Research on the Realization Path of ESG Concept in Promoting Enterprise Cost Control

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Abstract. With the increasing attention to sustainable development, the ESG concept has been integrated into enterprise management. This research explores its impact on cost control and the implementation paths. The study finds that ESG directly affects costs through the environment, society, and governance, and also has an indirect impact through brand image, etc. Enterprises have problems such as the lack of a comprehensive cost accounting system and the dilemma of weighing short-term costs against long-term benefits. To facilitate cost control, enterprises can establish an ESG system from aspects such as strategic planning and integration, improvement of the accounting system, optimization of organizational structure and management processes, technological innovation and digital application, and personnel training and capacity building. This includes formulating ESG-oriented strategies, setting relevant indicators, clarifying cost items and accounting methods, establishing specialized departments, applying green technologies and digital tools, and conducting training.

Keywords: ESG concept, cost control, sustainable development, implementation path

1 Introduction

With the increasingly severe global environmental problems and the growing concern for social issues, the ESG concept has emerged. The origin of the ESG concept can be traced back to the advocacy of ethical investment in operating low-pollution enterprises in the early 18th century. With the rise of socially responsible investment in the 1960s and 1970s, people began to pay attention to the performance of enterprises in terms of environment, society, and governance [1]. Over time, ESG has gradually transformed from a voluntary practice to a requirement driven by regulation and the market. Cost control, as the core link of enterprise management, has become a key factor for the survival and development of enterprises. Effective cost control can not only improve the profitability of enterprises but also enhance their competitiveness and ensure stable development in the face of market fluctuations. In today's complex and changeable business environment, cost control is no longer merely a means of cutting expenses and pursuing short-term benefits. Instead, it requires refined and systematic management strategies to achieve optimal allocation of resources and improve the overall opera-

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tional efficiency of enterprises, thereby laying the foundation for creating greater value and sustainable development for enterprises.

In terms of the ESG concept reducing enterprise operation and financing costs and increasing enterprise value, there are related studies in China. For instance, good ESG performance helps reduce enterprise financing costs, including debt financing costs and equity financing costs (Zhang Zhibin, Xiong Jie, 2024). Good ESG performance achieves the improvement of enterprise performance by reducing enterprise agency costs and increasing enterprise commercial credit financing (Zhang Shuiping et al., 2024), etc. However, although existing studies have found that the ESG concept can reduce enterprise costs and improve enterprise performance, research on the influence mechanism of the ESG concept on enterprise cost control and how the ESG concept promotes the realization of enterprise cost control is still relatively weak. In view of this, this article aims to deeply explore the role mechanism of the ESG concept in enterprise cost control, analyze how the ESG concept effectively promotes the realization of enterprise cost control, provide theoretical support and practical guidance for enterprises to apply the ESG concept in actual operations, and expect to provide new perspectives and ideas for enterprises to achieve sustainable development.

2 The Applicability and Compatibility of the ESG Concept in Enterprise Cost Control

With the accelerated advancement of the global sustainable development trend, the ESG concept has become an important part of enterprise strategic management, and its connotation has been continuously enriched and improved. At the same time, enterprise cost control is also constantly innovating, gradually expanding from single financial cost control to broader fields. Before delving into the applicability and compatibility of the ESG concept in enterprise cost control, this article believes it is necessary to first systematically sort out the content and research progress of the ESG concept and enterprise cost control, which will help us understand the intrinsic link between the ESG concept and enterprise cost control more comprehensively.

2.1 The Core Content and Research Progress of the ESG Concept

The ESG concept is a comprehensive framework for enterprise evaluation and development. It emphasizes that while pursuing economic benefits, enterprises should actively fulfill environmental, social, and governance responsibilities to achieve long-term sustainable development. The environmental dimension (E) focuses on the impact of enterprises on the natural environment and promotes low-carbon and zero-carbon development. The social dimension (S) covers all aspects of the enterprise's relationships, such as creating a working environment and giving back to the community. The governance dimension (G) involves the internal structure and decision-making, and is responsible for stakeholders. Against the backdrop of the current global sustainable development, enterprises are facing increasingly severe environmental and social challenges. To address these challenges and achieve long-term development, more and more enterprises are beginning to recognize the importance of a clear ESG strategic vision. Such a vision is not only the starting point for the sustainable development of enterprises but also the driving force behind their continuous progress. Transforming this vision into specific and measurable goals is the key for enterprises to formulate effective plans and evaluate improvement results. The three pillars of ESG strategy - environmental protection, social care, and quality governance - provide comprehensive action guidelines for enterprises. Among them, green finance provides financial support for environmental protection projects, and the circular economy model helps alleviate environmental pressure; the focus on employee development can enhance employees' loyalty and work efficiency and create value through innovative services; improving the governance structure to ensure the scientific nature of decision-making and strengthening information disclosure to enhance transparency and trust are all goals that enterprises should actively pursue under the ESG framework. As a comprehensive framework, ESG can help enterprises better fulfill their social responsibilities and promote their sustainable development by formulating a clear vision and goals and jointly promoting the construction of the three pillars (Fig. 1).

