



ESG Rating Divergence, Corporate Financing Costs, and Investment Decisions: A Financial Case Study of a Chinese Renewable Energy Leader

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Abstract. Environmental, Social, and Governance (ESG) metrics have become one of the key determinants for a firm's financing terms and risk assessment in the international capital market. However, the disparity increases between ESG evaluators, there will be doubt over companies' environmental as well as societal shortcomings and their financial prospects, mainly in developing areas that keep it mostly optional. This article is based on the financial analysis of Contemporary Amperex Technology Co., Limited (CATL) as a representative company to study how the discrepancy in ESG rating affects their corporate funding expenses and capital allocation decisions. Looking at this data, this study can see that strong ESG results bring greener funding and better firm administration. But if the ESGs are inconsistent, it makes equity capital 8-12% costlier and also reduces fund shortage because of information lopsidedness. This shifts where money goes and causes opposite desires. Those can constrain a rise in manufacturing capacity by 15-20pp and cut the innovation productivity of capital-intensive green energy. This study tries to ease the negatives by all the companies' reports with a similar ESG way of reporting following the SASB Framework, and use ESG scenario modeling alongside capital modeling, diversify fund source with Green debentures and Sustainability-linked loans. It adds to knowledge of how sustainable finance works in developing nations and points out that ESG ratings have to match if there is to be any efficient allocation of capital when the world goes clean.

Keywords: ESG Rating Divergence, Financing Cost, Renewable Energy, Investment Decision, CATL

1 Introduction

1.1 The Green Imperative and the Financing Hurdle

The global move towards low-carbon systems has greatly changed how companies seek money and make their investments. According to the data by the IEA, world spending on RE reached its highest point of about 1.3 trillion last year, with China making up nearly a third of that total [1]. But when it comes to the likes of CATL, these changes, moving from those grand ideas to actual work, depend greatly on

having cheap, consistent money. Green energy industries require a lot of money at the start as their technology is complicated, projects take a long time (15-25 years), and they need space, like production plants and a lab for research. So, the availability of cheap capital becomes an important factor that shapes companies' market position and their sustainable development.

The ESG framework has become a main device to decide which companies have sustainable outputs and non-financial risk within the world's financial markets. The main evaluators like MSCI, Sustainalytics, Sino-Securities, and Wind examine companies in Ecological, Social, and Administrative sectors, giving financiers standard comparisons of sustainability success among different industries and areas [2]. Financial stakeholders started including ESG in their asset valuations and capital spending decisions. The amount of the world's sustainable investments was more than \$30tn as of 2022: Strong ESG credentials of an enterprise give them an impression to have lesser regulatory peril and lesser legal liability, and also with a steadier forecast of inflow of cash, which decreases their borrowing cost and access to various markets. Hence, an excellent and steady ESG rating is becoming important reputation capital, which cuts down the general financing cost of a company. But it is undermined by an increasing issue: the difference between ESG ratings has become a major problem for those in the investment field. Different rating firms use different methods, information sources, and weights to rate the same company, resulting in different scores. Academics find out that the average correlation between ESG ratings from different vendors is just 0.47, which means there's plenty of disagreement among those evaluating a company's results for sustainability [3]. It's because of which metrics were picked, some places priorities eco factors more than governance ones, for instance, and differing ways to get at information or making calls on qualitative stuff around board efficiency, watching over the procurement line, et cetera. Practically, if ESG rating variance increases, then costs of equity go up as it's tougher for people to understand the sustainable outcome due to a lot of confusing data and more information is required but not given back, as investors want extra [4].

In booming markets like China, most ESOs are still voluntary, making things even more uneven. For that year alone, 2023, there were only 36.41% who released individual ESG reports, which can lead to big rating differences: China's CSRC has put out orders on ESG disclosure, yet required ones are less extensive compared to developed markets [5]. Therefore, financial restrictions have a great effect on the choice of funding for green energy companies, which must choose between fast development and unstable funding because of ESG ratings splitting.

Take a typical contemporary company like Contemporary Amperex Technology Co. Ltd (CATL), which falls under the category of such research work: As the number one lithium-ion battery maker all around the world, it takes about 37% of the entire world's electric vehicle battery industry. It supplies major auto makers, including Tesla, BMW, and VW. Since its location is by the Capitol and all their policies, they invested over 5B every single year for growth. These attributes make CATL an especially important case in examining the effects of different ESG scores, given that its huge amount of money needed and difficulty with global green rules create many ways this difference might change what the company gets.

