

# Sustainability Data as Stake in the Global Power Struggle

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***Chinese companies struggle to meet international sustainability reporting requirements, but now the Chinese government is responding with its own legislation framework.***

Despite decades of sky-high growth rates and an economy that has become the world's second largest, things are far from rosy in the boardrooms of Chinese manufacturing companies since they have to grapple with a multitude of EU requirements for sustainability-related reporting. These international requirements typically come with innocuous abbreviations like CSDDD, CSRD, and ESRS, but in Chinese business circles, many view these sustainability reporting regulations and standards as bureaucratic burdens that fuel the already high trade tensions between EU and China.

There are a couple of practical reasons behind this perception:

1. Understanding the complex European legislation and collecting the necessary data is extremely resource intensive. This may give European companies an advantage.
2. The EU gains more power by collecting data—both through possessing and by deciding which data should be collected. This power can easily be used to set a global green agenda tailored to the needs of EU markets and companies, while disregarding others.

As a representative from a Chinese environmental non-governmental organization stated:

*"Climate change and ESG (Environment, Social, and Governance) are a political game. China*

*follows international, European, and American standards, and now Chinese ones are also being developed."*<sup>1</sup>

The representative was interviewed as part of a PhD research project on data-driven sustainability governance. Among other dimensions, one specific dimension is regarding how China responds to the many international sustainability regulations and standards. This PhD research is part of the research project [Decoupling IT](#), funded by the European Research Council, exploring the side effects of the green transition in a global and digital context.

Preliminary findings from the PhD project suggest that there is currently a reluctant Chinese acceptance on the fact that Chinese companies must comply with European green regulations. There is also an increasing awareness that sustainability (or ESG) data contributes partly to the geopolitical tensions between China and U.S., leading to global trade tensions, fueled by tariffs and taxation.

However, China is now actively developing its own sustainability regulations and standards. Recently, the Chinese Ministry of Finance announced that it will unify corporate sustainability disclosures, [establishing a nationwide standard by 2030](#). Both Chinese and European companies can therefore expect to also spend more resources on reporting, and it remains an open question how much these extensive global reporting requirements will ultimately benefit the environment.

More updates of this PhD research on data-driven sustainability governance can be found on the project website: [China – DecouplingIT](#).

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<sup>1</sup> The interview was conducted by Vivian Wei Guo during her fieldwork in Shanghai 2024. The interview is conducted in Mandarin and later was translated by Vivian Wei Guo into English.