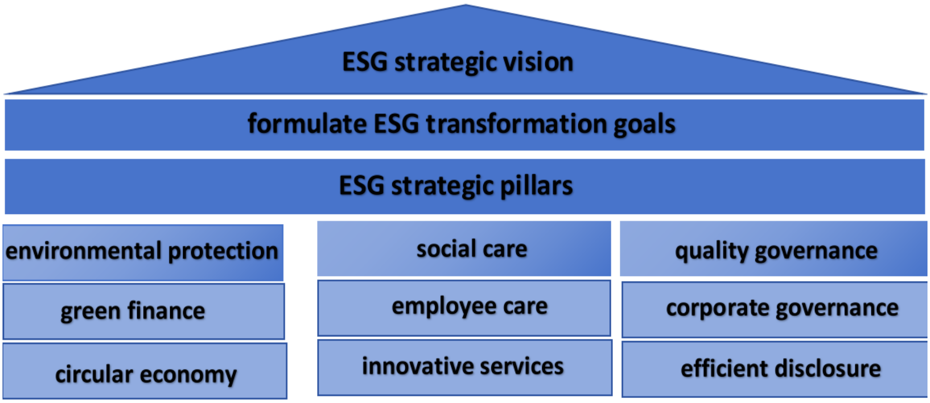

Fig. 1. Schematic Diagram of ESG System 1.

In recent years, Chinese scholars' research on ESG mainly focuses on the following three aspects: First, conducting research in the direction of ESG information disclosure and rating divergence. Existing studies have found that the higher the degree of corporate information disclosure, the higher the autonomous selectivity of rating agencies for ESG evaluation dimensions, and the greater the ESG rating divergence (Zhu Fuxian et al., 2024), while ESG report verification can reduce ESG rating divergence through the quality of corporate information disclosure (Song Xianzhong et al., 2023). In addition, other studies have found that enterprises with higher financing levels, greater management rights, more sensitive investors, and voluntary information disclosure levels of heavy polluting and non-state-owned enterprises are more significant (He Taiming, 2023). Second, exploring the performance of enterprises in practicing ESG. Existing studies have found that digital transformation (Li Linghan, 2024), supply chain linkage (Li Zhiguo, Kong Weijia, 2024), value-added tax credit refund (Fang Xiaobin, 2024), and other aspects have significantly improved the ESG performance of enterprises. Third, analyzing the economic consequences of ESG performance. Studies have found that good ESG performance has achieved remarkable results in reducing corporate financing costs (Wang Xinlan et al., 2023), enhancing corporate value (Xu Guanghua et al., 2022), promoting corporate green technology innovation (Guo Wei, Kang Wenyi, 2024), improving the investment efficiency of circulation enterprises (Zhou Ali, 2024), [suppressing financial fraud and reducing business risks (Zheng Guihua et al., 2024), etc.

2.2 Modern Cost Control Theory and Research Progress

The traditional cost control theory attaches importance to cost accounting and control, determines costs by accounting for direct materials, etc., and mainly relies on standard cost methods and budget control methods to reduce costs and increase efficiency. However, it is limited to the production link and pays less attention to costs in R&D, sales, and other links. In recent years, with the rapid development of technology, the theory of enterprise cost control has also made considerable progress. The wide application of cutting-edge technologies such as big data and artificial intelligence has made cost control more accurate and efficient. Modern cost control has jumped out of the limitations of traditional cost accounting and extended to higher levels such as cost prediction and decision support, providing enterprises with more comprehensive and in-depth cost management means. At the same time, the application of the value chain theory in cost control is also increasingly widespread. Enterprises have begun to start from an overall perspective and focus on the cost optimization of the entire value chain rather than just a single link. This global cost control idea helps enterprises better integrate resources and improve overall operational efficiency. In addition, environmental costs and social responsibility costs have gradually been incorporated into the scope of cost control, which reflects the attention and responsibility of enterprises to social responsibility while pursuing economic benefits.