1.2 Literature Review

Currently, there are two types of relationships between ESG and corporate finance. One stresses the money benefits of good ESG results; the newer one says there might be money problems from how often the scholar's check.

Companies that have higher ESG ratings will have less spending as they have more clarity, less risk, and a better chance for green money. Reviewing more than 1000 articles, it can be seen from the investigation that nearly all are positively related to the relationship of the company's financial performance with ESG results, mostly favorable. Especially low equity premiums have lower risk ratings, therefore, can get access to lend money easily as they have a higher credit score. More prices as there are more interesting people sharing.

However, the current-day uniform ratings are also crucial for financial results. Different ESG scores can see the company is becoming less confident in its equity financing, and there has also become greater ambiguity around what its future cash flow will be [6,7]. Take a look at those made up of Chinese A-shares public firms across 2015 - 2023, for each additional one SD on top of the ESG evaluation volatility, the equity costs increase roughly by 8 points. And it happens to be worse with much dirtiness without any state-owned company. The main driver works through the confidence path rather than the info path, which means different evaluations make things more ambiguous, not less, if they don't agree.

To this study's amazement, good enough ESG results are designed to enable access to capital; rating discrepancies can do the opposite. It could make financial straits more severe in various ways. According to research, the ESG rating difference increases analysts' prediction errors and volatility, showing that if there are fewer data ambiguities, the financial intermediary fails [8-10]. Analysts run into more estimation bias when the information on sustainability is vague, so their profit predictions are unclear, which makes investors undervalue the company and ask for more returns. It has a great influence on companies that only have limited other data sources, like ones with fewer analyst coverage or less institutional ownership.

Beyond impacts on finances, the ESG ambiguity can have effects on real business actions and tactical moves. And if there are all these different evaluations giving pointers on what is really, truly sustainable from an investment standpoint? Those organizations that study about innovation and find out if they have differences in ESG can create a 'green bubble', which will make companies follow easy ecological changes and take money from good places because executive who meets with mixed messages end up emphasizing the visible, but relatively simple projects that improve some particular score and ignore really important project to make long lasting improvement [11,12].

And so make a difference in the evaluation of ESO, increase productivity, and use the funds. Using statistics from Chinese manufacturing companies has shown that more variance in ratings results in lower growth of total factor productivity, especially for sectors where there is a lot of missing information and weak governance [13]. It works through capital deployment effectiveness; if both domestic bosses and outside

financiers cannot distinguish which is better, then the capital will be allocated incorrectly due to bad economic outcomes.

The same can be said for the fiscal and tactical impacts of ESG scores discrepancies on green energy businesses. Nonetheless, it is mostly composed of macro-scale econometrics and doesn't show how credit rating variance affects a firm's monetary planning, and when they choose to do so. Green energy industries differ in terms of financial intensity, technological uncertainty, regulatory dependence, and ecological goals. It will be stronger than that found by other market studies, which need more exploration.

1.3 Research Gap

Although there are many valuable numbers in terms of the relationship between ESG rating gaps and organizations' results, much of this is based on general sample regression methods that hide firm-level details and strategic actions. Very few studies look at how ESG rating differences can change a single company's financial planning, and when they need money, nobody has tracked all these causes to go from not knowing enough in the numbers to paying extra for borrowing to getting more back as an investment. Especially those "How", such as how does the financial exec secretly fiddle with the discount factor after getting conflicting ESG? How do funding boards talk about and decide if credit-driven lending charges swing? What do talks go through when green stuff is questioned among lenders or debt financiers? What this study has now is detection of connections; it does not explain how the directors read contradictory ESG signals, how financiers use rating discrepancies for valuing purposes, or what kind of ventures are put on hold when borrowing premiums go up.

Such things probably get magnified at renewable power firms. They're capital-intensive, which acts like a lever amplifying how much extra it costs when they borrow. When put side by side with the technical fuzziness and regulatory needs, the industry offers quite some place to see just how bad it could become, money-wise.

So, take an in-depth look at how certain forms of e-scores will play out to a top-notch Chinese power company's financial costs and plans by going for a case study type method: A thorough investigation of CATL will make it so. This study can help know the precise ways that rating discrepancies work (when a company looks at, responds to different ESG indicators, for example), as well as how financiers/lenders consider these differences between credit ratings when loaning money, and all other changes happening after funding price modifications because of CATL. And it gives a little bit of an idea of how causality works, and large sample econometrics.

