

# Appendix to Is investment capital cheaper for green firms? Evidence from equity listings at Euronext – Oslo

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# 1 Appendix – Details of text analysis

**Table 1: ESG Dictionary**

Category	Terms
Governance	accountability, transparency, fairness, responsibility, risk management, integrity, participation, responsiveness, consensus oriented, inclusiveness, governance
Corporate Governance	compliance, conduct, conform, misconduct, surveil, fiscal policy, goodwill, contract, regulation, noncompliance, permit, license
Audit Control	approve, assess, audit, control, evaluate, examine, IRS, oversee, oversight, review, treadway
Board Structure	independence, qualification, skill, succession, tenure
Shareholder Rights	ballot, elect, nominate, plurality, quorum, vote, shareholder, ownership, dividend, voting power
Family	brother, family, grandchild, grandparent, nephew, niece, relative, sibling, sister, son, spouse, stepchildren, stepparent
Transparency	insider, inspector, interlock, transparent, collaborate, public feedback, feedback culture, openness, access to information
Diverse Board	female boardmember, women boardmember, diverse board, management structure, management composition, board structure, board composition, diverse management, diverse team, gender balance
Business Ethics	corporate, ethical, ethically, ethics, honesty, code of conduct
Bribery / Corruption of lines	bribe, corrupt, crime, embezzlement
Political Influence	grassroot, influence, lobbyist, lobby
Responsible Marketing	conscious consumption, responsible marketing, brand activists, corporate citizens
Whistle-blowing system	whistleblow, whistle blow, informer, informant, canary
Labor Rights	responsible business practice, labor right, labour right, trade union, collective bargain, wage development, TFEU, living condition, working condition, freedom of speech, employee right, child labor, child labour, discrimination, decent wage, freedom of association

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Continuation of ESG Dictionary	
Category	Terms
Sustainability Management	fairly, integrity, liaison
Governance Issues	ecological citizen, globaliz, democracy, transbound
Marketing Certification	envirolink
Responsible Sourcing	recycle polymer, undyed fabric, spun fiber, recycled content, sustainably grown, life cycle assessment
UN GC Compliance	global compact, ungc, united nations, paris accord, paris agreement, ungp, carbon neutral, net zero
Environmental	clean, environment, epa, sustain, ecolog, ecosystem
Climate Change	Surface water, climate emergency, climate change, global warming, climate crises, climate breakdown, global heating, sea level rise, global average temperature
Climate Change Strategy	energywende, eu adaptation strateg, hydropower, Francis, Pelton, pump storage, Kaplan, geothermal energy, bioenergy, biofuel, tidal energy, photovoltaics, pv, shc, csp, tidal streams, barrages, tidal lagoons, thermal power, dry steam, flash steam, hydrothermal, geopressur, hot dry rock, magma, binary cycle, green energy, renewable energy, solar, wind turbine, wind energy, wind farm, wind power, solar power, solar energy, solar panels
Ecosystem Services	wetland, grassland, tundra, desert, forest, savanna, mountain, marine, terrestrial, freshwater ecosystem, ocean
Provisional	food, livestock, pastur, agricultur, cropland, fruit, vegetable, fish, timber, wood, freshwater, water
Regulating	carbon storage, climate regulat, weather, photosynthes, Phytoplankton, Eutrophication Benthic organism, benthos, biomass, pollinate
Support	Groundwater, nutrient cycling, provisioning service, habitat, decompos, creation of soil, water cycle
Environmental Management	Acute exposure, abatement, absorption, accident site, cleanup, contamination, monitoring, waste minimization, acid deposition, activated carbon, Activated sludge

*Continue on next page*

Continuation of ESG Dictionary

Category	Terms
Environmental Standards	EU taxonomy, NAAQS, EPA, California Air Resources Board, ISO 14001, EMAS, miljC8fyrtC%rn
Pollution Control	Pyrolysis, Monitoring well, Mitigation, geiger, Flowmeter, Electrostatic precipitator, Effluent limitation, biological protocol, Bioassay Biochemical, oxygen demand, biological control, air monitoring, carbon, nitrogen, pollution, superfund
Abatement	bar screen, activated carbon, activated sludge, reforestation, aerobic treatment, advanced water treatment, water treatment, adsorption, aeration, biological treatment, baghouse filter, biodegradable, abate
Product Opportunities	carbon capture, trickling filter, slow sand filtration, sanitary sewers, septic, sewer, wastewater treatment, drones, algae, biotechnology, flocculation, emission permit
Supply Chain Env. Standards	Food chain, iso14001, Fair Trade Certification, Carbon Disclosure Project, cpd, Greenhouse Gas Protocol, Leadership in Energy and Environmental Design, Global Reporting Initiative, The Responsible Business Alliance, SA8000 Standard
Waste Recycling	waste disposal, Rubbish, Irrigation, Incineration, biphenyls, hazardous, householding, pollutants, printing, recycling, toxic, waste, wastes, brackish water, re-cycle
Pollution	emission, Bioaccumulat, degradation, dilution, air pollution, Acute toxicity, Acute exposure, erosion, flood, biodiversity loss, biodiversity decrease
Pollutant	Toxicity, Trichloroethylene, Silt, Sludge, Pollutant, Polychlorinated biphenyls, Polyvinyl chloride, Phosphorus, Phosphates, Pesticide, Nitrate, Nitric oxide, Nitrification, Nitrogen dioxide, Nitrogen oxides, Methane, Insecticide, Hydrogen sulfide, Herbicide Fluorocarbon, Fly ash, Fluorides, Flue gas, acid deposition, acid rain, pesticide, pesticides, deforestation, cadmium, chlorinated solvent, chlorofluorocarbons, CFC, carbon dioxide, carbon monoxide, chlorinated, chlorinated hydrocarbons, hydrocarbons, airborne particles, agricultural pollution, air pollutant, air pollution

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Continuation of ESG Dictionary

