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1. Introduction

There is an ongoing debate about whether and how a firm's sustainability contributes to its financial performance. Existing research generally documents a positive association between sustainability and financial performance (e.g., Margolis, Elfenbein, and Walsh, 2007; Friede, Busch, and Bassen, 2015; Atz et al., 2023), especially when financial performance is measured using accounting-based rather than market-based proxies. However, the interpretation of this evidence remains challenging because of reverse causality, omitted firm characteristics, and incomplete understanding of the underlying economic mechanisms (Starks, 2023).

From a Finance 101 perspective, sustainability can affect firm value through discount rates or cash flows. Firms with stronger sustainability performance may face lower discount rates, for instance because of lower exposure to systematic or climate risk (Albuquerque, Koskinen, and Zhang, 2019; Engle et al., 2020) or because investors value sustainability (Pástor, Stambaugh, and Taylor, 2021, 2022; Bonnefon et al., 2025). Beyond discount rates, sustainability may also operate through the second channel, affecting firms' cash flows. These cash flow effects could materialize through several stakeholder channels. On the customer side, consumers who value firms' sustainability characteristics may pay higher prices for products (e.g., Servaes and Tamayo, 2013; Meier et al., 2026; Houston et al., 2025) and show greater loyalty toward more sustainable firms—a mechanism documented for socially responsible mutual funds by Bollen (2007). In a similar spirit, Conway and Boxell (2026) show that consumers substantially adjust their spending in response to firms' stances on controversial social issues by increasing purchases at firms whose stances align with their values and reducing them at misaligned firms, suggesting that catering to customers' social preferences can meaningfully affect revenues. On the employee side, higher employee satisfaction may translate into greater worker productivity. Consistent with this idea, firms with more satisfied employees exhibit more positive earnings surprises and higher risk-adjusted excess returns (Edmans, 2011). Taken together, these channels suggest that sustainability affects firms' cash flows-evidence that Derrien et al. (2025) provide directly by linking environmental, social, and governance (ESG) news to analyst earnings forecast revisions.

In this paper, we study a novel labor-cost channel: workers may value the environmental sustainability of their employers and therefore be willing to accept lower wages to work in more sustainable firms and sectors. If workers have such preferences, firms with stronger sustainability characteristics can hire equivalent human capital at lower cost, thereby reducing their wage bill and increasing free cash flows. We refer to the resulting wage differential as the Sustainability Wage Gap.

Testing the sustainability wage gap hypothesis presents an immediate measurement challenge: if workers care about environmental sustainability, it is not obvious how they assess it, or which of its aspects matter, when they make labor market decisions. Because those decisions are likely to depend on perceptions, we propose a novel survey measure that elicits perceptions directly. In an online survey, respondents classify 95 economic sectors by how environmentally sustainable they perceive them to be. We aggregate the individual assessments into sector-level consensus ratings and classify sectors in the top quintile as highly sustainable. As a complementary and more objective sector-level measure, we use greenhouse gas emissions. We also use two firm-level measures, MSCI environmental ratings and negative ESG news from RepRisk, in additional analyses.

We focus on the environmental dimension of sustainability for several reasons. First, it is conceptually distinct from wage setting: the social dimension of ESG explicitly encompasses labor practices, including pay and working conditions, so relating it to wages would be partly mechanical. Second, environmental sustainability is relatively tangible and more objectively measurable compared with other dimensions of ESG, making it particularly meaningful for our sector-level analysis. Most people, for instance, hold views on the environmental footprint of mining versus rail transport, whereas assessing differences in governance performance across sectors is considerably less straightforward.[1] Finally, environmental concerns have become markedly more salient and important over our sample period.

We combine our measures with administrative employer-employee matched data covering the entire Swedish private-sector workforce from 2001 to 2017. In addition to

[1] Consistent with this, prior research shows that environmental indicators exhibit the least disagreement across ESG rating providers (Gibson Brandon, Krueger, Schmidt, 2021; Berg, Kölbel, and Rigobon, 2022).

standard worker and job characteristics, the data contain detailed administrative measures of cognitive and non-cognitive skills obtained from military enlistment tests and allow us to follow workers, firms, and employment relationships over time. In our main analyses, we focus on male workers, for whom these skill measures are systematically available. As a robustness test, we extend the analysis to female workers using imputed skill measures based on detailed educational achievement.

Our main finding is that workers in more sustainable sectors earn substantially lower wages. In our cross-sectional estimates, workers in the most sustainable sectors earn about 8% less than otherwise similar workers across the full workforce and about 13% less when we restrict the analysis to generic occupations that exist across virtually all sectors. More broadly, comparing estimates across different samples and specifications places the sustainability wage gap in a range of approximately 5% to 10%, with the lower end corresponding to sustainability switchers, i.e., workers observed in both sustainable and non-sustainable sectors, and the upper end to sustainability stayers, who are observed exclusively in one type of sector. These magnitudes are economically meaningful, corresponding to roughly one-quarter to two-fifths of the wage differentials observed for teachers and social workers in Sweden, two occupations commonly viewed as mission- or purpose-driven. Using sector-level greenhouse gas emissions yields a similar wage gap of approximately 6–7%, and more flexible specifications reveal a broadly monotonically decreasing relationship between environmental sustainability and wages.

The richness of the administrative data allows us to investigate selection into sustainable sectors in considerable detail. Workers in more sustainable sectors are, on average, more educated and have higher cognitive and non-cognitive skills. They are also more likely to live in large cities and municipalities with stronger support for the Green Party. Our baseline wage regressions account for observable selection and therefore control not only for standard Mincerian characteristics and variables capturing family status, but also for detailed measures of cognitive and non-cognitive skills and a rich set of occupation and regional fixed effects. Importantly, we do not compare “green jobs” with “polluting jobs”: our regressions compare otherwise similar workers in the same

four-digit occupation and year, employed in sectors that differ in perceived environmental sustainability.

We also exploit the panel structure of the data to examine the role of time-invariant unobserved worker characteristics. Worker fixed-effects estimates imply a sustainability wage gap of about 5%. Importantly, when we estimate the cross-sectional specification on the same sample of sustainability switchers that identifies the fixed-effects estimates, we obtain an almost identical estimate of about 5%. Thus, the reduction relative to the full-population estimate, from about 8% to about 5%, appears to reflect primarily the change in the identifying population rather than the removal of time-invariant omitted worker characteristics. Estimates for workers who change sustainability around mass layoffs, where the timing of the transition is driven by firm-level events, are very similar.

A central challenge for our interpretation is that environmental sustainability may be correlated with other job amenities that give rise to compensating wage differentials, so the wage gap we document could reflect these amenities rather than sustainability itself. We address this concern through three complementary sets of tests. First, we include perceived sector-level measures and administrative proxies designed to capture alternative compensating differentials. Our survey asks respondents to also evaluate perceived sector characteristics along other dimensions, including career opportunities and work-life balance. The rich administrative data allows us to construct additional objective sector-level proxies for employment risk, health and safety, and work-life balance. The sustainability wage gap remains economically and statistically significant after controlling flexibly for these alternative job characteristics. Importantly, the sustainability wage gap is substantially larger than the wage differentials associated with any of the other perceived job attributes we measure.