1.4 Analytical Roadmap: A Four-Stage Investigation

This study will employ it on those connections here about the ESG scoring variations, corporate funding put in, and capital investments. It consists of 4 phases that have a relationship like an investigation from marketplaces into the company-level outcome as a chain.

At first, this study examines ESG evaluations in China's financial sector. It looks at the main rating organizations working in this country, their own analysis approaches, and the extent to which scores vary between different firms. The second phase is to set up the existence of CATL and give some basic knowledge about the rating environment.

Financial benefits from ESG recognition were mentioned as well, like having more green finance by way of sustainable loans and bonds, improved governance via third-party oversight of the scholars' good behavior, easier access to public grant money, and guidance when dealing with rule keeping. It makes it possible to have the advantages of being an ESG instead of weighing the costs of discrepancy.

Moreover, it looks into the connection between rating differences and expense spread. This study uses terms like info economics, Adverse Selection, along with Info. Asymm & Corporate Fin Ris/Re and This study note, there are three main paths: investors' confidence decreases because there are contradicting numbers, so that it will increase the demand for safe yields- info ambiguity rises as different ratings make research/evaluation necessary for everyone involved in any projects, and cash flow is unstable due to contradicting stakeholders. CATL's own environment is checked with the significance of every channel.

Fourth is looking at how it affects the amount of available funds and sees that more interesting charges are showing up for certain capital outcomes. It looks at the effect on venture value using the DCF methodology, the schedule of scale production under the RO paradigm, creative circulation via money strategy R& D, and fit-ting through the CL method. From these results comes the article's suggestions on how companies, financiers, and supervisors could reduce the bad effects of ESG score splintering, helping make good use of things in the clean energy business.

2 Case Context: Contemporary Amperex Technology (CATL) as a Testbed for ESG Divergence Effects

2.1 Strategic Profile and Market Position of CATL

Contemporary Amperex Technology Company Limited (CATL) was set up in Ningde, Fujian province, back in 2011. It developed rapidly due to global demand for electric cars as well as the installation of power storage systems. And now it is the global number one for producing car batteries, with 37% of the market in 2023 and profits greater than \$50b. CATL devotes a lot of money to R&D; they spend about 6%-7% of annual income in breakthrough battery chemistries, production techniques, along with advanced ideas such as solid-state batteries or sodium-ion cells. This dynamic and creative way basically depends on the continual accessibility to huge amounts of inexpensive finance from overseas financial markets.

P1's production is extended to Germany & Indonesia with planned sites in Hungary and the US, as per the company's global aspirations. But then the wider one's territory, the more complex it is to build a network of ecology with those financiers and evaluators who live in different parts of the world. With those qualities

placing CATL in good standing for investigating how different ESG scorings affect money matters, given that it has huge capital needs matching various global parties' complicated environmental wishes.

2.2 The ESG Rating Divergence Phenomenon: Evidence from CATL

Green strategies are strong, but ESOA ratings are very different for several credit companies. CATL is heavily pledging about ecological efficiency, stating that all their places will reach 0 by 2035, completely reuse batteries, and plan on having a 99 % reclaim rate for key battery components, and add more green energy into the factories. The firm has its administrative framework as an autonomous board, sustainability boards at the corporate level, and also reports a lot of ecological factors. However, they evaluate determinants of those things uniquely according to their own analysis biases and information.

Table 1 shows the prominent organization's evaluation given to CATL between 2020 and 2024, which clearly shows a difference in both magnitude and yearly trend.

Table 1. E, S, G evaluation of leading companies on contemporary amperex technology Co., Ltd. (2020 - 2024)

Rating Agency	2020	2021	2022	2023	2024	Rating Trend
MSCI	BB	BB	BBB	A	A	Improving
Sustainalytics	28.5	27.2	25.8	24.1	22.3	Improving
Sino-Securities	BBB	BBB+	A-	A	A	Improving
Wind	BB+	BBB-	BBB	BBB+	A-	Improving
SynTao Green Finance	BB	BB+	BBB-	BBB	BBB+	Improving

Grading based on the scholars' organization. (Watch) The MSCI uses alphabetic tiering (AAA - CCC), Sustainalytics uses a 0-100 numerical score, where the lower the better, and Sino-Securities/Wind use alphabets with +/- symbols, and SynTao green finance uses alphabets. Just like that, the gradual variation and yearly swing are indicative of the ESG evaluation disparities analyzed herein [14].

