JASF | Journal of Accounting and Strategic Finance
Vol.7 No.2 Desember 2024, pp. 352- 361

ISSN 2614-6649 (online)
http://jasf.upnjatim.ac.id

Sustainability Performance and Companies Financing: Does Audit Quality Matter?

Muhammad Rafiuddin[1*], Fitri Anisa Nusa Putri[2], Yuan Chen[3], Slamet Haryono[4]

[1,2,4] Magister of Shariah Economic Program, *Sunan Kalijga Islamic State University*, Laksda Adisucipto Street, Yogyakarta, 55281, Indonesia
[3] Wuxi Institute of Technology, 1600 Gaolang W Rd, Binhu District, 214129, Tiongkok
+6285723741939, mhmdrafddin@gmail.com

DOI: https://doi.org/10.33005/jasf.v7i2.514

***Received**: Desember 11, 2024. **Revised:** Desember 22, 2024. **Accepted:** Desember 30, 2024*

Abstract

Public listed companies are increasingly recognizing the importance of corporate social responsibility in their sustainability initiatives. Supporting the stakeholder theory, a commitment for social responsibility activities that reflected by CSR performance as a strategy of firms has created a positive image from stakeholder perceptions. This study examines how corporate social responsibility performance affects companies financing and the role of audit quality. To test the study's hypotheses, the authors applied linier regressions model on panel data by observing samples of Indonesian Islamic listed companies from 2018 to 2022. The results show that a better CSR performance is associated with lower cost of debt and cost of equity. Moreover, this study also reflect upon the importance of audit quality that proxied by the BIG 4 auditors is found significantly moderates in both cost of debt and cost of equity. Thus, a better corporate social performance with the existence of BIG 4 auditor implies the ability of firms accessing to lower-cost capital by minimized the long term risks. The existence of BIG 4 auditors demonstrated the credibility effective monitoring as a good signals for capital provider or lenders. Our study represents a novelty to enrich the relevant literature on the corporate social responsibility by expanding it towards the role of audit quality on both cost of capital proxies.

Keywords: *Corporate Social Responsibility, audit quality, cost of debt, cost of equity*

How to cite (APA 7th style)
Rafiuddin, M, dkk. (2024). Sustainability Performance and Companies Financing: Does Audit Quality Matter?– *Journal of Accounting and Strategic Finance, 7* (2), 352-361

*Correspondence: Muhammad Rafiuddin, mhmdrafddin@gmail.com

INTRODUCTION

External pressure from stakeholders can create an intensive for companies to engage in sustainability practices (Freeman, 1994). This is consistent with the environmental damage and socio-economic problems caused by corporate activities. As a result, companies are required to report more comprehensively on social, economic and environmental activities (Mai et al., 2023). These sustainability practices are reported through the disclosure of corporate social responsibility reports as a form of the company's commitment to meet the demands of stakeholders (Freeman, 1984; Mai et al., 2023).

Corporate social responsibility disclosure continues to gain recognition from various sectors around the world, especially in the context of stakeholder and shareholder debates. Corporate sustainability is closely related to corporate social responsibility (CSR) because corporate sustainability can create firm's competitive advantage, so companies need good sustainability management to fulfill their social responsibility (Bhuiyan & Nguyen, 2019). CSR activities are carried out in order to fulfill stakeholder demands, increase legitimacy and improve economic performance. If the company can make a positive impression on investors by disclosing CSR information so it may exceeds stakeholder expectations (Nguyen et al., 2022).

According to stakeholder theory, which date back to Freeman (1994), a company must maximize its value in favor of all stakeholders, including costumers, debtors, employees, shareholders and the community where the companies operate. In this paradigm, CSR activities developed a sustainable business model that adds value for investors and other stakeholders to improve stakeholder trust and the social reputation. As a result, shareholders and investors will perceive their investments as less hazardous and demand higher returns on their capital. CSR initiatives also strengthen by the Indonesian government regulation NO .51/POJK.03/2017, which requires business to publish their corporate social responsibility report either through a sustainability report as a part of annual report.

