Propositions accompanying the thesis

Sustainable Finance

ESG performance and disclosure in the capital market context

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1. Firms run by female CEOs and CFOs pay lower loan spreads on average than firms run by male top executives. [Chapter 2]

2. Loan spreads are driven by soft information and cultural attitudes can mitigate the advantages of gender diversity. [Chapter 2]

3. Borrowing companies with strong sustainability performance only pay lower loan spreads than borrowers with weak sustainability performance when the lending bank has strong sustainability performance. [Chapter 3]

4. The difference in loan spreads between borrowers due to sustainability performance is a penalty premium for borrowers with weak sustainability performance rather than a discount for strong performance. [Chapter 3]

5. Firms that voluntarily disclose more material sustainability information according to SASB accounting standards, exhibit a lower stock price synchronicity that reflects more firm-specific information. [Chapter 4]

6. The reduction in synchronicity from sustainability disclosures is stronger for firms with higher exposure to sustainability issues, institutional and socially responsible investment fund ownership and coverage from analysts with lower portfolio complexity. [Chapter 4]

7. A successful, vibrant finance and banking sector is an essential enabler of social and economic progress, growth and development. [Sir David Walker, Chairman Barclays]

8. Purpose and success belong together: Producing policy-relevant and timely research can enhance an academic researcher’s impact and career, just as doing good in business can increase a corporation’s financial success in the long run.

9. Research is like dancing salsa: One large step forward followed by two smaller steps backwards, interrupted by the occasional spins and dips.

10. Pursuing a Ph.D. increases the candidate’s known knowns, but it most notably increases the ratio of known unknowns to unknown unknowns.