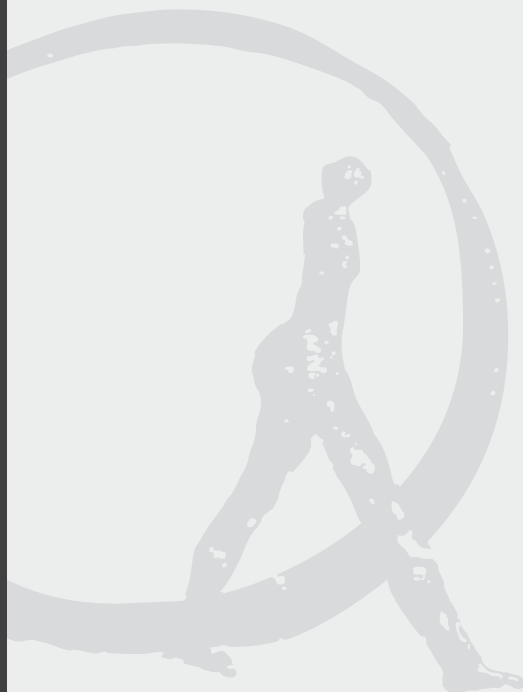


French Corporate Social Responsibility: Which Dimension Pays More?

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Abstract

We use a sample of 148 events related to corporate social responsibility (CSR) to assess the impact of CSR on corporate financial performance. There is considerable heterogeneity in market reaction to different dimensions of CSR. Not all dimensions offer a positive reward; some yield a negative and even statistically significant impact on the firms' stock returns. One main conclusion of this study is that socially responsible investment is not an excuse for passive management. There is still room for timing and stock picking within the socially responsible universe of stocks.

Keywords: corporate social responsibility, event study.

JEL Codes: G14, D21, L21.

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I. Introduction

At the aggregate level, *i.e.* when all events related to corporate social responsibility (CSR) are considered simultaneously, it appears that CSR has no statistically significant impact on the returns of companies' stocks (also called corporate financial performance). This is the main conclusion of the impressive meta-analysis done by Margolis *et al.* (2007). Reviewing 167 studies, the authors conclude that the overall effect of CSR is positive but very small. Pessimistic findings relative to socially responsible investment in the financial market are thus not surprising: Bauer *et al.* (2005) and Bello (2005) show that socially responsible investments yield returns similar to those of traditional investment. Amenc and Le Sourd (2009) and Le Sourd (2010) find that funds specialising in socially responsible stocks deliver alpha that is not statistically different from zero and when it is, it has the "wrong" sign (*i.e.*, it is negative).

Our purpose in this paper is to offer some "disaggregated" evidence on CSR that will contribute to an understanding of the existing empirical evidence. Most often, studies take CSR events of the same type. Traditional event studies focus on the entry/exit of a firm from a leading CSR index.¹ Others focus on the change in ranking from one year to the next.² Such events happen by construction only infrequently and most often on a yearly basis. Most importantly, one can hardly use such a uni-dimensional approach to compare the different dimensions of CSR. This study takes another route by collecting information on all events related to CSR for the French market. The 148- event sample detailed below represents the range of CSR actions undertaken by French firms between 2003 and 2009. The disaggregated evidence presented in this study pushes toward a more detailed analysis that distinguishes between the dimensions of CSR.

The French market is suitable for the issues at hand for several reasons. Our sample includes 2007 and 2008 years, during which there was considerable market turmoil. In the French market, there was no bank/investment company bankruptcy during the crisis, unlike in the US or UK stock exchanges. Moreover, listed French firms must disclose social and environmental reports together with their annual reports. This practice was originated by the NRE law³ of 2001 and was implemented for the first time in 2003. The stock exchange is thus well aware of CSR activities on the part of French companies. Finally, French CSR developed very quickly during the last decade as revealed by the recent increase in the number of French companies listed in a Socially Responsible Investment (SRI) Index. French firms are also being listed in international CSR rankings such as the Global 100 Most Sustainable Corporations in the World. There were eight⁴ French firms in the 2009 ranking and six⁵ in 2008. The large majority of these companies belong to the CAC 40 index.

