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Research on ESG's Transformation and Development of Companies in the Era of Digital Economy

Yuling Qi

Taizhou University, Taizhou, Zhejiang, 318000, China

ABSTRACT

ESG is a hot topic at home and abroad in recent years. In view of the transformation of modern digital economy and the development of artificial intelligence, the transformation and development of the company have become more important. With the rapid development of digital economy and the increasing popularity of ESG concept, enterprises are facing unprecedented opportunities and challenges. Through literature review and case analysis, aiming at the hot topic of ESG and the background of digital economy transformation, this paper discusses the trend of integration of digital economy and ESG, ESG's impact on corporate transformation and development in the digital economy era, and its impact on corporate transformation in financial management, internal systems and strategic development, etc., to study the development strategies and prospects of domestic and foreign enterprises. The research results show that ESG has become an important driving force to promote the transformation of enterprises under the background of digital economy. Companies need to integrate ESG principles into their digital strategies, leverage new technologies to optimize ESG performance, and focus on data governance and sustainability. At the same time, more domestic and foreign researches now take ESG's research on enterprise development and ESG as a separate research, together with some models and specific analysis of ESG, such as importance, etc., and less comprehensive description of the era background of digital economy transformation, comparative analysis of the relationship between digital economy, ESG and corporate transformation development (among which transformation development also includes financial management transformation, internal system improvement, corporate strategy change, etc.), so this research provides theoretical basis and practical guidance for enterprises to realize comprehensive transformation under the new situation.

KEYWORDS

Digital economy; ESG; Corporate transformation; Sustainable development; Digital strategy

1 Introduction

As the core concept of enterprise sustainable development and an important measure of enterprise value, digital economy is reshaping the global business pattern with its unique characteristics and advantages. The purpose of this study is to discuss the convergence trend of digital economy and ESG, and how they jointly promote the overall transformation and development of enterprises. The focus of this study is on the integration of digital economy and ESG.

Starting from the relationship between digital economy and ESG, this paper analyzes the impact of ESG on enterprise transformation in the process of enterprise transformation and development, and discusses the transformation strategies and paths of enterprises under the background of digital economy. Finally, it expounds relevant suggestions and future prospects. Through literature review and case analysis, the theoretical basis and practical guidance will be provided for enterprises to achieve sustainable development in the new era.

2 Digital Economy and ESG Overview

2.1 The characteristics and impact of the digital economy

The digital economy is characterized by a new type of economy driven by digital technology, including data-driven, network collaboration, intelligent application and platform-based development. New technologies such as big data, cloud computing and artificial intelligence have brought huge innovation space and growth potential for enterprises. The digital economy is profoundly changing the production mode and business model of traditional industries. In the era of digital economy, enterprises collect, process and analyze huge amounts of data with high efficiency, which optimizes the decision-making process and improves the operating efficiency. For example, big data analysis, enterprises can have an accurate grasp of market demand and achieve personalized marketing; To optimize the production process, improve the product quality and production efficiency of the enterprise, with the help of cloud computing and artificial intelligence technology.

2.2 The meaning and importance of ESG

ESG is a set of standard systems to measure the sustainability of an enterprise. It is also a standard system of moral influence and a standard system of moral influence. The environmental dimension focuses on the impact of enterprises on ecosystems such as greenhouse gas emissions and resource use efficiency. The social dimension focuses on the relationship between employees' rights and interests, community participation, supply chain management and corporate stakeholders; The governance dimension focuses on internal management and decision-making mechanisms such as board structure, internal control and transparency.

ESG is becoming more and more important to investors, regulators and consumers, and has become an important indicator for enterprises to evaluate the enterprise value. Investors are increasingly inclined to incorporate ESG factors into the investment decision-making process, believing that enterprises with good ESG performance have higher investment value. Regulators are also increasingly demanding the disclosure of ESG information, which drives companies to pay more attention to sustainability. Consumers are becoming more and more aware of and demanding on corporate social responsibility, and they tend to choose better corporate products and services from ESG.

