

The Impact of Equity Concentration on Firms' Environmental, Social and Governance Performance

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Abstract:

Corporate ESG performance has received widespread attention recently, and how to improve it has become an important issue. This paper analyses the effect of equity concentration on corporate ESG performance, using the data of listed companies in China in 2018-2022. It shows that higher equity concentration contributes to corporate ESG performance by all the aspects of environmental protection, social responsibility and governance in detail. Further analysis shows that higher equity concentration improves corporate ESG performance by promoting the quality of internal control. Heterogeneity analysis shows that equity concentration improves the ESG performance much more for state-owned, non-high-tech and small companies.

Keywords:

ESG, Equity Concentration, Internal Control, Corporate, China

1. Introduction

ESG, the abbreviation of environmental protection (E), social responsibility (S) and governance (G), has attracted much more attentions in practice worldwide in recent years [6]. The earliest requirements for ESG disclosure began with the Companies Act 2006 in the UK, which required the listed companies to disclose Directors' Reports, covering environmental, employee, and social and human rights issues. In October 2015, the US issued Interpretive Bulletin IB2015-01, which encourages ESG to be integrated into investment decisions. In 2018, the Securities Regulatory Commission of China revised the Code on Governance of Listed Companies to introduce the concept of corporate ESG and emphasize the building and development of corporate ESG system. Based on the potential development in practice, how to improve corporate ESG performance has been gradually discussed by scholars in academic.

Many scholars have found that the internal control of a company significantly influences its performance on environmental protection, social responsibility and internal governance [8,9]. Equity concentration is one of the key determinants of the

internal control of a company [7]. As a result, equity concentration may influence the ESG performance of companies. Whether equity concentration has an effect on corporate ESG performance is thus valuable to be investigated.

There is still little literature discussing the relationship between equity concentration and ESG, but some literature examining how equity concentration affects the E, S or G dimension of a company individually. In the term of E, Hirose and Matsumura [20] has found that common ownership has a negative effect on emissions abatement activities. In the term of S, Cao et al. [2] has found that the concentration of shareholding declines the quality of CSR reporting while Aboud and Yang [1] has found that equity concentration has a positive effect on corporate social responsibilities, though both of them used the data from Chinese listed firms. In terms of G, Omran et al. [5] has analysis that ownership concentration have a significant effect on the market valuation. Based on the knowledge about equity concentration's effect on corporate E, S or G performance individually, it thus proposes that equity concentration affects corporate ESG performance in a integrated manner in theory. Moreover, when studying equity concentration's effect on corporate ESG performance, we further investigate equity concentration's diverse effects on the ESG performance of companies with different characters and analyse the intermediary role of internal control which is thought to positively affect corporate ESG performance [4]. This study will fill the gap in this area and enrich the knowledge on the economic consequences of equity concentration and the influencing factors of corporate ESG performance.

The remaining part of this paper is structured as follows: Section 1 introduces the data sources, the definitions of variables and the empirical models. Section 2 reports and analyses the empirical results. Section 3 conducts the heterogeneity analysis and intermediary effect of internal control. Section 4 provides the conclusions and proposes the implications.

2. Research Design

2.1. Data

This paper selects the listed companies in China from 2018 to 2022 as the research samples. It further screens the samples according to the following criteria: (1) exclude the financial and insurance listed companies; (2) exclude the samples with data missing; (3) exclude the observations titled of ST or ST*; (4) exclude the companies that also issued the B shares; (5) delete the observations whose asset-liability ratio is greater than 1. To eliminate the influence of extreme values on the regression results, it winsorizes the data whose value is below 1% quantile or above 99% quantile for all continuous variables [1].

2.2. Variables

Corporate ESG performance, as the explained variable, is measured by the ESG scores of companies provided by the WIND database, in which an ESG rating system has being built based on the ESG related information disclosure of the listed companies in China. equity concentration, as the explanatory variable, is measured by the shareholding ratios of the largest shareholder, the top five shareholders or the top ten shareholders respectively referring to Gul et al. [3]. Internal control, as the mechanism variable is measured with the data from Dibo Chinese Listed Company Internal Control Index in 2018-2020. The control variables are selected as follows: (1)

The nature of independent directors (DN); (2) Cash level: the ratio of net cash flow from operating activities to operating income (CI); (3) Solvency: current ratio (CR); (4) Profitability level: return on equity (ROE); (5) Growth: net profit growth rate (PR). To do the heterogeneity analysis, this paper also selects state ownership, technology character and scale character as the grouping variables. The specific definitions of all the above variables are shown in Table 1. The descriptive statistics of the variables are reported in Table 2.