Most of the previous studies focused on accounting performance as well as market performance with various differences in results found such as research (Alghizzawi et al., 2022; Rahi et al., 2022; Zarefar et al., 2022). However, there has not been much research on the effect of CSR on costs such as debt costs and equity costs that are borne by the company. The cost of equity reflects investor's expected return from their capital or the debt they lend to the company. Meanwhile, the rate of return that companies must pay off their debts is reflected by the cost of debt (Hmaittane et al., 2022). Further, Xu (2015) studied the correlation between CSR performance and capital structure both cost of equity capital, and found that firms with higher CSR scores have significantly lower cost of equity capital. More specific, they find that investments in improving CSR towards investors make the greatest contribution to reducing firms' equity financing costs and the cost of capital effects is more significant in recessions than in economic booms.

Besides, the risk of firm can be reduced by using qualified auditors. The investors will see the risks of companies as a consideration before making an investment. If investors perceive a company as high risk, their expected rate of return will also increase. Therefore this can lead into a high companies equity costs (Saraswati et al., 2020). On the other hand, the more investment risk that might be faced by investors, the higher expected return that investors want as a compensation. This means that companies are transparent to report their financial statement and reflect the value of audit quality getting bigger and better. Firms which prioritize honesty and transparency in their operations by working with audit firms that have a strong commitment to environmental responsibility and pursuing high standards in their reporting will be more trusted, consequently making it easier to obtain financing from lenders and investors (Trpeska et al., 2017).

Some previous studies believe that disclosure and underwriting of social responsibility reports can reduce information asymmetry, reduce investor monitoring costs and thus lower the cost of capital because the cost of capital reflects investors' risk expectations of the company. Yi et al (2020) in his research found that the company's involvement in poverty alleviation through social responsibility can reduce information asymmetry, reduce agency costs through a decrease in the cost of capital. On the other hand, Xu et al (2021) found that companies will show a much lower cost of debt and more easily receive access to bank loans in the long run when the company can disclose CSR practices in its sustainability report. Contrary to the research conducted by Fandella (2023) which found that CSR proxied by ESG performance has no influence on the cost of capital or the cost of debt in companies in BRICS countries.

Therefore, the purpose of this work is to enhance the empirical results on the effects of CSR activities and companies financing, understanding whether and how CSR activities and audit quality affect on the overall debt financing. Our contribution is trying to fill the gap in the empirical literature on the role of audit quality in CSR performance on cost of debt and cost of capital as proxy of companies financing, extending the traditional research on CSR beyond the focus on cost of equity or performance. Moreover, from a practical point of view, this study expect that by analyzing the link between CSR and audit quality towards companies financing managers will be able to understand the effect of CSR activities on firm’s financing costs, with relevant implications for strategic planning.

RESEARCH METHOD

This study used a quantitative data from the annual financial reports of Islamic Islamic public companies in Indonesia from 2018 to 2022 with purposive sampling technique to ensuring that the sample is representative of the population and the data is relevant to the research question. The first criteria is public companies that was registered in Indonesian Sharia Stock Exchange. The second is Islamic public listed companies that published annual financial reports. The third is Islamic public listed companies that has CSR assessment based on GRI standard from Refinitiv database Thomson Reuters Eikon.

The panel data multiple linear regression is used as an analysis technique. To ensure that the equation model met the BLUE criteria, the classical assumption testing is conducted and we used Eviews 10 software to processing the data. Furthermore the Common Effect Model, Fixed Effect Model, and Random Effect Model is used to test the model specification by selecting the best model through the chow test, hausman test, or lagrange multiplier test to make sure that the model selected is appropriate for the data and research question. The dependent variable in this study is cost of debt (CoD) and cost of equity (CoE). The cost of debt is an actual rate a firm pays on all its bank loan, bond and other interest debt capital. Im operative terms, the cost of debt is the yield to maturity on the firms debt as the capitalto be refunded with debt instruments to the investors. The formultaed of cost of debt derived by research Fandella et al

