

ESG Rating Divergence: Literature Review and Research Prospects

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Abstract: ESG (Environment, Social and Corporate governance) has become the core of the global sustainable development agenda, and the issue of rating divergence has increasingly attracted the attention of academia and industry. Compared to the international market, the research on ESG rating divergence in China is still in its infancy, and there are significant differences in the standards and systems adopted by different rating agencies. This article aims to comprehensively review and analyze the current situation of ESG ratings at home and abroad, the influencing factors of rating differences, and their economic consequences, and provide suggestions for the construction and optimization of China's ESG rating system. It is hoped to provide valuable references and guidance for further research and practice of domestic ESG ratings, thus providing effective guidance for stakeholders' decision-making.

Keywords: ESG Rating; ESG Rating System; ESG Rating Divergence; Influencing Factor; Economic Consequences.

1. Introduction

Today, China's economy is in a critical period of transformation to high-quality development. Many issues, such as achieving the "dual carbon" goal, promoting energy conservation and environmental protection, promoting scientific and technological innovation, and achieving common prosperity, are closely linked to the sustainable development strategy. The report to the 20th National Congress of the Communist Party of China clearly proposed to "accelerate the green transformation of the development model, further promote the prevention and control of environmental pollution, enhance the diversity, stability and sustainability of the ecosystem, and actively yet steadily promote carbon peak and carbon neutrality". ESG stands for Environment, Social and Governance. It is not a simple combination of the three elements or a simple list of indicators, but a sustainable investment concept that focuses on the coordinated development of environment, social responsibility and corporate governance. Its evaluation indicators mainly focus on non-financial information. ESG has not only become a key standard to evaluate the comprehensive level of enterprises, but also an important starting point to implement the "dual carbon" strategy and promote green finance, which has attracted great attention and extensive attention from the whole society. The public disclosure of ESG information provides a basis for investment decisions in the capital market, and ESG rating has also become a key means to rate the ESG performance of enterprises.

Nowadays, the hot topic of ESG rating divergence has attracted great academic interest in both theoretical and practical communities. At present, there are more than 600 ESG rating agencies in the world, and ESG rating results have gradually become an important indicator for stakeholders to evaluate the comprehensive value of enterprises, which will have different impacts on investors, enterprises themselves and the capital market. There is a lack of research on ESG rating divergence in China compared with foreign countries. Through the research of this paper, problems are found and corresponding suggestions are put forward, aiming to help the

sustainable development of enterprises and promote the completion of the national development goals and tasks.

The possible research contributions of this paper are as follows: (1) This paper attempts to focus on sorting out relevant literature based on ESG rating divergence, which is helpful for domestic scholars to further study the field of ESG rating; (2) This paper sorts out the existing literature on ESG rating divergence at home and abroad, and analyzes the influencing factors and economic consequences of ESG rating divergence, which is conducive to the research progress in the field of domestic ESG rating divergence; (3) On this basis, this paper also puts forward suggestions on the improvement of the ESG evaluation system from the practical level, which is conducive to the construction of an ESG evaluation system in line with international standards with Chinese characteristics and at the same time enhancing China's global influence in the field of ESG rating.

2. ESG Rating Status and ESG Rating System

ESG rating divergence refers to the fact that when the same company is rated ESG, the results given by different rating agencies may differ, sometimes greatly. Based on this, this paper sorts out different ESG rating systems at home and abroad. The evaluation process of different ESG rating systems at home and abroad includes: first, listed companies issue ESG reports according to the institutional framework proposed by regulatory authorities; Secondly, professional rating agencies rate ESG reports and related ESG performance issued by companies according to the agency rating system; Finally, individual investors and institutional investors in the capital market make corresponding investment decisions according to ESG ratings issued by rating agencies; At the same time, enterprises will integrate corporate resources according to ESG ratings issued by institutions, strengthen their own risk management and optimize corporate governance structure to ensure that it meets the needs of corporate development and market changes.

