

BIG DATA & ALGORITHMIC FINANCE



Carmelo LATINO

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Carmelo Latino is a Finance Doctorate candidate with a profound interest in sustainable finance. His research contributes to the topic of ESG ratings divergence and its far-reaching impact on stock prices. His study on sustainable and ESG risk and performance extends seamlessly across diverse financial domains, encompassing equity, fixed income, and more recently, structured products, such as auto ABSs.

With a keen eye on the evolving landscape, Carmelo is currently delving into the impact of greenwashing and green marketing on the financial performance of companies.

SURFING THE GREEN WAVE: WHAT'S IN A "GREEN" NAME CHANGE?

[Carmelo Latino](#)

This paper investigates stock market reaction to greenwashing by analyzing a new channel whereby companies change their names to green-related ones (i.e., names that evoke green and sustainable sentiments) to persuade the public that their activities are green. The findings reveal a striking positive stock price reaction to the announcement of corporate name changes to green-related names only for companies not involved in green activities at the time of the announcement. However, over an extended period of time, companies unrelated to green activities experience substantial negative abnormal returns if they fail to align their operational focus with the new name after the change.

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