2.3 the digital economy and ESG convergence trend

The trend of deep integration with digital technology is that in the era of digital economy. Digital technology provides a more efficient tool to collect, analyze and report ESG data, which enables enterprises to measure and manage ESG performance more accurately. For example, through the Internet of Things technology, enterprises can conduct real-time monitoring on data such as energy consumption and carbon emissions, thus providing a basis for energy conservation and emission reduction; Based on the block chain technology, the enterprise can improve the transparency and traceability of the supply chain to ensure that the raw material sources meet the sustainability standard. Through the application of the block chain technology, the transparency and traceability of the supply chain can be well improved to achieve the sustainability standard.

At the same time, the ESG concept also guides the development of digital technology towards a more sustainable and responsible direction. In the process of development and application of digital technology, enterprises need to fully consider its impact on the environment and society, to provide an environmental footprint for the application of digital technology and to ensure the application of digital technology that meets ethical requirements. For example, enterprises can optimize data center energy management to reduce carbon emissions from digital infrastructure; It can also promote the use of online platforms to carry out public welfare projects such as education and medical treatment through digital technology, and promote the development of social welfare.

3 Impact of ESG on Enterprise Transformation and Development

Under the background of digital economy, ESG's influence on enterprise transformation is mainly embodied in three aspects: financial management, internal system and strategic development.

3.1 financial management transformation

The corporate capital allocation decision and risk management framework are being reshaped by ESG standards. More and more investors take ESG index as an important basis to evaluate the long-term value of an enterprise, prompting the enterprise to incorporate ESG factor into financial planning and analysis. For example, an enterprise needs to consider the potential threat of social reputation risk to the brand value of the enterprise, the adverse impact of an unsound governance structure on the financing cost and operating efficiency of the enterprise, and the impact of changes in environmental regulations on production costs and market demand.

At the same time, it is the rise of green finance and sustainable investment products that provide new financing channels and new opportunities for enterprises. Enterprises issue low-cost financial support for investment in environmental protection projects and energy efficiency improvement, such as the issuance of green bonds and participation in sustainable development funds. In addition, good ESG performance can also enable enterprises to reduce financing costs, improve the valuation of their capital markets, and enhance their market competitiveness by investing in green bonds, green bonds and green bonds.

3.2 improve the internal system

ESG requires enterprises to undergo profound changes in corporate governance, internal control and organizational culture. Enterprises need to establish a more transparent and responsible management mechanism. Governance by the board of directors should be strengthened. Effective supervision by the board of directors can effectively supervise the company's business decision-making process and ensure that board members have sufficient independence and professional competence. At the same time, the enterprise also needs to train ESG professionals and establish a special

ESG team responsible for the formulation and implementation of ESG strategies, ESG data collection and analysis, and communication with stakeholders.

In addition, enterprises should carry out staff training and education activities to enhance staff's awareness of the importance of ESG, enhance staff's sense of belonging and creativity, and integrate ESG concepts into corporate culture and daily operations. Good corporate culture and staff participation are not only conducive to the improvement of internal management efficiency, but also conducive to attracting more outstanding talents, laying the foundation for the long-term development of the enterprise, thus enhancing the social image and reputation of the enterprise.

3.3 strategic development and transformation

ESG is becoming a core consideration in formulating long-term development strategies. If an enterprise wants to explore new business models and growth points, it must combine its ESG objectives with its business objectives. For example, through the development of friendly products or services, in this way, enterprises can not only meet the growing demand for sustainable consumption, but also hit the nail on the head in the competition. Moreover, ESG is also very helpful to enhance the long-term competitiveness of enterprises and help enterprises to establish stronger supply chain relationship and customer loyalty.

By participating in sustainable development projects, the enterprise's own social influence and brand value can also be promoted. The enterprise can promote its own brand value by participating in sustainable development projects. For example, public welfare projects of the enterprise can be carried out by local governments, social organizations and non-governmental organizations. Public welfare projects such as environmental protection projects, education projects and poverty alleviation projects can create a good external environment for the long-term development of the enterprise, and also create a good external environment for the long-term development of the enterprise.