When establishing the analytical framework of ESG rating,

it focuses on integrating internal factors such as corporate values and external factors such as socially responsible investment, and keeps innovating with the continuous development of ESG. At present, foreign rating agencies and data companies such as MSCI, Morningstar, FTSE Russell, S&P Dow Jones, Thomson Reuters and Bloomberg provide relatively mature ESG evaluation systems and a variety of ESG indexes. Most of the foreign empirical studies are based on these ESG rating indices, but different rating agencies differ in ESG measurement standards, indicator weights and other aspects. Compared with foreign countries, the construction of domestic ESG rating system is still in the exploratory stage. Domestic institutions such as Huazheng, Harvest, SynTao Green Finance, Social Value Investment Alliance, China Bond Valuation Center, China Credit Green Gold, Runling Global and Wind have also released ESG rating information. Many of the factors involved in ESG assessments are qualitative in nature (such as commitment to community relations) and therefore involve a degree of subjectivity that investors are often confused about when implementing ESG initiatives, there is still much to improve the ESG rating industry.

For the domestic and foreign ESG rating agencies and their

rating systems listed in the table below, the ESG rating results of each agency can be directly obtained. Campanella et al. pointed out that the ESG rating results provided by Bloomberg had certain limitations, and the agency had not yet disclosed the specific measurement criteria of ESG rating[28]. Therefore, for the further development of ESG rating, rating agencies can make efforts from the aspects of the openness and transparency of the detailed measurement standard system of ESG information disclosure, expanding the scope of evaluation and taking into account the quantity and quality of ESG information disclosed by the company, and building a more perfect rating system standard that is in line with the international ESG rating system. Thus, the applicability of rating results issued by domestic rating agencies can be enhanced, the healthy development of ESG rating system can be promoted, and the fairness and efficiency of capital market can be effectively promoted. At the same time, many institutions mainly conduct ESG ratings based on some large foreign enterprises, which restricts domestic ESG rating research. China should actively develop ESG rating systems with local characteristics to enhance its influence and discourse power in this field.

Table 1. Rating model index system of foreign ESG rating agencies

ESG rating agency	ESG rating model index system composition
MSCI	The ESG evaluation system contains 3 first-level pillars, 10 second-level thematic indicators, 35 third-level key issue indicators and more than 1000 specific data points. ESG factors are integrated into its overall credit analysis framework to analyze the impact of ESG factors on credit rating results.
FTSE Russell	The ESG rating framework includes environmental, social and corporate governance aspects and consists of 14 thematic assessments and more than 300 independent indicators. Fourteen of these themes are evaluated, each of which contains between 10 and 35 indicators.
S&p Dow Jones	ESG rating index system consists of three levels: environmental, social and economic. More than 600 environmental, social and economic indicators of enterprises are selected for reasonable scoring, with general indicators and industry indicators in line with industry characteristics, and the final score is obtained by adjusting each score according to the weight of the industry characteristics.
Thomson Reuters	ESG evaluation system is evaluated from three perspectives: environmental, social and public governance. The environmental assessment system covers resource efficiency, greenhouse gas emission reduction and innovation practice, with a total of 61 specific indicators. The social evaluation system focuses on the four dimensions of employee welfare, human rights protection, community interaction and product responsibility, involving 63 evaluation points in total. The corporate governance evaluation system focuses on leadership, shareholder relations and corporate social responsibility strategy, with a total of 53 evaluation criteria.
Bloomberg	Bloomberg ESG score includes E, S and G, ranging from 0 to 100. Under the three pillars of E, S and G, it is divided into different themes and fields. The theme score is calculated according to the scores and weights of different fields, and the pillar score is finally calculated according to the scores of E, S and G, and the final ESG score is formed.
Morningstar	The ESG evaluation system is special and can be divided into three parts: corporate governance module, substantive issues module and special issues module. Among the three modules, the weight of corporate governance module is usually 20%; Substantive issues module is the core and key of ESG evaluation; The special issue template mainly corresponds to the company's black swan event.

In the existing research, scholars' research on ESG ratings is mostly based on ESG ratings provided by famous institutions at home and abroad. Combing the relevant literature on ESG rating, it is found that effective ESG rating will directly or indirectly affect the high-quality development of enterprises. First of all, ESG rating can encourage and force enterprises to increase R&D investment, and promote enterprises' green transformation through market incentives and external supervision channels [4]. According to the customer ESG score obtained by Huazheng Rating, some

scholars also found that ESG performance promotes suppliers to actively carry out green innovation through the "environmental awareness convergence" effect and "green resource absorption" effect, and significantly improves their green innovation level[12]. Secondly, ESG rating results will also have an effect on the stock market and corporate credit risk. A high ESG rating attracts the attention of professional investors and retail investors to the enterprise, which helps the stock to obtain excess returns[40]. In addition, ESG evaluation has a good complementary effect on traditional

credit rating, and ESG rating can affect the pricing of credit risk[17], which is conducive to enterprises obtaining higher credit rating and more commercial credit financing[1]. Of course, based on the ESG rating scores provided by existing

investment institutions, some scholars also found that the age heterogeneity of the top management team and digital transformation will have a certain impact on the ESG performance of enterprises [15][18].