Second, we investigate two leading competing explanations more directly. Sustainable sectors may offer better career opportunities, allowing workers to accept lower initial wages in exchange for higher subsequent wage growth. Moreover, they may offer better work-life balance, e.g., through actual shorter working hours. The evidence supports neither explanation. Workers starting in more sustainable sectors do not experience sufficiently faster wage growth that offsets the initial wage gap. The

sustainability wage gap remains economically meaningful even after more than ten years of tenure. Using the Swedish Labour Force Survey, we also find no evidence that workers in more sustainable sectors work fewer hours; if anything, they are less likely to work short weeks.

Third, we move from sector-level to firm-level measures of sustainability, allowing us to exploit variation within industries and firms and thereby mitigate concerns about omitted sector-level characteristics. Using firm-level MSCI environmental ratings, we find that workers employed at the highest-rated firms within their 3-digit industries earn approximately 4% lower wages than their industry peers. We also exploit changes in firms' environmental ratings over time and continue to find a negative relationship between sustainability and wages when comparing outcomes within firms or workers. As a complementary firm-level test, we use RepRisk data to examine how wages respond to negative ESG news that damages a firm's sustainability reputation. Consistent with our proposed mechanism, wages are higher in the years in which such events occur. Because RepRisk aggregates environmental, social, and governance events, we read this as a test of broad sustainability reputation.

While no individual test is decisive, the consistency of the results across these different settings and sources of variation substantially strengthens our interpretation that workers value environmental sustainability and are willing to accept lower wages to work in more sustainable sectors and firms.

Our findings contribute to several strands of literature. First, we contribute to the literature on sustainability and firm performance. While this research tends to find a positive association (e.g., Margolis, Elfenbein, and Walsh, 2007; Friede, Busch, and Bassen, 2015; Atz et al., 2023), the underlying economic mechanisms remain less well understood (Starks, 2023). Prior work has identified consumer demand as one potential cash-flow channel, showing that consumers respond to firms' sustainability characteristics and social values (Servaes and Tamayo, 2013; Houston et al., 2025; Conway and Boxell, 2026; Meier et al., 2026). We identify a complementary labor-cost channel: workers value environmental sustainability and are willing to accept lower wages to work for more sustainable employers. Our findings thus provide a novel mechanism through which sustainability can affect firms' cash flows. Our findings also

add workers to the consumers (Servaes and Tamayo, 2013) and investors (Dyck et al., 2019) identified by prior research as stakeholders whose preferences may shape firms' sustainability decisions. Relative to the consumer channel, our setting also addresses the central confound more directly: higher prices for sustainable products may partly reflect unobserved product quality, whereas we observe detailed measures of worker quality (i.e., cognitive and non-cognitive skills) and hold them fixed when estimating the wage gap.

Second, we contribute to the literature on wage differentials and compensating differentials. A large literature documents persistent wage differences across industries and employers (e.g., Slichter, 1950; Krueger and Summers, 1988; Gibbons and Katz, 1992; Gibbons et al., 2005; Sorkin, 2018). Our results identify environmental sustainability as an economically important job characteristic associated with these wage differences. The richness of our administrative data is particularly useful in this context because we observe detailed measures of cognitive and non-cognitive skills, allowing us to account for dimensions of worker ability that are typically unobserved.

Finally, we contribute to the growing literature on workers' preferences for meaningful and sustainable employment. Survey and experimental evidence show that workers are willing to give up compensation to work for more sustainable, meaningful, or socially responsible employers (e.g., Burbano, 2016; Colonnelli et al., 2026; Schneider, Brun, and Weber, 2025). Notably, this evidence comes from settings as diverse as the United States, Brazil, and Switzerland, suggesting that such preferences are not confined to a single labor market. We complement this literature by providing population-wide evidence based on realized wages and employment choices over two decades. Moreover, because sustainability may signal other desirable job characteristics even in experimental settings, our approach of using complementary data and empirical approaches to distinguish environmental sustainability from alternative compensating differentials lets us directly examine the leading competing explanations of career opportunities and work-life balance.

The remainder of the paper proceeds as follows. Section 2 describes the data and the construction of our sustainability measures. Section 3 examines which workers sort into sustainable sectors. Section 4 presents our main evidence on the sustainability wage

gap. Section 5 examines alternative explanations, including compensating differentials and the leading competing channels of career opportunities and work-life balance, and presents complementary firm-level evidence. Section 6 discusses the worker fixed-effects results, and Section 7 concludes.

2. Data and measurement of environmental sustainability

This section introduces our measures of environmental sustainability and the administrative employer–employee matched data used in the empirical analysis. We first present our main survey-based measure of perceived environmental sustainability at the sector-level. We then introduce three complementary measures based on sector-level greenhouse gas (GHG) emissions, MSCI ESG ratings, and ESG news data from RepRisk, and discuss the conceptual differences, strengths, and limitations of these alternative measures. Finally, we describe the matched employer–employee data and explain how the sustainability measures are linked to workers and firms. Additional details on variable construction, sample definitions, and summary statistics are provided in the Online Appendix.

2.1 A survey-based measure of environmental sustainability

To construct our measure, we conduct a survey in which participants classify sectors according to how environmentally sustainable they perceive them to be. We use Prolific, an online survey platform, to recruit 300 participants in November 2021 and balance male and female respondents ex ante.[2] Summary statistics for the respondents are reported in Table 1, Panel A. The respondents are primarily from OECD countries and are not restricted to Sweden. The mean age is 26.7 years (median 24), and the median participant completed the survey in about 22 minutes.

[Table 1, Panel A about here.]

[2] As we discuss in Section 2.3 and in Online Appendix A, we obtain similar sector classifications in two independent surveys with students.

Construction of the classification. The central task in the survey asks participants to classify economic sectors in terms of their environmental sustainability on a five-point scale, ranging from "unsustainable" to "sustainable", with the option to answer "do not know" (DNK). We code the responses such that higher values denote greater perceived sustainability (i.e., 1=unsustainable, 5=sustainable). Figure 1, Panel A shows the general survey description and Panel B shows the specific task for one industry.

[Figure 1 about here.]

We focus on 95 industries (or economic sectors), which together account for 98% of private-sector employment in our matched employer–employee data.[3] Each survey participant classifies 30 randomly drawn sectors, which yields on average approximately 95 (= 300 × 30 / 95) assessments per sector. Because respondents can answer "do not know," the number of usable sector assessments is slightly lower than the nominal count.[4] We compute the average sector rating from the non-DNK responses and use this consensus rating as our sector-level sustainability measure. The variable of interest in most of our tests is an indicator variable *Sustain. (high)*, which equals one for sectors in the top quintile of sectors and zero otherwise, together accounting for about 32% of worker-years in the full sample (see Table 2).

[Table 1, Panels B1 and B2 about here.]

Table 1 Panel B1 and B2 show the top and bottom industries ranked by sustainability. The ranking is intuitive with mostly unsustainable activities such as extraction of crude petroleum and natural gas, manufacture of rubber and plastic products, or mining of coal being classified as unsustainable (Bottom 10). In contrast,

[3] The 95 sectors are a mixture of two-, three-, and four-digit SNI (NACE Rev. 2) categories. See Online Appendix A for more information.
[4] The distribution of DNK responses is hump-shaped, suggesting that respondents find industries perceived as either highly sustainable or highly non-sustainable easier to evaluate than industries near the middle of the distribution. This motivates our focus on the tails, although our results are robust to more flexible specifications such as using all quintiles. See Online Appendix Section A for more discussion of the DNK responses.

activities such as recycling of metal waste and scrap, collection, purification, and distribution of water, as well as education are classified as being more sustainable (Top 10). For sectors in the tails of the distribution, the mean ratings differ strongly from the scale midpoint of 3, consistent with respondents classifying these sectors relatively clearly.

