Response to Reviewer
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At first, we appreciate editors’ and reviewers’ valuable comments and suggestions which help us improve the paper significantly.

Response to Reviewer 1 Comments

Point 1: This paper is about the impact of CSR disclosure on financial constraints. In my opinion, the issue is interesting but the paper is too unbalanced on quantitative analysis, missing the conceptual framework within the data should be interpreted. For this reason, I think it do not contribute enough to the advancement of the literature review.
First, the title does not reflect the real content of the paper: it is too vague.

Response1: Your opinion is very important, and we greatly appreciate your feedback. In order to truly reflect the content of the paper, we have revised the title “Financial and corporate social responsibility sustainable development”, as “Corporate social responsibility and financial performance: A quantile regression approach”.

Point 2: In the abstract I expect to see the theoretical end/or practical impacts of the study. The abstract must capture the attention of the reader. The last lines (20-21) do not reflect what you are going to say in the following part of the article.

Response2: We are strongly agree with the reviewer’s suggestion, so we try to rewrite the abstract, and delete the sentence in last lines(20-21) which cannot reflect the following part of the paper. We have added the theoretical and practical impacts of the paper in the last lines of the abstract part, as that “From the perspective of FC, this study enriches the literature in the field of CSR and expands the empirical research on the economic consequences of CSR. It also can encourage enterprises to voluntarily disclose social responsibility information and it is of great significance to promote the stable development of the capital market and society.”

Point 3: Introduction. L.29: why don’t you go further in the analysis? Year 2013 is a time too outdated.

Response3: Thanks for the suggestion. We added the number of companies that disclosed social responsibility information in 2018, which as follows in lines 30-31, “According to the results of Rankins corporate social responsibility Ratings(RKS), 290 publicly listed Chinese listed companies disclosed corporate social responsibility (CSR) reports in 2008, which increased to 371 in 2009 and to 851 in 2018. The " Environmental, Social and Governance of Chinese Listed Companies (ESG) Blue Book (2018)” published by the Joint Research Group of the Chinese Academy of Social Sciences and the Responsible Cloud Research Institute revealed the fact that among the 1892 A-share main board listed
companies, there were 673 social responsibility reports in 2017, accounting for only 35.57%, and 145 reports were below 10 pages.”

Point 4: L.51: explain acronym the first time you use it (I sense FC is Financial Constraints, but you should say it)

Response 4: Thank you for your advice. FC first appeared in the abstract in line 13 on the first page, we added its full name, as follows “A prominent claim within the literature…. To test this, we examine the impact of corporate social responsibility information disclosure (CSR) on financial constraints (FC).”

Point 5: Literature review. This part is very weak in my opinion. L. 114-116: You recall some famous theory about corporate governance, but the authors you cite are not really the ‘fathers’ of these theories. See, for example, Jensen and Meckling for principal-agent theory and Freeman for stakeholder theory. Which theory do you embrace and why?

Response 5: Thanks for the suggestion. According to this point, we have added some famous literatures on the theory in the paper, for example, Jensen and Meckling for principal-agent theory and Freeman for stakeholder theory, as that Freeman (1984)[47] proposed that managers should tailor their policies to satisfy numerous constituents, not just shareholders. These stakeholders include workers, customers, suppliers, and community organizations. Clarkson (1995)[48] argues that stakeholders take risks because they invest in corporate capital, and that these individuals or organizations are divided into primary and secondary stakeholders based on how close they are to the business. Mitchell (1997)[49] considers there are three attributes of stakeholders: legality, power, and urgency. The concept of principal-agent relationship was first proposed by Ross (1973)[50]. According to Jensen and Meckling (1976)[51], a principal-agent relationship is a contract in which one or more actors employ other actors to provide services and pay compensation according to the quantity and quality they provide. This paper believes that stakeholder theory is one of the important theoretical foundations of CSR, and clarifies the content and scope of relevant subjects of CSR, which is conducive to people’s understanding of the concept of CSR.”

Point 6: L.117-125: you refer to CSR performance. First, it is not clear what do you mean for CSR performance...in this paper a part about this issue is missing. CSR is not a matter of course and you should explain the link between CSR and sustainability, considering that they are not synonymous. In the title you talk about ‘financial sustainable development’ but what do you mean for sustainable finance? Furthermore, when you refer to CSR performance, you should explain how to measure that performance (there are different opinions about this matter)

Response 6: Thank you for your advice, and we think your advice is very important. Referring to your previous comments, We have changed the title to “Corporate social responsibility and financial performance: A quantile regression approach”. In addition, we added the definition
and measurement of CSR before discussing corporate social responsibility and financial performance. The added contents are as follows and we have highlight the changes in red.