According to Table 1, while all agencies display a developing path towards the ESG outcomes of CATL over these five years, there is quite a difference in scale and final score. For 2024, it got an A from MSCI and 22.3 (medium) from Sustainalytics, so it had different grades than the others. And this gap is larger early on; the 2020s had "BB"- "BBB", and hazard depended upon how the scholars looked at it. Trend: though this trend goes up, these variances are signals of fog to anyone trying to judge CATL over the others, and if CATL keeps their green promises. It also shows that grading discrepancies are present in bigger companies as well, and it would confuse people who wish to grade CATL's eco-efficiency on different scales.

And also changes the opinion of investors; changes rating differences. It is noted that an ESG-oriented investment portfolio might also experience reputation problems related to supply chain audit on a clean energy company, such as worry about cobalt from DRC and working standard of nickel refinery in Indonesia, and ecological impact of extraction activity. CATL insists on a supply-chain scrutiny frame-work,

takes part in sector-based projects regarding ethical procurement, but it can still be looked at differently by credit organizations that do measurement and analysis on these supplies.

This kind of interaction shows that the ESG perception in the international capital market is not only based on the company's own performance but also on external discourse and geopolitical factors. From the perspective of China: Trade issues with Western countries, technology concerns, and being the No.1 competitor in essential sectors all have a bearing on what global finance & Credit firms make out of Chinese Green companies. That external part makes ESG evaluations even more complex; it could possibly cause differences in ratings over things other than just technical variables.

3 Impact Analysis: Transmission of ESG Rating Divergence to Corporate Finance and Strategy

3.1 The “ESG Premium”: Recognition Lowers Financing Costs

Make More Green Money Available. The scholars become strong and get easy access to green debt, sustainability-linked credit, and ESG-oriented equity with robust ESG outcomes. Funding like this usually comes with better prices or longer tenors than normal loans, making money move more easily and cost less in all. For CATL, these green achievements helped it do business with sustainable investment funds and get some solid ESG supporters: The company brought out its very first green bond in 2022, raising \$500m at a great rate; it uses sustainable financing, which has an interest rate connected to hitting greenhouse gas goals.

Enhanced Oversight Through Outside Review: Is related to the structure of ESG ratings, which improves board member independence, risk management regulations, and reporting measures. The clearer governance is, the fewer arguments among executors and owners, and also more stakeholders' trust, so maybe it would lower external monetary supporters' oversight cost. With respect to a stronger reaction from the side of the sustainability of the ESG score, a group working mainly on ecology and society matters was formed under the company's board: CATL publishes essential figures. It's been improved so much that it could even reduce the chance of governance-type disputes that would hurt the company's ability to get money.

Facilitated Access to Policy Support. For easier regulations, ESG evaluation might help green power companies get into the state grant, fiscal benefit, and policy help. Chinese companies with good ESG results can gain first place in government acquisitions, and get green technology innovation money, as well as help to grow abroad using state banks and exporting credit. CATL takes great advantage of eco-sustainability information to win local enlargement production as well as worldwide company growth, and lowers the actual financing cost of major expenditures, so that CATL becomes even stronger than other global competitors.

3.2 The “ESG Discount”: Channels and Consequences of Rating Divergence

Green damage of the ESG score difference is not apparent in the finance benefit evaluation. From Figure 1, there are two kinds of transmission methods: first, reducing stakeholders’ trust levels; second, creating a greater information vacuum, so costs increase and other related negative effects on the firm.