An important point is that we do not claim that the survey measures the "true" or scientific environmental sustainability of a sector. Instead, it captures perceived sustainability among the population, which may be the concept most relevant for workers' labor market decisions. To assess the robustness of our findings, we also consider alternative sustainability measures based on sectoral greenhouse gas emissions, firm-level ESG ratings, and ESG news data.

Other perceived sector characteristics. In the same survey, we also ask participants to rate sectors on a comparable five-point scale along several other dimensions associated with compensating differentials, more specifically work-life balance, career opportunities, job security, and physical demandingness. Specifically, we ask respondents to express their agreement (or disagreement) with statements like *Working in sector [xyz] provides good career opportunities (e.g., training, high wage growth, good promotion opportunities)* or *working in sector [xyz] allows for a good work-life balance.* We also ask survey participants to evaluate sectors in terms of corporate governance and social responsibility.[5] In line with how we construct our survey-based measure of perceived environmental sustainability, we compute average sector-level ratings for each of these dimensions and use them as controls in the analysis where we address the possible concern that more sustainable sectors may differ systematically in other, non-wage attributes.[6] In other words, because environmentally sustainable sectors may differ

[5] Section IV of the survey (see Online Appendix Figure A.4) lists the exact dimensions the survey respondents were asked to evaluate, as well as the wording of the questions.

[6] In the initial 2021 survey, each respondent rated about 10 sectors on these additional dimensions, yielding about 30 assessments per sector - fewer than the roughly 95 per sector for the sustainability classification, for which each respondent rated 30 sectors. To bring the number of assessments into line, we recruited a further 400 respondents in 2024, each rating 15 sectors on these dimensions; combined with the 2021 responses (300 × 10 = 3,000 assessments) and the 2024 responses (400 × 15 = 6,000 assessments), this yields approximately 95 assessments per sector and dimension.

systematically in other job characteristics that also give rise to compensating wage differentials, we control for these dimensions in some of our empirical tests.

2.2 Complementary measures of environmental sustainability

Alongside the survey-based classification, we use three further measures of environmental sustainability in robustness checks and further analysis. We describe them here.

Greenhouse gas emissions. As an objective, science-based benchmark measure, we use sector-level greenhouse gas (GHG) emissions from the Swedish Environmental Protection Agency (via Statistics Sweden), measured in metric tons of CO_2 equivalents, scaled by the number of employees, and computed from both a production and a consumption perspective.[7] The emissions data are available only for 2008–2020. Because sectors' relative emission rankings are highly stable over this period (see our discussion in Section 2.3 below), we use each sector's average emission intensity rather than a time-varying measure. Specifically, we use a dummy variable that identifies the 20 percent sectors with the lowest values of the GHG emissions to employee ratio. The emissions accounts do not cover every sector in the worker data, which is why the analyses using this measure are based on a smaller sample; Online Appendix Table C.2 reports summary statistics for this sample.

MSCI environmental ratings. Commercial ESG ratings assess the quality of a firm's environmental policies and practices, and are widely used in finance research (e.g., Pastor, Stambaugh, and Taylor, 2022). As a firm-level measure of environmental sustainability, we use the environmental (E) pillar score from MSCI ESG Ratings (MSCI IVA). The rating data are available from 2003 to 2017. The score is an absolute 0–10 assessment of how well a firm manages environmental issues. We use it both as a

[7] The production perspective captures GHG emissions generated directly by the SNI sector's own production activity, that is emissions attributed to the sector's own production process. In contrast, the consumption perspective captures emissions embodied in goods and services that are ultimately used in the Swedish economy, tracing emissions throughout the entire upstream production chain. This includes emissions occurring in other (often foreign) sectors involved in producing these goods and services.

continuous score and as a "Best-in-industry" indicator equal to one for the firm with the highest environmental score within its three-digit SNI industry in a given year. This Best-in-industry classification is constructed by us, not provided by MSCI. The corresponding social and governance pillar scores serve as controls. Because MSCI covers mainly large, listed firms, a binding constraint in Sweden, this sample is much smaller than the whole population. Online Appendix Table C.4 provides descriptive statistics for this sample.

RepRisk ESG news. Finally, we use a measure from RepRisk that captures firm-level ESG news data, which we match with the Swedish administrative data for the period 2008–2015. RepRisk monitors thousands of media, NGO, and other third-party sources for negative ESG news on both private and public firms and aggregates this news data into a reputational risk index (RRI) that runs from 0 to 100, with higher values indicating greater exposure to recent negative ESG news. These data are increasingly used in the finance literature (see Gantchev, Giannetti, and Li, 2022 and Derrien et al., 2025 for more information). As Gantchev et al. (2022) explain, RepRisk screens thousands of media, stakeholder, and third-party sources (including print and online media, NGOs, government bodies, regulators, think tanks, newsletters, social media, etc.) daily for negative news related to a firms' ESG practices which are used to construct the RRI. The mechanics of the RRI are as follows: when negative firm-specific ESG news events happen, the index increases, more so if the news is novel, has a lot of reach (i.e., is published in a major news outlet such as the Wall Street Journal), and is of severe nature. If no new negative ESG news is captured thereafter, the RRI decays to zero over a period of two years unless there is a story development (a novel piece of news related to the initial news), there is a source escalation (the issue appears again in a more influential media outlet), or the issue reappears again after a six-week period. In our tests, we use an indicator for firm-years in which the index rises as a proxy for a shock to a firm's perceived sustainability. Because the RRI aggregates environmental, social, and governance news, we interpret this test as capturing shocks to the firm's broad sustainability reputation (of which environmental reputation is one component), rather than shocks to its environmental reputation in isolation. Online Appendix Table C.5 provides descriptive statistics on the sample.

2.3 Discussion of sustainability measures

Our analysis is motivated by the idea that workers care about the environmental sustainability of their employers. A natural challenge is that it is not obvious how workers assess environmental sustainability or which aspects they take into account when making labor market decisions. Therefore, we consider four measures in this paper: our main survey-based measure of perceived environmental sustainability at the sector-level, sector-level greenhouse gas (GHG) emissions, firm-level MSCI ESG ratings, and RepRisk ESG news.

Our baseline measure is a survey-based classification of perceived sectoral sustainability, which aims to captures workers' perceptions of environmental sustainability directly. We construct the measure at the industry level because workers are more likely to form informed views about the sustainability of broad sectors rather than about individual employers, particularly when the employers are smaller and privately held. Moreover, the survey-based industry classification can be assigned to all firms in our administrative wage data and linked to the labor force survey data on hours worked, which we use in additional tests. One limitation of this measure is that it does not vary over time and thus implicitly assumes that the relative sustainability ranking of industries remains broadly stable over our sample period. This assumption is not necessarily unreasonable. We can examine the stability of sector classifications using the time-varying industry-level GHG emissions data. Among the 43 industries observed over 12 years, we observe only five pairs of industries switching into and out of the low-emission group using production-based emissions and three pairs using consumption-based emissions. This stability suggests that treating sector sustainability as largely time invariant is a reasonable approximation.

