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DOES CORPORATE ENVIRONMENTAL RESPONSIBILITY ENHANCE SUSTAINABLE DEVELOPMENT? A PERSPECTIVE BASED ON GREEN INNOVATION

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Abstract

This study investigates whether and how corporate environmental responsibility (CER) enhances manufacturing enterprise sustainability in China, incorporating green innovation mechanisms. Employing a panel of 237 Chinese listed firms over 2015-2021, we find CER participation significantly improves enterprise sustainability. This positive effect is further amplified by strengthening environmental regulations. We also demonstrate CER's influence is transmitted via stimulating green technology innovations. Additionally, our analysis reveals heterogeneity in CER's effectiveness across large versus small, state-owned versus private, and eastern versus central/western enterprises. As China balances economic targets with ecological goals amid industrial transformation stresses, these findings underline that embedding environmental stewardship within business decisions can catalyze “win-win” sustainable outcomes. However, contextual and structural differences modulate CER impacts, necessitating policy solutions tailored to localized, firm-level conditions.

Key words: corporate environmental responsibility, corporate sustainability, green innovation, manufacturing industry

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