Table 1. Definition of variables.

Variable type	Variable name	Symbols	Variable Metrics
Explained variables	Corporate ESG performance	<i>ESG</i>	ESG score of a company from the WIND database
	Corporate E performance	<i>E</i>	E score of a company from the WIND database
	Corporate S performance	<i>S</i>	S score of a company from the WIND database
	Corporate G performance	<i>G</i>	G score of a company from the WIND database
Explanatory variables	Concentration of shareholding	<i>Equity Concentration First</i>	Shareholding percentage of the largest shareholder for a company
		<i>Equity Concentration Five</i>	Shareholding percentage of the top five shareholders for a company
		<i>Equity Concentration Ten</i>	Shareholding percentage of the top ten shareholders for a company
Mechanism variables	Quality of internal control	<i>CI</i>	Internal control index sourced from Chinese Listed Companies provided by Dibo company in 2018-2020.
Grouping variables	Nature of ownership	<i>NC</i>	Ownership of a company whose value is 1 when the enterprise belongs to a state-own enterprise, and otherwise the value is 0.
	Technology character	<i>HT</i>	Technology character of a company whose value is 1 when the enterprise belongs to a high-tech enterprise, and otherwise the value is 0.
	Business size	<i>CS</i>	Scale character of a company whose value is 1 when the enterprise belongs to a large enterprise, and otherwise the value is 0.
Control variables	Nature of independent directors	<i>DN</i>	Ratio of the number of independent board members to the board size of a company
	Cash levels	<i>CI</i>	Ratio of the net cash flow from operating activities to operating income of a company
	Solvency	<i>CR</i>	Ratio of current assets to current liabilities of a company
	Profit level	<i>ROE</i>	Net profit to average net assets ratio of a company
	Growth	<i>PR</i>	The percentage of the increase in the net profit achieved by the enterprise in the current period and its net profit in the same period of the previous year

Table 2. Descriptive statistics.

Variable name	Number	Average	Median	Standard deviation	Minimum value	Maximum value
<i>ESG</i>	4976	5.999	5.950	0.727	4.340	8.230
<i>E</i>	4976	1.546	0.970	1.832	0	8.550
<i>S</i>	4976	3.962	3.920	1.755	0.370	8.500
<i>G</i>	4976	6.472	6.510	0.842	3.850	8.750
<i>First</i>	4976	33.12	30.91	13.85	8.420	73.35
<i>Five</i>	4976	53.90	54	14.51	20.69	88.62
<i>Ten</i>	4976	59.54	60.55	14.42	24.51	90.95
<i>Asset liquidity</i>	4976	58.38	59.66	18.97	11.25	95.15
<i>Nature of independent directors</i>	4976	0.384	0.375	0.0640	0.250	0.600
<i>Cash levels</i>	4976	8.973	8.497	17.85	-80.94	81.68
<i>Solvency</i>	4976	2.402	1.713	2.044	0.360	15.08
<i>Profit level</i>	4976	5.699	7.220	15.29	-97.17	44.51
<i>Growth</i>	4976	-27.70	9.361	275.0	-2568	830.4

2.3. Empirical model

To study the influence of equity concentration on the ESG performance of firms, we use the fixed-effect model according to the Hausmann test result. Considering the industry effect and the time effect, the following fixed effect model is constructed [2].

$$ESG_{it} = \beta_0 + \beta_1 First_{it} + X_{it} + industry_i + year_t + \varepsilon_{it} \quad (1)$$

where i and t represent different industries on years respectively, ESG_{it} represents the ESG performance level of corporate of industry i in the t year, $First_{it}$ represents the shareholding percentage of the largest shareholder for a company of industry i in the t year, X_{it} represents the control variables, ε_{it} is the random disturbance term, $industry_i$ represents the industry-fixed effect and $year_t$ represents the time-fixed effect. Similarly, it can build the models to study the effects of the top five or ten shareholders on corporate ESG performance. Further, much more models can be built to study the effect of equity concentration on internal control and the effect of internal control on corporate ESG performance [3].