The Prolific survey includes participants from a range of countries[8], and respondents may differ from the Swedish population. One important question is therefore whether the survey-based classification depends on the respondent population. Given that our measure elicits perceptions of the relative environmental sustainability of industries

[8] The respondents are drawn primarily from OECD countries (89.7% of respondents) and Europe (82.3%) (see Table 1, Panel A).

rather than respondents' own preferences, it is not obvious why different populations would systematically rank industries differently. Consistent with this view, we obtain highly similar industry classifications in two independent surveys of Swiss business students conducted in 2019 and 2020, with a correlation of approximately 0.91 relative to the Prolific ranking (Online Appendix Figures A.2 and A.3). Moreover, our main results are robust when using the three complementary sustainability measures that do not rely on survey responses. Taken together, these findings suggest that our results are unlikely to be driven by the particular respondent population used to construct the survey-based classification.

The different sustainability measures capture complementary dimensions of environmental sustainability. Sector-level GHG emissions are more objective and capture one scientifically grounded dimension (i.e., climate impact), but they ignore other environmental concerns such as chemical waste, for instance. Commercial ESG ratings allow comparisons of firms within the same industry and capture firm-level policies and practices, but their coverage is largely limited to large, listed firms, they can differ across providers (Gibson Brandon, Krueger, and Schmidt, 2021; Berg, Kölbel, and Rigobon, 2022), they often rely on self-reported data and opaque methodologies. In addition, workers are less likely to know or respond to firm-level ESG ratings directly.

Reassuringly, the estimated sustainability wage gap is robust across all of the complementary measures we use, suggesting that our findings are not driven by a particular measurement approach and strengthening our interpretation that workers value environmental sustainability in their labor market decisions.

2.4 Worker and wage data

Our main source of administrative worker information is the Longitudinal Integration Database for Health Insurance and Labor Market Studies (LISA), provided by Statistics Sweden (SCB). LISA covers all individuals aged 16 and older domiciled in Sweden from 1990 onward and contains employment information (employment status, the identity of the employer, and occupation), tax records (including labor and capital income), and demographic information (age, education, and family composition). In LISA, each worker is assigned the SNI code of the establishment at which they are employed. We

aggregate these worker-level industry codes to the firm level and assign each firm the most frequently observed SNI code among its employees. We match our survey-based sustainability ratings and GHG emissions measures to the administrative data at the sector level using SNI codes, while the firm-level MSCI and Refinitiv data are matched by organization number and year. For our wage measure, we use deflated labour income. For labour income, we use reported annual earnings before tax. This information is not censored or top-coded and includes bonus payments.

Our main analyses focus on male workers, for whom we observe measures of cognitive and non-cognitive skills from a military enlistment test. Cognitive ability was assessed through subtests covering logical, verbal, spatial, and technical comprehension and aggregated into an integer score from 1 (lowest) to 9 (highest) on a Stanine scale. Non-cognitive ability was assessed by a certified psychologist through a roughly 25-minute semi-structured interview and graded on a comparable 1–9 scale. The non-cognitive score captures dimensions, such as willingness to assume responsibility, independence, outgoing character, persistence, emotional stability, and power of initiative.[9]

Our worker data are available from 1990 to 2017. However, occupation information, which is required for our main specifications, is available only in 1990 and from 2001 onward. We therefore restrict our main analysis to the period 2001–2017. We make use of the full sample period in analyses that require information on workers' employment histories. Specifically, we use the data from 1990 onward to calculate firm tenure and, in our analysis of career progression, to identify the sector in which workers were employed at age 30. The outcomes in these analyses continue to be measured over the main sample period from 2001 to 2017. We exclude public-sector workers, whose wage setting and job security may be special. We show that our results also hold for female workers, for whom we impute cognitive skills using detailed high-school grade information (Böhm, Metzger, and Strömberg, 2023); these results are reported in the Online Appendix.[10] Descriptive statistics for the worker sample are reported in Table 2.

[9] These skill measures have been shown to be highly predictive of labor market outcomes; see Lindqvist and Vestman (2011) and Böhm, Metzger, and Strömberg (2023). The latter also provides a more extensive discussion of the Swedish administrative data.
[10] See Online Appendix Table D.2.

[Table 2 about here.]

In some of the complementary tests, we also analyze working hours. For this analysis, we use the 2005-2014 waves of the Swedish Labor Force Survey (LFS), which records workers' usual actual weekly hours worked. The LFS is a rotating panel survey whose number of respondents varies over time and which is designed to be representative of the Swedish population once the appropriate survey weights are applied. It is substantially smaller than the administrative data and, correspondingly, covers fewer workers, firms and sectors; in addition, we cannot link LFS respondents to our main administrative dataset. As a result, in the working-hours tests, we cannot control for location or for cognitive and non-cognitive skills, although we can still control for occupation. Because our interest is in usual actual hours worked, we restrict the LFS sample to full-time workers, defined as those with contractual working hours of 40 hours per week. We further exclude observations reporting more than 80 hours per week, as the data contain implausibly high values (including reports exceeding 160 hours), suggesting that some respondents may have mistakenly reported monthly rather than weekly hours. Descriptive statistics for the LFS survey is reported in Online Appendix Table C.3.

3. Who works in sustainable sectors?

Workers do not sort randomly into more sustainable and less sustainable sectors. Understanding who selects into working in sustainable industries matters for interpreting the sustainability wage gap: if workers in sustainable sectors differ systematically in ways that also affect wages, for instance, if they are less skilled or reside in areas with lower cost of living, then part of the sustainability wage gap could reflect these differences rather than a willingness to accept lower pay. In this section, we characterize selection into sustainable sectors along observable dimensions.

Table 2 (last four columns) compares workers in high-sustainability sectors, i.e. those in the top quintile of the survey measure with workers in the remaining sectors. Workers in sustainable sectors are considerably more educated and skilled: they have on average 13.4 years of schooling versus 11.7, are more than three times as likely to hold a

university degree (38% versus 12%) and score higher on both cognitive (5.7 vs. 5.0) and non-cognitive (5.3 vs. 5.0) skills (on a stanine scale). They are also more urban and 42% live in large cities and 13% in Stockholm, versus 31% and 7%. They also appear more concentrated in municipalities with strong Green-party support (34% versus 23.3% in the top decile of Green-party vote share).[11]

[Table 3 about here.]

We examine these patterns jointly in the multivariate selection regressions reported in Table 3. Columns 1 and 2 use the full sample, while Columns 3 and 4 restrict attention to the 2001–2007 period, for which individual wealth data are available. Columns 1 and 3 report cross-sectional estimates, whereas Columns 2 and 4 include worker fixed effects.

The results largely confirm the univariate patterns. More educated and more skilled workers are systematically more likely to work in sustainable sectors. A one-year increase in schooling raises the probability by about 1.3 percentage points, workers with high cognitive skills are about 1.4 percentage points more likely to work in sustainable sectors, and workers with high non-cognitive skills are also more likely to do so, although the latter effect is smaller. The schooling patterns remain broadly similar when worker fixed effects are included, suggesting that changes in observed human capital are also associated with sorting into more sustainable sectors.

Family characteristics point in the opposite direction. Married workers and, to a somewhat lesser extent, workers with children are less likely to work in sustainable sectors. These associations become substantially smaller once worker fixed effects are included, indicating that they primarily reflect persistent differences across workers rather than changes within workers over time.

