

Lingnan University 嶺南大學 香港 Hong Kong

Faculty of Business 嶺南大學商學院

Accounting Research Workshop Series

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ESG Transparency and Voluntary Financial Disclosure

Abstract: We examine how firms adjust voluntary financial disclosure in response to in-creased ESG transparency, exploiting the index-based expansion of LSEG ESG coverage. Using a difference-in-differences design, we find that LSEG coverage increases management guidance on financial metrics. The effect is stronger when LSEG coverage is expected to induce larger increases in price pressure to sacrifice financial payoffs for ESG performance and investors' demand for financial information, and when these increases are more consequential for firms or managers. Channel analyses show that LSEG coverage reduces price informativeness about financial payoffs, increases the number of analysts asking questions about financial performance during earnings calls, and raises firms' cost of equity. Larger changes in these measures are associated with greater increases in management guidance. Firms with larger increases in guidance also exhibit lower ESG investment and smaller declines in financial performance. Finally, we find similar increases in voluntary financial disclosure following ESG disclosure mandates.

About the Speaker

Zhihong Chen is an Associate Professor of Accounting at the Hong Kong University of Science and Technology (HKUST) Business School. His research focuses on corporate governance, information disclosure, the cost of capital, and the real economic effects of accounting information and disclosure. His work has been published in leading international journals, including the *Journal of Accounting Research*, *Journal of Accounting and Economics*, *The Accounting Review*, *Review of Accounting Studies*, *Journal of Financial and Quantitative Analysis*, *Journal of Law and Economics*, *Journal of Corporate Finance*, *Journal of Accounting and Public Policy*, and *Journal of Accounting, Auditing & Finance*.

Date: November 16, 2026 (Monday)

Time: 14:30—16:00

Venue: SEK210

Language: English

All are welcome

- *For any inquiries, please contact us at hkibs@ln.edu.hk or call us at 2616-8374.*

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