Category	Terms
Social	citizen, citizens, corporate social responsibility csr, disabilities, disability, disabled, human, nations, social, un, veteran, vulnerable
Human Rights	dignity, discriminate, discriminated, discriminating, discrimination, equality, freedom, humanity, nondiscrimination
Community Relations	community, volunteer
Privacy Free Expression	free expression, free speech
Security	peace, security
Public Health	endowment, philanthropic, philanthropy, socially, societal, society, welfare
Labor Standards	bargain, eeo, fairness, harassment, injury, labor, labour, overtime, sick, wage, workplace
Diversity	bisexual, diversity, ethnic, female, gay, homosexual, immigration, immigrant, lesbian, lgbt, minorities, minority, race, religio, sex, transgender, women, diversity, lqtbq, diverseness, ethnic, cross culturalism, cultural diversity, multiracialism, pluralism
Health & Safety	safe, eicc
Society	endowment, endowments, people, philanthropic, philanthropy, socially, societal, society, welfare),
Charity	charitable, charities, charity, donat, donors, foundation, foundations, gift, gifts, nonprofit, poverty, pro bono
Education	course, educat, learning, mentoring, scholarship, teach, training, schooling
Employment	employ, headcount, hire, hiring, staffing, unemployment

End of Table

## 2 Additional results for E/P regressions

This section has extra results for the E/P regressions in the paper.

### 2.1 Regressions in paper done using EPS year of the IPO and the year after

#### 2.1.1 Using IPO price in EPS calculation

In the paper Earnings per Share is estimated using the year before the IPO. This appendix provides corresponding regressions using the EPS for the year before and the year after the IPO.

**Table 2: EPS/P regressions - EPS year of IPO**

The tables report the results of regressions of the form  $E/P_i = \alpha + \beta^{ESG} \text{ESG measures}_i + \beta^2 \text{Controls}_i + \varepsilon_i$ , where the dependent variable is Earnings per Share divided by the IPO issue price (E/P). EPS from accounts the year of the IPO. The control variables are  $\ln(\text{MarketCap})$ , the log of the firm's market capitalization, and dummy variables for the ICB sectors 10 (Tech), 45 (Consumer Staples), 50 (Industrials) and 60 (Energy). The ESG measures are: Panel A:  $\ln(\text{ESG Environment})$  – log of inferred Environmental stance from text analysis of prospectus;  $\ln(\text{ESG Brown})$  – log of ESG Brown measure inferred from the prospectus. Panel B:  $\text{FossilFuel}$  – indicator variable equal to one if the company is involved in fossil fuel extraction;  $\text{Scope1/EV}$  – Company's Scope1 CO<sub>2</sub> emissions, divided by the company enterprise value;  $\text{Total GHG/EV}$  – Company's total greenhouse gas emissions (the sum of the company's reported Scope 1, Scope 2 and Scope 3, divided by company enterprise value). Panel C: Dummies for the green and brown categories. Data for both IPOs and listings. Significance levels indicated as \* $p < 0.05$ ; \*\* $p < 0.025$ ; \*\*\* $p < 0.01$ .

#### Panel A Regressing EPS/P on measures of ESG inferred from prospectus

	(1)	(2)	(3)	(4)	(5)	(6)
(Intercept)	0.48 (0.61)	0.40 (0.62)	0.47 (0.57)	0.44 (0.56)	0.33 (0.59)	0.24 (0.53)
$\ln(\text{ESG Environment})$	0.00 (0.02)	-0.01 (0.02)		0.02 (0.02)	0.01 (0.02)	
$\ln(\text{ESG Brown})$	-0.01 (0.00)		-0.01 (0.00)	-0.01* (0.00)		-0.01 (0.00)
$\ln(\text{MktCap})$	-0.02 (0.03)	-0.01 (0.03)	-0.02 (0.03)	-0.01 (0.02)	-0.01 (0.03)	-0.00 (0.02)
Merkur	-0.06 (0.06)	-0.05 (0.06)	-0.06 (0.06)	-0.03 (0.06)	-0.01 (0.06)	-0.04 (0.06)
ICB-10 (Tech)				-0.19** (0.07)	-0.17* (0.08)	-0.19** (0.07)
ICB-45 (Cons Stapl)				-0.19** (0.07)	-0.16* (0.08)	-0.16** (0.06)
ICB-50 (Indus)				-0.14** (0.05)	-0.16*** (0.05)	-0.13** (0.05)
ICB-60 (Energy)				-0.07 (0.07)	-0.10 (0.07)	-0.06 (0.07)
Adj. R <sup>2</sup>	-0.00	-0.06	0.02	0.18	0.09	0.18
Num. obs.	42	42	42	42	42	42

\*\*\* $p < 0.01$ ; \*\* $p < 0.025$ ; \* $p < 0.05$

**Table 2: (Continued)****Panel B** Regressing E/P on self-reported environmental variables

	(1)	(2)	(3)	(4)	(5)	(6)
(Intercept)	0.168 (0.724)	0.227 (0.698)	0.155 (0.359)	0.081 (0.758)	0.225 (0.716)	-0.000 (0.360)
Scope1/EV	-0.000 (0.000)			-0.000 (0.000)		
Tot GHG/EV		0.000 (0.000)			0.000 (0.000)	
FossilFuel			-0.060 (0.049)			-0.015 (0.055)
ln(MktCap)	-0.003 (0.032)	-0.007 (0.031)	-0.003 (0.016)	0.004 (0.034)	-0.003 (0.032)	0.007 (0.016)
Merkur	0.006 (0.087)	-0.001 (0.081)	-0.028 (0.045)	0.020 (0.084)	0.006 (0.076)	-0.013 (0.044)
ICB-10 (Tech)				-0.176 (0.112)	-0.153 (0.109)	-0.139* (0.068)
ICB-45 (Cons Stapl)				-0.128 (0.139)	-0.118 (0.133)	-0.090 (0.062)
ICB-50 (Indus)				-0.144 (0.075)	-0.166* (0.069)	-0.104** (0.043)
ICB-60 (Energy)						-0.086 (0.085)
Adj. R <sup>2</sup>	-0.118	-0.102	-0.021	-0.025	0.047	0.067
Num. obs.	26	27	50	26	27	50