The geographic patterns are remarkably stable across specifications. Workers living in large cities and in municipalities with stronger support for the Green Party are

[11] Municipality types are based on Statistics Sweden classifications of Sweden's 290 municipalities. We classify Green-party support using municipal election results from 1998 to 2018, assigning each worker the most recent election result in his municipality of residence and grouping municipalities by their position in the vote-share distribution.

consistently more likely to work in sustainable sectors, both in the cross-section and when worker fixed effects are included.

The relation with age is generally U-shaped in the full sample: both younger and older workers are more likely to work in sustainable sectors than the omitted middle-aged group. This pattern is less pronounced once worker fixed effects are included. In contrast, the cross-sectional estimates for the shorter wealth sample display a monotonic increase with age, with younger workers appearing less likely to work in sustainable sectors. Because this reversal disappears once worker fixed effects are included, and because the wealth sample covers only the 2001–2007 period, we interpret it as reflecting cohort differences rather than a genuine age effect.

Finally, the wealth sample allows us to examine whether employment in sustainable sectors is concentrated among wealthier workers. If anything, the opposite is true. In the cross-section, wealthier workers are less likely to work in sustainable sectors, with the estimated probability declining to about 2.4 percentage points below the lowest wealth quintile for workers in the top wealth quintile. This relationship disappears once worker fixed effects are included. Given the limited within-worker variation in wealth over this relatively short sample period, we interpret the wealth results as descriptive rather than causal and return to the role of wealth in explaining the sustainability wage gap in Section 5.

Implications for interpretation. Three features of this selection pattern bear on the interpretation of the sustainability wage gap. First, workers in sustainable sectors are more, not less skilled and educated, so the lower wages we document are unlikely to reflect lower human capital; if anything, selection on skill works against the sustainability wage gap. To ensure skills and education are not driving our results, we control for a rich set of worker-level characteristics including cognitive and non-cognitive skills. Second, sustainable-sector workers are concentrated in large, higher-cost cities rather than in lower-cost rural areas, which speaks against the concern that the gap reflects regional differences in the cost of living. This pattern is not surprising, since high-pollution industries are less likely to be in densely populated areas, but it is useful because it works against a simple lower-cost-of-living explanation. Finding a higher share in Green-party

strongholds is reassuring evidence (or "sanity check") that our measure captures something workers perceive as environmentally sustainable. Although these regional patterns, if anything, bias against finding a sustainability wage gap, we nevertheless control for municipality-by-year fixed effects to account for differences in local economic conditions, including labor markets and costs of living. Third, workers in sustainable sectors are not disproportionately wealthy. If anything, the descriptive evidence suggests that wealthier workers are less likely to work in sustainable sectors. Thus, employment in environmentally sustainable sectors does not appear to be confined to workers with greater financial resources.

4. Do more sustainable sectors pay lower wages?

We now turn to our main evidence on the sustainability wage gap. In these tests, our variable of interest is a dummy based on our survey-based sector-level measure of sustainability, which equals one for workers employed in sectors in the top quintile of the sustainability distribution and zero otherwise. We first estimate the wage gap in the cross-section, both within a set of occupations that exist in virtually all sectors and across the whole workforce. We then exploit the panel structure of the data to estimate worker fixed-effects specifications based on workers who move across sectors. Comparing the two approaches is useful because it highlights the trade-off between internal and external validity by decomposing the workforce into switchers, who are observed working in both sustainable and non-sustainable sectors, and stayers, who are observed working exclusively in either sustainable or non-sustainable sectors. While worker fixed effects offer potential gains in internal validity, these come at the cost of restricting identification to switchers and lowering external validity. We present our main evidence using the cross-sectional and worker fixed-effects estimates side by side, together with the stayer-switcher decomposition. This comparison allows us to read the evidence as a range rather than as a single number: the cross-sectional estimates speak to the full workforce, while the worker fixed-effects estimates provide a conservative benchmark identified from switchers. For the remaining analyses, we collect the worker fixed-effects counterparts in Online Appendix E and take stock of them in a dedicated discussion in Section 6. We

conclude Section 4 with robustness tests examining alternative functional forms of the sustainability measure and an alternative measure based on greenhouse gas emissions.

4.1 Cross-sectional specification

Our baseline measure of sustainability is a dummy variable, *Sustain. (high)*, equal to one if the sector in which a worker is employed in year *t* falls in the top quintile of the survey-based sustainability distribution. We estimate the (amended) Mincerian wage equation

$$ln(w_{it}) = \beta\ Sustain.\ (high)_{c(i,t)} + X'_{it}\gamma + \lambda_{o(i,t),t} + \mu_{s(i),t} + \nu_{m(i,t),t} + \varepsilon_{it},$$

where w_{it} is the annual labor income of worker *i* in year *t*. *c(i,t)* is the sector in which worker *i* is employed in year *t*. The vector X_{it} collects Mincerian controls such as years of schooling, potential experience and its square. In addition, motivated by the selection patterns documented in the previous section, it includes the marital status and the presence of children. *o(i,t)* denotes the (four-digit) occupation of worker *i* in year *t*; *s(i)* denotes worker *i's* skill group, measured once at military enlistment; and *m(i,t)* denotes worker *i'*s municipality of residence in year *t*. Correspondingly, λ, μ, and ν denote occupation-by-year, skill-by-year, and municipality-by-year fixed effects, respectively. ε_{it} is an error term capturing the remaining unobserved time-varying determinants of wages.

To construct the skill-by-year fixed effects, we separately interact each value of the cognitive score and each value of the non-cognitive score with year fixed effects (two sets of interactions, entered additively). Controlling for skills is important because a common concern in labor market analyses is that wage differences attributed to job characteristics may instead reflect differences in workers' underlying abilities. Our data allows us to control for both cognitive and non-cognitive skills using these unusually rich administrative measures.

We focus on the male subpopulation for whom these skill measures are systematically available but consistent results for female workers are reported in the Online Appendix Table D.2. Throughout, the unit of observation is a worker-year, and we

cluster standard errors at the industry level.[12] Importantly, our test is not a comparison of "green jobs" with "polluting jobs" or "non-green-task" jobs. The regressions compare workers in the same occupation and year but who differ in terms of sector sustainability, and the occupation-by-occupation regressions below make this comparison particularly concrete.

4.2 Main evidence

We begin with a set of occupations that exist in virtually all sectors (e.g., receptionists, human-resources professionals, IT specialists, accountants, legal professionals) so that we compare similar workers who differ mainly in the sustainability of the sector that employs them. Table 4, Panel A reports the gap based on the survey measure separately for each of these occupations, controlling for the Mincerian and other variables together with skill-by-year and municipality-by-year fixed effects. The estimates are uniformly negative and significant, ranging from about −9.8% for IT specialists to −18.6% for human-resources professionals.

[Table 4, Panel A]

We then pool occupations into a single regression. We first restrict the analysis to generic occupations, that is, occupations that are not concentrated in any particular sector. This restriction addresses two concerns. First, some occupations are inherently tied to particular sectors, such as nurses to the healthcare sector, making it difficult to separate occupation from sector characteristics. Second, workers in sector-specific occupations may have limited outside options and therefore weaker bargaining power. Focusing on generic occupations makes it more likely that workers have opportunities to move across a broad range of sectors and reduces the concern that the estimated wage gap reflects differences in outside options. We identify generic occupations by calculating the concentration of each 4-digit occupation with respect to 3-digit industries, i.e., we

[12] We also report the baseline specification using alternative clustering, specifically industry-year and double-clustering by industry-year and firm (see Online Appendix Table D.1) which leaves our conclusions unchanged. The same Online Appendix table also estimates the baseline specification using alternative sample definitions (e.g., recent years, full-time workers).

compute the corresponding Herfindahl–Hirschman index (HHI). We code an occupation as generic if the HHI is below 10%. For this pooled regression we can additionally include occupation-by-year fixed effects.