(2023) and Kordsachia et al (2022) that can be computed as:

$$CoD = (rf + \text{credit risk rate}) (1\text{-}t)$$

Where rf is the risk-free rate companies and the credit risk rate is the average cost of debt financing that the business has contracted with outside investors. The parameter t is the corporate tax rate marginal. The cost of equity is compensates shareholders for the risk of purchasing the company's stock. The CoE is determined using the capital asset pricing model as follows Fandella et al (2023) and Bhuiyan & Nguyen (2019), in accordance with the following formula, and it expresses shareholders assessment of the riskiness of a company's free cash flow that can be computed as:

$$CoE = r_f + \beta(r_m - r_t)$$

Where r_f is the risk free-rate of return, r_m is the return on the market portfolio, r_m- r_t is the market risk premium and β is the asset's sensitivity to returns on the market portofolio well-known as beta. The moderation variables in this study are corporate social responsibility and audit quality. This study use CSR GRI standard as reported by Thomson Reuters ASSET 4. The range of CSR scores varies from 0 to 100. The audit quality is measured by dummy variable, 1 if companies affiliated to big 4 companies, 0 if they are not affiliated to the BIG4 auditor following the research by (Saraswati et al., 2020; Trpeska et al., 2017)

Meanwhile, the control variable included in the model is ln total asset as follows Fandella et al (2023), Kordsachia et al (2022) and Sveva & Izzo (2016). The first model in this study is multiple regression estimation to examine the effects of CSR performance on capital financing as follows:

$$CoD= \alpha + \beta1CSRit + \beta2BIG4it + \beta3SIZEit + et \ldots \quad (1)$$

$$CoE= \alpha + \beta1CSRit + \beta2BIG4it + \beta3SIZEit + et \ldots \quad (2)$$

The second model in this study is moderated regression analysis to examine the role of audit quality in the relationship between CSR performance and capital financing as follows:

$$CoD= \alpha + \beta1CSRit + \beta2AQit + \beta3CSRXBIG4 + \beta4SIZEit + et \ldots \quad (3)$$

$$CoE= \alpha + \beta1CSRit + \beta2AQit + \beta3CSRXBIG4 + \beta4SIZEit + et \ldots \quad (4)$$

Where: α = constanta; CSR = Sustainability Reporting Score ; BIG 4 = Audit Quality, SIZE = LN Total Asset; CoD = Cost of Debt; CoE = Cost of Equity; β1- β2 = coefficient; i = 2018-2022 and et = error term.

RESULTS AND DISCUSSION

Results

Descriptive Statistic

In this section, we used descriptive statistics in order to describe of each variable. The sample in this study is 12 Islamic public listed firms between 2018 to 2022 with the 60 of total number observations. As shown in the table 1 the mean of COD (Cost of Debt) ratio is 0.05 however the maximum value COD is 0.19. Meanwhile the COE (Cost of Equity) ratio has mean value -0.01 while the maximum is 0.18. The corporate social responsibility performance variable has a minimum value of 52.33 while the maximum value of 65.12 which mean that the sample of this study has a good commitment in carried out their social responsibility activities. Therefore, the audit quality variable has a maximum value of 1 and a minimum value of 0 with an average of 0.91, which means that 91% of the sample companies are affiliated with BIG4 auditors.