The latest research achievements in enterprise cost control mainly focus on the following two aspects: First, the industry differences of cost control theory in practice. Existing studies have shown that under the characteristics and operation models of different industries, cost control methods and focuses are also different.

For example, the construction and application of the cost management system in public hospitals (Han Binbin, Li Zongze, 2024), the research on the cost management strategy of urban rail transit projects (Guo Houfang, 2023), the research on the double cost method of cost control in higher education (Qu Jingshan et al., 2022) and so on. Second, the lean innovation and development of strategic cost control under the background of digital intelligence. The research found that digital transformation brings incremental benefits in efficiency and output to enterprises, maximizing the cost-benefit ratio of the economy and society (Feng Yuan, 2021). In addition, the research also found that digital technology can not only solve problems such as high information collection costs and low utilization efficiency, but also build a full life cycle value network, enabling information interconnection in all links of enterprise operations, thereby improving operational efficiency and reducing product costs (Wang Yishu et al., 2021).

2.3 The Applicability and Compatibility between the ESG Concept and Enterprise Cost Control

1. Introduction of the comprehensive cost concept. Traditional cost control often focuses on direct production costs, such as raw materials and labor, while ignoring indirect costs in areas such as the environment, society, and governance. The introduction of the ESG concept makes enterprises start to pay attention to and attach importance to these hidden costs, thereby forming a more comprehensive cost concept. This comprehensive cost concept helps enterprises to more accurately assess the true costs of various activities and then formulate more reasonable cost control strategies.

2. The combination of risk management and cost control. The ESG concept emphasizes comprehensive management of the environmental, social, and governance risks faced by enterprises. If these risks are not effectively controlled, they are likely to translate into actual cost losses. Therefore, integrating the ESG concept into the cost control process is actually achieving effective cost control while conducting risk management. This combination helps enterprises reduce risks and unnecessary cost expenditures simultaneously.

3. Long-term value creation and cost-benefit analysis. The ESG concept focuses on the long-term value creation of enterprises rather than just short-term profits. Under the guidance of this concept, when conducting cost control, enterprises will pay more attention to cost-benefit analysis, that is, considering the relationship between cost input and long-term value output. This analysis method helps enterprises avoid short-sighted behavior and ensures that each cost input can bring corresponding long-term returns.

4. Stakeholder management and cost optimization. The ESG concept emphasizes the harmonious coexistence of enterprises and various stakeholders. In the cost control process, enterprises need to fully consider the interests of shareholders, employees, customers, communities, and other parties to achieve overall cost optimization. This stakeholder management helps enterprises maintain a good corporate image and social relationships while reducing costs, thereby laying a solid foundation for the long-term development of enterprises.

In conclusion, the ESG concept and enterprise cost control have a high degree of applicability and compatibility in theory. By introducing methods such as the comprehensive cost concept, the combination of risk management and cost control, long-term value creation and cost-benefit analysis, and stakeholder management and cost optimization, enterprises can achieve effective cost control while promoting their sustainable development.

3 The Impact Mechanism of the ESG Concept on Enterprise Cost Control

3.1 The Direct Impact Mechanism of the ESG Concept on Enterprise Cost Control

3.1.1 Cost Impact in the Environmental Dimension.

Guided by the ESG concept, a win-win situation for economic and environmental benefits can be achieved. The key is to invest in the purchase of advanced and clean equipment, rationally optimize production processes and resource utilization, and reduce reliance on highly polluting and energy-intensive energy sources. For example, equipment such as efficient air purification and sewage treatment systems, although increasing the purchase cost in the short term, bring more benefits in the long term. It can reduce production pollution, and a clean environment can improve employee efficiency and satisfaction, reducing medical and absenteeism costs. Classifying, recycling, and reusing waste reduces processing fees and creates economic value. Optimizing the energy management system to achieve efficient energy utilization reduces energy consumption costs and recovers energy-saving investments.

Strictly abide by environmental protection regulations, strengthen internal environmental management, and avoid fines. Establish an environmental monitoring and early warning mechanism to rectify problems in a timely manner. In a mature carbon emissions trading market, energy conservation and emission reduction can generate excess carbon emission quotas, which can be traded for profit.

