Building a Community of Shared Future through ESG Financial pathway: Fostering Green Development and Global Cooperation

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Abstract. The world is facing unprecedented challenges. Extreme weather events such as high temperatures,severe cold,and heavy rains are becoming more frequent and violent. The resulting natural disasters,such as droughts, floods, and wildfires, seriously threaten the ecosystem and human safety. Melting glaciers, rising sea levels, resurgence of ancient viruses, and disruption of the natural food chain will plunge the entire earth into an unprecedented crisis. The Chinese government proposed cooperation initiative to build the"the Silk Road Economic Belt and the 21st-Century Maritime Silk Road" respectively to jointly create a destiny for mankind that benefits political mutual trust, economic integration, cultural inclusion, community. In the context of "the Belt and Road initiative", building a community with a shared future for mankind through green development and cooperation with the help of ESG (environment, society and governance) is currently an important issue for the sustainable development of the entire region. The initiative aims to promote economic cooperation and exchanges among countries along the route and promote common prosperity and development. With the help of ESG concepts and practices, a framework for green development cooperation can be built for countries along the "the Belt and Road initiative" to achieve sustainable development goals. The research team recently conducted extensive research in Europe and gained two outstanding insights. First, although Europe does not have a complete industrial system,it has its own characteristics in the implementation and promotion of ESG models.The most important reason is that they attach great importance to the ESG concept , it has advantages in terms of corporate strategy, technology and financial management scale. Second, as a developing country, China has the most stable policy system and the most complete industrial system. These two points of view have important implications for thinking about building a community with a shared future for mankind through green development and cooperation through ESG paths in the context of "the Belt and Road initiative".

Keywords: ESG Financial pathway; "the Belt and Road initiative"; Green Development; Global Cooperation.

1. Under the Belt and Road Initiative, the ESG concept is an important part of a community with a shared future for mankind

The concept of ESG (Environmental, Social, and Governance) was first introduced in 2004 by the United Nations Global Compact (UN Global Compact). This framework was fully presented in a report titled "*Who Cares Wins*" by the UN Global Compact. The report emphasized the importance of incorporating environmental, social, and governance factors into investment decisions to promote sustainable development of businesses and encouraged investors to consider these non-financial factors when evaluating companies (United Nations Global Compact, 2004).

Under "the Belt and Road initiative" model, the ESG concept is an important part of a community with a shared future for mankind. The Belt and Road Initiative is an important international cooperation initiative proposed by China, aiming to promote economic cooperation and interconnection among countries along the route, while the green finance development strategy emphasizes the importance of economic development. while protecting the environment and promoting sustainable development. The combination of the two can provide important support for the construction of a community with a shared future for mankind. Globally, environmental issues and sustainable development have become the focus of human attention. As participants and beneficiaries of the Belt and Road Initiative, developing countries bear the important responsibility of promoting green development.

The importance of ESG concepts in The Belt and Road Initiative is reflected in environmental protection. The economic development of countries along The Belt and Road initiative" is often accompanied by increased environmental pressure, including energy consumption, large-scale infrastructure construction, etc. The green finance strategy can promote the flow of investment and financing into the fields of environmental protection and sustainable development, and promote environmental protection and ecological civilization construction. By supporting projects such as clean energy, energy conservation, emission reduction, and environmental governance, we can reduce pollutant emissions, improve air quality, protect the ecological environment, and contribute to the destiny of mankind contribute to the sustainable development of the community.

The ESG concept is also of great significance in terms of social responsibility. It focuses on private society and improves social welfare and people's livelihood by supporting social welfare projects and social innovation enterprises. In countries along the Belt and Road Initiative, green finance can support the development of education, medical care, poverty alleviation and other social fields, improve people's living standards and promote sustainable social development. At the same time, we will cultivate emerging industries and employment opportunities, promote economic transformation and upgrading, and contribute to the common prosperity of a community with a shared future for mankind.

ESG concepts also play an important role in corporate governance. It emphasizes good corporate governance and transparency, evaluates corporate environmental, social and governance performance by introducing ESG indicators, and promotes corporate sustainable operations and long-term value creation. In the Belt and Road Initiative, the green finance development strategy emphasizes good governance,transparency of enterprises,promotes sustainable operations and long-term value creation of enterprises by introducing ESG indicators to evaluate the environmental, social and governance performance of enterprises. In the Belt and Road Initiative, green finance can guide companies to strengthen their environmental management social responsibilities and governance capabilities, and improve their competitiveness and sustainable development capabilities. This helps reduce the environmental and social risks of enterprises, enhances the credibility and reputation of enterprises, and provides guarantee for economic stability and sustainable development of a community with a shared future for mankind.

