

Performance Analysis of Internet Enterprises From the Perspective of ESG: A Case Study of NetEase

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Abstract. In recent years, corporate performance evaluation has been mainly focused on financial performance, and there are few studies on the construction of performance evaluation system containing non-financial indicators. Especially since the concept of ESG was put forward by the Financial Action Agency of the United Nations Environment Program in 1992, environmental, social and corporate governance have gradually attracted the attention of social investors. Internet technology has helped the rapid development of domestic economy. Taking NetEase as an example, this paper aims to combine the concept of ESG with the financial performance of enterprises, establish an ESG performance evaluation system of Internet enterprises, and evaluate the system. It is found that the ESG performance evaluation system is more effective than the traditional performance evaluation, and finally summarizes the experience and enlightenment of ESG performance implementation.

Keywords: ESG Performance Evaluation; Internet Companies; Entropy Method.

1. Introduction

As a new performance evaluation system, ESG combines environmental, social responsibility and corporate governance to evaluate enterprise performance, which is in line with China's current economic development level and national development strategy. The information displayed by ESG can more completely reflect the business conditions of enterprises, have a great impact on the sustainable development of enterprises, and advocate enterprises to pay attention to environmental protection, social responsibility and corporate governance.

Based on the above background, this paper selects NetEase as a case enterprise, integrates ESG concept on the basis of traditional financial performance evaluation, constructs a four-dimensional performance evaluation system covering finance, environment, society and corporate governance, deeply analyzes the problems existing in enterprise operation and management, finds out the advantages and disadvantages of enterprise performance, and then puts forward targeted suggestions. Improving the performance level and market competitiveness of enterprises can provide certain references for other enterprises in the same industry to carry out ESG practice, and guide other enterprises to actively participate in and practice the concept of sustainable development.

2. Literature Review

At present, ESG is mainly used in listed companies' ESG information disclosure. According to the data of the China Association of Listed Companies, a total of 5,067 listed companies on the three stock exchanges in Shanghai, Shenzhen and North disclosed annual reports for 2022, of which more than 1,700 listed companies independently compiled and released 2022 ESG-related reports, accounting for 34%.

In recent years, scholars have begun to study the relationship between ESG performance and enterprise performance as a whole, which mainly includes three viewpoints: positive correlation, negative correlation and U-shaped correlation.

The first view is that ESG performance is positively correlated with firm performance. Peng Manru (2023) found that good ESG performance can effectively improve the financial performance of enterprises, and innovation ability plays a partial mediating role in the positive impact of ESG performance on enterprise performance. Good ESG performance of Chen Lingfang (2022)

significantly improves corporate performance, but financing constraints have a negative impact on corporate performance, and financing constraints inhibit the promotion role of ESG performance on corporate performance.

The second view is that ESG performance is negatively correlated with firm performance. By analyzing the data of 104 multinational companies from Brazil, Colombia, Chile, Peru and Mexico from 2011 to 2015, Duque-Grisales et al. (2019) found that the final rating score of ESG was significantly negatively correlated with financial performance.

The third view is that ESG performance is related to the "U" shape of firm performance. Wang Jingling et al. (2023) conducted an ESG effect analysis on the annual report of the steel industry in 2022 and found that ESG and corporate financial performance are complementary, and the final corporate financial performance involves not only ESG performance cost input but also social feedback. A large amount of cost expenditure will make the financial performance of the enterprise decline at the beginning, but the good performance of the enterprise will be unanimously praised by the society, and the investment of the enterprise will increase, and the long-term performance of the enterprise will be improved. The final conclusion is that the ESG and financial performance of the enterprise show a U-shaped correlation.

