

Seminario

Lunedì 13 Febbraio, ore 11.00

Aula 5 – Palazzo delle Scienze

Does Genetic Diversity on Corporate Boards Lead to Improved Environment Performance?

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Abstract: *We study the effects of boards' genetic diversity on corporate environmental performance. Using a multidimensional information set for 3,690 US firms during the period from 2005 to 2019, and three different measures of genetic diversity, we find that, pursuant to the diversity theory, which posits that diversity improves the quality of management decisions and business ethics, genetic diversity leads to improved environmental performance. We also find that genetic diversity improves carbon and governance performance, and ESG disclosure. Particularly, a one percentage point increase in boards' genetic diversity will increase the carbon performance, measured by the inverse of the carbon emissions to total assets ratio, and environmental performance by 3.54% and 5.57%, respectively. Our results remain robust to different model specifications, while also controlling for endogeneity. In terms of policy implications, results suggest that the key to tackling climate challenges is to promote boards' genetic diversity.*