3. Empirical Results and Analysis

The empirical results about the effect of equity concentration on corporate ESG performance are shown in Table 3 in which the explained variable is corporate ESG performance and explanatory variables are the equity concentration of the top one, five or ten shareholders. In Column (1) of Table 3, the coefficient of *Equity Concentration_First* is significantly positive, indicating that the equity concentration of top one shareholder has a positive impact on corporate ESG performance. Column (2) in Table 3, the coefficient of *Equity Concentration_Five* is also significantly positive, which indicates that the equity concentration of top five shareholders has a positive impact on corporate ESG performance. Column (3) in Table 3, the significantly positive coefficient of *Equity Concentration_Ten* indicates that the equity concentration of top ten shareholders has a positive impact on corporate ESG performance. Columns (1)-(3) in Table 3 together illustrate equity concentration has a positive impact on corporate ESG performance which verifies Hypothesis 1 in this paper.

Table 3. Effect of equity concentration on corporate ESG performance.

Explained variables	ESG	ESG	ESG
	(1)	(2)	(3)
First	0.280*** (0.0529)		
Five		0.461*** (0.0499)	
Ten			0.529*** (0.0504)
Nature of independent directors	-0.0223 (0.113)	-0.0712 (0.112)	-0.0750 (0.111)
Cash levels	0.000149 (0.000518)	6.26e-07 (0.000514)	-8.45e-06 (0.000513)
Solvency	0.00605 (0.00417)	0.00482 (0.00414)	0.00363 (0.00414)
Profit Level	0.00260*** (0.000733)	0.00207*** (0.000730)	0.00178** (0.000728)
Growth	-5.67e-05 (4.66e-05)	-5.56e-05 (4.63e-05)	-5.46e-05 (4.60e-05)
Constant	5.658*** (0.0552)	5.529*** (0.0581)	5.465*** (0.0594)
Observations	11,289	11,287	11,296

Note: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

We further study the effect of equity concentration on corporate E, S or G performance individually and the results are shown by Table 4. In Table 4, Columns (1)-(3) show that the equity concentration indicators of the top one, five or ten shareholders all have positive effects on corporate E performance. It means that equity concentration will promote the E dimension in corporate ESG performance. Though Column (4) show that the equity concentration indicators of the top one shareholders does not have significant effect on corporate S performance. Columns (5)-(6) show that the equity concentration indicators of the top five and ten shareholders have positive effects on corporate S performance, which indicates that equity concentration will still promote the S dimension in corporate ESG performance. Columns (7)-(9) show that the equity concentration indicators of the top one, five or ten shareholders all have positive effects on corporate G performance, which indicates that equity concentration will promote the G dimension in corporate ESG performance. According to Columns (1)-(9) in Table 4, it can propose that equity concentration affects corporate ESG performance by all the aspects of E, S and G.

Table 4. Equity concentration and corporate E, S or G performance.

Explained variables	E			S			G		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
First	0.253* (0.130)			0.136 (0.129)			0.332* ** (0.0610)		
Five		0.354* ** (0.117)			0.577* ** (0.124)			0.530* ** (0.0586)	

