

New Sources of Corporate Finance Decision – Socially Responsible Investing

Prof Sean Chang

The University of Hong Kong, Hong Kong SAR

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ABSTRACT

This paper evaluates the effect of corporate finance decisions on social policy and socially responsible investing. The area has yet to be explored in corporate funding and sustainable finance from political and socially responsible factors perspectives. The research approach has used the triangulation method to verify those relations regarding social policy and socially responsible investing decisions. The study findings indicated that social policy may not directly influence sustainable finance. However, funding decisions would have considered risk premiums regarding responsible investing risk related to laws, regulations, and social norms. This paper carefully states that social policy risks are closely associated with social-political factors. This could further explore attributes from social policy characteristics standpoints and the conventional corporate finance and valuation research field.

JEL Codes:

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