome the challenges encountered due to various factors, so that the localisation of ESG reporting can be implemented smoothly and have a positive effect on the company.

Finally, critical to achieving the purpose of long-term sustainability is managing the expectations of different stakeholders and communicating the progress and challenges of ESG goals through transparent communication. At the same time, companies must also focus on the challenges of cultural and linguistic differences, investing resources in cultural adaptation training to eliminate possible misunderstandings and communication barriers in a way that ensures that the content in the ESG report is presented in a way that can be accepted and understood by the local population.^[9]

By comprehensively addressing and strategically executing on these challenges, companies will be able to better meet the needs and expectations of stakeholders in different regions and more effectively localise the disclosure of ESG information while enhancing transparency and accountability.

The challenges faced by enterprises in carrying out the localisation of ESG disclosure in terms of effective resource allocation are multifaceted and include both financial resources as well as human and time resources. Enterprises need an effective resource allocation strategy to promote ESG localisation, so that resources are utilised in the most reasonable way without affecting other important business activities. In addition, due to the ever-changing ESG environment and laws and regulations, as well as the

dynamic nature of stakeholders' expectations, companies' ESG reporting strategies and practices need to be constantly monitored and adjusted to ensure that they are in line with the current environment. To this end, companies need to establish appropriate mechanisms. In response to the above changes and dynamics, companies need to regularly monitor and adjust their ESG reporting strategies and practices.

In short, the nationalisation of ESG disclosure is a complex but essential endeavour. By addressing the multifaceted challenges of inconsistent standards, data access and quality, resource and knowledge constraints, cultural sensitivities, technological and methodological developments, changes in policy and regulatory environments, ongoing education and training, management of stakeholder expectations, resource allocation, cross-functional collaboration, data quality and accessibility, as well as cultural and linguistic differences, organisations can better adapt to different markets and cultural environments, in order to different markets and cultural environments to enhance their global ESG performance. This requires both close collaboration and resource commitment within the organisation, as well as the ability to be sensitive and adaptive to external changes in order to achieve their long-term sustainability goals.

5 Conclusion

5.1 Conclusions of the Study

Although ESG information disclosure has become an international trend and some progress has been made in China, listed companies in China still face some challenges and room for improvement in ESG information disclosure. Based on the above analysis of China Mobile, the following conclusions are drawn from the study of the necessity and challenges of China's current ESG information disclosure system:

(1) The implementation of the localisation of ESG information disclosure needs to be spearheaded by listed companies controlled by central enterprises, leading enterprises, especially small and medium-sized enterprises, to actively disclose ESG information proactively

(2) Based on the existence of "greenwashing" behaviour and the lack of uniformity in domestic disclosure standards, a mandatory or voluntary disclosure system should not be implemented purely on a case-by-case basis, but rather a combination of mandatory and voluntary measures should be taken to give full play to the advantages of the system, strengthen regulation and promote sustainable development and construction.

(3) Based on the different situations in different regions, there should be differences in the setting of disclosure requirements and exploration of industry indicators that meet localised requirements

The localisation of ESG disclosure is a process of continuous development and improvement, and it is necessary to formulate and follow ESG disclosure standards suitable for the domestic market, taking into account international trends and the actual situation in the country. Through continuous regulatory guidance, policy support and corporate practice, the level of ESG disclosure of listed companies in China can be gradually improved, thus promoting the sustainable development of the whole society.

5.2 Future Prospects

First, establish localised standards in line with international standards. Combined with the internationally accepted ESG disclosure framework, formulate ESG disclosure guidelines and evaluation systems that are in line with China's national conditions.^[10]

Second, strengthen corporate ESG training and information construction. Through training and education, improve the understanding of ESG among corporate management and employees, and enhance their awareness and ability to disclose information. Encourage enterprises to adopt advanced information technology to improve data management and enhance the efficiency and accuracy of information disclosure.

Third, focus on the leading role of state-owned enterprises. Through regulatory guidance and further requirements on ESG disclosure for listed companies controlled by central enterprises, they will play a leading role in the market and promote the localised practice and development of ESG.

Fourth, strengthen regulation and incentives. The government and regulators should strengthen the supervision of corporate ESG disclosure, and at the same time incentivise corporations to improve disclosure through tax incentives, credit support and other measures.

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