Table 2. Rating model index system of foreign ESG rating agencies

ESG rating agency	ESG rating model index system composition
China Securities Index	The ESG assessment framework is divided into ESG score and ESG potential risk. The ESG scoring system includes three first-level indicators, 14 second-level indicators and 26 third-level indicators, as well as more than 130 basic data indicators. Compared with the international market, it especially incorporates indicators appropriate to China's current stage of development, such as transparency, record of regulatory penalties, and targeted poverty alleviation.
SynTao Green Finance	The ESG rating system contains scores for environmental, social and corporate governance dimensions, including 13 classified issues under the three dimensions and 127 indicators covering specific ESG indicators.
China Alliance of Social Value Investment	The evaluation system implements the mechanism of "screening first and then evaluation", which consists of two parts: "screening sub-model" and "evaluation molecular model". The "screening sub-model" covers 5 aspects and 17 indicators; The "evaluator model" covers 3 first-level indicators, 9 second-level indicators, 27 third-level indicators and 55 fourth-level indicators.
China Bond Valuation Center	The ESG evaluation is weighted step by step by more than 160 indicators, 39 evaluation factors and 14 evaluation dimensions. The evaluation results include the comprehensive score of ESG evaluation, the sub-scores of E, S and G evaluation and the scores of 14 dimensions forming the sub-scores.
China Credit Green Gold	The risk exposure and management level of the evaluated objects in the three dimensions of environment, society and corporate governance are comprehensively evaluated, focusing on revealing the impact of ESG risk factors on the sustainable operation of enterprises, and measuring the independent ESG rating results issued by the evaluated objects by constructing the ESG rating technical index system.
Wind	The scoring system consists of two parts: management practice score and dispute event score, which is the most rated "AAA-CCC" grade. The management practice score covers three main dimensions and contains 27 key topics and more than 300 specific indicators to measure the company's management quality and practices. The disputed event score, on the other hand, focuses on assessing the short-term risk of unexpected events faced by the company.
Run Ling Global	The rating system with ESG risk management ability as the key provides insight into the environment, ability and effect of ESG risk management, as well as its sustainable development potential, through in-depth analysis and evaluation of the ESG performance of the rating object (including the risk management process and its results).

However, there are more than 600 ESG rating agencies in the world, and there are more than 4,500 rating indicators. Due to the existence of ESG rating divergence, many enterprises tend to make selective disclosure rather than substantive disclosure in order to maximize profits. For example, scholars Li & Wang found that the motivation of enterprises to obtain financing will lead to the synergistic effect of local enterprises' social responsibility, which indicates that the motivation of enterprises to implement ESG strategy is to build a positive brand image among the public, so as to attract investment[36]. Raghunandan & Rajgopal found that ESG scores were only related to the amount of voluntary ESG disclosure, but not to the company's compliance record or actual carbon emission level, and enterprises with high ESG ratings did not generate environmental benefits. Basu et al also found this kind of "social cleansing" in banks, where banks with high ESG ratings did not fulfill their social functions[17]. In general, some companies can be considered "greenwashing" by taking symbolic actions to get higher ratings and not implementing ESG issues that stakeholders are concerned about. Therefore, in the subsequent ESG rating process, we should not only consider the quantity of information disclosure, but also pay attention to the quality of ESG disclosure and the implementation of ESG practices, and identify the symbolic behaviors taken by enterprises to improve the score, so as to reduce the phenomenon of "greenwashing" of enterprises and improve the accuracy of ESG rating.

3. Influencing Factors of ESG Rating Divergence

Scholars, media commentators and regulators have questioned ESG ratings, pointing out that the data provided by rating agencies are highly divergent[29]. Next, according to the process of ESG rating, this paper will summarize and sort out the influencing factors of ESG rating divergence from three aspects: the basis content of ESG rating, ESG rating agencies themselves and external supervision.

