

Impact of Carbon Emission Information Disclosure Quality on Investor Confidence: Evidence from China

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Abstract

Global climate challenges are receiving increasing attention at the moment. However, Chinese enterprises report little and low-quality carbon emission data, putting China's emission reduction ambitions at risk. Consequently, this paper examines the impact of carbon disclosure quality on investor confidence from an investor's standpoint. This paper takes listed companies in high-carbon emission industries as the research object and selects the annual data for 2010-2019 from the CSMAR database. In the multiple linear regression model, this paper constructs the CID index to measure the quality of a company's carbon information disclosure and uses turnover rate as the proxy variable of the dependent variable. The empirical results show that the quality of carbon disclosure information positively affects investor confidence. Additionally, further analysis shows that carbon disclosure most significantly impacts investor confidence in the machinery manufacturing industry.

Keywords: Information disclosure quality, investment confidence, carbon emission