“Corporate social responsibility, as both a concept and practice, has become popular in the researches. Backman (1975)[17], Davis (1960)[18] and Manne (1972)[19] defined the meaning of CSR by considering social responsibility as the opposite of economic responsibility. McGuire (1963)[20] divided the responsibilities of enterprises into economic, social and legal responsibility. Social responsibility mainly means that enterprises should pay attention to politics, social welfare, education, employee benefits and other social interests. Preston (1975)[21] first analyzed CSR based on a process perspective and proposed a “corporate social responsibility matrix”. Some scholars began to systematically integrate relevant theoretical results, and gradually formed the concept of "corporate social performance". Carroll (1979)[22] constructed a three-dimensional model of corporate social performance. Wartick and Cochran (1985)[23] inherited Carroll's three-dimensional model. They believe that identifying social issues is important, but more important is how to manage social issues. Wood (1991)[24] mainly revised the principle dimensions of the Carroll model.

There are different opinions about how to measure that performance. The most widely used applications are reputation index method, content analysis method, questionnaire survey method and measurement based on professional institution database. In 1971, the US Economic Priorities Committee (CEP) ranked the 24 companies in the paper industry for pollution control. Vance (1975)[25] used the same method to ask 86 company employees to sort and rank 45 large companies. A large number of empirical studies used the reputation evaluation results of Fortune[26-28]. Content analysis usually refers to the method for quantifying corporate social responsibility information, coding and classifying qualitative information of company reports or document disclosures[29, 30]. The questionnaire survey method evaluates CSR based on the scores and dimension scores of each item in the questionnaire[31, 32]. The KLD Index Method is a measurement method created by the independent research and rating agency KLD (Kinder, Lydenberg, Domini & Co. Inc.) in the 1990s[33]. The studies exploring the possible links between CSR disclosure and key financial decisions or parameters have substantially increased in the last decade. Recent study works which included investment or future cash flows[34], systematic risk[35], the cost of debt/bank loans[34, 36-38] and so on. Cheung [39] examined the indirect relationship between CSR and firm cash flows depends on the market value perspective.”

Point 7: L. 126-133: there are also more studies that prove a positive relations CSR information disclosure and capital markets.

Response7: Thanks for your advices, and we have listed the studies that prove the positive relations between CSR disclosure and the capital market, and have added some recent researches in 2018 and 2019.

“Regarding the possible links between CSR and economic reward, most of studies found that CSR could significantly relieve corporate FC[55, 56]. Preston [57] and Sturdivant and Ginter [48] argued that social responsibility is positively related to financial performance[48, 58]. Firms which earning superior CSR performance are more likely to get lower loan costs than those in inferior CSR performance. Li, et al. [59] and Goss and Roberts [38] argued that companies which have outstanding social responsibility prefer to
achieve a lower bank call rate and longer loan term. Chan and Unger [60] have found the firm’s CSR is negatively related with FC by using the index and Z-score as the measurement of FC. Platonova et al. (2018)[61] proved that there is a significant positive relationship between CSR disclosure and the financial performance. Bae et al. (2019)[62] found that CSR reduces losses in market share when firms are highly leveraged. By reducing adverse behavior by customers and competitors, CSR helps highly leveraged firms keep customers and guard against rivals’ predation.”

Point 8: L. 156 and L. 163: what is ‘high quality information disclosure’? How could you measure the quality of non financial information? For example, there are international recognized standards, as GRI, that ensure the quality of ESG information.

Response 8: Thanks for the suggestion. The data of CSR in the study comes from Rankins corporate social responsibility Ratings (RKS), and we measure the quality of non-financial information according to the rankings. We rewrite the sentence “High-quality information disclosure can enhance…” as “High-quality information disclosure which ranked in the top 100 according to the monitoring data of RKS can enhance….”

Point 9: L.161: not always CSR disclosure serves as a substitutive information source for financial disclosure (e.g. in the integrated reporting financial and socio-environmental issues are read together.

Response 9: Thanks for the suggestion, and we think your advice is right, so we have deleted this sentence “Thus, CSR disclosure serves as a substitutive information source for financial disclosure in analysts’ forecasting processes” before “we believe that when the firm’s financial transparency is low,…” in lines 202 and 209 in page7.

Point 10: The quantitative analysis is well done.

Response 10: We are very grateful to you for your comments.

Point 11: Finally, I suggest to review the editing of references in the text.

Response 10: Thanks for your suggestion, and we have re-edit the reference in the text according to the requirements of sustainability.

On behalf of co-authors, we thank you very much for giving us an opportunity to revise our manuscript, we appreciate you very much for your positive and constructive comments and suggestions on our manuscript. We are also very grateful to you for your reference. In the future research, we will be more rigorous and careful.