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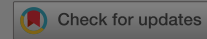
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Determinants and Economic Consequences of Non-financial Disclosure Quality

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Pages 287-317 | Received 16 Feb 2014, Accepted 13 Jan 2015, Published online: 06 Mar 2015

Cite this article <https://doi.org/10.1080/09638180.2015.1013049>



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Acknowledgements

We thank an anonymous referee, Laurence van Lent (editor), Oliver Zhen Li, and Arthur Reichardt for their helpful comments. All errors are the authors' own.

Supplemental Data and Research Materials

Supplemental data for this article can be accessed on the Taylor & Francis website, [10.1080/09638180.2015.1013049](https://doi.org/10.1080/09638180.2015.1013049).

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Notes

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and universities (Source: <http://www.transparantiebenchmark.nl/en>). we restrict our



sample to public companies in the Netherlands for two reasons: first, both accounting information and market information of public companies are more available. Second, public companies are required to participate in the program, mitigating any potential self-selection bias.

³In the online supplement, OSM Appendix 1 and OSM Appendix 2 provide the full list of criteria and their descriptions for the Content-oriented Framework of Standards and the Quality-oriented Framework of Standards, respectively; OSM Appendix 3 provides two snapshots of the correspondence between rating scores and disclosure practices: for one criterion in the Content-oriented Framework of Standards, Environmental aspects of business practices, and for one criterion in the Quality-oriented Framework of Standards, Relevance. The contents originate from the website of the Transparency Benchmark program (<http://www.transparantiebenchmark.nl/en>).

⁴We thank the Dow Jones Sustainability Indices and RobecoSAM for providing us with data on the historical constituents of the DJSI.

⁵Our sample construction procedure can be summarized into the following steps. First, we obtain the CSR disclosure score for public firms in the Netherlands from its Ministry of Economic Affairs, Agriculture, and Innovation. The initial sample has 735 firm-year observations. Second, we match the data with Compustat Global for firms' fundamental

information. We then filter out firms with missing data on the CSR disclosure score, leaving us 568 observations. Third, we create a set of control variables, including SIZE, LEVERAGE, PERFORMANCE, and AGE. Finally, we calculate the CSR disclosure score for each firm. Appendix A provides the detailed description of the variables used in the regression analysis. Sample size will be smaller than the initial sample size because of missing data on the CSR disclosure score, for example, firms with missing data on the CSR disclosure score and debt

issuance.  ⁶Using a control variable leaves the regression model with 568 observations.

⁷Our inference is based on the regression analysis using the CSR disclosure score as the dependent variable. The results are omitted for brevity. The results are based on the regression analysis using the CSR disclosure score as the dependent variable. The results are omitted for brevity.

captured in the current year's rating justifies our selection of contemporaneous variables; and (2) we conduct change analyses in Section 4.4, finding a positive association between the change in CSR disclosure quality and the change in a firm's economic consequence including analyst coverage, institutional ownership, and stock liquidity.

¹⁴Our results are insensitive to excluding PERFORM and its interaction with SCORE.

¹⁵In unreported results, we find that there are 12 main types of institutional owners. Among them, investment advisors account for the largest average ownership stake, with a mean value of 21.03% and a median value of 20.2%. Ranked after the investment advisors are mutual funds, which hold, on average, 5.1% of the sample firms' shares. Pension funds have an average ownership of 1.67%, while insurance companies have an average ownership of 1.16%. Of the remaining institutional owners, none hold larger than 1% of the sample firms' shares on average.

¹⁶The standard error becomes 0.000 due to rounding at the third digit after the decimal. It is 0.00043 if we require rounding at the fifth digit after the decimal.

¹⁷We check whether our results are robust towards the consideration that both P/E ratio and CSR disclosure quality are correlated with growth. We include the growth dummy variable that equals 1 if a firm is in the high growth industry (MTB > 1) or otherwise, and there are no other variables in the model. Our results show that the coefficient on the growth dummy variable is positive and significant, indicating that the high growth firms have higher P/E ratios and higher CSR disclosure quality. The coefficient on the growth dummy variable is also positive and significant in the model with the control variables.

¹⁸Our interaction term between the growth dummy variable and the P/E ratio variable is positive and significant, indicating that the high growth firms with high P/E ratios have higher CSR disclosure quality. The coefficient on the interaction term is also positive and significant in the model with the control variables.



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We acknowledge financial support from the China National Natural Science Funds [Project No. 71402026, 71172050, and 71372072], the China National Social Science Fund [Project No. 12AZD048], and the Project sponsored by SRF for ROCS, CEM.

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