

Table 2.
Regression Models: Corporate Social Performance Across Different Stakeholders and Company Performance

Predictors and controls	Model 1	Model 2	Model 3	Model 4
	EBITDA	Market Value	Capital Expenditure	Intangible Assets
Employee weakness	-154 [0.69]	-7,589 [0.25]	42 [0.58]	-20 [0.9]
Employee strengths	472 * [0.01]	8,642 ** [0.00]	150* [0.01]	-14 [0.6]
Size	1,758 ** [0.00]	20,200 ** [0.00]	304 ** [0.00]	2,026 [0.0]
Industry dummies	Yes	Yes	Yes	Yes
R-squared	0.43	0.19	0.40	0.2
N	271	288	288	288
Customer weakness	-2,695 * [0.02]	-31,642 [0.15]	63 [0.64]	-2,500 [0.1]
Customer strengths	287 [0.40]	7,914 [0.29]	-7 [0.94]	-29 [0.5]
Size	1,581 ** [0.00]	18,469 ** [0.00]	314 ** [0.00]	1,801 [0.0]
Industry dummies	Yes	Yes	Yes	Yes
R-squared	0.43	0.19	0.40	0.2
N	271	288	288	288
Community weakness	-1,052 * [0.02]	-11,750 [0.09]	-17 [0.89]	-1,200 [0.0]
Community strengths	348* [0.04]	8,198* [0.05]	25 [0.41]	420 [0.1]
Size	1,697 ** [0.00]	18,530 ** [0.00]	304 ** [0.00]	1,930 [0.0]
Industry dummies	Yes	Yes	Yes	Yes
R-squared	0.43	0.20	0.37	0.2
N	271	288	288	288
Governance weakness	-1,594 * [0.02]	-45,870 * [0.02]	-212 [0.17]	-1,700 [0.0]
Governance strengths	532* [0.05]	5,437 [0.21]	256 *** [0.00]	710 [0.1]
Size	1,712 ** [0.00]	17,797 ** [0.00]	320 ** [0.00]	1,969 [0.0]
Industry dummies	Yes	Yes	Yes	Yes
R-squared	0.44	0.23	0.41	0.2
N	271	288	288	288

Predictors and controls	Model 1	Model 2	Model 3	Model 4
	EBITDA	Market Value	Capital Expenditure	Intangibles
Environment weakness	-1,466 [0.10]	4,729 [0.88]	-122 [0.38]	-7,218 [0.09]
Environment strengths	-2 [0.99]	1,791 [0.72]	62 [0.17]	-669 [0.18]
Size	1,773 ** [0.00]	20,209 ** [0.00]	300 ** [0.00]	2,103 ** [0.00]
Industry dummies	Yes	Yes	Yes	Yes
R-squared	0.42	0.18	0.38	0.25
N	271	288	288	288
Diversity weakness	-1,147 ** [0.00]	-14,740 [0.06]	-189 * [0.02]	-744 [0.21]
Diversity strengths	942 ** [0.00]	14 ** [0.00]	77 [0.07]	1,855 ** [0.00]
Size	1,525 ** [0.00]	16,637 ** [0.00]	294 ** [0.00]	1,469 ** [0.00]
Industry dummies	Yes	Yes	Yes	Yes
R-squared	0.46	0.21	0.38	0.26
N	271	288	288	288
Human rights weakness	-2,620 * [0.01]	-43,083 [0.09]	-285 * [0.02]	-2,426 [0.07]
Human rights strengths	2,701 ** [0.00]	32,838 ** [0.00]	-181 [0.13]	4,739 ** [0.00]
Size	1,516 ** [0.00]	16,647 ** [0.00]	296 ** [0.00]	1,720 ** [0.00]
Industry dummies	Yes	Yes	Yes	Yes
R-squared	0.53	0.25	0.42	0.26
N	271	288	288	288

* p<.05; **p<.01

Table 3.
Corporate Social Performance and Company Performance: Comprehensive Models