4 Strategies and Paths of Enterprise Transformation under the Background of Digital Economy

Under the background of digital economy, enterprises need to adopt active strategies and make full use of digital technology and ESG concept to promote transformation and development.

4.1 Promoting the Integration of Digital Transformation and ESG

The use of big data and artificial intelligence technology to optimize the collection and analysis of ESG data, the establishment of a comprehensive ESG performance evaluation system, enterprises should actively promote the integration of digital transformation and ESG. Such as big data analysis, enterprises can identify ESG risks and opportunities and formulate more accurate ESG strategies; Enterprises can use artificial intelligence technology to automatically monitor and report ESG performance to improve the accuracy and timeliness of data.

For improving the transparency and traceability of the supply chain and the potential of the Internet of Things technology in energy conservation and emission reduction and resource optimization, enterprises can also explore the block chain technology. For example, enterprises can use block chain technology to ensure that the sources of raw materials in the supply chain meet the sustainability criteria, thus preventing fake and inferior products from entering the market; Enterprises can use the Internet of Things technology to monitor and control the energy consumption in real time, so as to optimize the resource utilization efficiency and reduce the operating cost.

4.2 Strengthen data governance and ESG performance management

Establishing a sound data collection, data storage and data analysis system to ensure the accuracy and reliability of ESG data requires enterprises to strengthen data management and ESG performance management. Including the formulation of data standards and specifications, the establishment of data quality control mechanisms, and the assurance of data consistency and integrity; At the same time, the enterprise should formulate clear ESG objectives and indicators, and link them with the company's strategy and performance appraisal system, performance, appraisal and other systems. In addition, to meet the growing information needs of investors and other stakeholders, enterprises need to improve the quality and frequency of ESG information disclosure. Companies can enhance communication and trust with stakeholders, improve corporate social image and reputation, and disclose their performance and progress in environmental, social and governance aspects in detail by regularly issuing ESG reports.

4.3 To build a sustainable digital strategy

When ESG concept is added into the product design and development process and environmentally friendly digital products and services are launched, enterprises should build a sustainable digital strategy to integrate ESG concept. For example, energy-saving digital equipment and software can be developed to reduce energy consumption; Digital technology can also be used to promote green travel and telecommuting to reduce traffic congestion and carbon emissions.

At the same time, enterprises should pay attention to the impact of digital technology on the environment and society, take measures to reduce the digital business environment, and ensure the application of digital technology to achieve ethical requirements. In addition, in order to promote the development of the industry towards a more sustainable direction, enterprises should also actively participate in the formulation of rules and standards to promote the digital economy.

5 Research method

Mainly adopt the research methods of comparative study, explanation of facts, statement and enumeration, etc. to compare and analyze the companies at home and abroad that adopt ESG and do not adopt ESG under the background of the big era (horizontal or vertical comparison-horizontal comparison is mainly that some foreign companies will use ESG earlier than domestic companies, vertical comparison is mainly about the influence of the same company on the company after not using ESG before and now using ESG)

The feasibility analysis of the economy and environment after the adoption of ESG, the impact on various aspects of the corporate economy and the external environment of the company under the background of the current digital economy era, the horizontal and vertical comparison and comparison by using market research, investigation and analysis, and the reference by using knowledge base documents such as HowNet, which is guided by a guidance teacher

6 Conclusion

In the era of digital economy, ESG has become a very important driver of corporate transformation, and corporate transformation is also a very important driver. While attaching importance to data governance and sustainable development, enterprises need to integrate ESg principles into digital strategies, optimize ESG performance with new technologies, and achieve comprehensive improvement of ESG performance. In addition, in order to promote their own sustainable development and the overall progress of the industry, in terms of green technology innovation and information disclosure quality, enterprises should attach importance to the improvement of internal governance mechanism and the effectiveness of external supervision.

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