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The Impact of Corporate Social Responsibility Reports on Investors' Decisions: From the Perspective of Accounting Information

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Abstract: In recent years, as Corporate Social Responsibility (CSR) reports have evolved from marginal texts to strategic tools, investors have gradually recognized the limitations of traditional financial indicators. This study focuses on how accounting information in CSR reports penetrates the superficial layer of "responsibility narratives" and actually influences investment decisions. Through literature analysis, case studies, and theoretical reasoning, it answers two core questions: Which accounting data truly trigger investors' nerves? How do these data convey the sustainable development potential of enterprises? The study finds that accounting indicators, such as environmental governance costs and employee welfare expenditures, constitute the anchor points of "responsibility credibility", and the quality of their disclosure directly affects the risk pricing in the capital market. It suggests that enterprises adopt "industry-customized" disclosure strategies, while investors need to establish a "financial-responsibility" dual-dimension analysis framework. The study reveals a new path for the capitalization of non-financial information, providing a new perspective for value assessment in the era of responsibility.

Keywords: Corporate Social Responsibility Report, Accounting Information, Investor Decision-making, Non-financial Information Disclosure, ESG Investment

1. Introduction

In the context of the current global economic integration and the increasingly prominent concept of sustainable development, Corporate Social Responsibility (CSR) reports have gradually evolved from marginal texts to strategic tools, becoming an important means for enterprises to communicate their social responsibility performance, enhance their brand image, and attract investors. As investors' attention to the long-term value and sustainable development capabilities of enterprises continues to rise, traditional financial indicators such as profit, revenue, and cash flow have become insufficient to meet the needs of comprehensive assessment of enterprise performance [1]. Through providing non-financial information such as environmental, social, and governance (ESG) indicators, CSR reports offer investors a more comprehensive perspective, helping them understand the long-term value and potential risks of enterprises.

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1.1. Research background and motivation

In recent years, with the increasing global attention to corporate social responsibility (CSR), more and more enterprises have begun to actively release CSR reports to showcase their efforts and achievements in environmental protection, employee welfare, community participation, etc. Although the number of CSR reports has increased, their quality and the transparency of information disclosure vary greatly, causing certain challenges for investors when using these reports for investment decisions. Moreover, investors' understanding and utilization of accounting information in CSR reports also have limitations. They often fail to penetrate the "responsibility narrative" and truly identify the accounting data that can substantially influence the long-term value and risk level of enterprises. Therefore, exploring how accounting information in CSR reports affects investors' decisions is of great significance for improving investors' decision-making efficiency and accuracy.

1.2. Research objectives and significance

From a theoretical perspective, this study enriches the theoretical framework in the field of corporate social responsibility and investment decision-making by revealing the influence mechanism of accounting information in CSR reports on investors' decisions. It provides new perspectives and ideas for related research. From a practical perspective, this study helps investors more accurately identify enterprises with long-term investment value, reduce investment risks, and enhance investment returns. At the same time, it also offers beneficial insights for enterprises, guiding them on how to disclose CSR information more effectively to attract more investors' attention and trust.

1.3. Research questions

This study aims to address the following specific issues: Which accounting data in CSR reports truly trigger investors' nerves? How do these data convey the sustainable development potential of enterprises? Through in-depth exploration of these questions, this study intends to provide investors with a clearer and more comprehensive decision-making framework, helping them better utilize the accounting information in CSR reports for investment decisions.

1.4. Research methods

This study adopts a method combining literature analysis, case study and theoretical deduction. Firstly, by extensively reviewing relevant literature, the relationship between CSR reports and accounting information is sorted out, and the role and mechanism of CSR reports in investors' decision-making are clarified. Secondly, typical enterprise cases are selected for in-depth analysis. Through extracting and analyzing the accounting information in their CSR reports, it is explored how this information affects the decision-making process of investors. Finally, combined with theoretical deduction, the influence patterns of accounting information in CSR reports on investors' decisions are summarized, and corresponding suggestions and countermeasures are proposed.