Ten			0.219*			0.792*			0.537*
			(0.119)			(0.125)			(0.0593)
Nature of independent directors	-0.512*	-0.606*	-0.603*	-0.150	-0.175	-0.207	0.154	0.194	0.183
	(0.282)	(0.281)	(0.281)	(0.279)	(0.279)	(0.279)	(0.132)	(0.132)	(0.132)
Cash levels	0.000546	0.000341	0.000410	0.00128	0.000930	0.00111	0.000540	0.000389	0.000278
	(0.00130)	(0.00129)	(0.00129)	(0.00129)	(0.00129)	(0.00128)	(0.000609)	(0.000606)	(0.000604)
Solvency	-0.0332***	-0.0333***	-0.0333***	0.0458***	0.0469***	0.0458***	1.10e-05	0.00346	0.00572
	(0.0104)	(0.0104)	(0.0104)	(0.0103)	(0.0103)	(0.0103)	(0.00488)	(0.00486)	(0.00486)
Profit Level	0.00158	0.00116	0.000782	0.00314*	0.00237	0.00189	0.00343***	0.00310***	0.00275***
	(0.00184)	(0.00184)	(0.00184)	(0.00183)	(0.00183)	(0.00183)	(0.000867)	(0.000865)	(0.000863)
Growth	-9.81e-06	1.33e-05	1.60e-05	-8.39e-07	7.41e-06	-1.83e-06	-7.75e-05	-7.16e-05	-5.48e-05
	(0.000117)	(0.000116)	(0.000116)	(0.000116)	(0.000116)	(0.000115)	(5.48e-05)	(5.45e-05)	(5.42e-05)
Constant	1.752**	1.784**	1.801**	3.552**	3.324**	3.180**	6.176**	5.992**	5.972**
	(0.132)	(0.139)	(0.142)	(0.131)	(0.138)	(0.141)	(0.0621)	(0.0652)	(0.0666)
Observations	11,423	11,426	11,435	11,312	11,315	11,325	11,282	11,288	11,302

Note: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

4. Further Discussion

4.1. Role of internal control in equity concentration's effect on corporate ESG performance

The empirical results about the mechanism of how equity concentration affects corporate ESG performance are shown in Table 5. Column (1) shows the coefficient of *Equity Concentration_First* is significantly positive, which indicates that equity concentration of the top one shareholders has a positive effect on internal control. Column (2) shows the coefficients of *Equity Concentration_Five* is significantly positive which indicates that equity concentration of the top five shareholders has a positive effect on internal control. Column (3) shows the coefficients of *Equity Concentration_Ten* is significantly positive which indicates that equity concentration of the top ten shareholders has a positive effect on internal control. Columns (1)-(3) in Table 5 together illustrate equity concentration have a positive effect on internal control. Column (4) shows the coefficients of internal control is significantly positive which indicates that internal control has a positive effect on corporate ESG

performance. Columns (1)-(4) together illustrate that equity concentration impact corporate ESG performance by partly improving the quality of internal control [4].

Table 5. Role of internal control in equity concentration's effect on corporate ESG performance.

Explained variables	Internal control			ESG
	(1)	(2)	(3)	(4)
First	0.229*** (0.0691)			
Five		0.323*** (0.0664)		
Ten			0.311*** (0.0667)	
Internal control				0.139* (0.0784)
Nature of independent directors	-18.73 (14.41)	-16.63 (14.32)	-17.45 (14.34)	0.00830 (0.148)
Cash levels	0.0516 (0.0591)	0.0698 (0.0589)	0.0533 (0.0588)	0.000479 (0.000681)
Solvency	1.081** (0.528)	0.855 (0.522)	0.870* (0.522)	0.0110* (0.00580)
Profit Level	0.172** (0.0784)	0.154** (0.0784)	0.157** (0.0784)	0.00162 (0.000986)
Growth	-0.000111 (0.00397)	0.000420 (0.00394)	0.000491 (0.00395)	-2.46e-05 (5.80e-05)
Constant	642.6*** (6.192)	633.0*** (6.630)	632.3*** (6.818)	4.884*** (0.511)
Observations	6,547	6,560	6,568	5,524

Note: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

4.2. Heterogeneity character about equity concentration's effect on corporate ESG performance

We further study Heterogeneity character about equity concentration's effect on corporate ESG performance. Firstly, we analyse how different corporate property rights influence the effect of equity concentration on corporate ESG performance; the empirical results are shown in Table 6. In Table 6, Columns (1) and (2) show that the equity concentration of the top one shareholders has positive effects on the ESG performance for both state-owned companies and non-state-owned companies. Columns (3) and (4) as well as Columns (5) and (6) show that the equity concentration of the top five or ten shareholders has positive effects on the ESG performance for both state-owned companies and non-state-owned companies. These results together illustrate whether an enterprise is state-own or not, equity concentration will significantly promote its ESG performance [5]. As a comparison, it further finds that equity concentration has more effect on corporate ESG performance for state-owned enterprises compared with that for non-state-owned enterprises by comparing Column (1) and Column (2), Column (3) and Column (4) as well as Column (5) and Column (6) in Table 6.

Table 6. Effect of equity concentration on the ESG performance for companies with different corporate property rights.