[Table 4, Panel B]

We find that workers in generic occupations earn about 12.7% lower wages in high-sustainability sectors (Table 4, Panel B, column 1). Extending the regression to the full population of occupations leaves a sizable gap of about 8.4% (column 2). This specification includes all workers and controls for occupation-by-year fixed effects, ensuring that the wage gap is identified from comparisons of workers in the same occupation and year across sectors with different levels of sustainability. Because this specification covers the full workforce while accounting flexibly for occupation-specific wage differences, we use it as our baseline specification throughout the paper.

A sustainability wage gap of about 8% across the full workforce — rising to roughly 13% within generic occupations and even larger for some occupations — is economically meaningful and comparable to the return associated with several additional years of schooling. To provide an additional benchmark, we compare these estimates with occupations commonly viewed as mission- or purpose-driven. In Sweden, teachers and social workers earn roughly 30% and 20% lower wages, respectively, than otherwise comparable workers. Using the full population estimate, the sustainability wage gap therefore corresponds to roughly one-quarter (0.08/0.3) to two-fifths (0.08/0.2) of the wage discount observed in these occupations. This comparison suggests that, while sizeable, the estimated sustainability wage gap is economically plausible and of a magnitude similar to other well-known labor market compensating differentials.

4.3 Movers, stayers, and the interpretation of the estimates

Cross-sectional wage regressions rely on the assumption that, conditional on observed controls, sector sustainability is independent of remaining unobserved determinants of wages (Angrist and Pischke, 2009, Section 3.2). To make this assumption as plausible as possible, our baseline specification controls for standard Mincerian controls, a set of

additional worker attributes, as well as skill-by-year fixed effects constructed from administrative measures of cognitive and non-cognitive skills, occupation-by-year fixed effects, and municipality-by-year fixed effects. A common concern in the labor economics literature is that workers differ in unobserved ability or other persistent characteristics that are correlated with both wages and sector choice, violating the identifying assumption in the cross-sectional regression. We believe that in our setting, this concern is potentially mitigated by the rich measures of cognitive and non-cognitive skills available in the administrative data, which provide detailed proxies for worker ability that are typically unavailable. Nevertheless, these measures may not capture all relevant worker characteristics.

For this reason, many studies rely on worker fixed effects, which allow sector choice to be correlated with time-invariant worker characteristics, provided that these characteristics enter the wage equation additively (Angrist and Pischke, 2009, Section 5.1). In our setting, we can exploit the panel structure of the data and estimate specifications with worker fixed effects, following individuals as they move across sectors. To do so, we add a worker fixed effect α_i to the specification of Section 4.1,

$$\ln(w_{it}) = \beta \text{ Sustain. (high)}_{c(i,t)} + X'_{it}\gamma + \lambda_{o(i,t),t} + \mu_{s(i),t} + \nu_{m(i,t),t} + \alpha_i + u_{it},$$

where α_i absorbs all time-invariant characteristics of worker *i* and u_{it} captures the remaining time-varying unobserved determinants of wages not absorbed by the controls or fixed effects. However, worker fixed effects do (still) not address selection on time-varying unobservables and require changes in sector sustainability to be unrelated to time-varying unobserved wage determinants.

The cross sectional and worker fixed-effects specifications also identify the sustainability wage gap from different populations. Worker fixed-effects estimates rely exclusively on workers who switch between sustainable and less sustainable sectors, whereas the cross-sectional specification estimates the wage gap for the broader workforce. This distinction is particularly relevant in our setting because switchers may differ systematically from workers who remain in either sustainable or less sustainable sectors, including potentially in their preferences for environmental sustainability. The

choice between the two specifications therefore involves a trade-off between addressing a specific source of unobserved worker heterogeneity and identifying the sustainability wage gap for the broader population of workers.

Table 4, Panel B illustrates the trade-off between the cross-sectional and worker fixed-effects specifications. Comparing columns (2) and (3), the estimated sustainability wage gap falls from about 8.4% to 5.1% once worker fixed effects are included. A natural question is whether this attenuation reflects the removal of omitted-variable bias or the fact that worker fixed effects are identified from a different population.

To distinguish between these explanations, we estimate the cross-sectional specification on the same sample of switchers used in the worker fixed-effects regression. The estimated wage gap in this regression is about 5.0% (column 4), which is almost identical to the worker fixed-effects estimate of 5.1%. Thus, within the switcher population, estimates with and without worker fixed effects are nearly identical. Most of the difference between the full-population estimate of 8.4% and the fixed-effects estimate of 5.1% therefore reflects the change in identifying population rather than the removal of time-invariant worker heterogeneity among switchers. One interpretation is that the unusually rich controls in our baseline specification, particularly the detailed measures of cognitive and non-cognitive skills, already absorb much of the relevant worker heterogeneity. While the same may be true for stayers, our comparison is limited to switchers and therefore cannot formally establish this.

We can also compare stayers and switchers directly by estimating the wage gap for stayers (i.e., workers who remain in sustainable sectors or non-sustainable sectors) and comparing it with the corresponding wage gap among switchers. Workers who remain in either sustainable or less sustainable sectors throughout the sample (i.e., stayers) exhibit a substantially larger cross-sectional wage gap of about 9.7% (column 5), almost twice the gap estimated for switchers. Because stayers never change sustainability category, worker fixed effects cannot be estimated for this group.

One interpretation is that the differences between stayers and switchers relate to heterogeneity in environmental preferences: workers who sort into a particular type of sector and remain there are likely to hold stronger preferences, whereas workers who move across sectors appear to have weaker preferences. Overall, the two specifications

are best viewed as complements: worker fixed effects rest on weaker assumptions about unobserved heterogeneity but identify the wage gap only for the selected population of switchers, while the cross-sectional specification speaks to the full workforce under stronger assumptions.

A remaining concern is that the timing of switching may itself be endogenous. For example, workers may move to less sustainable sectors following changes in their personal circumstances, such as marriage or childbirth, that simultaneously increase their demand for income. To address this concern, Table 4, Panel B, column 6 restricts the analysis to workers employed at firms in the year before a mass layoff and estimates worker fixed-effects regressions using observations from a (-3,+3) year window around the event. We define a mass layoff as a firm-year in which employment declines by at least 30% in the following year and require firms to employ at least 20 workers before the layoff. The idea is that job transitions in this sample are more likely to be triggered by firm-level events rather than workers' individual decisions, reducing concerns about endogenous mobility. Importantly, while the reason for leaving the firm is arguably more exogenous in this setting, the sustainability of workers' subsequent sectors remains endogenous. We therefore view this analysis as a complementary test rather than a fully exogenous research design. The estimated worker fixed-effects sustainability wage gap is about 5.0% (column 6). It is reassuring that we obtain a very similar estimate in this sample as in our baseline worker fixed-effects specification.