Our empirical findings are as follows. There is a substantial spread in the events' daily abnormal returns. A similar spread appears for the cumulative abnormal returns. We also document a significant upward trend in the absolute value of the abnormal as well as cumulative abnormal returns. Our sample includes events that occurred in 2008, a year in which volatilities of stocks as well as markets reached peaks.⁶ Nevertheless, it seems that this is a longstanding trend since, using a different methodology and a sample spanning 1990 to 2004, Becchetti *et al.* (2007) also document such an upward trend.

At the aggregate level, *i.e.*, when all the events are considered simultaneously, it appears that CSR has a positive (0.05%) but not statistically significant impact on the companies' stock returns. This is in line with the existing empirical evidence as summarised in Margolis *et al.* (2007). Interesting results are found when looking at specific dimensions of CSR. We consider six particular dimensions that are relevant for the French market: environmental protection, social integration, health care, sport, entry/exit from an index, and help for the suburbs.

1 - See the meta-analysis of Margolis *et al.* (2007) and the recent papers by Becchetti *et al.* (2007) and Yamagushi (2008).

2 - See Ducassy and Jeannicot (2008).

3 - *Nouvelles Régulations Économiques* (New Economic Regulations)

4 - Accor, Air France-KLM, Crédit Agricole SA, Danone, Lafarge SA, L'Oreal, Michelin, Saint-Gobain.

5 - Accor, Air France-KLM, Crédit Agricole SA, Lafarge SA, L'Oreal, Société Générale.

6 - The implied volatilities in index options markets were, on some days, as high as 80%!

Our analysis shows that aggregate analyses smooth out the substantial heterogeneity of the different dimensions. Four of six dimensions considered in this paper yield an average positive cumulative abnormal return that is statistically significant. The best CSR rewarding events are those related to professional insertion and help for the suburbs. This finding survives several robustness checks.

The main lesson of this study seems to us to be the following. Mutual fund managers who specialise in socially responsible investment restrict their investment universe and therefore are likely to underperform. Investors seem prepared for this. However, this is not an excuse for passive management. There is still room for timing and stock picking in the socially responsible universe of stocks.

The paper is organised as follows. Our data is described in the next section. We then present the results of the event study, followed by the results of the regression analysis. Finally, we make some concluding remarks.

II. Data

The sample used to assess the impact of CSR on the French market is made up of 148 actions taken by French firms in the field of CSR. CSR events were selected thanks to their adequacy with the definition of CSR and its triple-bottom-line approach. All events had to fit in one of the three categories: economic, social, or environmental, and should be beyond financial aspects with an objective of improving social, economic or environmental aspects of the society. Furthermore, when two successive events were related to the same firm with less than four months between them, we dropped the more recent one. This guarantees that the time period used in the event study to measure the normal return for a stock includes no other CSR-related event. *In fine*, there were 148 events left from thirty-one distinct firms from various industries. The minimum number of CSR events for a firm is one and the maximum twelve (Société Générale), which is still less than 10% of the sample. For each event, date 0 is the date of the CSR event, or more precisely it is the announcement date for the event, *i.e.*, the date stated on the press release.

The events are distributed in time between September 2003 and September 2009 as follows:

2003	1
2004	2
2005	15
2006	25
2007	27
2008	48
2009	30

This sample therefore represents a wide range of business activities in France. The events themselves are of various types. Some events concern environmental aspects; for instance Accor became involved in the "Plant for the Planet" programme, which consists of reforestation thanks to the savings made by laundry services in the group's hotels. BNP Paribas initiated a socially responsible action by offering €145,000 to various associations and projects to the benefit of Marseille's suburbs. This donation was directed toward social and professional integration, the apprenticeship tax, vacations for disadvantaged children, etc. On the other hand, we do not have many examples of economic-related CSR actions. Companies seem to prefer investing in environmental and socially related events to make a clear distinction with their own financial activity. The only event that would approach this type is the setting up by Crédit Agricole in 2008 of the "Grameen-Crédit Agricole Microfinance Foundation" and the endowment of the fund with €50 million.

The thirty-one companies are all included in the CAC 40 index, except ADP. We had specific reasons for including mainly CAC 40 firms in this study. First, as these firms are among the biggest French firms they are visible on the market and their actions might have a more significant impact on investor reactions than those of smaller firms. Second, CAC 40 firms are the ones investing most heavily in CSR actions and disclosing the biggest CSR events and involvement. This observation results from an in-depth analysis of all CSR-related information publicly available for French firms in general.

