



Sprott
School of Business
Carleton University

PARG

Professional Accounting
Research Group

PARG RESEARCH DISCUSSION SESSION

When

Thursday,
October 16, 2025 10h00-11h00 EST

Where

Zoom

<https://carleton-ca.zoom.us/j/96321166920>

(contact: parg@sprott.carleton.ca)

The Unseen Cost of Green Policies: The Impact of Environmental Regulation on Workplace Safety

Ebenezer Effah, City University of Hong Kong

Yaxuan Qi, City University of Hong Kong

Rengong (Alex) Zhang, University of Ottawa

ABSTRACT

Leveraging three environmental regulatory changes as quasi-natural experiments, and employing difference-in-differences models, we find robust evidence that stringent environmental regulations increase workplace safety violations across all experimental settings. This effect is primarily due to financial constraints and operational adjustments required for compliance, with their interaction further intensifying the effect. The adverse impact is more pronounced when stakeholders heighten their focus on environmental issues and when product market competitiveness is intense. Our findings reveal a significant unintended consequence of climate policies, underscoring a critical trade-off between environmental and social dimensions of ESG.

ABOUT THE PRESENTERS

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Rengong (Alex) Zhang, Assistant Professor of Accounting, University of Ottawa

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