3.1.2 Cost Impact in the Social Dimension.

A good working environment, fair and reasonable salary and benefits, and development opportunities are crucial for reducing the turnover cost of employees. Frequent employee turnover brings many direct and indirect costs to the enterprise, such as the expenses of recruiting and training new employees, and efficiency losses due to poor business connection. Take tech giant Google as an example. It is famous for its creative and comfortable office environment and provides employees with rich benefits and broad career promotion channels. This enables Google to attract and retain top talents in the industry and reduces the high cost caused by employee turnover. At the same time, a high-quality and stable workforce also provides a strong guarantee for the company's continuous innovation and efficient operation.

3.1.3 Cost Impact in the Governance Dimension.

Optimize the internal structure and decision-making process. A flat organizational structure can be adopted to reduce the number of middle management levels so that information can circulate more quickly and accurately within the enterprise. At the same time, with the help of advanced information technology, a digital decision support system is built to provide decision-makers with comprehensive and timely information to assist them in making wiser decisions.

Strengthen internal audits, maintain the independence of the board of directors, and manage risks well. Internal audit is an important means for enterprises to supervise and prevent risks. Through regular internal audits, problems and potential risks in enterprise operations can be discovered in a timely manner. Especially in the financial field, it can effectively reduce the occurrence of fraud and embezzlement. Maintaining the independence of the board of directors helps ensure the fairness and scientific nature of enterprise decisions and avoids wrong decisions caused by personal interests.

3.2 The Indirect Impact Mechanism of the ESG Concept on Enterprise Cost Control

3.2.1 The Impact of Brand Image and Reputation on Costs.
Ensuring product safety and quality is not only a responsibility to consumers but also an effective way for enterprises to reduce costs. Once there are quality problems with products, enterprises will face a series of consequences such as recalls, compensation, and reputation damage, all of which will significantly increase the costs of enterprises.

Actively participating in social welfare activities helps enhance the reputation of enterprises and attract more consumers and investors. In a highly competitive market, consumers are increasingly inclined to support socially responsible enterprises, and investors are also more willing to invest funds in companies that pay attention to ESG performance [2]. For example, Coca-Cola has long been committed to water resource protection and sustainable development projects. Through carrying out related public welfare activities worldwide, it not only improves the corporate image but also wins the recognition and trust of consumers. This enables Coca-Cola to gain an advantage in the competition for market share and also reduces marketing costs because a good reputation is itself a powerful marketing force.

3.2.2 The Correlation Between Investor Relations and Financing Costs.
Good ESG performance and effective communication with investors contribute to enhancing a company's reputation and image. In an era that emphasizes social responsibility and sustainable development, enterprises with excellent ESG records are more likely to gain recognition and trust from investors, thereby enhancing their market competitiveness and laying the foundation for long-term stable development. Companies with outstanding ESG performance tend to obtain financing at a lower cost. This is because investors perceive such enterprises as having lower risks. Those enterprises that perform poorly in ESG may face doubts and cautious treatment from investors, resulting in increased financing difficulties and higher financing costs. Investors may worry that these enterprises will encounter legal lawsuits, reputation damage, and a decline in market share in the future, thus demanding a higher risk premium to compensate for the investment risk [3].

3.2.3 Supply Chain Cooperation and Cost Changes.
The ESG supply chain requires enterprises to consider environmental and social factors in the stages of procurement, production, logistics, and sales. For instance,

choosing eco-friendly materials, adopting clean energy, and paying attention to the labor conditions and human rights status of suppliers, etc. In the short term, these measures may increase the direct procurement costs of enterprises because eco-friendly materials and sustainable energy typically have higher prices, and the review and supervision of suppliers also require more human and material resources. However, in the long run, ESG supply chain practices can help enterprises reduce costs in multiple ways. Firstly, measures such as optimizing logistics routes and using energy-saving equipment contribute to reducing energy consumption and transportation costs. Secondly, establishing long-term and stable cooperative relationships with suppliers that meet ESG standards can lower the risk of supply chain disruptions and improve the flexibility and stability of the supply chain. When there are fluctuations or emergencies in the market, a stable supply chain can ensure the normal production and operation of enterprises and avoid cost increases due to supply shortages (Fig. 2) [4].

