Research Status on Non-financial Information Disclosure

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Abstract. In recent years, non-financial information disclosure has emerged as a criti-cal focus in corporate governance research. Studies from 2018 to 2023 reveal that disclosure motivations are dual-faceted, combining voluntary stra-tegic initiatives with mandatory regulatory compliance, while their economic consequences manifest multidimensional impacts on market performance and stakeholder trust. Furthermore, institutional environments, particularly corporate governance structures and policy frameworks, significantly mod-erate disclosure quality by shaping accountability mechanisms and transpar-ency standards. Although creditor protection has been increasingly linked to enhanced disclosure practices, existing research faces three key limitations: insufficient localization of theoretical frameworks in diverse institutional contexts, limited longitudinal analysis of long-term effects, and underdevel-oped exploration of technology-enabled disclosure pathways. Notably, the interplay between digital transformation and disclosure dynamics remains underexamined despite its growing relevance. To address these gaps, future research should prioritize context-specific investigations, particularly within China's unique institutional landscape, where state-market dynamics and dig-italization policies create distinct challenges and opportunities. Additionally, integrating emerging technologies like AI and blockchain into disclosure frameworks warrants systematic exploration to understand their role in opti-mizing information accuracy and stakeholder engagement. By bridging these theoretical and practical dimensions, scholars can better inform policy design and corporate strategies, ultimately fostering sustainable value creation through adaptive, evidence-based disclosure practices.

Keywords: Non-financial Information Disclosure, ESG Information Disclosure, Institutional Optimization.

1 Introduction

Non-financial information refers to data beyond financial metrics that reflect an enterprise's environmental, social, governance (ESG) performance, and other non-monetized operational activities. It is characterized by non-quantitative fea-tures, a focus on long-term value, and close alignment with stakeholder demands, requiring presentation through qualitative descriptions or quantitative metrics. While traditional financial information focuses on short-term profits, it often fails to capture an enterprise's sustainable development capabilities. Non-financial information addresses this limitation by

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revealing "latent value" and "latent risks," thereby offering a more holistic view of organizational perfor-mance and resilience.

The disclosure of non-financial information within enterprises can enhance corporate reputation and competitiveness through internal drivers, while ena-bling proactive risk management to identify environmental and social risks in advance, thereby avoiding fines or litigation. Simultaneously, policy mandates increasingly compel enterprises to disclose non-financial information to meet strategic transformation demands. Global challenges, such as climate change and wealth inequality, have further driven non-financial information disclosure to become a global research priority, as these issues urgently require enterprises to assume social responsibilities. The significance of literature reviews lies in sys-tematically mapping research trajectories, identifying gaps in existing studies, constructing analytical frameworks, guiding policy formulation, optimizing cor-porate disclosure strategies, and empowering investment decisions. Future re-search directions should focus on integrating technologies like blockchain and AI to improve data credibility.

The main issue of this research is to optimize mechanisms and innovate tech-nologies in non-financial information disclosure, thereby uncovering latent value and risks in corporate sustainable development, and balancing short-term inter-ests with long-term resilience. Studies on non-financial information disclosure, spanning its definition, significance, and corporate motivations, highlight its piv-otal role as the "infrastructure" for sustainable development. Through systematic integration of existing research, literature reviews not only serve as a springboard for academic innovation but also inject theoretical momentum into global policy optimization and corporate practices. Research in this domain holds dual theoret-ical and practical value. Theoretically, it breaks through traditional frameworks, fosters interdisciplinary collaboration, and refines the ESG system. Practically, it enhances investment and financing decisions and drives policy innovation.

2 Literature Review

2.1 Motivations for Financial Information Disclosure

First, the motivations for financial information disclosure exhibit a dual nature. This is reflected in voluntary motivations driven by strategic needs. For instance, Ye's empirical analysis reveals that the primary drivers for enterprises to volun-tarily disclose non-financial information include maintaining managerial reputa-tion, optimizing investor relations, and differentiation strategies [1]. A case in point is high-tech enterprises tending to disclose R&D investment information to attract long-term investors. Concurrently, external pressures from stakeholders, such as consumers and environmental organizations, also compel enterprises to engage in financial information disclosure. Yuan highlights that such pressures incentivize firms to proactively disclose social responsibility information to en-hance brand image [2].

Mandatory motivations primarily stem from policy pressures. Chen's research demonstrates that mandatory disclosure policies (e.g., environmental information disclosure systems enforced by regulatory agencies) significantly enhance corpo-rate compliance willingness, though their effectiveness varies across industries [3]. For example, heavily polluting industries face stronger regulatory con-straints, while the service sector exhibits weaker disclosure incentives. Addition-ally, non-compliant disclosure behaviors persist. Li reveals that the primary causes of corporate non-compliant non-financial information disclosure include high information acquisition costs, insufficient regulatory penalties, and inade-quate stakeholder oversight—particularly prevalent among small and medium-sized enterprises [4]

2.2 Multidimensional Economic Consequences of Non-Financial Information Disclosure

Existing literature consistently demonstrates that non-financial information dis-closure alleviates financing constraints. For instance, Gu's study on heavily pol-luting enterprises reveals that high-quality environmental disclosure significantly reduces debt financing costs and equity financing challenges by mitigating in-formation asymmetry, particularly under the support of green credit policies [5]. Furthermore, Yang corroborates that non-financial information disclosure en-hances creditor trust, thereby reducing the proportion of restrictive clauses in debt contracts [6].

