

## Appendix

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### *Appendix 1: The choice of stock price as a measure of stigmatization*

The analysis in 2.1.2 aims at defining whether the impacts of a stigma are felt by the fossil fuel industry, which would support the fact that stigmatization is a good means towards the campaign goals. To fulfil this condition, stigmatization should be able to lower the industry's legitimacy, which would in turn dismantle its political power and force it into changing its business model. This is why the analysis will compare the evolution of divestment with this of the industry's legitimacy. However, there is no index enabling us to measure concepts such as legitimacy. With that being said, the consequences of a loss of legitimacy, as developed in 2.1.1 are reflected in the evolution of a company's stock prices. The following will argue why.

As developed in the theory, organizational stigmatization induces a loss of legitimacy which in turns taint the organization's reputation. Consequently, these losses induce salient damages to the targeted firm. Putting legitimacy and reputation together, five impact areas can be synthesized: the companies' financial performance suffers, they have less leverage to manoeuvre in common negotiations, their partners break their relations, the general risk associated with their business models rise and they have a harder time accessing their vital resources. In short, these categories can be summarized into financials, ability to manoeuvre, partnerships, risks and access to resources.

Again, most of these impact areas are not measurable, or are measured internally which renders the data unavailable. Financial performance can surely be translated into a multitude of measures present in the companies' annual reports, but it is the only one. Indeed, access to resources can be sub-divided into access to the three vital resources as reported by the World Economic Forum: access to markets, access to employees and access to finance (World Economic Forum *et al*, 2011: section 3). Respectively, these can be measured by indicators such as demand, employee turnover and debt-to-equity ratio, which are largely inaccessible due to the differences in reporting methods and the different firms' choice of indicators reported.

As for the last three impact areas, ability to manoeuvre, risk and partnerships, there is, as-to-date no indicator able to provide a clear picture on these statements.

With that being said, there is one measure that does reflect all of these dimensions, among others: stock prices. Intuitively analysed to assess the financial performance of a firm – as is the case in many articles – , the value of a company’s stock (or share) does say a lot about its general health. Financially first, as it is a market-based valuation indicator, based on investors’ perceptions of future performance (McGuire *et al*, 1988: pp; 859-890). But also, other aspects such as individual sentiment towards a company can drive stock prices up or down, as confirmed in a recent study (Rao & Zhou, 2019: 119-131). As stock prices are solely the reflection of investors’ valuation, they are directly dependent of the companies’ reputation (Vergin & Qoronfleh, 1998: pp. 22-24). This is also the case for legitimacy. Indeed, researches on legitimacy cases found that investors’ perceptions of apparent legitimacy of an institution were reflected in the stock price accordingly; the less legitimate the organization, the lower its stock price (Oosterlinck, 2003: p. 326; Hudson & Urquhart, 2015: p.176). Yet, all impact areas are, as exposed in the theory, a direct consequence of loss of legitimacy and reputation. As these are positively correlated with stock prices, a stigmatized industry should experience a loss in both legitimacy and reputation, and therefore witness a downturn in stock prices.