

Recent Developments in Climate Change and Corporate Finance

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Motivation

- The economic and financial implications of climate change is a growing area of research, including within corporate finance.
- The most recent programs of all top five financial conferences had presentations on related topics.
- Four out of five had entire sessions dedicated to it.

Methodology

- In this literature review, I summarized the recent development in the intersection of climate change and corporate finance.
- The starting point is related papers in the most recent programs of the following finance conferences:
 - ① Western Finance Association Meetings 2021
 - ② American Finance Association Meetings 2022
 - ③ Society for Financial Studies Cavalcade North America 2021
 - ④ Utah Winter Finance Conference 2022
 - ⑤ NBER Corporate Finance Summer Institute 2021
- All told, there ended up being twenty-eight related papers from these conferences alone.

What is the social responsibility of a corporation?

- Friedman (1970):

The social responsibility of business is to increase its profits.

- Business Roundtable (2019):

The purpose of a corporation is to promote *an economy that serves all Americans*.