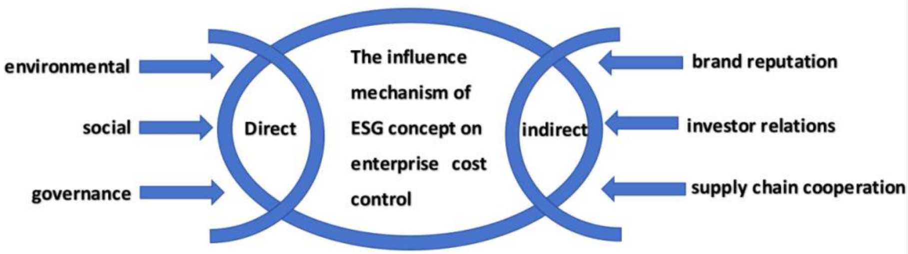

Fig. 2. Mind Map of the Influencing Mechanism of ESG Concept on Enterprise Cost Control.

4 Current Situation and Problems of Enterprise Cost Control Based on the ESG Concept

At present, enterprises' awareness of cost control based on the ESG concept is gradually awakening, and they have conducted initial practical explorations. A growing number of enterprises have begun to recognize the importance of the ESG concept for long-term development and attempt to incorporate it into their cost control systems. Some enterprises have started to focus on environmental protection measures such as energy conservation, emission reduction, and resource recycling in the production process to reduce environmental costs. Simultaneously, they have also invested in social aspects such as employee benefits and community development to enhance the corporate image and social reputation. However, some problems still exist:

1. Lack of a comprehensive cost accounting system. Currently, most academic research focuses on exploring the motivations for enterprises to implement the ESG concept and analyzing the economic consequences, while there is a relative lack of overall thinking on the development of accounting under the ESG orientation [5]. In traditional cost accounting, most enterprises mainly focus on direct materials, direct labor, and manufacturing expenses. However, for ESG-related costs such as environmental governance costs and social responsibility costs, there is a lack of systematic accounting and measurement methods. This makes it difficult for enterprises to accu-

rately assess the impact of ESG activities on costs, thereby affecting the scientific nature of decision-making [6].

2. The dilemma of weighing short-term cost increases and long-term benefits. Implementing ESG measures often requires a significant investment of funds in the short term, such as purchasing environmental protection equipment and improving working conditions for employees. This may lead to an increase in costs in the short term. For enterprises with tight funds and weak competitiveness, this can become a heavy burden, and the realization of long-term benefits is uncertain, putting enterprises in a dilemma when making decisions. Some enterprises may abandon or postpone ESG projects due to excessive concern about short-term cost increases.

3. Imperfect policy guidance and incentive mechanisms, and inconsistent standards and norms. Although the government has begun to attach importance to the ESG concept, specific policy guidance in cost control is still relatively weak. For enterprises that actively adopt ESG cost control measures, there is a lack of sufficiently strong tax incentives, financial subsidies, or other forms of incentives. There are differences in the definition and measurement methods of ESG costs across different regions and industries, resulting in a lack of clear basis for enterprises in cost control. This makes enterprises potentially lack the motivation to implement ESG-related cost control strategies in the short term due to the high input costs.

4. Insufficient internal collaboration and execution within enterprises. The implementation of the ESG concept requires the collaborative cooperation of all departments within the enterprise. However, in actual operations, there may be problems such as inconsistent goals and poor communication among departments. This "island effect" among departments makes it difficult to effectively implement ESG cost control measures. On the other hand, the lack of clear responsibility division and effective supervision mechanisms leads to issues such as buck-passing, slow progress, etc. during the execution of ESG tasks.

Lack of professional talents and technical support. Globaldata shows that the current global talent gap in ESG is as high as 2 million. ESG is a relatively new field, and enterprises lack professional talents familiar with the ESG concept and cost control methods. At the same time, they are also lagging behind in related technology research and development and application, limiting the implementation effect of cost control based on the ESG concept.

5 Realization Paths for ESG Concept to Boost Enterprise Cost Control

5.1 Planning and Integration at the Strategic Level

5.1.1 Formulate an ESG-oriented Cost Control Strategy.

Enterprises should, from a strategic perspective, examine the integration of the ESG concept and cost control. Conduct environmental cost assessments for the enterprise, conduct detailed accounting and analysis of environment-related costs such as energy consumption, raw material usage, and waste disposal in the enterprise's operations, and identify potential environmental risks and factors that may lead to cost increases, such as environmental pollution fines and rising procurement costs due to resource shortages. Based on the results of ESG goals and cost analysis, innovate and optimize the enterprise's business processes. For example, incorporate ESG factors into cost control goals by collaborating with suppliers to jointly formulate ESG improvement plans to optimize supply chain processes to reduce environmental and social costs, investing in green technologies and innovations to develop and adopt environmentally friendly production technologies, conducting life cycle cost analyses to design more sustainable and recyclable products, etc., and ensure that these goals are consistent with the enterprise's overall financial goals and sustainable development vision.