**Panel C** Regressing E/P on green/brown manual categorization

	(1)	(2)	(3)	(4)	(5)	(6)
(Intercept)	0.43 (0.29)	0.42 (0.29)	0.37 (0.29)	0.40 (0.28)	0.37 (0.28)	0.27 (0.29)
Green	0.05 (0.04)	0.04 (0.04)		0.08* (0.04)	0.08* (0.04)	
Brown	0.02 (0.04)		0.01 (0.04)	0.02 (0.05)		-0.02 (0.05)
ln(MktCap)	-0.02 (0.01)	-0.02 (0.01)	-0.01 (0.01)	-0.01 (0.01)	-0.01 (0.01)	-0.01 (0.01)
Merkur	-0.06 (0.04)	-0.05 (0.04)	-0.05 (0.04)	-0.05 (0.04)	-0.05 (0.04)	-0.03 (0.04)
ICB-10 (Tech)				-0.11 (0.06)	-0.11* (0.06)	-0.11 (0.06)
ICB-45 (Cons Stapl)				-0.12** (0.05)	-0.12** (0.05)	-0.09 (0.05)
ICB-50 (Indus)				-0.11*** (0.04)	-0.11*** (0.03)	-0.09** (0.04)
ICB-60 (Energy)				-0.04 (0.06)	-0.02 (0.05)	-0.00 (0.06)
Adj. R <sup>2</sup>	-0.01	0.00	-0.02	0.12	0.14	0.07
Num. obs.	63	63	63	63	63	63

\*\*\*  $p < 0.01$ ; \*\*  $p < 0.025$ ; \*  $p < 0.05$



**Table 3: E/P regressions - EPS year after IPO**

The tables report the results of regressions of the form  $E/P_i = \alpha + \beta^{ESG} \text{ESG measures}_i + \beta^2 \text{Controls}_i + \varepsilon_i$ , where the dependent variable is Earnings per Share divided by the IPO issue price (E/P). EPS from accounts the same year as the IPO. The control variables are  $\ln(\text{MarketCap})$ , the log of the firm's market capitalization, and dummy variables for the ICB sectors 10 (Tech), 45 (Consumer Staples), 50 (Industrials) and 60 (Energy). The ESG measures are: Panel A:  $\ln(\text{ESG Environment})$  – log of inferred Environmental stance from text analysis of prospectus;  $\ln(\text{ESG Brown})$  – log of ESG Brown measure inferred from the prospectus. Panel B: *FossilFuel* – indicator variable equal to one if the company is involved in fossil fuel extraction; *Scope1/EV* – Company's Scope1 CO<sub>2</sub> emissions, divided by the company enterprise value; *Total GHG/EV* – Company's total greenhouse gas emissions (the sum of the company's reported Scope 1, Scope 2 and Scope 3, divided by company enterprise value). Panel C: Dummies for the green and brown categories. Data for both IPOs and listings. Significance levels indicated as \*p<0.05; \*\*p<0.025; \*\*\*p<0.01.

**Panel A Regressing E/P on measures of ESG inferred from prospectus**

	(1)	(2)	(3)	(4)	(5)	(6)
(Intercept)	-0.03 (0.22)	-0.03 (0.22)	0.04 (0.21)	0.01 (0.16)	0.02 (0.16)	-0.05 (0.16)
$\ln(\text{ESG Environment})$	-0.01 (0.01)	-0.01 (0.01)		0.01 (0.01)	0.01 (0.01)	
$\ln(\text{ESG Brown})$	-0.00 (0.00)		-0.00 (0.00)	0.00 (0.00)		0.00 (0.00)
$\ln(\text{MktCap})$	0.00 (0.01)	0.00 (0.01)	-0.00 (0.01)	0.01 (0.01)	0.00 (0.01)	0.01 (0.01)
Merkur	0.03 (0.03)	0.03 (0.03)	0.03 (0.03)	0.04 (0.02)	0.04 (0.02)	0.03 (0.02)
ICB-10 (Tech)				-0.12*** (0.03)	-0.12*** (0.03)	-0.12*** (0.03)
ICB-45 (Cons Stapl)				-0.12*** (0.03)	-0.12*** (0.03)	-0.10*** (0.02)
ICB-50 (Indus)				-0.11*** (0.02)	-0.11*** (0.02)	-0.10*** (0.02)
ICB-60 (Energy)				-0.13*** (0.03)	-0.13*** (0.03)	-0.12*** (0.03)
Adj. R <sup>2</sup>	0.04	0.06	0.01	0.52	0.53	0.51
Num. obs.	36	36	36	36	36	36

\*\*\*p < 0.01; \*\*p < 0.025; \*p < 0.05

**Table 3: (Continued)****Panel B** Regressing E/P on self-reported environmental variables

	(1)	(2)	(3)	(4)	(5)	(6)
(Intercept)	0.008 (0.303)	-0.062 (0.308)	0.283 (0.213)	-0.174 (0.283)	-0.278 (0.294)	0.099 (0.192)
Scope1/EV	-0.000 (0.000)			-0.000 (0.000)		
Tot GHG/EV		-0.000 (0.000)			-0.000 (0.000)	
FossilFuel			-0.030 (0.024)			0.001 (0.027)
ln(MktCap)	0.001 (0.013)	0.004 (0.014)	-0.011 (0.010)	0.012 (0.013)	0.017 (0.013)	-0.000 (0.009)
Merkur	0.030 (0.029)	0.034 (0.029)	0.014 (0.024)	0.029 (0.028)	0.035 (0.027)	0.016 (0.021)
ICB-10 (Tech)				-0.094* (0.040)	-0.103** (0.039)	-0.094*** (0.033)
ICB-45 (Cons Stapl)				-0.093* (0.043)	-0.099* (0.042)	-0.080*** (0.027)
ICB-50 (Indus)				-0.072** (0.027)	-0.070** (0.026)	-0.080*** (0.022)
ICB-60 (Energy)				-0.074 (0.060)	-0.081 (0.056)	-0.095 (0.049)
Adj. R <sup>2</sup>	-0.033	-0.051	0.047	0.209	0.247	0.307
Num. obs.	24	25	43	24	25	43