	State-owned	Non-state-owned	State-owned	Non-state-owned	State-owned	Non-state-owned
	(1)	(2)	(3)	(4)	(5)	(6)

First	0.376*** (0.0968)	0.103* (0.0595)				
Five			0.630*** (0.0891)	0.259*** (0.0558)		
Ten					0.711*** (0.0893)	0.320*** (0.0568)
Nature of independent directors	-0.0116 (0.203)	-0.0689 (0.121)	-0.00904 (0.200)	-0.0812 (0.121)	-0.0543 (0.200)	-0.110 (0.121)
Cash levels	0.000791 (0.000775)	0.000615 (0.000538)	5.89e-05 (0.000771)	0.000628 (0.000539)	5.46e-05 (0.000766)	0.000661 (0.000539)
Solvency	-0.00221 (0.00811)	0.0119*** (0.00397)	-0.00173 (0.00787)	0.0105*** (0.00397)	-0.00164 (0.00785)	0.00973** (0.00398)
Profit Level	0.00176 (0.00115)	0.00251*** (0.000676)	0.00173 (0.00113)	0.00207*** (0.000680)	0.00168 (0.00112)	0.00196*** (0.000680)
Growth	2.15e-05 (5.72e-05)	-7.85e-05** (3.62e-05)	1.77e-05 (5.77e-05)	-7.87e-05** (3.59e-05)	2.43e-05 (5.76e-05)	-7.45e-05** (3.59e-05)
Constant	5.795*** (0.0880)	5.927*** (0.0523)	5.567*** (0.0934)	5.829*** (0.0564)	5.512*** (0.0948)	5.790*** (0.0586)
Observations	3,388	7,901	3,382	7,905	3,390	7,906

Note: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Secondly, we analyse how technology character influences the effect of equity concentration on corporate ESG performance; the empirical results are shown in Table 7. In Table 7, Columns (1) and (2) show that the equity concentration of the top one shareholders has positive effects on the ESG performance for non-high-tech companies. Columns (3) and (4) as well as Columns (5) and (6) show that the equity concentration of the top five or ten shareholders has positive effects on the ESG performance for both high-tech companies and non-high-tech companies [6]. These results together illustrate whether an enterprise is high-tech or not, equity concentration will significantly promote its ESG performance. As a comparison, it further finds that equity concentration has more effect on corporate ESG performance for non-high-tech enterprises compared with that for high-tech enterprises by comparing Column (1) and Column (2), Column (3) and Column (4) as well as Column (5) and Column (6) in Table 7.

Table 7. Effect of equity concentration on the ESG performance for companies with different technology characters.

VARIABLE S	High-tech companies	Non-high-tech Companies	High-tech companies	Non-high-tech Companies	High-tech companies	Non-high-tech Companies
	(1)	(2)	(3)	(4)	(5)	(6)
First	0.132 (0.0960)	0.318*** (0.0565)				
Five			0.361*** (0.0869)	0.555*** (0.0555)		
Ten					0.398*** (0.0873)	0.617*** (0.0560)
Nature of independent directors	-0.0211 (0.193)	-0.0387 (0.121)	-0.0328 (0.192)	-0.0515 (0.120)	-0.0734 (0.193)	-0.0733 (0.120)
Cash levels	0.000678	0.000370	0.000619	7.29e-05	0.000583	0.000164

	(0.000814)	(0.000510)	(0.000814)	(0.000508)	(0.000813)	(0.000506)
Solvency	0.0157**	0.00660	0.0121*	0.00548	0.0105	0.00482
	(0.00653)	(0.00413)	(0.00651)	(0.00408)	(0.00653)	(0.00408)
Profit Level	0.00224**	0.00233** *	0.00195*	0.00182** *	0.00177*	0.00174** *
	(0.00106)	(0.000681)	(0.00107)	(0.000675)	(0.00107)	(0.000674)
Growth	- 0.000156** *	-1.80e-05	- 0.000162** *	-1.56e-05	- 0.000154** *	-1.15e-05
	(6.04e-05)	(3.48e-05)	(5.95e-05)	(3.47e-05)	(5.94e-05)	(3.46e-05)
Constant	6.092***	5.761***	5.967***	5.570***	5.946***	5.513***
	(0.0833)	(0.0524)	(0.0871)	(0.0566)	(0.0893)	(0.0584)
Observations	2,992	8,297	3,001	8,286	2,989	8,307