2. Theoretical basis of CSR reports and accounting information

2.1. The connotation and function of CSR reports

Corporate Social Responsibility (CSR) reports are important tools for enterprises to disclose their performance in environmental, social, and governance (ESG) aspects to the public, investors, governments, and other stakeholders. Their connotation goes far beyond the scope of traditional financial reports and covers information on enterprises' environmental protection, social responsibility fulfillment, and corporate governance structure. Through comprehensive and

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systematic disclosure of these non-financial information, CSR reports provide a window for stakeholders to assess the long-term value and social contributions of enterprises.

The main functions of CSR reports include: (1) Enhancement of information transparency: By publicly disclosing the performance of enterprises in ESG, it enhances the transparency of enterprises, which helps to build public trust [2]. (2) Risk management: It helps enterprises and investors identify potential environmental and social risks, such as environmental pollution and employee rights issues, so as to formulate corresponding risk management strategies [3]. (3) Value creation: It showcases enterprises' investments and achievements in social responsibility, enhancing the brand image and social reputation of enterprises, thereby promoting their long-term development. (4) Decision support: It provides key information about the sustainable development capabilities of enterprises to investors, governments, and the public, supporting them to make more informed decisions.

2.2. The role of accounting information in CSR reports

Accounting information plays a crucial role in CSR reports. Although CSR reports mainly disclose non-financial information, accounting information, as a part of them, provides stakeholders with key data support regarding the financial health, operational efficiency, and sustainable development capabilities of enterprises. The role of accounting information in CSR reports is mainly reflected in the following aspects: (1) Information complementarity: The accounting information in CSR reports complements the financial information in traditional financial reports, jointly forming a complete information basis for investors to assess the value of enterprises [4]. (2) Quality improvement mechanism: CSR reports indirectly reflect the improvement of corporate governance structure and management level by disclosing specific measures and achievements of enterprises in ESG, thereby enhancing the quality and credibility of accounting information. (3) Decision-making support tool: The accounting information in CSR reports provides important references for investors to analyze the financial health and future development trends of enterprises, especially when assessing the sustainable development capabilities and potential investment risks of enterprises; this information is particularly important.

2.3. The value transmission mechanism of accounting information to investors

The value transmission mechanism of accounting information in CSR reports to investors mainly manifests in the following aspects: (1) Enhanced transparency: CSR reports disclose detailed accounting information, thereby enhancing the transparency of enterprise operations, enabling investors to have a more comprehensive understanding of the financial status and risk management capabilities of enterprises, and facilitating more informed investment decisions. (2) Risk identification and management: The accounting information in CSR reports helps investors identify potential environmental and social risks of enterprises, such as environmental pollution, resource consumption, and employee welfare, etc. This information is helpful for investors to assess the long-term sustainability and the ability to cope with future regulatory changes of enterprises. (3) Value creation assessment: The accounting information in CSR reports not only reflects the financial performance of enterprises but also demonstrates their investments and achievements in social responsibility. Investors can assess the value creation ability of enterprises in social responsibility through this information, thereby judging their long-term investment value. (4) Trust enhancement: CSR reports disclose high-quality accounting information, enhancing investors' trust in enterprises. This trust plays a crucial role in investment decisions, especially in periods of high market uncertainty, and can stabilize investors' confidence.

The accounting information in CSR reports has a profound impact on investors' decisions. It not only provides key information about the financial health and sustainable development capabilities of

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enterprises, but also promotes a positive interaction between investors and enterprises through enhanced transparency and trust. Therefore, enterprises should attach importance to the quality of accounting information disclosure in CSR reports to better meet investors' information needs and enhance their market value and competitiveness.