Table 1. Descriptive Statistics

Variable	N	Mean	Max	Min	Std.dev
COD	60	0.05	0.19	0.00	0.03
COE	60	-0.01	0.18	-0.27	0.12
CSR	60	57.30	65.12	52.33	4.85
BIG4	60	0.91	1.00	0.00	0.27
LNSIZE	60	29.81	32.83	9.84	6.06

Source: Data obtained from the financial reports of each companies

Table 2 represents the results of best model testing. Applying the panel data modelling, this study used Pooled OLS as the estimation technique. As shown in the table 2, the Chow probability value of Cross-section F of 0.00 from Chow test specification was less than the significance of the alpha probability value of 0.05. This means that H_0 is accepted and H_1 is rejected, so the Fixed Effect Model (FEM) is better than the Common Effect Model (CEM). However, from Housman specification test suggested that FEM is suitable. Therefore, based on Chow and Housman specification test shows that the probability value Chi-Square probability is 0.0041 which less than probability value of 0.05. This means that H_0 is accepted and H_1 is rejected, best model that suitable in this study is Fixed Effect Model.

Table 2. Best Model Testing

	Prob.	Evidence
Chow	0.00	Fixed Effect Model
Housman	0.00	Fixed Effect Model
Lagrange Multiplier	0.00	Random Effect Model

Moreover, we also used classical assumption test to meet best, liner and unbiased estimation. Based on the normality test, it can be concluded that probability value of first model is 0,42 and the value of probability in the second model is 0.28 which greater than the alpha significance of 0.05 so the data is normally distributed. The multicollinearity test results in the first and second model using the pairwise correlation method indicate that all variables have a correlation value of less than 0.80. Therefore, there is no multicollinearity problems in this model. The Park test method used in the heteroscedasticity test shows that all variables in the first and second model have a probability value greater than the significance of 0.05, which means that there is no heteroscedasticity problem in the residual research model. Table 2 presents the estimated parameters of the FEM for the equation 1 and 2.

Discussion

Our study used a t-test to determine the association between the role of audit quality in the relationship between corporate social responsibility (CSR) and companies financing. The result of first hypothesis suggest that there is a negative correlation between CSR performance and cost of debt. This implies that enhancing level of corporate social responsibility performance could lower cost of debt in Indonesian sharia listed companies. In line with stakeholder theory (Freeman, 1994; Freeman et al., 2010), these findings may be attributed to the fact that business with higher CSR performance demonstrate their socially conscious business practices, which not only strengthens their companies but also raises expectations for sustained financial performance and reduced risk.

Table 3. Fixed Effect Model Regression

Variable	Cost of Debt	Cost of Equity	Cost of Debt	Cost Of Equity
	I	II	III	IV
C	-1.32	-9.40	-0.96	-3.90
CSR	-0.00***	-0.01**	-0.00***	-2.03
BIG4	2.77	12.44	2.16	5.55
CSRXBIG4			-0.00***	-0.01***
LNSIZE	-0.37***	-0.04***	-0.03***	-0.01
Adjusted R2	0.72	0.42	0.77	0.53
Prob. (F. Stat)	0.00	0.00***	0.00***	0.00***

Source: Eviews 12 (processed, 2024)
Significance levels in 1%(***), 5%(**) and 10%(*)

Investors typically view CSR performance as a strategic project and firms that use this strategy can obtain loans at lower interest rate. Moreover, CSR disclosure can reduce asymmetry information based on agency theory because CSR disclosure provides more information for investors to make decisions. Yeh et al. (2019) explain that the decision is related to whether or not investor or lender will invest and how much their expected rate of return they will get. Thus, the companies that showing better CSR performance might benefit from pay lower interest rates on debt because indicates the good corporate governance of the companies and reduce asymmetry information. This result supports (Rosa et al., 2017) which find that firms with good CSR performance will having a lower cost of debt in listed Europe non-financial firms. The result is also linier with previous research conducted by Bhuiyan & Nguyen (2019), Xu at al. (2021) and Yeh et al. (2019) which found a negative inverse relationship between CSR disclosure and CoD.

