



The Institute of Development Economics

Research Papers

Titles: How humid heat weather affects the ESG performance of manufacturing enterprises

Abstract:

The influence of humidity on enterprise sustainability, especially with respect to environmental, social, and governance (ESG) performance, poses a substantial challenge amid escalating global temperatures. This study investigates the relationships and mechanisms between humid heat weather and ESG performance using data from Chinese manufacturing industries from 2008 to 2022. The findings of this study indicate that humid heat weather positively affects the ESG performance of enterprises. Moreover, factors such as green investment, climate transparency and government assistance can positively moderate the impact of humid heat weather on an enterprise's ESG performance. Furthermore, the study reveals heterogeneity in terms of impact, with state-owned enterprises, those involved in climate finance activities, high-technology industries and enterprises frequently exposed to humid heat weather experiencing more pronounced effects. Further analysis reveals that enterprises facing humid heat weather present a notable increase in their levels of social performance, surpassing their levels of governance performance. However, the study does not find a significant effect on the environmental performance of enterprises.

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