3. The impact path of CSR reports on investors' decisions

3.1. The logic and demand of investors' decisions

In the modern investment environment, investors' decision-making logic is no longer limited to traditional financial indicators but is gradually developing towards diversification and integration. Investors have begun to pay more attention to the long-term value, sustainable development capabilities, and risk management capabilities of enterprises. This transformation stems from the following demands: (1) Long-term value assessment: Investors hope to understand the long-term growth potential and stability of enterprises, rather than just short-term financial performance. CSR reports provide information on the performance of enterprises in environmental, social, and governance (ESG) aspects, which is crucial for assessing the long-term value of enterprises [5]. (2) Risk management: Investors realize that non-financial factors such as environmental risks, social responsibility deficiencies, and governance issues may have a significant impact on the financial performance of enterprises. Therefore, they need this information to identify and manage potential investment risks. (3) Sustainable development investment: With the increasing global attention to sustainability, more and more investors tend to choose enterprises with excellent performance in ESG to invest in. CSR reports become an important tool for them to assess the sustainable development capabilities of enterprises [6].

3.2. The important role of accounting information in investors' decisions

The accounting information in CSR reports plays a crucial role in investors' decisions. This information not only reflects the financial health of enterprises but also reveals their investments and achievements in social responsibility, thereby enhancing investors' confidence in the long-term value and sustainable development capabilities of enterprises. The specific effects are as follows: (1) Enhanced information transparency: CSR reports disclose detailed information on enterprises' ESG aspects, enhancing the transparency of accounting information. Investors can have a more comprehensive understanding of the operating conditions and risk management capabilities of enterprises, thereby making more informed investment decisions. (2) Risk identification and management: The accounting information in CSR reports helps investors identify potential environmental and social risks of enterprises, such as carbon emissions and resource consumption. These pieces of information are helpful for investors to assess the long-term sustainability of enterprises and their ability to cope with future regulatory changes. (3) Value creation assessment: The accounting information in CSR reports not only reflects the financial performance of enterprises but also demonstrates their investments and achievements in social responsibility. Investors can evaluate the value creation ability of enterprises in social responsibility based on these pieces of information, thereby judging their long-term investment value.

3.3. Issues of comparability and transparency in CSR reports

Although CSR reports play an important role in investors' decision-making, issues of comparability and transparency still deserve attention. Different enterprises may adopt different standards and formats when compiling CSR reports, resulting in poor information comparability and making cross-enterprise comparative analysis difficult. Moreover, some enterprises may conceal or embellish

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key information in CSR reports, reducing the transparency of the reports. To address these issues, enterprises need to strengthen standardized and normalized management of CSR reports, using internationally recognized standards and frameworks for compilation and disclosure. At the same time, regulatory authorities should enhance supervision and review of CSR reports to ensure their authenticity and accuracy. Additionally, investors themselves should improve their ability to identify and assess the quality of CSR reports, establishing a scientific and reasonable investment decision-making framework.

CSR reports significantly influence investors' decision-making process by providing rich non-financial information. Investors should make full use of this information to assess the long-term value and sustainable development capabilities of enterprises, while enterprises should strive to improve the comparability and transparency of CSR reports to enhance investors' trust and confidence.

4. Case analysis

4.1. Apple Inc.

Apple Inc. is a global leading technology company, and its CSR reports have always been highly regarded in the industry. Apple's CSR reports not only cover a wide range of content in environmental, social and governance (ESG) aspects but also provide rich quantitative and qualitative information, offering investors a window to understand its business strategies and social responsibility. For example, in its CSR reports, Apple details the measures for labor rights protection in the supply chain, environmental protection measures, and corporate governance structure, etc.

By disclosing accounting information on supply chain management and environmental governance in detail, Apple not only enhanced the transparency and quality of accounting information but also provided important references for investors to assess the long-term value and risks of the enterprise. These pieces of information help investors better understand the operating conditions and future development trends of Apple, enabling them to make more informed investment decisions [7].

Compared with Apple Inc., the well-known domestic listed enterprises Huawei has also achieved certain results in CSR reports, but still has some shortcomings. Huawei also emphasizes the importance of environmental protection, social responsibility, and corporate governance in its CSR reports and provides relevant quantitative and qualitative information. However, in terms of the detail and transparency of information disclosure, Huawei still needs to improve. For example, in terms of specific data and measures in supply chain management and social responsibility, Huawei's disclosure is relatively less, which may affect the accuracy of investors' comprehensive assessment [8].