This paper reviews the relevant literature on ESG and finds that the construction of ESG system in China is in its infancy and there are many problems. It has become urgent to further improve the ESG database, strengthen the supervision of ESG information disclosure, improve supporting policies, and establish and improve the ESG system with Chinese characteristics. Finally, by reviewing the literature on the relationship between ESG and enterprise performance, this paper finds that foreign studies are sufficient, while domestic scholars focus on the impact of ESG on enterprise performance from a single aspect

3. Performance analysis of Internet enterprises from the perspective of ESG -- taking NetEase as an example

3.1. Company Profile

NetEase Inc. (NASDAQ: NTES and HKEX code: 9999, "NetEase") is a leading Internet and gaming service provider committed to providing quality content. The company continues to expand the game ecosystem, form a rich product matrix, and develop and operate a number of mobile games and terminal games that are widely popular and enduring in China and the world.

With its top ESG (environmental, social and corporate governance) performance in the global media and entertainment industry, NetEase was included in the 2022 Dow Jones Sustainability World Index, the 2022 Dow Jones Sustainability Emerging Markets Index, and the 2023 Bloomberg Gender Equality Index, and received an A-grade rating from the authoritative international index agency MSCI.

3.2. Establishment of NetEase's ESG Performance Evaluation Index System

In this paper, when constructing NetEase's ESG performance evaluation index system, Reference is made to China Corporate Social Responsibility Reporting Guidelines (CAS-ESG5.0), Enterprise ESG Evaluation Guidelines, National Certificate ESG Evaluation Methods, 2019 ESG Evaluation System Research of Chinese Listed Companies, 2022 ESG Rating Analysis Report of Chinese A-Share Companies, and NetEase ESG Report 2020-2022. And academic research results, at the same time, according to the characteristics of the industry NetEase is in the construction of the index system.

3.2.1. Setting of Environmental Performance Evaluation Index System

When setting environmental indicators, try to make the indicators reflect the efforts made by enterprises in low-carbon, environmental protection and biodiversity in the process of operation. The performance evaluation of the environment (E) dimension has set up four secondary indicators, the specific indicators are shown in Table 1.

(1) Energy management and carbon emissions: It mainly reflects the energy management of enterprises and the impact of corporate carbon emissions on environmental performance. Greenhouse gas emissions, renewable energy consumption and comprehensive energy consumption indicators are selected. The smaller the index value, the higher the environmental performance.

(2) Resource use management: It mainly reflects the impact of resource use management on environmental performance of enterprises. The indicators of water use intensity, electricity consumption intensity and emissions of outsourced package materials are selected. The smaller the index value, the higher the environmental performance.

(3) Waste water and waste management: It mainly reflects the treatment of waste generated in the production process of enterprises. The waste discharge index is selected. The smaller the index value, the higher the environmental performance.

Biodiversity: In order to reflect the efficiency of enterprises in adapting to the requirements of environmental protection under the background of environmental regulation, combined with the characteristics of the main business for environmental governance, the assessment of enterprise biodiversity protection is used as a qualitative and quantitative index to reflect biodiversity from the number of relevant measures issued by enterprises.

Table 1. Environmental performance evaluation index system.

Primary index	Secondary index	Three-level index	Unit	Index property
Environment	Energy management and carbon emissions	Greenhouse gas emissions	Tons/billion yuan revenue	negative
		Renewable energy consumption	Million cubic meters/billion yuan revenue	negative
		Comprehensive energy consumption	MWH/billion revenue	negative
	Resource usage management	The intensity of water usage	Tons/billion yuan revenue	negative
		Electricity intensity	KWH/billion yuan revenue	negative
		Emission of outsourced package materials	Tons/billion yuan revenue	negative
	Wastewater and waste management	Waste discharge	Cubic meters / 100 million yuan revenue	negative
	Biodiversity	Biodiversity conservation initiatives	Number	positive

3.2.2. Setting of Social Responsibility Performance Evaluation Indicators

The social responsibility index sets five secondary indexes, namely privacy information security, product quality control, employees, customers and public welfare charity. Considering that NetEase is an Internet company, the "One screen" project set by the company is introduced into the public welfare charity index. The specific indicators of performance evaluation in the dimension of social responsibility (S) are shown in Table 2

(1) Privacy and data security: Since NetEase's business involves customer privacy, information security system and privacy protection policy are selected as indicators for quantitative analysis. The higher the index value, the higher the social performance.