**Panel C** Regressing E/P on green/brown manual categorization

	(1)	(2)	(3)	(4)	(5)	(6)
(Intercept)	0.57*** (0.21)	0.50** (0.20)	0.63*** (0.21)	0.47* (0.20)	0.41* (0.20)	0.49** (0.20)
Green	-0.03 (0.03)	-0.05 (0.03)		-0.02 (0.03)	-0.03 (0.03)	
Brown	0.04 (0.03)		0.06* (0.03)	0.04 (0.04)		0.05 (0.03)
ln(MktCap)	-0.02** (0.01)	-0.02* (0.01)	-0.03*** (0.01)	-0.02 (0.01)	-0.01 (0.01)	-0.02 (0.01)
Merkur	-0.03 (0.03)	-0.02 (0.03)	-0.03 (0.03)	-0.03 (0.03)	-0.01 (0.03)	-0.03 (0.03)
ICB-10 (Tech)				-0.07 (0.04)	-0.07 (0.04)	-0.07 (0.04)
ICB-45 (Cons Stapl)				-0.05 (0.04)	-0.05 (0.04)	-0.06 (0.03)
ICB-50 (Indus)				-0.08*** (0.03)	-0.07** (0.03)	-0.08*** (0.03)
ICB-60 (Energy)				-0.03 (0.05)	0.01 (0.04)	-0.03 (0.05)
Adj. R <sup>2</sup>	0.15	0.12	0.13	0.24	0.23	0.25
Num. obs.	49	49	49	49	49	49

\*\*\*  $p < 0.01$ ; \*\*  $p < 0.025$ ; \*  $p < 0.05$

## 2.1.2 Using Closing Price in EPS/P estimations

**Table 4: EPS/P regressions - EPS year of IPO**

The tables report the results of regressions of the form  $E/P_i = \alpha + \beta^{ESG} \text{ESG measures}_i + \beta^2 \text{Controls}_i + \varepsilon_i$ , where the dependent variable is Earnings per Share divided by the IPO issue price (E/P). EPS from accounts the year of the IPO. The control variables are  $\ln(\text{MarketCap})$ , the log of the firm's market capitalization, and dummy variables for the ICB sectors 10 (Tech), 45 (Consumer Staples), 50 (Industrials) and 60 (Energy). The ESG measures are: Panel A:  $\ln(\text{ESG Environment})$  – log of inferred Environmental stance from text analysis of prospectus;  $\ln(\text{ESG Brown})$  – log of ESG Brown measure inferred from the prospectus. Panel B:  $\text{FossilFuel}$  – indicator variable equal to one if the company is involved in fossil fuel extraction;  $\text{Scope1/EV}$  – Company's Scope1 CO<sub>2</sub> emissions, divided by the company enterprise value;  $\text{Total GHG/EV}$  – Company's total greenhouse gas emissions (the sum of the company's reported Scope 1, Scope 2 and Scope 3, divided by company enterprise value). Panel C: Dummies for the green and brown categories. Data for both IPOs and listings. Significance levels indicated as \* $p < 0.05$ ; \*\* $p < 0.025$ ; \*\*\* $p < 0.01$ .

### Panel A Regressing E/P on measures of ESG inferred from prospectus

	(1)	(2)	(3)	(4)	(5)	(6)
(Intercept)	0.37 (0.58)	0.29 (0.60)	0.36 (0.54)	0.31 (0.53)	0.19 (0.57)	0.12 (0.50)
$\ln(\text{ESG Environment})$	0.00 (0.02)	-0.01 (0.02)		0.02 (0.02)	0.01 (0.02)	
$\ln(\text{ESG Brown})$	-0.01* (0.00)		-0.01* (0.00)	-0.01** (0.00)		-0.01* (0.00)
$\ln(\text{MktCap})$	-0.01 (0.03)	-0.01 (0.03)	-0.01 (0.02)	-0.01 (0.02)	0.00 (0.03)	0.00 (0.02)
Merkur	-0.06 (0.06)	-0.05 (0.06)	-0.06 (0.06)	-0.03 (0.05)	-0.01 (0.06)	-0.04 (0.05)
ICB-10 (Tech)				-0.19** (0.07)	-0.16* (0.08)	-0.19** (0.07)
ICB-45 (Cons Stapl)				-0.19** (0.07)	-0.15* (0.07)	-0.15** (0.06)
ICB-50 (Indus)				-0.13** (0.05)	-0.15*** (0.05)	-0.12** (0.05)
ICB-60 (Energy)				-0.09 (0.07)	-0.12 (0.07)	-0.08 (0.07)
Adj. R <sup>2</sup>	0.03	-0.06	0.05	0.21	0.09	0.21
Num. obs.	42	42	42	42	42	42