The next section provides the empirical findings of the event study of these events.

III. The Event Study

We use a standard⁷ event study methodology to estimate the abnormal return of the stocks following the events. We use a window of five days, meaning plus and minus two trading days around the event. We use the market model to describe the data generating process of the stock returns, namely:

$$R_{i,t+1} = \alpha_i + \beta_i R_{M,t+1} + \varepsilon_{i,t+1} \quad (1)$$

where $R_{i,t+1}$ and $R_{M,t+1}$ are the return on the stock and the return on the market, respectively. In our setting, given that the vast majority of the stocks belong to the CAC 40, the latter is the natural market index to use in the regressions. β_i is the stock's beta measuring its systematic risk and α_i should be equal to interest* $(1 - \beta_i)$ under no mispricing, *i.e.*, had the market model been the true asset pricing model. A three-month trading period (fifty-eight days) is used to estimate the parameters of the model. Abnormal return for day h in the event window is measured as:

$$AR_{i,h} = R_{i,t+h} - \hat{\alpha}_i - \hat{\beta}_i R_{M,t+h} \quad (2)$$

where $\hat{\alpha}_i$ and $\hat{\beta}_i$ are the estimates of α_i and β_i using (1) on a three-month period preceding the event window. Therefore, using the market model, a proper account is given of the risk of the stock under consideration.

Although the market model has been extensively used in event studies of CSR as reported in the meta-analysis of Margolis *et al.* (2007), some authors⁸ advocate more sophisticated models. The two main extensions are additional factors and/or accounting for the heteroscedasticity of the market model residuals (practically using a GARCH model). Fortunately, the market model works quite well and has a good fit of the returns data as will be confirmed below. More sophisticated models do not change in general the qualitative results from a market model, as shown recently by Becchetti *et al.* (2007). This is also the case in our analysis although we only report the results for the market model.

Table 1 summarises the results obtained from this event study. The R squared from the market model averages 44.67% with a small standard deviation (19.39%). It reaches as high a level as 80.92%. These results give some confidence in the measures of the normal return obtained when using the market model. Adding factors does not qualitatively change the results. Although most of the stocks belong to the CAC 40, we find considerable cross-sectional variance in the beta of the stocks. Average beta is 1.01 and the standard deviation is 0.34. Nevertheless, the range is relatively wide since the minimum beta was 0.18 while the maximum was 2.15. In addition, this loading seems to be time-varying since different values are obtained for the same company in different event windows. For example, for Crédit Agricole, a large French bank, the beta increased from 1.01 in January 2005 to 1.85 in June 2009. Similarly, the beta of BNP was 1.33 in May 2005 and reached 2.15 in May 2009. This evidence gives support to using relatively small windows for estimating the market model or alternatively to the use of conditional models with time-varying

7 - See Campbell *et al.* (1997) for greater detail.
8 - See Yamaguchi (2008) for a recent example.

Table 1: Summary Statistics of Abnormal and Cumulative Abnormal Returns

To compute abnormal returns (AR) and cumulative abnormal returns (CAR), we use the market model where the CAC 40 index is used as the market. The model is estimated using daily data and the event window is five days, that is, two days before and two days after the day of the event. For each stock, three months of trading data (fifty-eight observations) have been collected before this time period to run a standard market model regression with the stock return on the left hand side and the market return as the independent variable. The summary statistics for the R squared of these regressions and for the loadings of the stocks on the market are reported in panel A. For each day of the event study window we computed an abnormal return defined as the difference between the realised return and the predicted return using the parameter estimates from the regression. The summary statistics of these daily abnormal returns across the events and the corresponding cumulative abnormal returns are reported in panel B. All the numbers in panel B are percentages. The data contains 148 distinct events involving thirty-one distinct companies and spans the period from September 2003 to September 2009.