(2) Product quality: Since the establishment of NetEase's game division in 2001, most of its revenue comes from game software, so the improvement of product quality control measures is

chosen as an indicator to reflect NetEase's product quality supervision. The higher the index value, the higher the social performance.

(3) Employee performance: The game software operated by NetEase belongs to the research and development expenditure and has a lot of property rights and patents. In order to protect the rights and interests of employees, the number of intellectual property training, the number of employees from countries, per capita salary and the duration of employee training are selected as indicators. The higher the index value, the higher the social performance.

(4) Customer relationship management: measures the performance of enterprises' social responsibilities in safeguarding customers' rights and interests, aiming to reflect the impact of relevant risks on the sustainable profitability of enterprises. Among them, the larger the proportion of business income of the top three projects, it means that the enterprise has won the affirmation of customers, and the customer source has strong stability.

Public charity: From the three perspectives of public welfare undertakings and scientific and technological innovation contribution, evaluate the responsibility performance of enterprises to peripheral indirect stakeholders, as well as the social and economic benefits brought by enterprise innovation. The proportion of foreign donations in operating income and the number of counties and cities implementing "One screen" public welfare projects are reflected.

Table 2. Social responsibility performance evaluation index system.

Primary index	Secondary index	Three-level index	Unit	Index property
Society	Privacy and data security	Information security system	Number	positive
		Privacy Policy	Number	positive
	Product quality	Improve product quality control measures	Number	positive
		Intellectual property training	Frequency	positive
	Employee rights and interests	Employee diversity	Number	positive
		The average wage per person.	RMB/person	positive
		Employee training time	Ten thousand hours	positive
	Customer relationship management	Customer satisfaction	%	positive
		Proportion of the top three operating revenues	%	positive
	Public welfare and charity	"One Screen" public welfare project	County	positive
		Foreign donations/business income	%	positive

3.2.3. Corporate Governance Performance Evaluation Index Setting

In terms of corporate governance, two secondary indicators are also selected, and the setting of detailed indicators is as quantifiable as possible. The specific indicators are shown in Table 3.

Table 3. Performance evaluation index system of corporate governance

Primary index	Secondary index	Three-level index	Unit	Index property
Governance	Corporate governance	Cash dividend ratio	%	positive
		Proportion of independent directors	%	positive
		The proportion of female directors in companies	%	positive
	Business ethics and anti-corruption	Board size	Number	positive
		The proportion of the largest shareholder	%	positive
		Anti-corruption related training	Ten thousand times	positive

(1) Corporate governance

1) Shareholder governance: Starting from the governance mechanism under China's regulatory rules, the participation of shareholders in corporate operations and investment returns are revealed, reflected by the shareholding ratio of the largest shareholder and the cash dividend rate. The higher the index value, the better the governance performance.

2) Board governance: Starting from the governance mechanism under China's regulatory rules and taking compliance within the regulatory framework as the standard, it focuses on revealing the potential risks of enterprises in the setting of board structure and operational decisions. Reflecting the proportion of independent directors, the proportion of female directors and the size of the board of directors, the higher the index value, the better the governance performance.

(2) Business ethics and anti-corruption

Starting from the governance mechanism under China's regulatory rules, taking the company's strengthening of staff anti-corruption training time as an indicator, the higher the index value, the better the governance performance.

3.2.4. Setting of Financial Performance Evaluation Indicators

Table 4. Financial performance evaluation index system of the company.

Primary index	Secondary index	Three-level index	Unit
Finance	Financial index	Return on equity	%
		Net interest rate on total assets	%
		Return on investment	%
		Turnover of total assets	%
		Turnover of current assets	%
		Inventory turnover	%
		Accounts receivable turnover rate	%
		Sales growth rate	%
		Capital accumulation ratio	%
		Growth rate of total assets	%
		Asset-liability ratio	%
Quick ratio	%		

3.3. Specific Application of ESG Performance Evaluation System

Summary this paper takes the ESG data of NetEase from 2020 to 2022 (see Table 5) as an example to illustrate the application process of ESG performance evaluation.