4.2. Tesla Inc.

Tesla Inc. is a global leader in electric vehicles and renewable energy. Its CSR reports also attract much attention. Tesla highlights its efforts and achievements in electric vehicle technological innovation, energy efficiency, and sustainable development in its CSR reports. For example, Tesla has made positive contributions to environmental protection and sustainable development through measures such as improving battery efficiency, expanding charging networks, and promoting the use of renewable energy [9].

The accounting information in Tesla's CSR reports has a significant impact on investors' decisions. By disclosing accounting information regarding technological innovations and sustainable development in electric vehicles, Tesla not only demonstrates its leading position in the industry but also provides investors with important references for evaluating its future growth potential and

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investment risks. Compared with Tesla, domestic leading electric vehicle enterprises such as BYD have also made certain progress in CSR reports, but there are still gaps. BYD also emphasizes the importance of environmental protection, technological innovation, and corporate governance in its CSR reports, and provides relevant data and measures. However, in terms of the disclosure of information on technological innovation and sustainable development in electric vehicles, the detail and transparency of BYD still need to be improved. For example, in terms of specific data and plans on battery technological innovation and charging infrastructure construction, BYD's disclosure is relatively less.

4.3. Summary and recommendations

By comparing and analyzing the CSR reports of Apple, Tesla, and well-known domestic listed enterprises such as Huawei and BYD, it can be observed that there are significant deficiencies in CSR information disclosure by domestic enterprises. To enhance the performance of domestic enterprises in CSR report disclosure, the following recommendations are proposed: (1) Strengthen the detail and transparency of information disclosure: Domestic enterprises should improve the quality of their CSR reports, increase detailed quantitative data and in-depth analysis, and enhance the transparency and comparability of information. (2) Develop customized disclosure strategies for different industries: Based on the characteristics and needs of different industries, formulate differentiated disclosure strategies to ensure that CSR reports can comprehensively reflect the actual situation and industry characteristics of enterprises. (3) Strengthen supervision and self-discipline: The government should strengthen the supervision of CSR report preparation and disclosure by enterprises, and encourage enterprises to enhance self-discipline and self-regulation to improve the quality and credibility of CSR reports.

Through the implementation of the above measures, domestic enterprises can gradually improve their performance in CSR report disclosure, providing investors with more comprehensive, accurate, and useful information references, and promoting the sustainable development and fulfillment of social responsibilities of enterprises.

5. Research conclusions and recommendations

This study analyzes the impact of accounting information in CSR reports on investors' decision-making, revealing the key role of CSR reports in enhancing accounting information transparency, enhancing investors' understanding of the long-term value of enterprises, and promoting sustainable development investment. The study finds that CSR reports effectively supplement the shortcomings of traditional financial indicators by disclosing non-financial information such as environmental, social, and governance (ESG) through their disclosure of accounting indicators such as environmental governance costs and employee welfare expenditures, which become key anchors for measuring the "credibility of responsibility" of enterprises. Their disclosure quality directly affects the decision-making process of investors and the risk pricing of the capital market [10].

Based on the above conclusions, this study proposes the following recommendations: Firstly, enterprises should adopt "industry-customized" CSR report disclosure strategies, based on industry characteristics and investors' concerns, to disclose relevant accounting information in a targeted manner to enhance the effectiveness and influence of the reports. Secondly, investors should establish a "financial-responsibility" dual-dimension analysis framework, while paying attention to the financial performance of enterprises, to attach importance to non-financial information in CSR reports for a comprehensive assessment of the long-term investment value and sustainable development potential of enterprises. Finally, future research should further explore the specific impact mechanism of CSR report quality on investors' decision-making and the differences in investors' interpretation and response to CSR reports in cross-cultural contexts to enrich and improve the existing theoretical system.

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