

Subject/Title	Corporate Social Responsibility and Financial Performance: Empirical Evidence from Taiwan
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Abstract	<p>Using a set of disaggregated social performance indicators for community participation, environmental protection and financial transparency from the Global Views Monthly, this paper examines the relationship between corporate social responsibility (CSR) and financial performance of 312 listing companies of Taiwan Stock Exchange. The main results show that first, scores on composite social performance indicator are negatively related to stock returns and this relationship cannot be rationalized by multi-factor models for explaining the cross-sectional variation in stock returns. Second, the effects of three disaggregated social performance indicators on stock returns are different among industries. Third, aggregated social performance indicator are positively related to long-term accounting performance but negatively related to long-term market performance, and thus implies that good companies are good in books, but not good investments. Finally, firms with high CSR ratings exhibit larger decline of their financial performance and thus does not support the view that CSR is an insurance of financial performance.</p>
Keyword(s)	Corporate Social Responsibility ; Financial Performance