First of all, from the perspective of the basis information of ESG rating, the data sources of various rating agencies are not the same, and the difference of the basis information is often an important factor causing the rating divergence of the same company. The rating is based on information mainly from corporate public reports, including corporate annual reports, social responsibility reports, sustainable development reports, carbon Disclosure Project (CDP) or corporate websites, media resources, or questionnaires. Existing studies have discussed the current situation that enterprises lack unified standards in ESG information disclosure, so rating agencies can only rely more on other channels to obtain relevant information of enterprises for evaluation. Christensen et al. believed that more ESG information disclosure increased the possibility that rating agencies would adopt different indicators to evaluate the same issue, resulting in greater ESG rating divergence[31]. Jørgensen and Ellingsen believed that the standardization and transparency of relevant information

disclosure of enterprises will also reduce ESG rating divergence. Most ESG reports adopt narrative disclosure, and the language attributes of the report have a significant impact on the usefulness of its audience. The language characteristics of ESG reports, including the length, tone and stickiness of the report, will directly affect the disagreement between ESG rating agencies, and for companies that voluntarily disclose ESG reports, Disagreement among ESG raters is low. Therefore, the difference in the standards that rating agencies rely on when formulating ESG ratings is one of the key factors leading to inconsistent ESG rating results.

In addition, considering that the domestic ESG evaluation system has not yet formed a unified standard, the evaluation methods and systems adopted by various rating agencies are different, and the evaluation indicators have strong subjective judgment, which are all important factors for the differences in ESG ratings. Based on the existing literature, the differences in ESG ratings mainly come from the differences in information channels and capabilities, rating systems and index measurement methods, and the existence of rater effect. First, ESG rating agencies rely on both public and private information for evaluation, and there are many differences in the channels and ability of each agency to obtain information. Second, some scholars also proposed that the heterogeneity of measurement indicators and methods of ESG rating agencies, data imputation, diversity of information sources based on ratings, differences in measurement weights, and differences in organization or proportionability among raters are the core factors leading to different ESG rating results[20], for example, Shangdao Ronggreen attaches importance to product safety and considers financial indicators, while Runling Global pays attention to ESG risks and opportunities

but ignores relevant financial indicators. Third, the lack of a generally uniform ESG measure leads to considerable variation in how different data providers measure and evaluate ESG, which is another important reason for the divergence in ESG ratings. There is a "rater effect" in the rating process of different rating agencies, that is, the evaluation of rating agencies is interrelated among different categories. In addition, there is a certain phenomenon of ownership discrimination in ESG rating differences. The European Securities and Markets Supervisory Authority has also suggested that the main shortcomings of EU ESG rating agencies are insufficient coverage and data granularity for specific industries or entity types, and lack of transparency in rating methods.

Finally, from the perspective of ESG independent authentication, it is urgent to establish ESG information authentication rules and industry supervision rules in China, further standardize ESG information disclosure in different industries, create a good business environment, and encourage enterprises to conduct independent authentication of ESG reports. External authentication can increase the credibility of ESG disclosure. Moreover, Kimbrough believed that when companies follow GRI sustainability reporting guidelines, ESG rating disagreement is lower. In addition, the government's regulatory policies are also one of the key factors leading to differences in ESG information disclosure [11]. Relevant governments should strengthen the transparent supervision of enterprises' ESG information disclosure and the ESG rating process of different rating agencies, so as to avoid false information disclosure of enterprises, "rater effect" and "ownership discrimination" of rating agencies.

Table 3. Influencing factors of ESG rating divergence

Influencing factors	Specific factors	Related literature
Information on which ESG ratings are based	The content of ESG information disclosure	Christensen et al., 2022
	Standardization and transparency of ESG information disclosure	Jørgensen and Ellingsen, 2021
	Language characteristics of ESG reports, including length, tone, stickiness, etc.	Kimbrough et al., 2022
ESG rating agency	Differences in access and ability of rating agencies to obtain the information on which ratings are based	Larcker et al., 2022
	ESG rating agencies measure heterogeneity in the scope and methods of indicators, data imputation, diversity of information sources on which ratings are based, differences in measurement weights, and differences in <u>organizativeness or commensurability</u> among raters	Zhang Fan and Zhang Qiaoliang, 2023; Berg et al., 2022; Kotsantonis & Serafeim, 2019
	ESG rating differences exist in the "ownership discrimination" phenomenon	Ma Wenjie et al., 2023
ESG independent verification	Whether the company discloses information in accordance with GRI's sustainability reporting standards; Government regulation	Kimbrough et al., 2022; Zhang changjiang et al.,2022