It is key to driving sustainable development. In countries along the Belt and Road, environmental problems and resource shortages are important factors restricting economic development and social progress. By formulating and implementing green strategies, developing countries can reduce over exploitation of natural resources and environmental pollution, promote green transformation and sustainable development of the economy.

It helps improve national competitiveness. In the context of global economic integration, green economy has become a new focus of international competition. By implementing green strategies, developing countries can improve their own environmental management and resource utilization efficiency, and enhance the innovation capabilities and competitiveness of their enterprises. At the same time, the development of green industries will also provide new economic growth points and employment opportunities for developing countries. Through cooperation with other countries and groups, developing countries can learn from advanced green technologies and management experience to enhance their international competitiveness.

It helps build a community with a shared future for mankind. Humanity faces common challenges, such as climate change, environmental pollution, etc. By implementing green strategies, developing countries can contribute to global environmental governance and promote the international community to jointly respond to global environmental issues. At the same time, the green strategy will also help promote cooperation and exchanges among countries along the route, and enhance mutual cooperation and mutual benefit. By jointly promoting green development, developing countries can work with other countries to build a community with a shared future for mankind and achieve sustainable development and common prosperity.

Summary, in the context of the Belt and Road Initiative, the green strategies of developing countries are an important part of a community with a shared future for mankind. By implementing green strategies, developing countries can promote sustainable development, enhance international competitiveness, and contribute to building a community with a shared future for mankind.

Constructing an ESG (Environmental, Social, and Governance) financial pathway is conducive to promoting a community with a shared future for mankind and simultaneously strengthening the implementation and execution of global green development strategies.

Building an ESG financial path to support green development strategies is one of the important issues in current global sustainable development. ESG is a comprehensive performance indicator that evaluates a company's ability to develop sustainably by considering its performance in environmental, social and governance aspects. Under In the Belt and Road Initiative model, using ESG financial paths to build a green development strategy has the following important significance.

In countries along , environmental issues are an important factor restricting economic development and social progress. By introducing an ESG indicator system, companies can be encouraged to take more proactive actions in the environment. For example, by promoting clean energy, strengthening environmental governance, and promoting green circular economy, we can reduce carbon emissions, improve air quality, and achieve green and low-carbon development.

The ESG indicator system not only focuses on a company's environmental performance, but also on its social responsibility and governance capabilities. By strengthening corporate social responsibility awareness and social participation, social justice and inclusive development can be promoted. For example, enterprises can actively participate in social construction, provide common services, and promote the improvement of social welfare. Improve corporate competitiveness and sustainable development capabilities. Globally, more and more investors and consumers are paying attention to the sustainable development capabilities and performance of enterprises.

By introducing an ESG indicator system, companies can improve their sustainable development capabilities and enhance the trust and recognition of investors and consumers. For example, companies can enhance investor confidence in the company by improving its governance structure, increasing transparency and information disclosure levels.

In summary, building an ESG financial path to support green development strategies is of great significance to sustainable development under the Belt and Road model. By introducing the ESG indicator system, we can promote environmental protection, promote social justice and inclusion, enhance corporate competitiveness and sustainable development capabilities. This will help achieve the goal of a community with a shared future for mankind and promote global sustainable development.

2. Constructing an ESG Financial Pathway to Support Green Development Strategies

Building an ESG financial path to support green development strategies is one of the important issues in current global sustainable development. ESG is a comprehensive performance indicator that evaluates a company's ability to develop sustainably by considering its performance in environmental, social and governance aspects. Under the Belt and Road Initiative model, using ESG financial pathway to build a green development strategy has the following important significance.

Constructing an ESG (Environmental, Social, and Governance) financial pathway offers significant benefits for the development of green strategies. The integration of ESG principles encourages financial institutions to place greater emphasis on environmental protection, social responsibility, and good governance.

Firstly， by adopting ESG standards and guidelines, financial institutions will focus more on environmentally friendly projects in their investment and financing decisions, thereby promoting the development and transformation of green industries. This helps to reduce support for traditional high-pollution industries and facilitates the economic shift towards a green, low-carbon direction.