5.1.2 Set Strategic Goals and Key Performance Indicators (KPIs).

Based on the ESG-oriented cost control strategy, set clear goals and measurable key performance indicators (KPIs). These indicators should not only include traditional cost reduction indicators but also cover environmental performance indicators (such as energy consumption reduction rate, waste emission reduction), social performance indicators (such as employee turnover rate, community satisfaction), and governance performance indicators (such as internal audit effectiveness, compliance rate). Not only that, but a complete data collection system should also be established to accurately record data related to each KPI. Use data analysis tools to conduct in-depth mining and analysis of the data to identify potential problems and improvement opportunities in cost control. Set a regular evaluation cycle to assess and summarize the implementation effect of the ESG-oriented cost control strategy and, based on the evaluation results, promptly adjust goals and strategies to continuously optimize the cost control system. By combining ESG-related indicators with cost control goals, it provides comprehensive and accurate bases for the enterprise's decision-making.

5.2 Improvement of the Accounting System

5.2.1 Establish ESG Factor Cost Items.

Clearly add cost items related to ESG in the traditional accounting system. For example, subdivide environmental costs into pollution control costs, resource conservation costs, carbon emission trading costs, etc.; social costs include employee training and development costs, labor protection costs, public welfare donation costs, etc.; governance costs cover compliance costs, internal audit costs, risk management costs, etc. Through clear classification of cost items, enterprises can identify and measure ESG-related costs more accurately.

5.2.2 Improve the Accounting and Measurement Methods of the ESG System.

Adopt reasonable accounting and measurement methods for different ESG cost items. For costs that can be directly quantified, such as energy consumption and raw material procurement, use precise measurement methods; for costs that are difficult to directly quantify, such as social reputation losses and environmental risks, use reasonable estimation models and indirect measurement methods. To ensure that these new ESG-related cost items can be smoothly integrated into the traditional accounting system, enterprises need to provide professional training to accountants to familiarize them with ESG concepts and related cost accounting methods. At the same time, upgrade the accounting information system to adapt to the new cost item classification and data processing requirements. In addition, enterprises should formulate clear accounting policies and operation guidelines to standardize the recognition, measurement, and disclosure processes of ESG costs. Meanwhile, regularly account and analyze ESG costs to provide timely and accurate data support for cost control.

5.3 Optimization of Organizational Structure and Management Processes

5.3.1 Establish a Dedicated ESG Cost Management Department.

To effectively promote the application of the ESG concept in cost control, enterprises should establish a dedicated ESG cost management department. A detailed job description should be formulated to clearly define the specific responsibilities of the ESG cost management department in aspects such as strategic planning, budget formulation, execution supervision, and performance evaluation. At the same time, the department should be granted corresponding decision-making authorities through the company's official documents, such as the approval rights for ESG cost projects and the rights to allocate resources, to ensure it can carry out work independently. The ESG cost management department should establish a regular communication and coordination mechanism with other internal departments such as finance, purchasing, production, and sales. Through regular meetings, reports, and information sharing platforms, it should timely understand the work progress and needs of each department, jointly solve problems encountered in the ESG cost management process, and form a collaborative working atmosphere.

5.3.2 Optimize the Cost Control Process to Incorporate ESG Factors.

Comprehensively review and optimize the existing cost control process and embed ESG factors into each link. In the cost budget formulation stage, each department is required to propose the capital needs of related projects in combination with ESG goals. The ESG cost management department assesses and reviews these needs to ensure the rationality and effectiveness of fund allocation. At the same time, introduce scenario analysis and risk assessment methods to predict the potential impact of different ESG strategies on costs and provide a more comprehensive basis for budget formulation. In the cost control stage, establish a real-time cost monitoring system to dynamically track and analyze ESG-related costs. Use big data technology and intelligent tools to promptly discover abnormal cost fluctuations and deeply analyze the reasons. In the cost assessment stage, regularly assess and evaluate the ESG performance of each department and link the assessment results to the salary rewards and promotion and development of departments and individuals to fully mobilize the enthusiasm and initiative of employees to participate in ESG cost control. Through process optimization, achieve the deep integration of cost control and the ESG concept.