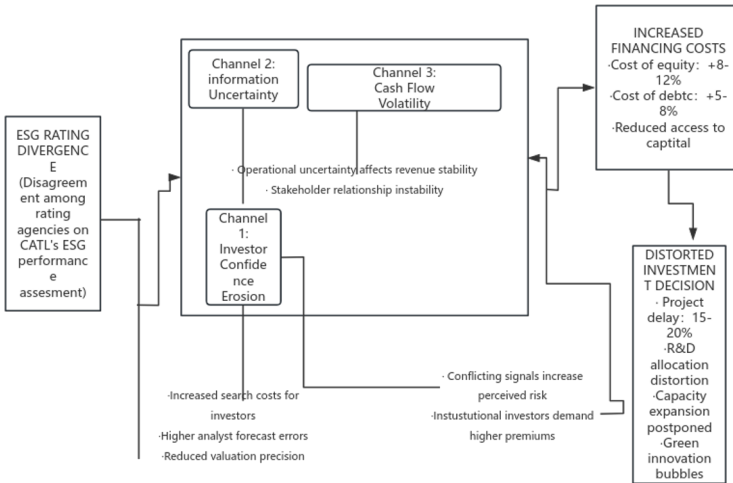


Fig. 1. Transmission Mechanism of ESG Rating Divergence to Financing Costs and Investment Decisions

Path 1: Equity Pricing Expansion Decreasing confidence and the Creation Mechanism. Diverse ESG pointers improve informational peril to stock market doers. When it comes to credit companies making different remarks on CATL’s ecological performance, no party knows which one really reveals the risks and opportunities that this company faces. Not being exact makes lenders want better predictions be-cause they don’t like taking another risk where it might become less valuable. So now companies need to pay even more money to third parties for their capital equipment.

Date of practical shows clearly inside the eSoa evaluation leads to higher funding cost. Investigating the Chinese A-Share with regard to it, it turned out that when the ESG grading difference rises one standard deviation, stock capital expenditure growth reaches about 0.8% more; mostly so concerning those that are neither state-controlled nor ecologically-focused [15]. Given that CATL operates according to an extremely equity-funded development tactic, it stands to reason that slight increases in the price of stock would lead to great amounts of extra money. If this study uses a market valuation of \$150 bn, and assumes annual equity funding requirements of \$5 - 10 billion, then a one percentage point increase in equity price would add \$50-\$100m additional annual funding burden.

It works mostly through the actions of the institutional players. Important institutional players - like pensions and sovereign wealth orgs - and asset administrators, all have rules as fiduciaries/ international laws, that make them very

concerned with how unclear ESG information is. It is unclear if there are instabilities in the outcome caused by the business environment because rating disagreements may lead to an edit position so as not to get hurt on reputational harm or a potential request to re-move this asset later, resulting in fewer shares owned by Calt and a more expected yield.

Path 2: Credits - Diversify the Shortage of Money. Increased borrowings reduce the chances for companies getting outside funds to carry out long-term plans, and so more missing money may harm possible investment. This kind of difference in credit scores would also perhaps limit how much financing CATL can do for increasing production output, trying new things, and doing mergers with other companies like LG Energy Solution, Panasonic, and BYD.

The academic research proves the debate over ESG scores makes companies feel financially restricted more when non-state green energy firms are lacking in the secret government backings and special treatment for entering the state banks. For example, CATL, which is a private company but also very important for China's industrial strategy, faces capital market restrictions as a real hurdle. This kind of enterprise will have to continuously be involved in some capital market; any lapse from this would cause delays in the projects or costlier alternatives.

Constraint intensification works through quite a few different ways. First off, a high cost of equity reduces the quantity of investible ideas that have an $NPV > 0$ following DCF evaluation. Secondly, it can amplify info ambiguity, which creditors would enforce tougher covenants, shorter maturity dates, or pricier interest for debt funding. Lastly, there is disagreement about the rating, whether CATL would be able to utilize sustainability-linked finance tools because financiers have a similar kind of uncertainty over what rating they will use for a trigger, and when there are any changes in interest rates.

Outcome 1: Administrative Short-sightedness and Misallocated Capital. ESG discrepancies could harm the distribution of domestic financing because it would make different evaluations appear as if they genuinely cared about certain environmental and social problems. Executives will spread and inefficiently allocate their capital if they get opposing information regarding the same area of concern from several assessments. It usually means this kind of financing would make some score better, but doesn't improve genuine profit power & market.

When it comes to CATL, though, it's difficult to say what eco-programs (carbon reduction/reclaiming/transport sustainability), people-programs (workers advancement & places for workers residence/work standards), or the management have changed, as there is a change in score. Different credit agencies give different priorities to the sectors and have different opinions about which efforts can best improve the overall ESG assessment. These kinds of investments may seem like overspending on the obvious, less important green stuff with high scores given to it by certain scoring platforms, while truly revolutionary hard-to-assess schemes get shortchanged.

