Summary of *The Irrelevance of Environmental, Social, and Governance Disclosure to Retail Investors*

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1. **What are the research questions?**
   - Whether ESG disclosures influence retail investors and through which channel?
2. **Why are the research questions interesting?**
   - Prior study reveals that institutional investors adjust their portfolio during ESG disclosures and the market responds to ESG disclosures(stock return and volume traded).
   - Identifying retail investors' response to ESG disclosures will be beneficial to policy making.
3. **What is the paper's contribution?**
   - Contribute to the literature that examines how ESG disclosures affect the composition of firms' shareholder base.
     - Existing literature: ESG disclosures attract mutual funds, dedicated institutional investors and investors who have a "taste" for ESG activities.
     - Extension: retail investors do not adjust their holdings in response to ESG disclosures.
   - Contribute to the literature that examines how investors respond to ESG disclosures.
     - Existing literature: the market DO respond to ESG disclosures; subjects in laboratory experiments transact based on ESG disclosures.
     - Extension: ESG disclosures do not influence retail investors' portfolio choices.
   - Contribute to the ongoing development of ESG disclosures by various regulatory entities.
     - Former perspectives: institutional investors respond to ESG disclosure proposals and investors are homogeneous.
     - Extension: retail investors do not appear to incorporate existing ESG disclosures.
4. **What hypotheses are tested in the paper?**
   - retail investors adjust their portfolios during the dissemination of ESG disclosures,.
   - retail investors adjust their portfolios during the dissemination of non-ESG disclosures and earning announcements.
   - retail investors do not respond to ESG disclosures due to lack of economic content, lack of visibility and integration difficulties.

   a) Do these hypotheses follow from and answer the research questions?
   - Yes, they are all analyzing the reaction of retail investors on ESG disclosures. Three main probable explanations of retail investors not reacting to ESG disclosures are tested.

   b) Do these hypotheses follow from theory? Explain logic of the hypotheses.
   - The method of analyzing retail investors is consistent with former study on institutional investors. According to existing theory, three main reasons of retail investors ignoring ESG disclosures are proposed. These hypotheses are logically developed.
5. **Sample: comment on the appropriateness of the sample selection procedures.**
   - Take usage of special data from Robinhood which reveals retail investors' portfolio adjustment. But only the three-day windows during special events are tested.

6. **Dependent and independent variables: comment on the appropriateness of variable definition and measurement.**

    - The dependent variable is retail investors response, denoted by the change in the number of Robinhood investors or overall stock price and volume traded. The independent variables are indicators of whether the day is ESG disclosure day or non-ESG news publish day or earning announcement day.

7. **Regression/prediction model specification: comment on the appropriateness of the regress/predict model specification.**

    - The regression consists mainly of indicators. The introduction of controlling variables and fix effects will enhance the explanation.

8. **What difficulties arise in drawing inferences from the empirical work?**

    - Sample bias. All data of retail investors used comes from Robinhood. Maybe retail investors who do not using Robinhood react more actively to ESG disclosures.

9. **Describe at least one publishable and feasible extension of this research.**

    - Consider possible explanations of retail investors ignoring ESG disclosures, for example, not educated to realize the impact of ESG disclosures. Also, we can analyze the proportion of ESG effect contributed by institutional investors and retail investors.