\*\*\* $p < 0.01$ ; \*\* $p < 0.025$ ; \* $p < 0.05$

**Table 4: (Continued)****Panel B** Regressing E/P on self-reported environmental variables

	(1)	(2)	(3)	(4)	(5)	(6)
(Intercept)	0.207 (0.723)	0.265 (0.696)	0.164 (0.357)	0.118 (0.762)	0.257 (0.720)	0.010 (0.361)
Scope1/EV	-0.000 (0.000)			-0.000 (0.000)		
Tot GHG/EV		0.000 (0.000)			0.000 (0.000)	
FossilFuel			-0.059 (0.048)			-0.016 (0.055)
ln(MktCap)	-0.005 (0.032)	-0.008 (0.031)	-0.003 (0.016)	0.003 (0.034)	-0.004 (0.032)	0.006 (0.016)
Merkur	-0.001 (0.087)	-0.007 (0.081)	-0.031 (0.045)	0.012 (0.085)	-0.001 (0.076)	-0.017 (0.044)
ICB-10 (Tech)				-0.172 (0.113)	-0.150 (0.109)	-0.135 (0.068)
ICB-45 (Cons Stapl)				-0.122 (0.140)	-0.113 (0.133)	-0.083 (0.062)
ICB-50 (Indus)				-0.139 (0.075)	-0.162* (0.069)	-0.099* (0.043)
ICB-60 (Energy)						-0.080 (0.085)
Adj. R <sup>2</sup>	-0.118	-0.101	-0.019	-0.041	0.032	0.055
Num. obs.	26	27	50	26	27	50

**Panel C** Regressing E/P on green/brown manual categorization

	(1)	(2)	(3)	(4)	(5)	(6)
(Intercept)	0.37 (0.28)	0.36 (0.28)	0.32 (0.28)	0.36 (0.28)	0.33 (0.27)	0.24 (0.28)
Green	0.04 (0.04)	0.04 (0.04)		0.07 (0.04)	0.07 (0.04)	
Brown	0.01 (0.04)		-0.00 (0.04)	0.02 (0.05)		-0.01 (0.05)
ln(MktCap)	-0.01 (0.01)	-0.01 (0.01)	-0.01 (0.01)	-0.01 (0.01)	-0.01 (0.01)	-0.00 (0.01)
Merkur	-0.05 (0.04)	-0.05 (0.04)	-0.05 (0.04)	-0.05 (0.04)	-0.05 (0.03)	-0.04 (0.04)
ICB-10 (Tech)				-0.11 (0.06)	-0.11* (0.05)	-0.11 (0.06)
ICB-45 (Cons Stapl)				-0.11* (0.05)	-0.11* (0.05)	-0.08 (0.05)
ICB-50 (Indus)				-0.11*** (0.03)	-0.10*** (0.03)	-0.09** (0.03)
ICB-60 (Energy)				-0.06 (0.06)	-0.04 (0.05)	-0.03 (0.06)
Adj. R <sup>2</sup>	-0.02	-0.00	-0.02	0.11	0.12	0.06
Num. obs.	63	63	63	63	63	63

\*\*\*  $p < 0.01$ ; \*\*  $p < 0.025$ ; \*  $p < 0.05$

**Table 5: E/P regressions - EPS year after IPO**

The tables report the results of regressions of the form  $E/P_i = \alpha + \beta^{ESG} \text{ESG measures}_i + \beta^2 \text{Controls}_i + \varepsilon_i$ , where the dependent variable is Earnings per Share divided by the IPO issue price (E/P). EPS from accounts the same year as the IPO. The control variables are  $\ln(\text{MarketCap})$ , the log of the firm's market capitalization, and dummy variables for the ICB sectors 10 (Tech), 45 (Consumer Staples), 50 (Industrials) and 60 (Energy). The ESG measures are: Panel A:  $\ln(\text{ESG Environment})$  – log of inferred Environmental stance from text analysis of prospectus;  $\ln(\text{ESG Brown})$  – log of ESG Brown measure inferred from the prospectus. Panel B: *FossilFuel* – indicator variable equal to one if the company is involved in fossil fuel extraction; *Scope1/EV* – Company's Scope1 CO<sub>2</sub> emissions, divided by the company enterprise value; *Total GHG/EV* – Company's total greenhouse gas emissions (the sum of the company's reported Scope 1, Scope 2 and Scope 3, divided by company enterprise value). Panel C: Dummies for the green and brown categories. Data for both IPOs and listings. Significance levels indicated as \*p<0.05; \*\*p<0.025; \*\*\*p<0.01.

**Panel A Regressing EPS/P on measures of ESG inferred from prospectus**

	(1)	(2)	(3)	(4)	(5)	(6)
(Intercept)	-0.03 (0.22)	-0.03 (0.22)	0.04 (0.21)	0.01 (0.16)	0.02 (0.16)	-0.05 (0.16)
$\ln(\text{ESG Environment})$	-0.01 (0.01)	-0.01 (0.01)		0.01 (0.01)	0.01 (0.01)	
$\ln(\text{ESG Brown})$	-0.00 (0.00)		-0.00 (0.00)	0.00 (0.00)		0.00 (0.00)
$\ln(\text{MktCap})$	0.00 (0.01)	0.00 (0.01)	-0.00 (0.01)	0.01 (0.01)	0.00 (0.01)	0.01 (0.01)
Merkur	0.03 (0.03)	0.03 (0.03)	0.03 (0.03)	0.04 (0.02)	0.04 (0.02)	0.03 (0.02)
ICB-10 (Tech)				-0.12*** (0.03)	-0.12*** (0.03)	-0.12*** (0.03)
ICB-45 (Cons Stapl)				-0.12*** (0.03)	-0.12*** (0.03)	-0.10*** (0.02)
ICB-50 (Indus)				-0.11*** (0.02)	-0.11*** (0.02)	-0.10*** (0.02)
ICB-60 (Energy)				-0.13*** (0.03)	-0.13*** (0.03)	-0.12*** (0.03)
Adj. R <sup>2</sup>	0.04	0.06	0.01	0.52	0.53	0.51
Num. obs.	36	36	36	36	36	36