Table 5. NetEase's index values from 2020 to 2022.

Primary index	Secondary index	Three-level index	Unit
Greenhouse gas emissions	95.878	356.779	339.045
Renewable energy consumption	0.128	0.154	0.169
Comprehensive energy consumption	17.542	73.533	88.658
The intensity of water usage	607.117	468.198	629.918
Electricity intensity	128.577	55.866	68.916
Emission of outsourced package materials	4.072	8.591	7.800
Waste discharge	8.310	20.874	20.221
Biodiversity conservation initiatives	2.000	1.000	3.000
Information security system	12.000	30.000	67.000
Privacy Policy	3.000	4.000	4.000
Improve product quality control measures	4.000	3.000	3.000
Intellectual property training	35.000	30.000	40.000
Employee diversity	35.000	39.000	40.000
The average wage per person.	26446.350	27323.000	31011.000
Employee training time	21.401	43.086	33.500
Customer satisfaction	95.000	98.000	93.000
Proportion of the top three operating revenues	100.000	93.990	94.800
"One Screen" public welfare project	1.000	10.000	11.000
Foreign donations/business income	0.001	0.002	0.000
Cash dividend ratio	11.524	4.296	12.761
Proportion of independent directors	83.000	83.000	80.000
The proportion of female directors in companies	16.000	33.000	40.000
Board size	6.000	5.000	5.000
The proportion of the largest shareholder	44.700	42.500	46.380
Anti-corruption related training	2.545	3.860	3.900
Return on equity	16.800	19.000	20.330
Net interest rate on total assets	9.500	11.410	12.460
Return on investment	25.720	29.490	33.050
Turnover of total assets	58.008	59.296	59.130
Turnover of current assets	68.340	77.462	73.328
Inventory turnover	55.841	52.230	44.661
Accounts receivable turnover rate	16.848	17.376	18.362
Sales growth rate	24.360	18.920	10.150
Capital accumulation ratio	28.760	8.380	12.420
Growth rate of total assets	26.580	8.250	12.500
Asset-liability ratio	33.890	35.290	39.980
Quick ratio	2.294	2.221	2.298

Source: The author himself

3.3.1. Determination of Evaluation Index Weights

Entropy method is a mathematical method used to judge the degree of dispersion of an index. The greater the degree of dispersion, the greater the influence of this index on the comprehensive evaluation. In practical application, entropy is used to judge the degree of dispersion of an index. Entropy is a measure of uncertainty. The greater the amount of information, the smaller the uncertainty and the lower the entropy; the smaller the amount of information, the greater the uncertainty and the greater the entropy. Therefore, according to the variation degree of each index, the weight of each index can be calculated by using the tool of information entropy. After calculation, the weights of basic indicators are shown in Table 6.

Table 6. Shows the weight of NetEase indicators.

