



UNIVERSITÀ
DEGLI STUDI
DI BERGAMO

Department
of Management

Research Seminars Series

A.Y. 2023-2024 2nd Term

March 1, 2024 – 12:30:1:30 p.m. (CET)

In room 22, via dei Caniana 2

AND Online on Microsoft Teams ([link](#))

Presenter: Prof. Paul Momtaz

TUM Business School, Germany

TITLE – *Brown-spinning or green-spinning? Toxic emissions in private equity-owned facilities following leveraged buyouts (LBOs)*

ABSTRACT – We examine toxic emissions in private equity-owned facilities following leverage buyouts (LBOs) relative to matched non-LBO facilities in a difference-in-differences framework. In contrast to the popular "brownspinning" narrative, our evidence suggests that private equity (PE) actively reduces the release of toxic chemicals by 8%. Toxic emissions in PE-owned facilities decrease gradually over the investment cycle, after the Paris Agreement, in toxic emission-intense facilities, and industries with pronounced governance issues. The reduction in toxic emissions is mainly driven by modifications to production inputs (rather than production processes). PE funds that obtain sustainability certification from ESG rating agencies do not reduce toxic emissions more than non-certified funds. Overall, we contribute to the emerging literature on sustainability by offering the first empirical evidence on the real effects of entrepreneurial finance on the natural environment. We also offer theory to rationalize why entrepreneurial finance will likely act as a critical change agent in the transition toward net-zero.

TYPE OF RESEARCH – Empirical

STAGE OF RESEARCH – First Draft

For further information please refer to: seminars.dipsa@unibg.it

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