Non-financial information disclosure also exerts a notable influence on valua-tion and investment behaviors. Regarding valuation enhancement, Chen finds that mandatory disclosure policies elevate corporate market valuations through signaling mechanisms, though this effect is more pronounced in mature industries [7]. In terms of investment crowding-out effects, Chen and Shen argue that man-datory environmental information disclosure may temporarily lead environmen-tal expenditures to crowd out productive investments, necessitating a balance between policy intensity and corporate absorptive capacity [8]

2.3 The Moderating Role of Institutional Environment in Non-Financial Information Disclosure

Regarding corporate governance mechanisms, Shi and Chen validate the positive impact of board independence and ownership concentration on the quality of non-financial information disclosure [9]. Firms with a higher proportion of inde-pendent directors are more inclined to proactively disclose ESG information to reduce agency costs. Additionally, Li supplements that executive compensation incentives exhibit a U-shaped relationship with disclosure quality, where moder-ate incentives enhance disclosure proactivity [4].

Non-financial information disclosure also drives the evolution of policy regu-lations. Cao's analysis of China's ESG policy framework highlights that existing policies are fragmented across multiple regulatory bodies (e.g., environmental protection and securities authorities), lacking unified standards, resulting in per-functory corporate disclosures [10]. For example, only 20% of listed companies disclose quantitative carbon emission data. Chen and Shen propose integrating environmental performance into corporate credit rating systems to strengthen policy enforceability [8]

2.4 Mainstream Research by Chinese Scholars

Studies on non-financial information disclosure outside China have primarily focused on disclosure motivations and market mechanisms. On one hand, volun-tary disclosure is driven by economic incentives. Western scholars emphasize the role of market mechanisms in shaping disclosure behaviors. For instance, firms disclose ESG information to secure preferential terms for green bond issu-ance or to attract ESG-focused investment funds through sustainability reports. On the other hand, mandatory disclosure exhibits synergistic effects with regula-tory frameworks. The European Union's Non-Financial Reporting Directive (NFRD), which requires large enterprises to disclose environmental and social risks, has been shown to significantly enhance disclosure quality when syner-gized with carbon trading markets and green tax policies.

The integration of international disclosure frameworks is exemplified by the widespread adoption of standards set by the Global Reporting Initiative (GRI) and the Task Force on Climate-related Financial Disclosures (TCFD), which em-phasize quantitative disclosure of climate risks, supply chain accountability, and related issues. Regarding innovations in governance mechanisms, Gao conducts a comparative analysis of the "Management's Discussion and Analysis" (MD&A) rules in Europe and the United States, arguing that governance mechanisms must be structurally linked to disclosure content [11]. For instance, mandating the establishment of an ESG committee under the board of directors to oversee dis-closure processes represents a critical institutional advancement.

Research on Technological Empowerment and Risk Prevention primarily man-ifests in blockchain technology applications and algorithmic auditing challenges. Western enterprises are exploring the use of blockchain to enhance the traceabil-ity of ESG data, such as recording and publicly disclosing supply chain carbon emissions in real time. Meanwhile, while AI technologies can automate the gen-eration of disclosure reports, they carry risks of "algorithmic black boxes," ne-cessitating third-party verification to ensure the authenticity of information.

Significant differences exist between China and other countries in non-financial information disclosure, both temporally and thematically. International-ly, research in this field commenced earlier, with distinct focal points. Chinese studies predominantly concentrate on policy implementation effectiveness (e.g., industry heterogeneity in mandatory disclosure) and localized challenges (e.g., insufficient disclosure incentives among small and medium-sized enterprises). In contrast, global research emphasizes the synergistic interplay of market mecha-nisms (e.g., green financial product design) and globalized standards (e.g., the International Sustainability Standards Board (ISSB) framework).

Practical insights emerge from this comparative analysis. China could draw lessons from the EU's policy synergy model by integrating ESG disclosure with carbon markets and green credit systems. Additionally, advancing research on technological applications—such as exploring localized pathways for blockchain and AI in data verification—is critical. Both domestic and international studies converge on the necessity of a tripartite advancement integrating institutions, markets, and technologies. Future Chinese research should prioritize cross-national comparisons and long-term impact assessments to accelerate the achievement of global sustainable development goals.

3 Conclusion

Research on non-financial information disclosure has made significant contribu-tions to subsequent theoretical development. Recent literature has constructed an analytical framework of "motivation-institution-consequence", elucidating the multi-layered driving mechanisms and complex economic effects of non-financial information disclosure. Furthermore, methodological innovations have emerged through the integration of empirical analysis, case studies, and institu-tional comparisons, enhancing the scientific rigor of research. These studies also provide practical value by offering direct evidence for optimizing ESG policies and reforming corporate governance structures.
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This study mainly adopted the form of literature review during the research process, without conducting quantitative analysis, and there was relatively little research on data. In the research of non-financial information disclosure, it is necessary to deepen localization and explore differentiated paths for non-financial information disclosure by combining China's "dual carbon" goals with green finance policies. It is also necessary to track long-term effects and adopt longitudinal research methods to analyze the dynamic correlation between dis-closure quality and enterprise value creation. At the same time, the author will expand the path of technological empowerment and explore the feasibility of using blockchain technology to enhance information transparency and optimize disclosure content generation through AI..

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