Primary index	Information entropy value eInformation utility value d	Information utility value d	Weight (%)
Greenhouse gas emissions	0.219	0.781	4.294
Renewable energy consumption	0.531	0.469	2.577
Comprehensive energy consumption	0.425	0.575	3.162
The intensity of water usage	0.348	0.652	3.582
Electricity intensity	0.628	0.372	2.044
Emission of outsourced package materials	0.387	0.613	3.37
Waste discharge	0.183	0.817	4.489
Biodiversity conservation initiatives	0.581	0.419	2.302
Information security system	0.51	0.49	2.694
Privacy Policy	0.635	0.365	2.007
Improve product quality control measures	0.014	0.986	5.416
Intellectual property training	0.584	0.416	2.284
Employee diversity	0.633	0.367	2.015
The average wage per person.	0.413	0.587	3.223
Employee training time	0.596	0.404	2.22
Customer satisfaction	0.568	0.432	2.375
Proportion of the top three operating revenues	0.361	0.639	3.512
"One Screen" public welfare project	0.631	0.369	2.029
Foreign donations/business income	0.629	0.371	2.036
Cash dividend ratio	0.63	0.37	2.035
Proportion of independent directors	0.652	0.348	1.91
The proportion of female directors in companies	0.619	0.381	2.092
Board size	0.022	0.978	5.376
The proportion of the largest shareholder	0.572	0.428	84
Anti-corruption related training	0.634	0.366	2.013
Return on equity	0.613	0.387	2.128
Net interest rate on total assets	0.614	0.386	2.119
Return on investment	0.589	0.411	2.259
Turnover of total assets	0.663	0.337	1.852
Turnover of current assets	0.601	0.399	2.192
Inventory turnover	0.619	0.381	2.091
Accounts receivable turnover rate	0.536	0.464	2.548
Sales growth rate	0.607	0.393	2.159
Capital accumulation ratio	0.41	0.59	3.241
Growth rate of total assets	0.442	0.558	3.066
Asset-liability ratio	0.449	0.551	3.028
Quick ratio	0.652	0.348	1.91

3.3.2. Determine the Scoring Standard Value

At present, ESG performance evaluation lacks a unified index system and standard value. This paper comprehensively considers the characteristics of the industry in which NetEase operates, its current operating conditions, operating expectations and minimum tolerance, and after

communicating with the heads of relevant performance evaluation departments and performance evaluation business personnel, takes the average value of the three-year indicators from 2020 to 2022 as the qualified value. It does not affect the comparison of ESG performance evaluation value from year to year. After calculation, the scoring standard values of NetEase's performance indicators are determined as shown in Table 7

Table 7. Standard scoring values of NetEase's performance evaluation indicators.

Primary index	Merit90	Good value80	Mean value 70	Difference value60	Worst value50
Greenhouse gas emissions	15	25	45	85	100
Renewable energy consumption	1.48	1.35	1.22	1.09	0.96
Comprehensive energy consumption	7.17	13.27	19.37	24.47	31.57
The intensity of water usage	508	538	568	598	628
Electricity intensity	64.2	74.3	84.45	94.5	104.6
Emission of outsourced package materials	4.35	5.32	6.82	7.81	8.6
Waste discharge	6.54	11.25	16.47	21.23	26.85
Biodiversity conservation initiatives	5	4	3	2	1
Information security system	56	41	36	21	6
Privacy Policy	6	5	4	3	2
Improve product quality control measures	6	5	4	3	2
Intellectual property training	45	40	35	30	25
Employee diversity	50	45	38	33	28
The average wage per person.	34000	32000	30000	28000	26000
Employee training time	47	35	33	31	29
Customer satisfaction	99	97	95	93	91
Proportion of the top three operating revenues	98	97	96	95	94
"One Screen" public welfare project	11	9	7	5	3
Foreign donations/business income	0.00106	0.00104	0.00098	0.00096	0.00094
Cash dividend ratio	22.5	19.44	16.38	13.32	10.26
Proportion of independent directors	85	75	70	65	60
The proportion of female directors in companies	39	34	29.66	24	19
Board size	7	6	5	4	3
The proportion of the largest shareholder	7	64	44	24	14
Anti-corruption related training	5	4.5	3.43	3	2.5
Return on equity	20.3	14.3	9.3	2.2	-3.9
Net interest rate on total assets	13.4	12.2	11.12	10.3	9.89
Return on investment	35.36	32.5	29.42	27.54	25.31
Turnover of total assets	130	90	50	20	0
Turnover of current assets	160	130	80	40	10
Inventory turnover	54.7	52.5	50.9	48.6	46.4
Accounts receivable turnover rate	21.3	19.4	17.5	15.8	13.6
Sales growth rate	18.5	11.7	6.6	3.5	-1.9
Capital accumulation ratio	22.8	20.3	16.52	14.3	12.7
Growth rate of total assets	25.4	20.8	15.78	10.9	5.2
Asset-liability ratio	51	56	61	71	86
Quick ratio	1.5	1.2	1	0.8	0.5

3.3.3. Score According to the Scoring Criteria

In this paper, the performance index scoring standard value is divided into excellent value (90 points), good value (80 points), pass value (70 points), low value (60 points), poor value (50 points), and the score difference between each grade is 10 points, with the highest score being 100 points and the lowest score being 40 points.