The result of second hypothesis suggest that the CSR performance has a negative and statistically significant relationship with cost of equity. This implies that the higher is the level of corporate social responsibility performance, the lower is the cost of equity in Indonesian sharia listed companies. In line with stakeholder and agency theory, CSR activities developed a sustainable business model that adds value for investors and other stakeholders to improve stakeholder trust and the social reputation. In the context of risk, CSR can reduce a firm’s risk in many ways which has been widely investigated such as by reducing a firm’s idiosyncratic and systematic risk (Yi et al., 2020); influence the risk expectations of investors by decreasing operating risk (Chen, 2021) and by reducing reputational risk towards mitigating public information asymmetry and creating good public opinion. Thus, investors are more likely to maintain companies stocks in the air of obtaining higher returns in the future due to expectations of future value enhancement and risk reduction, and the risk-sharing of larger shareholder demand will also lower the cost of equity capital. This finding supports the argument in the literature Chen (2021) and Yi et al. (2020) that CSR performance can significantly reduce cost of equity in China and also Bhuiyan & Nguyen (2019) in the Australian listed firms.

The result of third hypothesis suggest that the big 4 auditor moderates the influence of CSR performance and the cost of debt in Indonesian sharia listed companies. This suggest that a high-quality audit enhances a company's reported earnings and lowers its cost of financing by providing more trustworthy and dependable information. According to Xiao et al (2020) the big four auditing companies are not only independent and provide quality financial services but also likely to encourage the proliferation of new reporting requirements (like CSR reporting) which could make their information and assurance duties stronger. This finding supports Bacha et al. (2021) and Zahid et al. (2022) who found that audit quality can moderates the relationship between corporate social responsibility activities performance and cost of debt. The big 4 play a crucial role in enhancing the accuracy and credibility of financial disclosure, particularly in cases when a company exhibits a strong commitment to corporate social responsibility. Companies can demonstrate that they prioritize honesty and transparency in their operation by choosing audit firms that have strong commitment to CSR activities and sustaining high standards in their reporting. Thus this can improves investor and lender confidence for making it easier to obtain financing thus reducing the interest of debt.

The result of fourth hypothesis suggest that the big 4 auditor moderates the influence of CSR performance and the cost of equity in listed Islamic Indonesian companies. This can be caused that higher audit quality leads financial information to be more credible and reliable both improving accuracy of a company outcomes and reducing information risk therefore reducing the cost of equity. As stated by Coffie et al. (2018) auditors reduces informational risk for the users of financial statements which eventually results in the reduction of return rate expected by all investors. Audit quality decreases information risk including the strategy of CSR, which result cheaper funding cost. This implies that the big 4 auditor possess the ability to detect information distortion, improve information quality and reduce investment risk. This finding supports Bacha et al. (2021) and Zahid et al. (2022) who found that audit quality can moderates the relationship between corporate social responsibility activities performance and cost of financing. This finding also in line with Yi et al. (2020) who state that big 4 auditor is associated with lower cost of equity.

CONCLUSION

Over the past few years, CSR activities around the world has improved which leads increasing to the sustainable issues. This study highlight the importance of reducing financial risk and improving financial decision by integrating CSR activities and transparency into business strategy. Using GRI standard from Refinitiv database Thomson Reuters Eikon as an indicator of CSR performance to analyze its effect on firms financing decisions among Indonesian Islamic listed companies from 2018 to 2022 period of time, the empirical evidence shows that CSR performance is significantly negative associated with cost of debt and cost of equity which indicate that better CSR performance tends to have lower use of debt financing and lower equity cost. Furthermore, the role of Big 4 auditors in reducing financial risk and enhancing corporate transparency is significantly moderates the CSR performance and firms financing which means that higher audit quality leads to make disclosure information more credible and reliable therefore reducing agency problem.

This article contributes to the accounting and finance literature in several important areas of the role audit quality in the relationship between sustainability performance and Indonesian Islamic listed companies financing decision. This study also provide widening insights and highlight the importance role of BIG 4 audit quality in shaping the discussion of this field.

Therefore, we suggest that listed Islamic companies might improve their quality of CSR activities disclosure information for the firm's strategy to build the trust among stakeholders which can reduce financial risk and fosters companies to be more prudent in their financing decision.