\*\*\*p < 0.01; \*\*p < 0.025; \*p < 0.05

**Table 5: (Continued)****Panel B** Regressing EPS/P on self-reported environmental variables

	(1)	(2)	(3)	(4)	(5)	(6)
(Intercept)	0.008 (0.303)	-0.062 (0.308)	0.283 (0.213)	-0.174 (0.283)	-0.278 (0.294)	0.099 (0.192)
Scope1/EV	-0.000 (0.000)			-0.000 (0.000)		
Tot GHG/EV		-0.000 (0.000)			-0.000 (0.000)	
FossilFuel			-0.030 (0.024)			0.001 (0.027)
ln(MktCap)	0.001 (0.013)	0.004 (0.014)	-0.011 (0.010)	0.012 (0.013)	0.017 (0.013)	-0.000 (0.009)
Merkur	0.030 (0.029)	0.034 (0.029)	0.014 (0.024)	0.029 (0.028)	0.035 (0.027)	0.016 (0.021)
ICB-10 (Tech)				-0.094* (0.040)	-0.103** (0.039)	-0.094*** (0.033)
ICB-45 (Cons Stapl)				-0.093* (0.043)	-0.099* (0.042)	-0.080*** (0.027)
ICB-50 (Indus)				-0.072** (0.027)	-0.070** (0.026)	-0.080*** (0.022)
ICB-60 (Energy)				-0.074 (0.060)	-0.081 (0.056)	-0.095 (0.049)
Adj. R <sup>2</sup>	-0.033	-0.051	0.047	0.209	0.247	0.307
Num. obs.	24	25	43	24	25	43

**Panel C** Regressing EPS/P on green/brown manual categorization

	(1)	(2)	(3)	(4)	(5)	(6)
(Intercept)	0.57*** (0.21)	0.50** (0.20)	0.63*** (0.21)	0.47* (0.20)	0.41* (0.20)	0.49** (0.20)
Green	-0.03 (0.03)	-0.05 (0.03)		-0.02 (0.03)	-0.03 (0.03)	
Brown	0.04 (0.03)		0.06* (0.03)	0.04 (0.04)		0.05 (0.03)
ln(MktCap)	-0.02** (0.01)	-0.02* (0.01)	-0.03*** (0.01)	-0.02 (0.01)	-0.01 (0.01)	-0.02 (0.01)
Merkur	-0.03 (0.03)	-0.02 (0.03)	-0.03 (0.03)	-0.03 (0.03)	-0.01 (0.03)	-0.03 (0.03)
ICB-10 (Tech)				-0.07 (0.04)	-0.07 (0.04)	-0.07 (0.04)
ICB-45 (Cons Stapl)				-0.05 (0.04)	-0.05 (0.04)	-0.06 (0.03)
ICB-50 (Indus)				-0.08*** (0.03)	-0.07** (0.03)	-0.08*** (0.03)
ICB-60 (Energy)				-0.03 (0.05)	0.01 (0.04)	-0.03 (0.05)
Adj. R <sup>2</sup>	0.15	0.12	0.13	0.24	0.23	0.25
Num. obs.	49	49	49	49	49	49

\*\*\*  $p < 0.01$ ; \*\*  $p < 0.025$ ; \*  $p < 0.05$

### **3 Underpricing regressions**

**Table 6: Regressing underpricing on ESG. IPOs and Listings**

The tables report the results of regressions of the form  $\text{Underpricing}_i = \alpha + \beta^{ESG} \text{ESG measures}_i + \beta^2 \text{Controls}_i + \varepsilon_i$ , where the dependent variable is the measure of underpricing: Either first-day return, measured as return difference from IPO price to the closing price on the IPO date, or the first week return from the IPO price to the closing price one week later. For listings the opening price on the IPO date is used instead of the IPO price. The primary control variable is  $\ln(\text{MarketCap})$ , log of the firm's market capitalization. The ESG measures are Panel A:  $\ln(\text{ESG Environment})$  – log of inferred Environmental stance from text analysis of prospectus.  $\ln(\text{ESG Brown})$  log of corresponding ESG Brown measure inferred from the prospectus. Panel B: *FossilFuel* indicator variable equal to one if the company is involved in fossil fuel extraction. *Scope1/EV* Company's Scope1 CO<sub>2</sub> emissions, divided by the company enterprise value. *Total GHG / EV* Company's total greenhouse gas emissions (the sum of the company's reported Scope 1, Scope 2 and Scope 3, divided by company enterprise value). Panel C: Dummies for the green and brown categories. The first three columns ((1)–(3)) use all IPOs starting in 2018. The last three ((4)–(6)) only IPOs at Merkur/Euronext Growth. Significance levels indicated as \* $p < 0.05$ ; \*\* $p < 0.025$ ; \*\*\* $p < 0.01$ .

**Panel A Regressing underpricing on measures of ESG inferred from prospectus**

	First Day			First Week		
	(1)	(2)	(3)	(4)	(5)	(6)
(Intercept)	-6.4 (32.7)	-6.9 (32.4)	-0.5 (32.4)	-81.6 (42.7)	-87.4* (42.7)	-78.6 (42.0)
$\ln(\text{ESG Environment})$	-1.0 (0.8)	-1.0 (0.7)		-0.5 (1.1)	-1.4 (0.9)	
$\ln(\text{ESG Brown})$	-0.1 (0.4)		-0.3 (0.3)	-0.9 (0.6)		-1.0* (0.5)
$\ln(\text{MktCap})$	0.3 (1.5)	0.4 (1.4)	0.1 (1.4)	3.7 (1.9)	4.0* (1.9)	3.6 (1.9)
Merkur	-0.4 (4.5)	-0.3 (4.4)	-0.3 (4.5)	4.5 (5.8)	5.2 (5.9)	4.5 (5.8)
Adj. R <sup>2</sup>	-0.0	-0.0	-0.0	0.0	0.0	0.0
Num. obs.	125	125	125	123	123	123