If an indicator is between excellent value (90) and good value (80), Then the index score =80+ (index value - the standard value at 80) (standard value at /90 - the standard value at 80) ×10 or =90- (Standard value at 90- the standard value at 80) (standard value at /90 - the standard value at 80) ×10.

If an indicator is above the excellent value (90 points), first calculate the average distance between the five levels (average distance = the absolute value of the difference between the standard value of 90 points and the standard value of 50 points /4), the index score =90+ the absolute value of the difference between the index value and the standard value of 90 points/the average distance ×10, the highest score of the index is 100 points.

If an indicator is below the lower difference value (50 points), in the same way, first calculate the average distance between the five levels (average distance = the absolute value of the difference between the standard value of 90 points and the standard value of 50 points/the average distance ×10), the score of this indicator = the absolute value of the difference between the index value and the standard value of 50 points/the minimum score of the indicator is 40 points.

Based on the above scoring standards, the scores of NetEase's ESG performance evaluation indicators can be calculated as shown in Table 8 below.

Table 8. Score of NetEase's performance evaluation index (Level 3) from 2020 to 2022.

Primary index	2020	2021	2022
Greenhouse gas emissions	67.252	40.000	40.000
Renewable energy consumption	40.000	40.000	40.000
Comprehensive energy consumption	67.003	40.000	40.000
The intensity of water usage	56.961	100.000	49.361
Electricity intensity	40.000	98.252	85.331
Emission of outsourced package materials	92.614	49.920	60.127
Waste discharge	86.242	60.747	62.120
Biodiversity conservation initiatives	60.000	50.000	70.000
Information security system	54.000	66.000	98.800
Privacy Policy	60.000	70.000	70.000
Improve product quality control measures	70.000	60.000	60.000
Intellectual property training	70.000	60.000	80.000
Employee diversity	64.000	71.429	72.857
The average wage per person.	52.232	56.615	75.055
Employee training time	40.000	86.738	72.500
Customer satisfaction	70.000	85.000	60.000
Proportion of the top three operating revenues	100.000	49.900	58.000
"One Screen" public welfare project	40.000	85.000	90.000
Foreign donations/business income	100.000	100.000	40.165
Cash dividend ratio	54.132	40.000	58.173
Proportion of independent directors	88.000	88.000	85.000
The proportion of female directors in companies	40.000	70.525	92.000
Board size	80.000	70.000	70.000
The proportion of the largest shareholder	70.350	69.250	71.190
Anti-corruption related training	50.892	74.019	74.393
Return on equity	84.167	87.833	90.050
Net interest rate on total assets	45.556	72.685	82.167
Return on investment	51.839	70.227	81.923
Turnover of total assets	72.002	72.324	72.282
Turnover of current assets	67.085	69.366	68.332
Inventory turnover	95.498	78.311	41.620
Accounts receivable turnover rate	66.168	69.271	74.535
Sales growth rate	100.000	90.824	76.961
Capital accumulation ratio	100.000	40.000	48.891
Growth rate of total assets	92.337	55.351	63.279
Asset-liability ratio	100.000	100.000	100.000
Quick ratio	100.000	100.000	100.000

3.3.4. Calculate the Score of NetEase's ESG Performance Evaluation

Based on each year's index scores and determined weights, NetEase's performance evaluation scores for 2020-2022 are calculated, as shown in Table 9 below.