Our study has two main limitations: first, the sample is limited only in Indonesian Islamic listed companies. Second, the limited range of companies and reporting periods. We suggest that future research might examine all the public Indonesian listed companies compare to Indonesian Islamic listed companies and it is also essential to analyze another board members that have important role to the corporate strategy.

Acknowledgment

During making this research, the author give thanks to Ms. Yuan Chen as my supervisor in Wuxi, Tiongkok and to Ms. Fitri Anisa Nusa Putri as my best part of team while doing and finishing this research.

List of Abbreviations

CSR: Corporate Social Responsibility, CoD: Cost of Debt, CoE: Cost of Equity.

Author's Information

Muhammad Rafiuddin is a master's student from Sunan Kalijaga Islamic State University majoring in Shariah Economic. He was also one of the exchange awardee for one semester in Wuxi Institue of Technology, Tiongkok. His research interest include Islamic monetary, economics, finance and accounting. Kindly to read his research through https://scholar.google.com/citations?user=L0DZ_NQAAAAJ&hl=id

Funding

The author has not received any research grant for this research.

Conflicts of Interest

The authors declare no competing interest

Availability of Data and Materials

Data and materials are available upon request via email to the corresponding author stating the purpose of the request.

REFERENCES

Alghizzawi, M. A., Youssef, M. A., Zraiq, M. A., & Elmassri, M. (2022). The Relationship Between Corporate Social Responsibility and Firm Perfomance: Evidence From Jordan. *Accounting, Corporate Governance and Business Ethicss*. https://doi.org/10.1080/2331975.2022.2088637

Bacha, S., Ajna, A., & Saad, S. Ben. (2021). CSR Performance and The Cost of Debt: Does Audit Quality Matter? *Corporate Governance*, *21*(1), 137–158. https://doi.org/10.1108/CG-11-2019-0335

Bhuiyan, M. B. U., & Nguyen, T. H. N. (2019). Impact of CSR on Cost of Debt and Cost of Capital: Australian Evidence. *Social Responsibility Journal*, *16*(3), 419–430. https://doi.org/10.1108/SRJ-08-2018-0208

Chen, B., & Zhang, A. (2021). How Does Corporate Social Responsibility Affect The Cost of Equity Capital Through Operating Risk? *Borsa Istanbul Review*, *21*(1), 38–45. https://doi.org/10.1016/j.bir.2021.01.005

Coffie, W., Bedi, I., & Amidu, M. (2018). The Effect of Audit Quality on The Cos of Capital of Firms in Ghana. *Journal of Financial Reporting and Accounting*, *16*(4), 639–659. https://doi.org/10.1108/JFRA-03-2017-0018

Fandella, P., Sergi, B. S., & Sironi, E. (2023). Corporate Social Responsibility Performance and The Cost of Capital in BRICS Countries. The Problem of Selectivity Using Environmental, Social and Governance Scores. *Corporate Social Responsibility and Environmental Management*. https://doi.org/10.1002/csr.2447

Freeman, R. E. (1984). *Strategic Management: A Stakeholder Approach*. Pitman.

Freeman, R. E. (1994). The Politics of Stakeholder Theory: Some Future Directions. *Business Ethics Quarterly*, *4*(4), 409–421. https://doi.org/10.2307/3857340

Freeman, R. E., Harrison, J. S., Wicks, A. C., Parmar, B., & Colle, S. de. (2010). *Stakeholder Theory: The State of the Art*. https://doi.org/10.1017/CBO9780511815768

Hmaittane, A., Bouslah, K., M'Zali, B., & Ibariouen, I. (2022). Corporate Sustainability and Cost of Equity Capital: Do Managerial Abilities Matter? *Sustainability*, *14*, 11363. https://doi.org/10.3390/su141811363

Kordsachia, O., Focke, M., & Velte, P. (2022). Do Sustainable Institutional Investors Contribute to Firms' Environmental Perfomance? Empirical Evidence From Europe. *Review of Managerial Science*, *16*, 1409–1436. https://doi.org/10.1007/s11846-021-00484-7