Panel A

	Betas	R ² (%)
Mean	1.01	44.67
Std.	0.34	19.39
Min	0.18	0.39
Max	2.15	80.92

Panel B

	AR(-2)	AR(-1)	AR(0)	AR(1)	AR(2)	CAR
Mean	-0.17	0.14	-0.17	0.09	0.16	0.05
Std.	1.82	1.44	2.12	1.99	1.91	4.35
Min	-7.23	-4.76	-15.58	-5.48	-5.06	-15.50
Max	6.06	3.64	6.09	7.95	7.70	11.84

loadings when large samples are used. Although abnormal returns have been adjusted for risk, time variation in betas may still have explanatory power on the cross-sectional variance of the abnormal returns. We will thus control for betas in the regressions below.⁹

The average daily abnormal return per event fluctuated between -0.17 % (which occurred two days before the event and the day of the event) and 0.16 % (two days after the event). These figures are small compared to the large cross-sectional volatility of around 2%. One potential explanation for this cross-sectional variability could be the difference in risk exposure of the companies at the origin of the CSR event. Another explanation could be related to the market conditions at the time of inception of the CSR event. It is thus crucial to add some control variables in the regressions below. Overall, the daily average abnormal return ranged between -15.58% and 7.95% with an average across events of 0.01% and an average standard deviation of 1.86%. Therefore, and this is noteworthy, even when a wide range of events is analysed, CSR does not seem to provoke any extraordinary leaps in stock prices.

The previous point does not mean that CSR has no impact. On the contrary, looking at the cumulative abnormal returns, one clearly sees that for the large majority of the cases the impact was significant. For some stocks the cumulative abnormal return was negative and as large as -15.50%, while for others it was positive and as large as 11.84%. Once again, the cross-sectional variance is substantial across the events since the average cumulative abnormal return was 0.05% with a standard deviation of 4.35%. It is still impressive that although we considered a *priori* "positive CSR" events, some companies' stocks have been hurt quite substantially by their CSR activity.

The picture that emerges quite clearly so far is that it will be hard to obtain any significant impact of CSR on the stocks' returns as long as one looks at all the events simultaneously. However, as suggested by Margolis *et al.* (2007), looking at particular dimensions of CSR may provide more information on the market reaction to CSR.

According to previous studies, environmentally related CSR usually pays well. Other dimensions of CSR do pay, but it is hard to classify all the events under scrutiny in the different CSR dimensions

9 - See the thorough analysis of Orlitzky and Benjamin (2001) on the relationship between corporate social performance and firm risk.

as identified in the literature. Moreover, in France CSR is understood in ways different from those in which it is understood elsewhere, particularly the US. We thus created six categories of events to which we can unambiguously assign some of the CSR events in our panel. These categories are: environmental protection (Env.), the help for professional integration of young or handicapped people (Insertion), health (Health), sport (Sport), inclusion or exclusion from an SR index (Index), help for the suburbs (Suburbs). These sub-categories represent 60% of the total events in the sample. As a preliminary disaggregated analysis, we compared the average return on these particular CSR dimensions and the other events in the sample and the results are shown in table 2.

Table 2: Cumulative Abnormal Returns Comparisons

In this table, we report a formal test comparing the CAR for a sub-category of events to the rest of the sample. We isolated CSR events related to: environmental protection (Env.), help for professional integration of young or handicapped people (Insertion), health (Health), sport (Sport), inclusion or exclusion from an SR index (Index), and help to suburbs (Suburbs). These sub-categories represent 60% of the total events in the sample. The line "Obs." provides the number of events in each group given that the total number was 148. The *F* statistic is a Fisher statistic that allows one to test whether the difference in the mean between the two groups is statistically different from zero, when the two groups have different variance as well as different sample size. In bold are the mean or the *F* statistics that is significant at the 10% confidence level for a *one-sided* test. The data contains 148 distinct events involving thirty-one distinct companies and spans the period from September 2003 to September 2009.

	Env.	Others	Insertion	Others	Health	Others
Mean	0.59%	-0.10%	1.62%	-0.15%	-1.42%	0.23%
t (mean)	0.78	-0.24	1.50	-0.39	-1.06	0.64
Std.	4.33%	4.36%	4.44%	4.31%	5.36%	4.20%
Min	-10.00%	-15.50%	-3.56%	-15.50%	-15.50%	-10.05%
Max	9.16%	11.84%	11.84%	10.21%	7.51%	11.84%
Obs.	33	115	17	131	16	132
<i>F</i>		0.80		1.54		-1.19