Taken together, the switcher, full-population, and stayer estimates place the sustainability wage gap in a range of approximately 5% to 10%, with the lower end corresponding to switchers and the upper end to stayers. We view the full-population cross-sectional estimate of about 8% as a useful summary of the gap in the broader workforce, whereas the worker fixed-effects estimate, by construction, is identified only from switchers and may therefore have more limited external validity. Rather than emphasizing a single estimate, we present the magnitude of the sustainability wage gap as a range and use the cross-sectional specification as our main specification throughout the paper. As a complementary analysis, we re-estimate all main specifications using worker fixed effects in Online Appendix E and discuss the results in Section 6. Consistent with

the pattern documented in this section, the worker fixed-effects estimates are generally smaller but remain economically meaningful and statistically significant.

4.4 Robustness: functional form and emissions

In Table 5, we examine both the functional form of the sustainability measure and whether the sustainability wage gap also arises when using alternative measures of environmental sustainability.

Our baseline specification uses an indicator for employment in the top quintile of the survey-based sustainability distribution. To assess both the robustness of this functional-form choice and whether the survey measure captures meaningful variation in perceived environmental sustainability, we estimate a more flexible specification based on sustainability quintiles. The estimated wage gap (in absolute terms) increases monotonically across the distribution. The estimated effects are nevertheless concentrated in the tails, with workers in the most sustainable sectors earning about 13.7% (16.6% when considering generic occupations) less than workers in the least sustainable sectors (Table 5, Panel A, Columns 1 and 2).

[Table 5, Panel A]

Second, the sustainability wage gap is not specific to our survey-based measure. While the survey captures workers' perceptions of environmental sustainability, which we argue are likely to be most relevant for labor market decisions (see Section 2), we also consider a more objective measure based on sector-level greenhouse gas (GHG) emissions. Although GHG emissions capture only one dimension of environmental sustainability, they provide a useful complementary benchmark. The variables of interest in these regressions are dummy variables that indicate if the sector falls into the lowest quintile in terms of GHG emissions scaled by sector employment. We use both consumption- and production-based GHG emissions (see Section 2 for explanations regarding the consumption and production based GHG emissions). Using these measures, we estimate a sustainability wage gap of about 5.9% based on production emissions and 6.5% based on consumption emissions (Table 5, Panel A, Columns 3 and 5). Moreover,

the quintile specifications reveal a broadly monotonic pattern, particularly for the consumption-based measure (Column 6), providing further support that the estimated wage gap is not driven by the particular sustainability measure employed.

[Table 5, Panel B]

In Panel B of Table 5, we explore interactions between our survey and the greenhouse gas measures. The gap is largest where both the GHG and the survey measures agree. For instance, workers earn about 10% less in sectors that both the survey and the production-based emissions measure place in the most sustainable quintile, about 8.8% less where only the survey measure does, and a smaller, statistically insignificant amount where only the emissions measure does.

The two sets of measures capture related but distinct notions of sustainability, the emissions measures are narrower and ignore non-climate impacts such as chemical waste, so that the manufacture of rubber and plastic products, for instance, ranks as sustainable on emissions but not in the survey, while the survey measure captures the perceived sustainability that is likely to matter most for workers' decisions. The differences in the estimated gaps are consistent with that distinction.

5. Alternative explanations

The evidence in Section 4 shows that workers in more sustainable sectors earn lower wages. We interpret this pattern as being consistent with workers valuing environmental sustainability when making labor market decisions. An important alternative explanation is that environmentally sustainable sectors differ along other non-wage characteristics that workers value. If sustainable sectors systematically offer better working conditions, stronger social responsibility, or better-managed employers, the estimated wage gap could reflect these amenities rather than environmental sustainability itself. This concern relates to the literature on compensating differentials (e.g., Krueger and Summers, 1988) and is difficult to address empirically, even in experimental settings where the ESG characteristics of a firm or job is randomly varied (e.g., Burbano, 2016; Colonnelli et al. 2026), because the changes in a firm's sustainability may also affect workers'

expectations of other job attributes. In the remainder of this section, we examine this and other alternative explanations directly.

5.1 Compensating differentials

We address the issue of compensating differentials in two ways. First, we use our survey to directly measure other potential sector attributes. Alongside the sector-level sustainability classification, respondents also rated each sector on social responsibility, corporate governance, work-life balance, career opportunities, job security, and physical demandingness using the same five-point scale. We aggregate respondents' answers in the same way as for the sustainability measure to construct sector-level averages for each dimension. Analogously, we define indicator variables equal to one if a sector belongs to the top quintile of the corresponding dimension and include these measures as additional controls in the baseline wage regression. Section 2.1[13] provides more details on how we construct the sector level ratings.

Secondly, using the administrative data, we construct objective sector-level proxies for compensating differentials, including sector averages of firing rates (as a measure for employment risk), sick days and hospitalization rates (safety or work-life balance), as well as marriage, divorce rates, number of children, and parental leave days (work-life balance). To allow for more flexible relationships, we include second-order polynomial functions of these sector-level averages as additional controls in the wage regressions.

[Table 6 about here.]

Table 6 reports the results. Adding the perceived social-responsibility and governance sector ratings (column 1), we find that wages are essentially unrelated to perceived social responsibility. The expected relationship is ambiguous: socially responsible sectors may offer better non-wage amenities associated with lower wages, but high wages may themselves contribute to perceptions of social responsibility. By contrast, sectors with better perceived governance pay about 4.7% higher wages. While

[13] See also Online Appendix A.

we cannot be certain, we do not believe that the higher wages for firms with better governance are driven by a preference channel (i.e., preferences against good governance). It is more likely that other mechanisms explain this association. For instance, we know from a large literature on corporate governance that good corporate governance is associated with higher firm performance (e.g., Gompers, Ishii, and Metrick, 2003; Bebchuk, Cohen, and Ferrell, 2009), maybe because good governance is causing high performance (Cunat, Gine, and Guadalupe, 2012) or maybe because of omitted variables or reverse causation (Hermalin and Weisbach, 1998; Adams, Hermalin, and Weisbach, 2010). Importantly, the sustainability wage gap remains economically large and statistically significant at about −10.8%; if anything, the point estimate is somewhat larger than the full-population baseline of −8.4%. Adding the work-life-balance and career-opportunity sector ratings (column 2), we find that wages are not systematically related to these sector measures. Importantly, however, the sustainability gap remains highly significant at about −9.8%. Including all the perceived attributes together (column 3) leaves the gap at about −10.9%. Finally, in Column 4, we replace the perceived ratings with sector-level averages of administrative variables intended to capture the same job characteristics. Specifically, we include second-order polynomial functions of sector-level firing rates, sick days, hospitalization rates, and the remaining administrative measures as additional controls. The estimated sustainability wage gap remains sizable at about −6.4%.

Overall, the estimated sustainability wage gap remains remarkably robust to controlling for a broad range of alternative sector attributes. Moreover, the estimated coefficient on environmental sustainability is substantially larger than the differentials associated with any of the other dimensions considered. In the next section, we investigate two important competing explanations more directly, namely career opportunities and work-life balance.

5.2 Career opportunities

One specific version of the compensating-differential hypothesis is that more sustainable sectors provide better career opportunities or greater human-capital accumulation. Workers might therefore accept lower wages early in their careers in exchange for faster

wage growth later on, leaving the present value of lifetime earnings unchanged. We directly evaluate this hypothesis using the long time-series dimension of our administrative data.

[Table 7, Panel A about here.]