In a nutshell, when businesses are trying to meet regulations in the name of improving the environment, but it's not really for genuine improvements, scholars call that a Green innovation bubble. CATL does show an effort at real sustainability

improvements, even though there can be some rating discrepancies, which could have the company working towards projects improving rating results over those creating more ecological benefit or sustainable value.

Outcome 2: Delay Capacity, Loss Due to ESG Rating Difference. As regards new energy projects' evaluation money, it largely hinges upon the discounted cash flow systems, which will certainly be quite sensitive to estimation needs. The bigger the disparity on the ESG grade, the more that is borrowed, and a current discount to expected gains is added, making the worth lower for new operations that would have been wise at present. And it is particularly so with long-lived stuff like battery-producing facilities, where the proceeds stretch out over 15-20 years, and almost all of them come at once near the end:

Delaying its expansion is going to become a huge risk for CATL. The international electric car battery industry is characterized by rapid development, technological advancement, and fierce competition. If the scholars wait to invest more factories and scale their rival (who is also using the same capital) can beat them. And in the energy storage field, there is large-scale efficiency and learning by doing, so first movers have price advantages that latecomers find hard to match.

Based on that, if the cost goes up by 1 percentage point, the NPV of an average battery producing facility could go down by as much as 15-20%, potentially making things under budget [16,17]. To use that as a conceptual \$2 billion growth initiative, 1% more on the WACC can drop the NPV by \$300-400 million, which could lower the IRR under the benchmark. Scaling it up when CATL grows, once that happens, the extra bit from better ESG scores will become big money problems for projects like delayed construction or cancelled ones, there'll be impacts on how many people work there, along with tech progress aims and cut carbon goals all around.

Outcome 3: Price Discovery Disappeared, Ruined the Information Atmosphere. Rating differences make price discovery less effective, cause stock prices to have bigger price swings, and make it harder for people to use quoted market values as helpful tools for making decisions. Investors with conflicting signs on corporate sustainability results will find it even more difficult to get the right sizing on the CATL stock; this can distort who is getting what from within as well as outside the company.

From an academic study point of view, differences are more related to stock price, which weakens the inclusion of the firm's own data on market value as well as stock prices. Unclear share price by their leaders makes steering choices with money harder because there's not so much information about what a thing is worth in the public market. Furthermore, heightened volatility arising from data ambiguity could trigger margin requirements, impact the worth of debt securities as collateral, and complicate overall risk mitigation.

It is everywhere, in evaluations and investment advice. It was shown that when accounting professionals follow troubled companies, the differences in ESG scores increase the prediction mistakes and variances. If professionals have different ESG indicators, then their gains forecasts too will be different and not precise, making such examinations unhelpful for financiers and adding more turbulence to the market rather than calming them down. As CATL is a big company and thus will receive

even more scrutiny from professionals in their field, the impact would ruin external info execs and stakeholders have access to.

4 Strategic Recommendations: A Multi-Stakeholder Framework for Mitigating the ESG Divergence Discount

4.1 Enhance Transparency at the Source - Adopting Materiality-Driven Reporting Standards

To deal with the basic cause of data differences, this study emphasizes making primary data better and more consistent. Give anybody who might want to judge us the kind of solid, provable stuff-based measurement of what we've done, so that there is no ambiguity about it.

And if we're considering CATL, then this means moving past just meeting the law and opting to go for common formats such as SASB sustainability accounting standards boards, in particular area business indicators on major sustainability subjects, or GRI rules giving generalized reports. Tactical method would be like, use the SASB framework for investors, money-related stuff, and use the GRI for more stakeholder communication. A two-part approach where everything that can be made into a valuation model is normalized and totally open:

Specifically speaking, it should give quantitative proof that has detailed explanations of assessment methods, ensure consistency of documentation across all times and locations, and get outside checks on key ESG stats to build up belief. Fully revealing the ecological safeguarding part of the management process, which individuals link up with each other, and what determines things, can help those people who consider a company's green colour administration practices and financiers to know something about the environment. To reduce the imbalance of the data and give evaluators more clues on what is actually ESG achieved, so companies can narrow the difference between people's perceptions and scores.

4.2 Internalize Uncertainty - Embedding ESG Risk-Adjusted Hurdle Rates in Investment Appraisal

Companies will need to form the new investment coming from changes in funding cost into account as well, when incorporated into the companies' capital model. The old-fashioned Discounted Cashflow figures count on set rates of interest; it's easy to see money coming out, varying ESG scorings bring some uncertainty, which ought to be factored in when directing funds.