	Sport	Others	Index	Others	Suburbs	Others
Mean	1.30%	0.00%	-1.13%	0.10%	2.22%	-0.10%
t (mean)	1.11	0.01	-0.53	0.29	1.65	-0.28
Std.	2.86%	4.40%	5.28%	4.32%	4.26%	4.33%
Min	-2.05%	-15.50%	-10.05%	-15.50%	-2.49%	-15.50%
Max	6.23%	11.84%	6.15%	11.84%	10.21%	11.84%
Obs.	6	142	6	142	10	138
<i>F</i>		1.06		-0.57		1.66

Taken individually, some dimensions of the CSR yield cumulative abnormal returns which are ten to twenty times the average across all the events. Environmentally related CSR yields an average cumulative abnormal return (CAR) of 0.59% compared to 0.05% across all the events and -0.10% for the other CSR events in the sample. The standard deviation is still large (4.33%) and some firms have been affected by such CSR activity (-10%). Interestingly, Crédit Agricole had the highest cumulative abnormal return from environmental CSR, 9.16%, but it also had the most negative impact (-10%). Professional insertion (1.62%), sport (1.30%) and help for the suburbs (2.22%) also had a positive and substantial cumulative abnormal return although the variability was similar to the environmentally related CSR events. CSR events related to health (-1.42%) and entry/exit in a SR index (-1.13%) had a negative impact on the stocks. Although economically significant, we failed to find statistical significance in the differences among CSR events. We did not report results of pairwise comparisons, which were qualitatively very similar.

An unambiguous conclusion is that one cannot assume a homogeneous reaction from the market to CSR events. Different CSR dimensions generate an economically different impact on the financial performance of the firms originating the CSR event. Our next step is to see whether the picture given by the previous table changes once control variables are added. This is the purpose of the regression analysis below.

IV. Regression Analysis

The dependent variable in the following regression analysis is always the cumulative abnormal return for all 148 events in the sample. As a starting point, we run univariate regressions where the independent variable is a control variable. We consider three control variables. The first one is the beta of the firm that initiated the CSR event. Some studies suggest that this variable may impact the level of the abnormal returns from a CSR event (Orlitzky and Benjamin 2001). If the model used in the event study is well designed, one should not expect any substantial impact from the beta since the abnormal returns are by construction risk-adjusted. A second control variable that we consider is the volatility of the market in the three-month period preceding the CSR event. It is likely that the market conditions at the time of the event will impact the outcome of the event. Finally, we also added a dummy variable that controls for the "firm effect". We affected a number for each firm and when a firm was at the origin of several CSR events, this dummy takes the same value for these events. The size of the coefficient to this dummy cannot be interpreted economically since the coding is arbitrary. Nevertheless, its sign and its statistical significance would inform on the impact of successive CSR events initiated by the same company. There is no *a priori* reason to believe that the impact of a CSR event for a company will always be positive or negative. The results of these univariate regressions are in panel A of table 3.

Table 3: Regression Analysis

We report the results of a regression where the dependent variable is the time series of the cumulative abnormal returns (CAR) of the 148 events over the five days of the window. In panel A, the independent variable is, alternatively, a firm dummy (Firm) that allows an explicit account for the firm's effect, the beta of the company that initiated the event (Beta) and the volatility of the market in the three-month trading period preceding the event (Cond. Volat.). In Panel B, the independent variables are dummies for CSR events related to: environmental protection (Env.), help for professional integration of young or handicapped people (Insertion), health (Health), sport (Sport), inclusion or exclusion from an SR index (Index), and help for the suburbs (Suburbs). In panel C, we report the results of a regression that involves all the independent variables from panels A and B. For each regression, we report the OLS coefficients (line "Coeff."), the t statistics of the coefficient (line "t Statistic"), and the adjusted R squared (column "R²"). Parameters in bold are parameters that are statistically significant at 10% for a *one-sided* test.

