**Plan**

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* **The aim of the presentation**

Whether or not ESG information disclosure prompts value creation. And, if it does, what are the drivers?

* **Openings**
* Introductions

Good afternoon!, We are Happy Panda. This is Alice and I’m Sophie

* Overview

Today, we will talk about the impact of environmental, social, and governance (ESG) disclosure on firm value, especially focus on the role of CEO power.

* Objective

The objective of this presentation is to investigate the CEO's role in ESG disclosure, in particular whether or not CEO power impacts the relation between firm value and ESG disclosure.

* Ground rules

The presentation will take about 10 minutes.

There is no handout, so feel free to make notes.

Feel free to interrupt us to ask question.

Please turn your phone into silent mode.

* Structure(agenda)

This presentation is structured into 6 sections.

* **Agenda**
* Motivation
* Literature review & hypothesis development
* Theory
* Research design
* Research results
* Conclusions
* Open signals

Let’s begin with...

* + **Motivation**
1. Growing attention paid to issues of ‘sustainability’ has led to a boom in firms' information disclosure on ESG practices.
2. According to the United Nations (UN) Sustainable Stock Exchange (SSE) initiative, all big companies are expected to report their impact from environmental and social practice by 2030 at the latest.
3. Market interest in the transparency of firms' ESG performance and practice is large and growing.
	* **Literature review & hypothesis development**

**Association between ESG disclosure and firm value :**

1. Disclosures on ESG practice provide additional information to financial data.
2. By increasing the transparency of ESG issues around the firm, it may further improve the internal control mechanisms for complying with the regulations and serving the firm's stakeholders' interests.
3. With the improved availability of ESG information disclosure, the asymmetric information between firms and related parties can be reduced.
4. The more transparent is the ESG information disclosed, the better investment decisions these managers make.
5. ESG disclosure reduces agency costs and lower the likelihood of myopic decisions by encouraging stakeholders to engage and by increasing transparency.

**Effect of CEO's power in ESG disclosure :**

Earlier research on voluntary disclosure of financial information documents that the CEO has influence on disclosure quality, and high-quality disclosure increases firm value, but there is no literature exploring the CEO's role in ESG disclosure.

H1 : There is a positive and significant relationship between ESG disclosure level and firm value.

H2 : The effect of ESG disclosure on firm value is more pronounced when the firm has high CEO power than when the firm has low CEO power.

* + **Theory**

Positive: Stakeholder theory and the positive synergies theory

Negative: Agency cost theory and the available funding and affordability theory

* + **Research design**

Sample: FTSE350 in UK (2004-2013), n=2,415

Data sources: Bloomberg and Boardex

Variable: ESG disclosure (ESG, ENV and SOC), Firm value (Tobin’s Q)

* + **Research results**

H1: The ESG disclosure level is positively associated with firm value.

H2: The interaction between higher CEO power and ESG disclosure is positively related to firm value.

* + **Conclusions**

ESG disclosures can enhance firm value through improved transparency and accountability, and enhanced stakeholder trust.

The association between ESG disclosure level and firm value is more pronounced when CEO power is greater.

* Close signals

So this is about the conclusion of the research.