With regards to CATL, it means valuating different scenarios for ESG and what that could do for funding, etc., of the venture. Like thinking through cap gains if ESG scores lined up and there were cases around positive baseline and negative on the link to d rates. A probabilistic composite would offer executives a better sense of the danger of their venture and how to time, size, and structure any needed funding.

And do some practical options paradigm capacity-scales: feel the flexible option when the scholars have an uncertain amount of money. To think about financing options like choices that can wait until things get better, rather than unbreakable promises, makes the CATL less likely to put all their eggs in one basket while they have more arguments on ESG.

4.3 Diversify the Capital Base - Developing a Resilience-Focused Financing Mix

Green energy companies need to spread their money among lots of various instruments and people so that it doesn't get too hard when there are different thoughts about how good the ESG is. Stock markets leave open the negative confidence effects seen by academics, as there are other ways to fund a company that have less exposure to swings in an ESG score or different risk/return tradeoffs.

When it comes down to CATL, different ones may use more green bonds, which are solely for sustainable investors (where this study does much more diligence than a credit agency). The success of sustainability-linked finance comes from changing the interest rate to hit those exacting e-s-G numbers rather than throwing money at an organization's faith that is not in sync with reality. Project finance approach to pull 1 company out of the total money needed from a business and lessen certain project threats with regular credit distinctions. Make some tactical alliances, make up for collaboration enterprises with other manufacturers, and so forth to acquire money; spread out the risks.

Getting into global financial markets via overseas stock listings or global depository receipts issuance would probably let CATL get more shareholders and not be so dependent on one area's take on ESG risks. But it still needs to be compared with more transparent obligations and legal complexity in connection with raising funds abroad.

4.4 Proactive Signal Management - Cultivating Direct Investor Relationships Beyond Ratings

Aggressively interact with professional financiers so that it will not give rise to any adverse opinion due to varying credit, but also immediately communicate & document data at the Credit Bureau. Stakeholders can be clear about the firm's green strategy, specific projects, and the way to evaluate ESG indicators; they may not entirely rely on the judgment of credit bureaus but rather form their own understanding.

CATL needs to improve its relationships with shareholders by frequently talking about sustainability stuff for those main institutional people; go to the ESG kind of investor meetings; talk much more to ratings companies, so no one is confused. Institutional site visits will help to get rid of the negative influence that comes from ESG discrepancy and financing cost with real evidence to assist the rating company's judgment [18].

Also, CATL should think about disclosing more details about their relationship with credit rating businesses, such as replies to agency queries, along with an explanation on how the comments were integrated into ESG. Like that would show leadership commitment to constant improvement, maybe make shareholders more trusting, even with different ratings already.

4.5 Collective Action for Systemic Change - Advocating for Industry-Wide Reporting Standards

Manufacturers-wise, the green companies will need to push through the industry groups that are mandated to disclose ESG disclosure blueprints based on each type of company by area. Sector-specific benchmarks may minimize the scope for dispute over scores by spelling out what indicators will be considered the most important ones for clean energy companies and how those should be counted up, put forth.

Concerning China's green energy industry, it means working with policymakers, securities market, sector organizations, so that the disclosure framework can be consistent but have flexibility to accommodate various corporations as well as new inventions. As a member of the China Battery Association's industry, they could produce their very own particular sustainable Accounting code of conduct to lessen uncertainty with everyone, which includes CATL.

Benchmarks from general industries are numerous. It lessens credit agencies' work to get the same and similar information on a company's data processing. And help the financiers understand what's inside the ESG report for each sector. They let the scholars do benchmarks, analyze competitors, so better comparison scores get out. To give companies particular orders regarding the stakeholders' requests to reduce the confusion of forming a business green plan. Guidelines won't take out the root of every single one clash over rating, but it could make fewer differences because people randomly get data for appraisals.

5 Conclusion

5.1 Key Findings

From CATL's inquiry, this study has learned that there is an implicit "ESG divergence discount," which is some kind of punishment in the form of money. According to the inquiry, it's no one-way street. There are different ways for this deficit to happen. And there will be some specific tactics results.