Predictors and controls	Model 1	Model 2	Model 3	Model 4
	EBITDA	Market Value	Capital Expenditure	Intangibles
Employee weakness	353 [0.41]	-1,330 [0.86]	46 [0.62]	1,039 [0.27]
Employee strengths	400 * [0.01]	6,369 * [0.03]	134 * [0.02]	-115 [0.70]
Costumer weakness	-1,629 [0.08]	-12,392 [0.44]	81 [0.43]	-1,344 [0.23]
Costumer strengths	126 [0.69]	-57 [0.99]	2 [0.98]	1 [0.99]
Community weakness	-334 [0.39]	-2,943 [0.67]	61 [0.64]	177 [0.81]
Community strengths	142 [0.26]	4,180 [0.19]	3 [0.90]	189 [0.47]
Governance weakness	-765 [0.19]	-36,774 * [0.03]	-145 [0.32]	-319 [0.69]
Governance strengths	603 ** [0.03]	5,137 [0.23]	275 ** [0.00]	938 [0.15]
Environment weakness	-1,255 [0.22]	9,768 [0.78]	-106 [0.54]	-6,871 [0.10]
Environment strengths	-358 [0.06]	-4,214 [0.18]	-3 [0.93]	-1,055 [0.05]
Diversity weakness	-1,088 * [0.01]	-17,741 [0.05]	-247 * [0.01]	-473 [0.46]
Diversity strengths	552 * [0.02]	3,002 [0.52]	96 [0.06]	1,556 * [0.02]
Human rights weakness	-2,161 * [0.03]	-36,359 [0.14]	-224 [0.07]	-2,122 [0.12]
Human rights strengths	1,830 ** [0.00]	19,397 [0.06]	-255 [0.05]	3,611 [0.05]
Size	1,329 ** [0.00]	13,727 *** [0.00]	300 ** [0.00]	1,353 ** [0.00]
Industry dummies	Yes	Yes	Yes	Yes
R-squared	0.59	0.30	0.51	0.35
N	271	288	288	288

* p<.05; **p<.01

APPENDIX
KLD Ratings Criteria (examples)

Employees ratings criteria assess a company's record in managing its employees. Issues of concern include labor-management relations, employee safety and the workers' rights.	
Weakness	Strength
Poor union relations	Strong union relations
Safety controversies	Cash profit sharing
Workforce reductions	Involvement
Pension and benefits concerns	Strong retirement benefit
Customers ratings criteria measure the quality and safety record of a company's products, its marketing practices, and its involvement in anti-competitive controversies.	
Weakness	Strength
Product safety controversies	Quality
Marketing and contracting controversies	R&D innovation
Antitrust controversies	Benefits to economically disadvantaged
Community ratings criteria measure how well a company manages its impact on the communities where it operates, including its treatment of local populations and its commitment to charitable giving.	
Weakness	Strength
Investment controversies	Generous giving
Negative economic impact	Innovative giving
	Support for housing and/or education
Governance ratings criteria address a company's investor relations and management practices, including company sustainability reporting and board accountability.	
Weakness	Strength
High compensation	Limited compensation
Tax disputes	Ownership strength
Ownership concern	Political accountability
Environment ratings criteria cover a company's management of its environmental challenges, including its efforts to reduce or offset the impact of its products and operations.	
Weakness	Strength
Hazardous waste	Beneficial products and services
Regulatory problems	Pollution prevention
Ozone-depleting chemicals	Recycling
Substantial emissions	Alternative fuels
Diversity ratings criteria assess a company's record in managing anti-discrimination policies and practices.	
Weakness	Strength
Controversies	Family benefits
Non-representation	Women and minority contracting
	Employment of disabled
	Progressive gay and lesbian policies
Human rights ratings criteria evaluate a company's record in handling human rights issues.	
Weakness	Strength
Negative record in Africa	Positive record in Africa
Human right Controversies	Indigenous people relations
Social disputes	Exceptional human right initiatives