Note: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Thirdly, we analyse how different scales of companies influence the effect of equity concentration on corporate ESG performance; the empirical results are shown in Table 8 [7]. In Table 8, Columns (1) and (2) show that the equity concentration of the top one shareholders has positive effects on the ESG performance for both large-scale companies and small-scale companies. Columns (3) and (4) as well as Columns (5) and (6) show that the equity concentration of the top five or ten shareholders has positive effects on the ESG performance for both large-scale companies and small-scale companies [8]. These results together illustrate whether an enterprise is large-scale or not, equity concentration will significantly promote its ESG performance. As a comparison, it further finds that equity concentration has more effect on corporate ESG performance for small-scale enterprises compared with that for large-scale enterprises by comparing Column (1) and Column (2), Column (3) and Column (4) as well as Column (5) and Column (6) in Table 8.

Table 8. Effect of equity concentration on the ESG performance for companies with different scales.

	Large-scale companies	Small-scale companies	Large-scale companies	Small-scale companies	Large-scale companies	Small-scale companies
	(1)	(2)	(3)	(4)	(5)	(6)
First	0.0984*	0.230**				
	(0.0551)	(0.108)				
Five			0.244***	0.895***		
			(0.0530)	(0.104)		
Ten					0.295***	0.114***
					(0.0534)	(0.0106)
Nature of independent directors	-0.0799	0.115	-0.0874	0.0846	-0.119	0.0470
	(0.119)	(0.216)	(0.119)	(0.213)	(0.118)	(0.212)
Cash levels	0.00134***	-0.00141	0.00111**	-0.00147	0.00117**	-0.00140
	(0.000501)	(0.000912)	(0.000501)	(0.000906)	(0.000499)	(0.000899)
Solvency	0.0114***	0.0148**	0.0110***	0.00943	0.0106**	0.00554
	(0.00416)	(0.00678)	(0.00414)	(0.00665)	(0.00414)	(0.00664)
Profit Level	0.00213***	0.00310**	0.00185***	0.00212*	0.00182***	0.00142
	(0.000660)	(0.00124)	(0.000656)	(0.00125)	(0.000655)	(0.00125)
Growth	-5.34e-05	-1.87e-05	-5.99e-05*	1.18e-06	-5.63e-05*	1.52e-05
	(3.41e-05)	(6.94e-05)	(3.40e-05)	(6.84e-05)	(3.40e-05)	(6.80e-05)
Constant	5.936***	5.720***	5.839***	5.340***	5.809***	5.167***
	(0.0514)	(0.0934)	(0.0550)	(0.100)	(0.0565)	(0.104)

Observations	8,855	2,434	8,864	2,423	8,888	2,408
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Note: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

5. Conclusion and implication

This paper study how equity concentration affects corporate ESG performance by applying the fixed-effect model with the data of the listed companies in China from 2018-2022. The conclusions are as follows: (1) Equity concentration has a positive effect on corporate ESG performance; (2) Higher equity concentration contributes to corporate ESG performance by all the aspects of corporate E, S or G performance; (3) Equity concentration affects corporate ESG performance partly by improving the quality of internal control; (4) The positive effect on ESG performance is more significant in state-owned enterprises, non-high-tech enterprises, and small-scale enterprises compared with that for non-state-owned, high-tech and large companies [9].

Improving the ESG performance is necessary for enterprises and the inevitable requirement to enhance the sustainability level of economic development. Based on the conclusions of this paper, the government should further optimize the ownership structure of listed companies to improve their ESG performance. Much more attention should pay to the effect of ownership structure on corporate ESG performance for the state-owned, high-tech or small-scale enterprises [10]. Meanwhile, the government should continue to support the construction of the ESG system and enhance the level of internal control with much more ESG information. The regulators should guide and supervise the ESG behavior of enterprises with different policy measures according to their distinct characters on equity concentration as well as ownership, technology level, scale and so on. For the enterprises especially these with low level of equity concentration should optimize their governance structure, promote their internal control quality and care more about their ESG performance.

Conflicts of Interest

The authors declare that there is no conflict of interest regarding the publication of this article.

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