This folder provides the codes used to generate the results in the paper “Does Private Equity Ownership Make Firms Cleaner? The Role of Environmental Liability Risks.”

We use confidential data which cannot be shared publicly. Hence, we generate a fake dataset, which is presented in the excel file “Base_Data.xlsx”
This workbook contains four sheets:

- Variable Definitions – This sheet details the names and definitions of all variables which are used in the code.
- baseline – This sheet contains data for the project-level data.
- matching_stacked_buyout – This sheet contains data for the facility-year level, matched at the PE-backed and then stacked by cohort.
- matching_stacked_Drillco – This sheet contains data for the facility-year level, matched at the PE-DrillCo and then stacked by cohort.
- Production_well_level - This sheet contains data at the well-level on production (projected and for the first 6 months).

Notice that Figure 1 has no data, and Figure 2 and 3 were constructed using the software Tableau.

Please run the file “10_Main.do”. This file will read in the data in “path/Base_Data.xlsx” into some stata format files stored in the folder “path”. It will also directly implement the scripts “path/Tables.do”, and “path/Figures.do” The results will be stored in the log, and the coefficients from the specification curves will be stored in the following .dta files: baseline_direct_d_pollution.dta, baseline_direct_y_pollution.dta, baseline_risk_d_pollution.dta, baseline_risk_y_pollution.dta, nat_year_d_pollution.dta, and nat_year_y_pollution.dta.

Please take care to change the working directory to the folder “path” to run the code.

As we use Fake data to generate the results, the numbers/ figures will not match the ones reported in our paper.