**Panel B Regressing on reported emissions data.**

	First Day			First Week		
	(1)	(2)	(3)	(4)	(5)	(6)
(Intercept)	-28.7 (40.1)	-21.8 (42.2)	-8.2 (24.3)	-54.7 (49.5)	-40.1 (51.7)	5.8 (47.8)
Scope1/EV	-0.0 (0.0)			-0.0 (0.0)		
Tot GHG/EV		-0.0 (0.0)			-0.0 (0.0)	
FossilFuel			-5.1 (3.8)			-11.4 (7.8)
$\ln(\text{MktCap})$	1.4 (1.8)	1.1 (1.9)	0.5 (1.1)	2.6 (2.2)	1.9 (2.3)	-0.0 (2.1)
Merkur	-1.2 (4.4)	-0.3 (4.5)	-1.2 (3.5)	0.1 (5.4)	1.5 (5.5)	1.5 (7.1)
Adj. R <sup>2</sup>	-0.0	-0.0	-0.0	-0.0	0.0	-0.0
Num. obs.	58	62	137	59	63	138

**Panel C Regressing underpricing on green/brown manual categorization**

	First Day			First Week		
	(1)	(2)	(3)	(4)	(5)	(6)
(Intercept)	-8.0 (22.0)	-8.0 (21.9)	-6.1 (21.9)	8.3 (39.2)	8.9 (39.3)	11.6 (39.1)
Green	-2.6 (2.7)	-2.6 (2.5)		-5.9 (4.9)	-3.6 (4.6)	
Brown	0.0 (3.5)		1.1 (3.3)	-9.8 (6.5)		-7.3 (6.2)
$\ln(\text{MktCap})$	0.4 (1.0)	0.4 (1.0)	0.3 (1.0)	-0.1 (1.8)	-0.2 (1.8)	-0.3 (1.8)
Merkur	2.3 (3.3)	2.3 (3.3)	1.5 (3.2)	3.0 (5.9)	2.8 (5.9)	1.3 (5.8)
Adj. R <sup>2</sup>	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
Num. obs.	173	173	173	172	172	172

\*\*\* $p < 0.01$ ; \*\* $p < 0.025$ ; \* $p < 0.05$



## 4 ESG and liquidity

We provide additional regressions. The paper contains the results for all listings, both IPOs and pure listings. In the table we provide corresponding regressions split on IPOs and pure listings.

### 4.1 First day liquidity and ESG

$$\text{Turnover}_i = \alpha + \mathbf{b}^{ESG} \text{ESG measures}_i + \mathbf{b}^2 \text{Controls}_i + \varepsilon_i, \quad (1)$$

The explanatory variables employed are the same as we used in the previous analysis.

**Table 7: Liquidity regressions - IPOs only**

The tables report the results of regressions of the form  $\text{Turnover}_i = \alpha + \beta^{\text{ESG}} \text{ESG measures}_i + \beta^2 \text{Controls}_i + \varepsilon_i$ , where the dependent variable is the measure of liquidity during the first day of trading – the trading volume divided by shares outstanding. The control variable is  $\ln(\text{MarketCap})$ , the log of the firm’s market capitalization. The ESG measures are Panel A:  $\ln(\text{ESG Environment})$  – log of inferred Environmental stance from text analysis of prospectus.  $\ln(\text{ESG Brown})$  log of corresponding ESG Brown measure inferred from the prospectus. Panel B: *FossilFuel* indicator variable equal to one if the company is involved in fossil fuel extraction. *Scope1/EV* Company’s Scope1 CO<sub>2</sub> emissions, divided by the company enterprise value. *Total GHG / EV* Company’s total greenhouse gas emissions (the sum of the company’s reported Scope 1, Scope 2 and Scope 3, divided by company enterprise value). Panel C: Dummies for the green and brown categories. The first three columns ((1)–(3)) use the first day’s turnover. The last three ((4)–(6)) use the first week’s turnover. Significance levels indicated as \* $p < 0.1$ ; \*\* $p < 0.05$ ; \*\*\* $p < 0.01$ .

**Panel A Regressing turnover on measures of ESG inferred from prospectus**

	First Day			First Week		
	(1)	(2)	(3)	(4)	(5)	(6)
(Intercept)	0.8 (1.3)	0.8 (1.2)	0.9 (1.2)	12.1 (9.4)	12.6 (9.4)	13.6 (9.3)
$\ln(\text{ESG Environment})$	-0.0 (0.0)	-0.0 (0.0)		-0.2 (0.2)	-0.2 (0.2)	
$\ln(\text{ESG Brown})$	-0.0 (0.0)		-0.0 (0.0)	0.1 (0.1)		0.0 (0.1)
$\ln(\text{MktCap})$	-0.0 (0.1)	-0.0 (0.1)	-0.0 (0.1)	-0.5 (0.4)	-0.5 (0.4)	-0.5 (0.4)
Merkur	0.0 (0.2)	0.0 (0.2)	0.0 (0.2)	0.0 (1.3)	-0.1 (1.3)	0.0 (1.3)
Adj. R <sup>2</sup>	-0.0	-0.0	-0.0	-0.0	0.0	-0.0
Num. obs.	79	79	79	124	124	124

**Panel B Regressing turnover on self-reported variables**

	First Day			First Week		
	(1)	(2)	(3)	(4)	(5)	(6)
(Intercept)	1.8 (1.7)	4.0* (2.0)	1.7 (1.3)	0.7 (12.2)	12.2 (13.1)	4.5 (5.8)
<i>Scope1/EV</i>	-0.0 (0.0)			-0.0 (0.0)		
<i>Total GHG Emissions/EV</i>		-0.0 (0.0)			-0.0 (0.0)	
<i>FossilFuel</i>			-0.1 (0.2)			-0.4 (1.0)
$\ln(\text{MktCap})$	-0.1 (0.1)	-0.2 (0.1)	-0.1 (0.1)	0.0 (0.5)	-0.5 (0.6)	-0.1 (0.3)
Merkur	-0.0 (0.1)	0.0 (0.1)	0.1 (0.2)	0.5 (1.0)	0.4 (1.0)	0.3 (0.7)
Adj. R <sup>2</sup>	-0.1	0.0	-0.0	-0.1	-0.0	-0.0
Num. obs.	37	41	86	39	43	90

