





in secular business endeavors to ultimately achieve transcendently ideal goals. Motivated by long-term objectives, Confucian merchants seamlessly integrate the pursuit of “moral principles” (道义) and public welfare into their short-term goals, opposing the pursuit of personal gains through unethical means. The debate between public interest and private gain within the Confucian perspective of righteousness and interests originates from the core concept of “benevolence”. As expressed by *Mencius*: “Being kind to one’s family leads to benevolence towards the people, being benevolent towards the people leads to love for all things.” Benevolence extends universally with variations, encompassing care from one’s own family to a broader sense of concern for and appreciation of all things. Guided by “benevolence”, Confucianism advocates for timely and moderate utilization of natural resources and the restraint of excessive desires to achieve sustainable development. Classical works such as “The timber will not run out if the trees are properly cut down according to the seasons” (*Mencius*), “The emperor does not close the siege, the vassals do not eradicate the herd” (*the Book of Rites*) reflect early Confucian ecological values, emphasizing considerations for the environment. During the Song Dynasty, the prominent Confucian scholar Cheng Hao (程颢) further emphasized that “the benevolent regard the heavens, the earth, and all things as one body”, viewing the entire universe as an interconnected entity deserving care, reinforcing the Confucian sense of responsibility towards environmental stewardship. In modern times, Confucian merchants’ righteousness-benefit view has evolved, advocating for a balance between righteousness and benefits, recognizing the legitimacy of private interests while giving priority to public justice and interests. During the turbulent period (1912-1949), Confucian businessmen externalized benevolence in their business operations and assumed political and social responsibilities [25]. As environmental issues become crucial aspects of contemporary life, enterprises’ investing in environmental protection not only expresses care for society but also actively responds to their environmental responsibilities, aligning with the moral code of Confucianism.

Influenced by Confucianism, the long-term-oriented way of thinking encourages managers to pay more attention to social responsibility, engaging more in EPI. This is manifested in enterprises’ willingness to continuously strive for long-term returns and concern for the “big picture” of the environment while meeting financial bottom-line requirements, avoiding the opposition between short-term performance in assuming social responsibility performance and long-term commitment [26]. As expressed in the saying “Righteous people with a just cause gain more support, people who have lost their justness and righteousness get less support” (*Mencius*), managers recognize that enterprises lacking moral integrity face challenges in the long run. Drawing upon the theories of instrumental information transmission, reputation effects, and resource dependency, active EPI contributes to conveying signals of enterprises’ well

operating and low risks, thus conducive to cultivating a positive business reputation [27], establishing social capital with stakeholders [28] and acquiring multiple development resources [29, 30], thereby reducing environmental uncertainty. Particularly in the aftermath of financial crises, the trust of stakeholders enhances a company’s resilience against risks [28]. Taking corporate social responsibility into account the interests of all parties improves underinvestment [31], optimizes the growth path of the company, and objectively reduces the possibility of the company deviating from the most suitable risk level [32]. This aligns with the preference for risk aversion of Confucianism and aids in mitigating concerns when managers make decisions regarding EPI, eventually enhancing the efficiency of such an investment.

Confucianism shapes managers’ work values, improving the quality of accounting information and promoting EPI. Out of performance pressure and opportunistic motives, managers may manage earnings through changing accounting recognition periods and policies, which in turn reduces the quality of accounting information, exacerbating principal-agent conflicts and financing constraints, and ultimately inhibiting the scope of EPI. While managers’ decision-making inertia is difficult to change through external systems, the cultivation of Confucianism can shape managers’ internal characters, thereby influencing their decision-making preferences. Above all, “loyalty and faith” in Confucianism regarded as a kind of commitment to oneself and others, requires managers to always keep their contractual commitments in practice and reject short-term temptations, especially the use of EPI funds for self-interested projects while shirking investment losses. Secondly, the responsible culture of “being in one’s position, doing one’s duty, accomplishing one’s work” provides managers with the self-driven power of “prudence” and “self-reflection”. Under the limited effect of internal and external institutional supervision, moral constraints lead managers to consciously reduce the management of accrued earnings, thus improving the quality of disclosed information and alleviating information asymmetry, which in turn eases financing constraints, securing better conditions for EPI [33]. Finally, long-term-oriented thinking can not only improve managers’ acceptance of short-term earnings fluctuations, avoiding excessively pursuing short-term performance while deliberately evading long-term environmental investment, but also encourage managers to think systematically and proactively, and utilize existing resources to carry out forward-looking deployments in response to future development opportunities and challenges [34]. Xunzi (荀子) said, “Climbing high and waving, the arm is not to lengthen, but those who see are far away”; Confucius (孔子) said, “Scholars aspire to Tao, those who ashamed of bad clothes and food, not enough to discuss with”. If managers only focus on the current financial performance for short-term interests, lacking long-term strategic planning, enterprises tend to miss opportunities for sustainable development. Confucius (孔















industries Confucianism is more prone to incentivize firms to undertake social responsibility, actively engaging in EPI.

Culture developed in the long history of a country or region provides the soil for the implementation of formal systems. Businesses in different cultures have different attitudes towards the same environmental regulation. It's necessary to implement the new development philosophy for China to achieve the 2030 carbon peak goal and high-quality development [47], which requires the full mobilization of China's indigenous culture. In promoting EPI, in addition to further improving formal systems such as environmental protection taxes and government environmental supervision, the ethical values and behavioral norms of Confucianism should be brought into full play. For the government, first, it should be realized that enterprises' EPI is not only a passive act to meet the minimum requirements of laws and regulations, but also an ethical externalization in a special cultural context, and a strategic choice in differentiated competition. Second, facing up to the positive role of Confucianism in the economy of countries in the East Asian Confucian Cultural Circle, increase the excavation, protection, and promotion of the excellent traditional culture represented by Confucianism, integrating environmental responsibility into the construction of contemporary morality. Provide moral prestige for corporate environmental investments to assist in environmental regulation. Third, the government ought to establish a sound incentive and constraint mechanism for enterprises to fulfill their environmental responsibilities according to local conditions. As for enterprise managers, it is imperative to embrace long-term-oriented thinking, incorporating ecological views and the perspective on righteousness and interests, as well as a sense of loyalty and self-discipline into the construction of corporate culture. Such efforts forcefully bolster cultural self-consciousness and promote sustainable economic development, ultimately contributing to societal well-being.

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### Conflict of Interest

The authors declare no conflict of interest.

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