Table 9. The score of NetEase's three indexes from 2020 to 2022

Primary index	2020	2021	2022
Greenhouse gas emissions	2.888	1.718	1.718
Renewable energy consumption	1.031	1.718	1.718
Comprehensive energy consumption	2.119	1.718	1.718
The intensity of water usage	2.040	4.294	2.120
Electricity intensity	0.818	2.008	1.744
Emission of outsourced package materials	3.121	1.682	2.026
Waste discharge	3.871	2.727	2.789
Biodiversity conservation initiatives	1.381	1.151	1.611
Information security system	1.455	1.778	2.662
Privacy Policy	1.204	1.405	1.405
Improve product quality control measures	3.791	3.250	3.250
Intellectual property training	1.599	1.370	1.827
Employee diversity	1.290	1.439	1.468
The average wage per person.	1.683	1.825	2.419
Employee training time	0.888	1.926	1.610
Customer satisfaction	1.663	2.019	1.425
Proportion of the top three operating revenues	3.512	1.752	2.037
"One Screen" public welfare project	0.812	1.725	1.826
Foreign donations/business income	2.036	2.036	0.818
Cash dividend ratio	1.102	0.814	1.184
Proportion of independent directors	1.681	1.681	1.624
The proportion of female directors in companies	0.837	1.475	1.925
Board size	4.301	3.763	3.763
The proportion of the largest shareholder	59.094	58.170	59.800
Anti-corruption related training	1.024	1.490	1.498
Return on equity	1.791	1.869	1.916
Net interest rate on total assets	0.965	1.540	1.741
Return on investment	1.171	1.586	1.851
Turnover of total assets	1.333	1.339	1.339
Turnover of current assets	1.471	1.520	1.498
Inventory turnover	1.997	1.637	0.870
Accounts receivable turnover rate	1.686	1.765	1.899
Sales growth rate	2.159	1.961	1.662
Capital accumulation ratio	3.241	1.296	1.585
Growth rate of total assets	2.831	1.697	1.940
Asset-liability ratio	3.028	3.028	3.028
Quick ratio	1.910	1.910	1.910
Total	128.823	126.084	127.219

3.4.5. Analysis of Performance Evaluation Results

NetEase's performance evaluation results for 2020-2022 are 128.823, 126.084 and 127.219 respectively. NetEase can analyze the problems existing in ESG management of the enterprise according to the performance evaluation results and changes of each index value, and propose specific measures and methods to improve and enhance ESG performance, so as to promote the sustainable development of the enterprise.

4. Conclusion

This paper aims at the problems existing in ESG performance evaluation and information disclosure, such as imperfect ESG evaluation indicators, no unified performance evaluation standards, more qualitative indicators than quantitative indicators, lack of characteristic evaluation indicators for different industry characteristics, and unscientific determination of index weights. Based on a comprehensive analysis of the industry characteristics of Internet enterprises and the index factors that affect their ESG performance, this paper establishes an ESG performance evaluation index system with 37 three-level basic indicators from the three dimensions of environment, society and corporate governance. From the perspective of enterprises, this paper takes NetEase as an example to illustrate the application process of ESG performance evaluation indicators. First, the selection of indicators follows the principle that it can reflect the key factors of ESG performance and is easy to quantify. All evaluation indicators are quantified to overcome the defect of large subjective judgment of qualitative indicators. Second, considering the characteristics that Internet enterprises mainly aim at data maintenance and environmental protection, the selection of environmental indicators should try to make the indicators reflect the efforts made by enterprises in low-carbon, environmental protection and biodiversity in the process of operation, and set characteristic indicators. Greenhouse gas emissions reflect the effects of energy management, biodiversity and ecological conservation capabilities are reflected by the number of corporate financial biodiversity conservation initiatives in ecological conservation, and privacy and data security are reflected by the number of information security systems and privacy protection policies. Thirdly, the entropy method is adopted to determine the index weights respectively, and then the final weights are determined, which makes the setting of index weights more reasonable and scientific.

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