**Panel C Regressing turnover on green/brown manual categorization**

	First Day			First Week		
	(1)	(2)	(3)	(4)	(5)	(6)
(Intercept)	1.9 (1.2)	1.8 (1.2)	1.9 (1.2)	3.5 (5.2)	2.8 (5.3)	3.4 (5.1)
Green	-0.0 (0.1)	-0.1 (0.1)		0.3 (0.6)	-0.2 (0.6)	
Brown	0.2 (0.2)		0.2 (0.2)	2.2*** (0.8)		2.1*** (0.7)
$\ln(\text{MktCap})$	-0.1 (0.1)	-0.1 (0.1)	-0.1 (0.1)	-0.1 (0.2)	-0.1 (0.2)	-0.1 (0.2)
Merkur	0.1 (0.2)	0.1 (0.2)	0.1 (0.2)	0.6 (0.7)	0.7 (0.7)	0.7 (0.6)
Adj. R <sup>2</sup>	-0.0	-0.0	0.0	0.1	-0.0	0.1
Num. obs.	103	103	103	107	107	107

\*\*\* $p < 0.01$ ; \*\* $p < 0.025$ ; \* $p < 0.05$

**Table 8: Liquidity regressions - only listings**

The tables report the results of regressions of the form  $\text{Turnover}_i = \alpha + \beta^{\text{ESG}} \text{ESG measures}_i + \beta^2 \text{Controls}_i + \varepsilon_i$ , where the dependent variable is the measure of liquidity during the first day of trading – the trading volume divided by shares outstanding. The control variable is  $\ln(\text{MarketCap})$ , the log of the firm’s market capitalization. The ESG measures are Panel A:  $\ln(\text{ESG Environment})$  – log of inferred Environmental stance from text analysis of prospectus.  $\ln(\text{ESG Brown})$  log of corresponding ESG Brown measure inferred from the prospectus. Panel B: *FossilFuel* indicator variable equal to one if the company is involved in fossil fuel extraction. *Scope1/EV* Company’s Scope1 CO<sub>2</sub> emissions, divided by the company enterprise value. *Total GHG / EV* Company’s total greenhouse gas emissions (the sum of the company’s reported Scope 1, Scope 2 and Scope 3, divided by company enterprise value). Panel C: Dummies for the green and brown categories. The first three columns ((1)–(3)) use the first day’s turnover. The last three ((4)–(6)) use the first week’s turnover. Significance levels indicated as \* $p < 0.1$ ; \*\* $p < 0.05$ ; \*\*\* $p < 0.01$ .

**Panel A** Regressing turnover on measures of ESG inferred from prospectus

	First Day			First Week		
	(1)	(2)	(3)	(4)	(5)	(6)
(Intercept)	5.4 (4.3)	5.8 (4.3)	6.9 (4.0)	30.5 (27.0)	32.4 (26.8)	37.1 (25.1)
$\ln(\text{ESG Environment})$	-0.1 (0.1)	-0.1 (0.1)		-0.6 (0.9)	-0.3 (0.8)	
$\ln(\text{ESG Brown})$	0.0 (0.0)		0.0 (0.0)	0.2 (0.3)		0.2 (0.2)
$\ln(\text{MktCap})$	-0.2 (0.2)	-0.3 (0.2)	-0.3 (0.2)	-1.4 (1.2)	-1.4 (1.2)	-1.6 (1.1)
Merkur	-0.1 (0.9)	-0.1 (0.9)	-0.0 (0.9)	-0.1 (5.5)	-0.3 (5.5)	0.1 (5.4)
Adj. R <sup>2</sup>	0.0	0.0	0.0	-0.0	-0.0	-0.0
Num. obs.	41	41	41	42	42	42

**Panel B** Regressing turnover on firm-level variables from Stamdata

	First Day			First Week		
	(1)	(2)	(3)	(4)	(5)	(6)
(Intercept)	0.3 (1.1)	0.3 (1.1)	2.7 (2.6)	1.0 (4.3)	1.0 (4.4)	11.0 (15.5)
Scope1/EV	-0.0 (0.0)			-0.0 (0.0)		
Total GHG Emissions/EV		-0.0 (0.0)			-0.0 (0.0)	
FossilFuel			-0.3 (0.4)			-2.1 (2.4)
$\ln(\text{MktCap})$	-0.0 (0.0)	-0.0 (0.0)	-0.1 (0.1)	-0.0 (0.2)	-0.0 (0.2)	-0.4 (0.7)
Merkur	0.3 (0.2)	0.3 (0.2)	0.2 (0.7)	1.3 (0.9)	1.3 (1.0)	1.3 (4.1)
Adj. R <sup>2</sup>	0.0	0.0	-0.0	0.0	-0.0	-0.0
Num. obs.	18	18	46	20	20	49

**Panel C** Regressing turnover on green/brown manual categorization

	First Day			First Week		
	(1)	(2)	(3)	(4)	(5)	(6)
(Intercept)	4.7 (2.6)	4.7 (2.6)	4.1 (2.8)	16.4 (11.7)	16.4 (11.6)	12.7 (12.1)
Green	1.0*** (0.4)	1.0*** (0.4)		4.3** (1.6)	4.4*** (1.5)	
Brown	-0.0 (0.5)		-0.4 (0.5)	-0.4 (2.2)		-2.2 (2.2)
$\ln(\text{MktCap})$	-0.2 (0.1)	-0.2 (0.1)	-0.1 (0.1)	-0.6 (0.5)	-0.6 (0.5)	-0.4 (0.6)
Merkur	-1.4** (0.6)	-1.4** (0.5)	-1.2* (0.6)	-3.3 (2.5)	-3.3 (2.5)	-2.4 (2.6)
Adj. R <sup>2</sup>	0.1	0.1	0.0	0.1	0.1	-0.0
Num. obs.	63	63	63	67	67	67

\*\*\* $p < 0.01$ ; \*\* $p < 0.025$ ; \* $p < 0.05$