The large first distinction in ESO evaluations increases green power companies' equity fundraising price in many different ways. The investor-confidence-erosion processes multiply all kinds of information hazards, as there are different figures and calls for a bigger return by financiers. As the difference increases, so does re-search and analysis, with no real value being made toward being correct. Operational cash flow instability pathways work like functional unpredictability, grouping up from conflicting stakeholder messages. As for CATL, they are huge, influencing everything about the organization's fiscal plan because of these capitalization expenses.

Similarly, restricted capital accessibility due to credit disparity lessens a firm's possibility to obtain outside money for long-term ventures. If more is considered to be equity or a bond-sourced item than this study will have less funds available in terms of distributing due to positive Net Present Value using the Discounted Cash Flow approach at Expansion and New Ventures.

Moreover, the evaluation of ESG produces different advice on what environmental and societal factors the people who are responsible for them really care about. If a leader faces confusing direction, they may hand out assets badly, maybe giving some for shallow green programs to bump up certain scores, rather than genuinely innovative, hard-to-judge schemes.

The fourth is that the credit disparity can block capital addition in some cap-heavy green power areas when borrowing prices really matter. Take the case of CATL, a small increase in such can even make large-scale plans impractical and allow others who had similar setups as well to catch up by now.

Also, it is market signal distortion resulting in different ratings, decreases price discovery efficiency, and raises share price variation, which complicates making plans and lessens the informative value of market evaluations to executives.

5.2 Research Significance

It improves on how this study understands sustainability finance in developing countries, showing how important it is to make sure ESG ratings line up when moving money into green energy. The results have value to the different parties.

In regard to the green power corporations, it is pointed out here that ESG Reporting and Interaction with evaluator/stakeholders - a wide variety of funders, capital costs for the ESG risk. Regulate the info field around ESG scores to cut the negative impact of score differences on borrowing prices and other finance choices. To financiers, it exhibits how important it is to look past total ESG ratings to understand where and why disputes over evaluations arise when making investments. Be actively involved in holding and do more than an agency evaluation to get data, which could possibly be contradictory. It is for legislators and supervisors, which means that they will need an ESG report pattern with low data obfuscation, along with ideal capital. Mandatory disclosure directives, different industries' reporting guidelines, and governments' supervision on rating companies' ways can produce truer ratings and better markets for everyone. To the main goal of sustainable growth and reaching carbon neutrality, it shows that decreasing the ESG rating conflicts could lower the funding price for the green power firm, and so the needed capital funding to achieve the ecological transformation. Environmental warming worries are rising, the transition from carbon-based power to low-carbon power is happening, so capital must be put into green power in a timely manner.

5.3 Limitations and Avenues for Future Inquiry

The empirical investigation gives some idea, even though the outcomes are bound up with methodological choices which, ironically, reveal good places to start after-wards.

This work has several constraints that suggest further avenues of inquiry might be good. At first, it is a specific firm case method that gives a deep understanding of mechanisms and strategy, but it is not very generalizable for the many green power companies. CATL will probably be stronger against capital shortages due to being very powerful in the market, with lots of money, and being important. Further study will be done through contrastive case analysis with green-power companies of different scales, different kinds of equity, and also their business stands as compared to ESG scores.

It also pays no mind to the following examination of different potential results of ESSS score discrepancies, such as those effects on inventive standard, constituent relations, worker hire and steadiness, as well as future money strength. To get an accurate picture, the scholars need to know all the ramifications of scoring gaps.

Additionally, it relies on publicly available data, which would mean there are no original interviews or questionnaires with the business executives, Credit agency experts, Professional Investors, etc. The study uses a qualitative approach, which might provide a better view of the Strategic choices that financial players see in the ESG metrics and how companies act for different scores.

And, because of such quickly evolving methods on ESG assessments and publishing them all around the world, including in China, this is also helpful to look at how each period affects the different ratings slightly. If the score diff will be correlated with funding results after the market has grown up, everything gets clearer, and when people get used to sustainable Info.

And finally, the 5th one, which is cross-national, to analyze the differences of ESG scorings between the green power company within different institutions and regulatory contexts to find out whether structural policies can make such connections. Do cross-border evaluations within China, Europe, and North America in different vital green power parts to know the rules that reduce scores' fluctuation and let the scholars allocate financial resources properly.

And then at the end of all this future research, it'll produce fiscal numbers on a structure as to what they're going to expense toward funding and predict capital by having different alignments with credit. They can lead enterprises on monetary planning as well as lawmakers through their estimations on the amount of money entailed in ESG evaluation disagreements.

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