

# Introduction of Low-Carbon Reference Can Promote the Carbon Reduction

Hua-jun\*

Department of Inorganic Chemistry, University of Alicante, Alicante, Spain

\*Corresponding author: Hua-jun, Department of Inorganic Chemistry, University of Alicante, Alicante, Spain, E-mail: huajun@gmail.com

**Received date:** October 24, 2022, Manuscript No. IPJOIC-22-14919; **Editor assigned date:** October 26, 2022, PreQC No. IPJOIC-22-14919 (PQ); **Reviewed date:** November 07, 2022, QC No. IPJOIC-22-14919; **Revised date:** November 17, 2022, Manuscript No. IPJOIC-22-14919 (R); **Published date:** November 24, 2022, DOI: 10.36648/2472-1123.8.6.31

**Citation:** Jun H (2022) Introduction of Low-Carbon Reference Can Promote the Carbon Reduction. J Org Inorg Chem Vol. 8 No.6:31

## Description

Consumers' awareness of and preference for a low-carbon lifestyle has recently increased. Consequently, every undertaking is confronted with the errand of carbon decrease in the creation cycle. Low-carbon preference is incorporated into the differential game model for a two-level supply chain that is set up in this paper. The effects of low-carbon reference on carbon reduction in the supply chain were then discussed in depth, and the equilibrium strategies of the supply chain were analyzed under both centralized and decentralized decision-making scenarios. To further facilitate the coordination of the supply chain, the bilateral component sharing contract was also adopted. An example was used to confirm the theoretical analysis's findings. The outcomes demonstrate: The low-carbon reference trajectory only changes direction once, whereas the product goodwill trajectory is monotonous.

## Carbon Emissions

Although the supply chain's carbon reduction effect remains unchanged when the memory parameter of low-carbon preference tends to infinity or the sensitivity coefficient of low-carbon reference approaches zero, the introduction of low-carbon reference has the potential to increase carbon reduction. The supply chain can be effectively coordinated and members of the supply chain encouraged implementing carbon reduction through bilateral cost-sharing contracts. The low-carbon reference has no effect on the contract structure. This study provides theoretical support for supply chains' dynamic carbon reduction based on low-carbon references. A crucial step in combating climate change and reducing carbon emissions is the development of renewable energy. However, there is a mixed body of research on its impact. Consequently, the Chinese government is determined to improve environmental conditions and shift from an industry-dominated and capital-intensive economy to one that is more sustainable, with a particular focus on fulfilling its international responsibility to address climate change and cut carbon emissions. As a result, it would be fascinating to investigate the responses that Chinese businesses have given to the government's efforts to promote its low-carbon economy. Until the eleventh Five-Year Plan, both the central and local governments in China prioritized environmental issues over economic growth. However, the actual goals and performance indicators were not specified in

this plan; rather, it only provided a general statement regarding climate change management. Climate change issues received unprecedented attention in the twelfth Five-Year Plan, which introduced specific goals and comprehensive measures. Previous research demonstrates that firm size, competitive position, and internationalization level moderate institutional pressure on environmental engagement, but little is known about how ultimate ownership affects this relationship. In China, corporate characteristics that influence cognition and behavior are reflected in the ultimate ownership of businesses, an important schema.

## Carbon Reduction

The author suggests conducting additional research on the institution-organization connection in order to comprehend the nature of firms' social and environmental responsibilities beyond merely complying with legal requirements. In response to this request, our study investigates the connection between corporate carbon reduction engagement and the Chinese government's carbon evaluation scheme. By providing a political perspective on the question of whether corporate carbon reduction decisions are influenced by ultimate ownership in response to institutional pressure, we specifically contribute to the existing literature. Our findings demonstrate that institutional pressure resulting from the evaluation scheme has been effective in promoting firms' engagement in carbon reduction after controlling for other determinants used in the existing literature. NSOEs are more responsive to such institutional pressure than SOEs, which is consistent with an institutional and political perspective of legitimacy. Further tests uncover that the carbon decrease commitment of NSOEs altogether affects firms' admittance to state-claimed bank advances while no critical effect is found for government sponsorships. This explains in part why NSOEs respond more quickly to government initiatives. Thirdly, we shed light on the financial incentives that companies use to participate in government carbon reduction policies. The China Banking Regulatory Commission says that businesses that are trying to cut down on carbon emissions might be able to get concessional loans with interest rates that are lower. The existence of financial incentives that support the influence of institutional pressure on firms' engagement in carbon reduction is further supported by our analysis of firms' access to state-owned bank loans. Firms can be motivated to strike a balance between their

financial performance and their social and environmental responsibilities by receiving financial support from the government.