5.4 Technological Innovation and Digital Application

5.4.1 Utilize Green Technologies to Reduce Environmental Costs.

Enterprises should establish a dedicated green technology research and development fund to ensure sufficient funds for exploring and developing energy conservation and emission reduction technologies, resource recycling and utilization technologies, etc. At the same time, actively cooperate with universities and research institutions to jointly carry out research projects on cutting-edge green technologies and accelerate the innovation process by leveraging external professional knowledge and research resources. Actively participate in the formulation of industry green technology standards, incorporate the enterprise's own practical experience and technological achievements into the standards, and enhance the enterprise's discourse power and influence in the industry. At the same time, closely monitor the development trends of international green technology standards and make early preparations for technological reserves and strategic adjustments to adapt to the needs of the global market.

5.4.2 Strengthen the Application of Digital Tools in Cost Control.

Establish a complete data collection system covering data from various links within the enterprise such as production, purchasing, and sales, as well as information such as external market price fluctuations and competitors' strategies. Use data cleaning and integration technologies to ensure the accuracy and consistency of the data and provide a reliable basis for subsequent analysis and decision-making. Through the establishment of a digital cost management platform and artificial intelligence algorithms for cost prediction and analysis, integrate relevant data within and outside the enterprise. Based on the prediction results, the enterprise can adjust the purchasing strategy and optimize the production plan in advance, thereby reducing the risks of inventory backlog and stockout [7]. At the same time, the digital cost management system should be evaluated and optimized regularly, and the system functions should be upgraded and improved based on the actual application effect and changes in business needs.

5.5 Employee Training and Capacity Building

5.5.1 Conduct ESG and Cost Control Training.

Carry out training courses on ESG concepts and cost control for all employees of the enterprise. Conduct in-depth research on the business characteristics and employee needs of the enterprise and meticulously design practical training courses. Ensure that the course content not only covers basic ESG concepts and relevant laws and regulations but also combines the latest trends and best practices in the enterprise's industry to provide targeted and practical cost control methods. Training should be conducted at different levels. For the management, hold advanced workshops, focusing on training on ESG strategic planning, decision-making, and macro strategies for cost control to enhance their ability to lead the sustainable development of the enterprise. For ordinary employees, design basic popularization courses, emphasizing on cultivating their specific operation methods and skills for implementing ESG concepts and cost savings in daily work. Through training, enhance employees' awareness and understanding of

ESG concepts, strengthen their awareness and ability of cost control, and make the ESG concept a part of the enterprise culture. Meanwhile, closely follow the changes in policies and regulations and industry trends in the ESG field, timely incorporate new requirements and concepts into the training content, and regularly collect employees' feedback and problems in actual work to adjust and optimize the training content to ensure it is always closely related to the development needs of the enterprise and the actual work of employees.

5.5.2 Cultivate Employees' ESG Awareness and Cost-Saving Habits.

Create a favorable ESG cultural atmosphere within the enterprise and encourage employees to actively participate in ESG practices. Use channels such as internal bulletin boards, electronic display screens, internal publications of the enterprise, or establish a dedicated ESG communication platform, such as WeChat groups and forums, to regularly release ESG-related news, cases, and knowledge, strengthen employees' awareness of ESG, and encourage employees to share their experiences, ideas, and suggestions on ESG and cost control to promote interaction and learning among employees. At the same time, care about the personal growth and career development of employees, provide them with training and promotion opportunities in the ESG field and establish a rich reward mechanism, such as bonuses, honorary certificates, promotion opportunities, etc., to recognize and reward employees and teams who have performed outstandingly in ESG and cost control, and enhance employees' sense of achievement and belonging.

6 Conclusion

The combination of ESG and cost management research provides a brand-new perspective for enterprises, enabling them to maximize economic benefits while pursuing sustainable development. Traditional cost control and cost control under the ESG concept are significantly different in terms of daily operations, accounting, investment and risk control costs. Under the ESG concept, enterprises should start from multiple aspects such as strategic planning and integration, improvement of the accounting system, optimization of the cost control process to incorporate ESG factors, personnel training and capacity building, external cooperation and communication with stakeholders, and take practical and feasible measures. Only in this way can they achieve a win-win situation in economic and social benefits and move towards a sustainable future.

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