Panel A

	Constant	Firm	Beta	Cond. Volat.	R ²
Coeff.	1.01%	-0.06%			0.75%
t Statistic	1.35	-1.45			
Coeff.	-0.34%		0.39%		-0.59%
t Statistic	-0.30		0.37		
Coeff.	0.10%			-3.10%	-0.68%
t Statistic	0.14			-0.08	

Panel B

	Constant	Env.	Insertion	Health	Sport	Index	Suburbs	Others	R ²
Coeff.	-0.10%	0.69%							-0.25%
t Statistic	-0.24	0.80							
Coeff.	-0.15%		1.76%						1.01%
t Statistic	-0.39		1.58						
Coeff.	0.23%			-1.65%					0.72%
t Statistic	0.62			-1.44					
Coeff.	2.15E-05				1.29%				-0.34%
t Statistic	0.01				0.71				
Coeff.	0.10%					-1.24%			-0.37%
t Statistic	0.29					-0.68			
Coeff.	-0.10%						2.32%		1.14%
t Statistic	-0.28						1.64		
Coeff.	0.49%							-1.07%	0.97%
t Statistic	1.08							-1.56	
Coeff.	-0.57%	1.16%	2.19%	-0.94%	1.59%	-0.56%	2.64%		2.26%
t Statistic	-1.06	1.26	1.86	-0.79	0.87	-0.30	1.81		

Panel C

	Constant	firm	beta	Cond. Vol.	Env.	Insertion	Health	Sport	Index	Suburbs	Others	R ²
Coeff.	0.80%	-0.06%	0.05%	-0.97%	0.47%							-1.13%
t Statistic	0.49	-1.27	0.04	-0.02	0.53							
Coeff.	0.75%	-0.07%	0.03%	5.07%		1.86%						0.57%
t Statistic	0.47	-1.49	0.02	0.13		1.65						
Coeff.	1.22%	-0.06%	-0.13%	-0.73%			-1.47%					-0.23%
t Statistic	0.76	-1.26	-0.12	-0.02			-1.25					
Coeff.	0.85%	-0.06%	0.10%	-1.83%				1.18%				-1.03%
t Statistic	0.53	-1.34	0.09	-0.05				0.65				
Coeff.	0.93%	-0.06%	0.15%	-0.90%					-1.35%			-0.95%
t Statistic	0.58	-1.39	0.13	-0.02					-0.73			
Coeff.	0.93%	-0.06%	0.02%	-11.93%						2.25%		0.35%
t Statistic	0.59	-1.27	0.02	-0.30						1.55		
Coeff.	1.20%	-0.05%	0.14%	-3.69%							-0.98%	0.06%
t Statistic	0.76	-1.21	0.13	-0.09							-1.41	
Coeff.	0.19%	-0.04%	0.09%	-7.92%	0.99%	2.18%	-0.82%	1.47%	-0.68%	2.54%		0.92%
t Statistic	0.11	-0.97	0.08	-0.20	1.04	1.84	-0.67	0.80	-0.36	1.69		

The impact of the beta of the firms turns out to be positive on the cumulative abnormal return (CAR) but not statistically significant, even in a one-sided test. Similarly, market conditions had a negative impact on the CAR, but it was not statistically significant. We find these two findings encouraging since it means that our simple market model does a good job purging the impact of the market conditions as well as for the adjustment for risk. The firm dummy has an intriguing negative sign and is statistically significant in a one-sided test. This means that repetition of CSR events by the same company hurts more than it helps. At the outset, given the marginal explanatory power, if any, of these variables, it seems that the dynamics of the CAR of a CSR event is really hard to capture at the aggregate level. Looking at CSR events by controlling for the different dimensions of the CSR may be more informative.