Mai, M. U., Sudradjat, & Sembiring, E. T. (2023). Board Characteristic, State Ownership and Corporate Social Responsibility: Evidence From Indonesian Islamic Banks. *Cogent Economics and Finance*, *11*(2), 2266323. https://doi.org/10.1080/23322039.2023.2266323

Nguyen, C. T., Nguyen, L. T., & Nguyen, N. Q. (2022). Corporate Social Responsibility and Financial Perfomance: The Case in Vietnam. *Cogent Economics and Finance*, *10*(1). https://doi.org/10.1080/23322039.2022.2075600

Rahi, A. F., Akter, R., & Johansson, J. (2022). Do Sustainability Practices Influence Financial Performance? Evidence From The Nordic Financial Industry. *Accounting Research Journal*, *35*(2), 292–314. https://doi.org/10.1108/ARJ-12-2020-0373

Rosa, F. La, Liberatore, G., Mazzi, F., & Terzani, S. (2017). The Impact of Corporate Social Perfomance on The Cost of Debt and Access to Debt Financing for Listed Europian non-financial Firms. *European Management Journal*, 1–11. https://doi.org/10.106/j.emj.2017.09.007

Saraswati, L. R., Uma, H., & Br, P. (2020). The Effect of Level Of Disclosure and Audit Quality on The Cost Of Equity Capital Moderated by Financial Distress. *International Journal of Economics and Management*, *7*(11), 58–64. https://doi.org/10.14445/23939125/ijmes-v7i11p109

Sveva, B., & Izzo, M. F. (2016). Corporate Social Perfomance and Cost of Debt: The Relationship. *Social Responsibility Journal*, *13*(2). https://doi.org/10.1108/SRJ-06-2016-0103

Trpeska, M., Atanasovski, A., & Lazarevska, Z. B. (2017). The Relevance of Financial Information and Contents of The New Audit Report For Lending Decisions of Commercial Banks. *Accounting and Management Information System*, *16*(4).
Xiao, T., Geng, C., & Yuan, C. (2020). How Audit Effort Affects Audit Quality. *China Journal of Accounting Research*, *13*(1), 109–127.
Xu, H., Xu, X., & Yu, J. (2021). The Impact of Mandatory CSR Disclosure on The Cost of Debt Financing: Evidence from China. *Emerging Markets Finance and Trade*, *57*(8). https://doi.org/10.1080/1540496X.2019.1657401
Xu, S., Liu, D., & Huang, J. (2015). Corporate Social Responsibility, The Cost of Equity Capital and Ownership Structure: An Analyis of Chinese Listed Firms. *Australian Journal Of Management*, *40*(2), 245–276. https://doi.org/10.1177/0312896213517894
Yeh, C. C., Lin, F., Wang, T. S., & Wu, C. M. (2019). Does Corporate Social Responsibility Affect Cost of Capital in China? *Asia Pacific Management Review*, *25*(1), 1–12. https://doi.org/10.1016/j.apmrv.2019.04.001
Yi, Y., Xie, B., Zhou, L., & Wei, Y. (2020). Does CSR Affect The Cost of Equity Capital: Empirical Evidence From The Taregeted Proverty Alleviation of Listed Companies in China. *PloS ONE*, *15*(2). https://doi.org/10.1371/journal.pone.0227952
Zahid, R. M. A., Khan, M. K., & Anwar, W. (2022). The Role of Audit Quality in The ESG-Corporate Financial Perfomance Nexus: Empirical Evidence From Western European Companies. *Borsa Istanbul Review*. https://doi.org/10.1016/j.bir.2022.08.011
Zarefar, A., Agustia, D., & Soewarno, N. (2022). Bridging the Gap between Sustainability Disclosure and Firm Perfomance in Indonesia Firma: The Moderating Effect of The Family Firm. *Sustainability*, *14*, 12022. https://doi.org/10.3390/sy141912022