POSTGRADUATE SEMINAR SERIES

Research Findings Seminar

Topic Title : **Two Essays on Stakeholder Influence and Corporate Environmental Behavior**

Presenter : **Ms. HE Qian**
PhD student of Finance

Abstract :

Environmental, Social, and Governance (ESG) issues have emerged as one of the most debated topics in recent years. Investors, policymakers, and the general public are calling for greater efforts to increase ESG investment and disclosure. This dissertation examines how stakeholders influence corporate environmental behavior.

In the first study, we find that when citizens complain about abnormal air pollution, firms are more likely to engage in greenwashing. We conduct a nationwide randomized controlled trial in China by monitoring publicly accessible Air Quality Index (AQI) data and acting as citizens to complain to nearby firms when unhealthy air quality is detected. Using plant-level real-time pollution data and corporate ESG disclosure data, we report two key findings. First, citizens' complaints lead to a temporary decrease in air polluting emissions, but these effects rebound afterward. Second, firms that receive complaints become more likely to issue CSR/ESG reports. These results suggest that firms engage in greenwashing in response to citizen pressure. We further find that the effect of citizen involvement on reducing actual pollution is more pronounced when complaints are channeled through the parent company or when firms are accessible via telephone.

In the second study, we examine how proxy access, which allows long-term shareholders to nominate directors on the company's proxy ballot, affects corporate ESG innovation. We measure ESG innovation using firms' climate-related patent output and citations. To identify causal effects, we exploit plausibly exogenous variation in proxy access adoption driven by institutional pressure from the "Big Three" asset managers, BlackRock, Vanguard, and State Street Global Advisors. Contrary to the view that stronger shareholder rights promote long-term sustainability investment, we find that proxy access adoption significantly reduces climate-related innovation. The effect is more pronounced for firms with lower managerial entrenchment.

Date : **5 March 2026 ,Thursday**

Time : **14:00-15:30**

Venue : **SEK210, 2/F, Simon & Eleanor Kwok Building**

Language : **English**

*** *All are Welcome* ***

Enquiries: HKIBS, 26168374 or by email(hkibs@ln.edu.hk).

Due date: 6 Mar 2025