To sum up, the differences in the content on which ESG rating is based, the differences in the evaluation system standards of various rating agencies, and the lack of external supervision and independent authentication are important sources of ESG rating divergence. The difference in ESG rating results of different institutions not only brings noise to investors, enterprises themselves and the capital market, but also makes regulators, academic institutions, evaluated enterprises and other stakeholders confused when formulating ESG policies, studying ESG development and improving ESG performance. In the real environment, investors and other stakeholders should avoid over-reliance on the ESG rating results of a single rating agency and treat third-party ratings rationally. Relevant governments should also strengthen the supervision of listed companies' ESG

information disclosure, constantly encourage companies to make voluntary disclosure, and present high-quality ESG reports and rating results to investors and other stakeholders.

4. The Economic Consequences of ESG Rating Divergence

ESG evaluation results are an important force to optimize corporate governance and promote sustainable development of enterprises. Effective ESG evaluation results provide better guidance for the investment decisions of external investors, the strategic choices of internal managers and the allocation of resources in the capital market. Domestic scholars have conducted extensive research on the economic consequences of ESG ratings, showing that ESG ratings have a positive

impact on corporate performance and corporate investment, but there is a lack of research on the economic consequences of ESG rating divergence. At present, the domestic characteristic and standardized ESG evaluation system has not been constructed, and the rating divergence between different rating agencies has brought great trouble to stakeholders, which will also have an impact on the resource allocation efficiency of the capital market. Next, this paper will comprehensively analyze and summarize the economic impact of ESG rating differences from different perspectives such as enterprises themselves, investors and the wider capital market.

From the perspective of enterprises themselves, on the one hand, ESG rating divergence will affect enterprises' financing constraints and corporate innovation[7][31]. First, ESG rating divergence will exacerbate information asymmetry between enterprises and external capital market[40], thus confusing investors, creditors, financial institutions and other capital providers' judgment on the true ESG performance of enterprises. As a result, Tan and Pan think that profit volatility will increase, which will increase the debt financing cost of enterprises[26][31]. This will not only make enterprises miss external development opportunities, but also more likely to produce internal capital shortage, capital chain rupture and other problems. On the other hand, ESG rating disagreement will also have a negative impact on its operational risk, reputational risk, moral hazard and agency cost [31][40]. The degree of ESG rating divergence increases the uncertainty and complexity of ESG information, intensifies the problem of information asymmetry between enterprises and external stakeholders, and to some extent, will greatly reduce the

enthusiasm of enterprises to improve ESG performance; It may lead to the "masking effect," facilitate the management's opportunistic behaviors such as profit manipulation[40], create conditions for the management's "greenwashing" motivation[4], and significantly increase the audit risk faced by auditors. In addition, it will also increase the cost of analyst information processing and have a negative impact on the accuracy of earnings forecast[22]. Of course, the existence of ESG rating divergence can have a "forcing effect" on some enterprises and effectively improve the company's voluntary information disclosure level[2].

From the perspective of investors, the divergence of different rating agencies on ESG ratings of enterprises weakens the reliability of ESG information to a certain extent[29], which may hinder investors from judging the real ESG situation of enterprises. It affects the risk-return trade-off in the market[18][26]. Avramov and other scholars found that ESG rating divergence will lead to the risk premium of the company, and ESG rating divergence will weaken its predictive effect on stock price, which will further affect the effectiveness of ESG investment[40] and damage the self-interests of investors. In the case of highly divergent ESG ratings, the ability of ESG ratings to predict future market news is reduced, and it is more difficult for investors and the outside world to identify the real ESG information of the company. In addition, ESG rating divergence will also reduce investor attention[26]. ESG ratings provide investors with more information and help alleviate information asymmetry, but divergent ESG ratings may mislead market participants, which in turn affects corporate decisions and market returns.