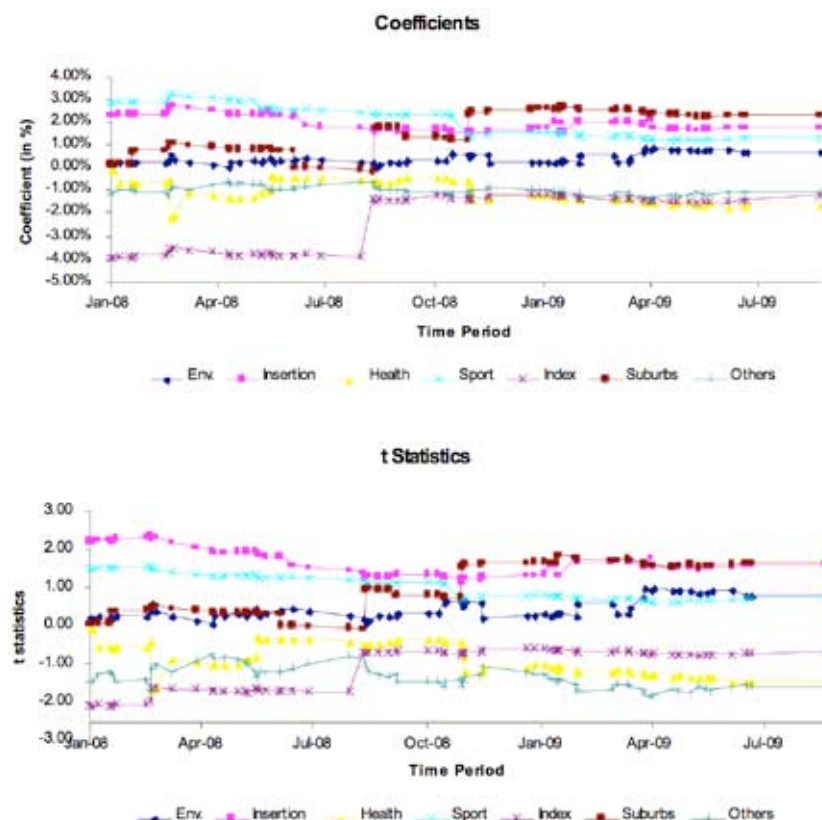
In panel B of table 3, we report the results of univariate regressions where the independent variable is the dummy related to the dimension of the CSR event. We also show the results of a multivariate regression where all the dummies are included. For the moment we do not add control variables. The results from this panel are best viewed as information complementary to that of table 2.

For four of seven dimensions the coefficient to the dummy is positive. Help for the suburbs (2.32%) and help for professional insertion (1.76%) provide an extra positive and statistically significant CAR relative to other events. This confirms of course the results of table 2. The interesting information is from the last regression in the table: when all the dummies, are added, the contribution of help for the suburbs (2.64%) and for professional insertion (2.19%) is even greater. The other dimensions lose their statistical significance in this augmented regression.

One important take away from this panel B is that two dimensions of CSR seem to be more positively rewarded than the others. We believe that this is particular to the French markets ,where considerations related to the suburbs and professional insertion are common in public opinion. As shown in panel C, the picture does not change once one adds the control variables.

The sample period is one of boom and bust in the financial markets and one may fairly be concerned about the stability over time of the results presented previously. One natural way to go is to look at some conditional versions of the models tested above. For example, rather than having the conditional volatility as a control variable we could have used it as a predictor in a model where the loadings of the dummies are made time-varying. This exercise, the results of which are not shown, was not fruitful and one possible explanation could lie in the low explanatory power of the predictor, as shown in panel A of table 3. We tried other conditional versions but none was able to provide us with relevant additional information as to the behaviour through time of the premium generated by some CSR dimensions. We thus took a model-free approach consisting of running the previous models recursively starting from the middle of the sample and augmenting the sample by one observation each time. Let us consider the univariate regression in which the dependent variable is the CAR and the independent variable is the environment dummy. We run this regression for the first half of the sample and obtain an estimate of the coefficient to the dummy as well as its t statistic. Then we augment the sample by one observation and redo the exercise. We did this for all the dummies with a univariate model as well as with the multivariate model. The time series of the coefficients and their t statistics for the univariate case are shown in figure 1. The multivariate case is qualitatively similar and thus not shown.

Figure 1: Time Series of the Coefficients for CSR Sub-Categories and Their t Statistic: The Univariate Case.



Interestingly, the coefficients were relatively stable during the sample period. The CSR dimensions that had a positive coefficient had it over all the sample and the same thing holds for those with a negative coefficient. The coefficient for help for the suburbs increased substantially in the last year of the sample. The premium for sport also experienced substantial amelioration. As to the statistical significance, the notable case concerns CSR events related to help for the suburbs. Some improvement is also noted for environmental protection case. Sports significance declined over time.

V. Concluding Remarks

Our empirical evidence confirms previous findings arguing that stock market rewards for CSR are hardly observable in the aggregate. Fortunately, looking at CSR dimension by dimension provides some encouraging results as to the reward by the market of such activity. A mutual fund which is a *pot-pourri* of socially responsible firms is thus likely to offer no extra alpha. However, asset managers focusing on firms with particular CSR activities are likely to reduce the loss for investors from restraining the investment universe to socially responsible ones.

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