Secondly, the establishment of an ESG financial pathway can enhance the risk profile of financial institutions by considering environmental and social factors, reducing the potential risks of investment and financing projects, and increasing the sustainability and robustness of financial institutions.

Additionally, the creation of an ESG financial pathway can also improve the social reputation and brand image of financial institutions, attracting more attention and support from social capital and investors. Most importantly, the construction of an ESG financial pathway is more conducive to achieving coordinated development among the economy, society, and the environment. This will help achieve the goal of a community with a shared future for mankind and promote global sustainable development.

3. EU ESG Financial Investment Practices and Advantages

ESG stands for Environment, Society and Governance. It represents a new set of market rules and international standards that guide companies on how to better operate their companies while paying attention to the environment and society. Companies that follow ESG principles are more attractive to socially conscious investors and consumers, thereby positively impacting their profitability and sustainability.

Although the development of ESG has been accelerating in recent years, it is undeniable that the penetration rate of ESG funds is still low. However, the penetration rate of ESG funds in Europe is much higher than that of other regions and countries.

United Nations Principles for Responsible Investment were launched in 2006, and in 2015 the Sustainable Development Goals were adopted. Since then, Europe has arguably led the way in developing regulation to drive climate action and responsible investment in the financial sector.

Europe's sustainable asset management scale is in a leading position in the world. According to statistics from the Global Sustainable Investment Alliance (GSIA), Europe's ESG asset management scale ranked first in the world in 2018.

Increasingly, the financial sector in Europe (and globally) has assumed a more prominent role in addressing environmental and social challenges, and the expectation that financial institutions should be part of the solution to sustainability challenges has become deeply embedded (Eurosif, 2022).

The consideration of sustainability risk has been recognized as an integral part of risk management. If these risks are neglected and accumulate over time there are potential implications for financial stability at a systemic level. Asset managers are now embracing better risk management and the ESG preferences of their clients in portfolios (ibid.)

As global attention to climate change increases, Europe has adopted more proactive strategies in reducing greenhouse gas emissions and has always been at the forefront of global climate action.

At the same time, Europe has a strong ESG investment atmosphere, and its investors are among the earliest initiators and practitioners of the concept of responsible investment. It has a complete ESG investment supervision system and has accumulated valuable experience in formulating supporting standards. Europe's leading asset management institutions have carried out useful exploration and practice in ESG investment and innovated feasible methodologies and operable operating models.

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Not only that, Europe has a complete and developed international financial center network, which can provide a suitable growth platform for sustainable finance and ESG investment.

In addition, since 2018, the EU taxonomy has gradually become a booster to promote a sustainable economy in Europe. The taxonomy is divided into "economic activities that make a significant contribution to the environment, economic activities that do not cause significant harm to the environment, and economic activities that do not cause significant harm to the environment." activities and minimum guarantee requirements." Technical screening standards are set up in three aspects, which is very helpful for investors, companies and issuers to understand the importance of economic sustainability. At the end of 2020, the scale of European ESG theme funds was US$1.46 trillion, which increased to US$2.23 trillion at the end of 2021, an increase of 52%. In 2021, total sustainable assets grew by an average of 11.2% per quarter, much faster than the European overall fund's average quarterly growth of 4.4%.

4. Related Suggestions

(1) Learn from European ESG financial investment experience to achieve mutual benefit and win-win results.

In the context of the Belt and Road Initiative, cooperation with Europe can take various forms and ways,Use European ESG financial investment experience and related management systems to complete the construction and improvement of my country's ESG supervision and financial investment structure; use Europe's advanced and relevant ESG field technology to form a large-scale implementation and solid line in China, and can also be jointly developed with Europe New ESG technologies will ultimately lead to mutual benefit and win-win results.

(2) Increase efforts to form an ESG standard system that has both an international perspective and the characteristics of developing countries to support the development of the Belt and Road Initiative.

The ESG financial investment path has become a new situation in investment and supervision around the world. China's ESG financial investment system is still not mature enough. It has actively seized this historical opportunity to cooperate with Europe, and finally increased its efforts to form an ESG standard system that has both an international perspective and the characteristics of developing countries, helping The Belt and Road Initiative realizes the concept of a community with a shared future for mankind.

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