Table 4. Economic consequences of ESG rating divergence

The economic consequences	Specific aspects	Direction of influence	Related literature
The Enterprise	Financing constraints, cost of debt capital	promote	Christensen et al.,2022; Zhang Yunqi et al.,2023; Avramov et al., 2022
	Firm innovation, analyst earnings forecast accuracy	restrain	Li Li et al., 2024; Zhouzejiang et al.,2023
	Information asymmetry between firms and external capital markets	promote	Serafeim and Yoon, 2023
	Operational risk, reputational risk, moral hazard, agency cost, profit volatility	promote	Serafeim and Yoon, 2022; Christensen et al., 2022; Tan and Pan, 2023
	Managers engage in earnings manipulation, "greenwashing", and voluntary information disclosure levels	promote	Serafeim and Yoon,2022; Hu et.al., 2023; Hu Taiming et.al.,2023
Investors	Credibility of ESG information, effectiveness of ESG investment, investor attention	restrain	Chatterji et al., 2016; Serafeim and Yoon, 2022; Avramov et al., 2022
	Investors' judgment on the real ESG situation of enterprises and the trade-off of risks and returns in the market	restrain	Berg et al.,2022; Avramov et al.,2022;Li Xiaorong and Xu Tengchong, 2022
	Investors become unstable and hold off on investment behavior	promote	He Taiming et al.,2023
Capital markets	Audit time delay, audit pricing, key audit matters disclosed, audit risk premium	promote	Wang Jitian et al.,2023; Wang Lei et al.,2024; Zhou Zejiang et al.,2023
	Corporate stock liquidity	restrain	Li Xiaoyan et al., 2023
	Corporate stock price synchronicity and market perceived risk	promote	Liu Xiangqiang, 2023; Avramov et al.,2022

ESG rating disagreement will not only affect the decision-making effect of investors and enterprise managers, but also have a great impact on the capital market. First of all, ESG rating divergence will lead to the extension of audit cycle, a significant increase in audit fees, and prompt the disclosure of more key audit matters to deal with audit risks[13][16], but

the increase in audit fees is a compensation for the increase in workload and risk, but fails to significantly improve audit quality. Moreover, the greater the ESG rating divergence is, the higher the enterprise's audit risk premium will be[22]. In addition, the disagreement between rating agencies on ESG ratings will reduce the accuracy of analysts' prediction of

corporate earnings, and ESG ratings will lead to the reduction of corporate stock liquidity, the improvement of corporate stock price synchronicity and the increase of market risk perception[26].

In conclusion, more and more market participants are using ESG ratings provided by third-party rating agencies to evaluate company development. ESG rating is an important measurement factor for enterprises to obtain better resources and reflect their social value. A large number of scholars believe that ESG rating divergence has a serious negative impact on the long-term interests of enterprises, investors' decisions and the operation of the capital market. The deterioration of rating divergence will drive corporate managers to take speculative behaviors, and stakeholders will gradually lose trust in rating results.

5. Conclusion, Implications and Future Research Prospects

In the context of prominent ESG rating divergence, the worsening ESG rating divergence brings potential risks to enterprises and external stakeholders. Based on the literature on ESG rating and ESG rating divergence, this paper finds that, firstly, effective ESG rating can have a favorable impact on the R&D investment, green innovation level, credit rating and new quality productivity of enterprises. Second, in terms of their sources, the differences in ESG ratings mainly come from the differentiated information on which the ratings are based, the differences in the evaluation systems of rating agencies and the immature external supervision mechanism. Third, ESG rating disagreements can have serious negative implications for the governance of companies themselves, the effective decision-making of investors, and the functioning of capital markets. Therefore, at the theoretical level, this paper believes that the economic consequences of domestic ESG rating differences and the construction of a standardized ESG evaluation system that takes into account ESG evaluation system and China's localization of ESG evaluation index system are worthy of further research.

At the practical level, it aims at the current status of ESG rating. First, from the perspective of enterprises themselves, more and more enterprises are actively engaged in ESG practices. Enterprises should strengthen internal governance to improve their ESG performance, and improve the quality of ESG information disclosure, display comprehensive ESG practices, and establish effective internal and external communication channels, which will help rating agencies understand the real ESG performance of the company. Thus reducing ESG rating divergence; Second, for rating agencies and investors, institutional investors should strengthen their internal expertise and cultivate evaluation teams with ESG expertise and capabilities. In China's capital market, the problem of information asymmetry between retail investors and enterprises is relatively prominent, and the dependence on third-party rating agencies is high. Therefore, investors should remain rational in the investment process and avoid corresponding losses caused by ESG rating differences. Third, relevant national departments should also further standardize and improve the ESG information disclosure system, build a standard rating system as soon as possible, standardize the scope and weight of ratings, reduce the divergence between rating agencies, actively promote the expansion of ESG authentication and other related businesses, enhance the comparability of ESG ratings, and enhance the positive.

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