We begin by asking whether the sustainability wage gap disappears later in workers' careers. To do so, we estimate the wage gap separately for workers observed at ages 30, 40, 45, 50, and 55. Note that the sample size is substantially smaller in these specifications because outcomes are measured at a specific age, so each worker contributes only a single observation. Columns 1–5 of Table 7, Panel A show that the sustainability wage gap remains remarkably stable across the life cycle, ranging from about −7.3% to −9.5%, with no indication that workers in more sustainable sectors catch up or even overtake as they age.

Our second test examines whether starting a career in a more sustainable sector leads to higher earnings later in life, regardless of where workers are employed subsequently. The idea is that sustainable sectors may provide valuable skills, experience, or other forms of human capital that increase earnings even after workers move to different sectors. We therefore identify workers' sector of employment at age 30 and relate this to their wages at ages 40, 45, 50, and 55. Columns 6–9 show that workers who started in more sustainable sectors continue to earn about 1.2% to 2.7% less later in life. By contrast, perceived career opportunities at age 30 strongly predict subsequent earnings: workers who begin their careers in sectors rated as offering better career opportunities earn roughly 4.9% to 5.8% more later in life. This suggests that our measure of career opportunities captures meaningful variation across sectors.[14]

[Table 7, Panel B about here.]

[14] In robustness checks, reported in the Online Appendix Table D.6, we also restrict the controls to information available at age 30, either by dropping all post-age-30 controls or by measuring all controls at age 30. Overall, these tests leave our conclusions unchanged. If anything, the gap is larger in magnitude and remains highly significant when post-age-30 controls are excluded.

As a third test, Table 7, Panel B examines wage growth within continuing employment relationships. Specifically, we estimate whether workers in more sustainable sectors experience steeper wage-tenure profiles that could offset lower initial wages. Although wage growth is somewhat steeper in more sustainable sectors, workers start from substantially lower wage levels. Consequently, the sustainability wage gap narrows over time but remains sizeable even after more than ten years of tenure, declining from about 10% to roughly 4%.[15]

Finally, one specific version of the career-opportunity hypothesis is that sustainable sectors are disproportionately populated by startups, which may compensate employees through equity rather than cash wages. While equity-based compensation is taxable and therefore generally captured in our earnings measure, accurately valuing such compensation may be particularly difficult for young, privately held firms. Excluding firms younger than 5, 10, or 20 years leaves the estimated wage gap essentially unchanged (Online Appendix Table D.3).[16]

Overall, these results provide little evidence that workers are compensated for lower wages in more sustainable sectors through stronger career opportunities over the life cycle.

5.3 Work-life balance

A second specific alternative explanation is that more sustainable sectors offer better work-life balance through differences in working hours, so that the sustainability wage gap reflects compensation for time rather than for sustainability itself. We first show that the wage gap persists when restricting the analysis to full-time workers, for whom contractual-hours information is available. As reported in Online Appendix Table D.1,

[15] In the linear tenure specification (column 1), the initial gap is about -10.7% and the interaction with tenure is about +0.5 percentage points per year, implying that the gap would close only after more than 20 years. The binned-tenure specification (column 2) leads to the same conclusion: even for tenure above ten years, the gap remains negative. Note however that this sample is selected, since workers with very long tenure in sustainable firms may differ systematically from other workers.

[16] One might worry that lower wages in sustainable sectors reflect greater job security. In a way the tests in Table 6 already speak against this. However, when we examine firing risk directly, we find, if anything, the opposite: displacement risk is *higher* in the most sustainable sectors (see Online Appendix Table D.4), which runs counter to a job-security-based compensating-differentials explanation.

columns 4, 8, and 12, the sustainability wage gap remains substantial and, if anything, is larger in this sample.

Our working-hours analysis focuses on a different margin. Rather than contractual hours, we examine usual hours actually worked. This distinction is important because workers with similar contractual hours may differ substantially in the hours they actually work. Focusing on full-time workers, we therefore ask whether workers in sustainable sectors work fewer hours than workers in less sustainable sectors and whether they are more likely to work substantially fewer hours than the standard 40-hour workweek.

To test this alternative explanation directly, we use the Swedish Labour Force Survey (LFS), which records usual weekly hours worked. As described in Section 2, the LFS is a separate survey that we cannot link to the administrative employer-employee matched data, so these specifications cannot control for cognitive and non-cognitive skills or municipality fixed effects, although they continue to include occupation-by-year fixed effects. Besides usual weekly hours, we examine two indicators for working short weeks: fewer than 40 hours, the Swedish full-time norm, and fewer than 36 hours. The latter threshold is chosen because it lies approximately 10% below the full-time norm and therefore corresponds closely to the magnitude of the estimated sustainability wage gap.

[Table 8 about here.]

The evidence provides no support for the work-life-balance explanation. Workers in more sustainable sectors do not work fewer hours; if anything, the estimated coefficients point in the opposite direction. Consistent with this, workers in more sustainable sectors are significantly less likely to work fewer than 40 hours and fewer than 36 hours per week. In the last two rows of Table 8, we report *p*-values for both two-sided and one-sided tests. The effects are also economically meaningful. Workers in more sustainable sectors are about 4.2 percentage points less likely to work fewer than 40 hours per week, relative to a sample mean of 19.2%, corresponding to a decline of about 22%. Similarly, they are about 0.8 percentage points less likely to work fewer than 36 hours,

relative to a mean of 2.4%, corresponding to a decline of roughly 33%. Thus, if anything, workers in more sustainable sectors are less, not more, likely to work short weeks.[17]

Overall, the results provide little indication that workers in sustainable sectors accept lower wages because they receive substantially shorter working hours in return. Sectors that survey respondents perceive as offering better work-life balance are indeed associated with significantly lower weekly hours (Table 8, column 1; see also Online Appendix Table D.7, Panel A), suggesting that the survey measure captures meaningful variation in work-life balance.

5.4 Firm-level evidence: MSCI ratings and ESG news

The evidence so far is based primarily on sector-level measures of environmental sustainability and therefore identifies the sustainability wage gap from differences across industries. As discussed in Section 2, this approach has the important advantage of capturing workers' perceptions of sustainability, but it also has limitations: our sector-level measure is i) non time-varying and ii) cannot distinguish environmental sustainability from other industry characteristics that might be correlated with sustainability. In the previous two subsections, we addressed the second concern by controlling for a broad range of alternative sector attributes and by directly testing the two leading competing explanations, namely career opportunities and work-life balance. In this subsection, we provide complementary evidence using firm-level measures of sustainability. These measures allow us to compare firms within the same industry and to exploit changes in sustainability within firms over time, thereby substantially reducing concerns that the estimated sustainability wage gap is driven by omitted sector-level characteristics.

[17] Excluding the survey-based work-life-balance measure from the specifications does not materially affect the estimated relationship between sustainability and working hours (see Online Appendix Table D.7, Panel A, columns 1-3). The analysis is also robust to controlling for the full set of survey-based amenity ratings introduced in Section 5.1 (columns (4)–(6)). In Panel B of the same table, we also estimate worker fixed-effects specifications using the LFS panel. Because workers are followed for at most two years, identification relies on a limited number of switchers, and we therefore view these estimates primarily as a robustness check. They nevertheless yield the same qualitative conclusion: workers moving into more sustainable sectors do not reduce their working hours.

MSCI environmental ratings. Firm-level ESG ratings allow us to compare workers employed at *different firms within the same sector*. As a result, identification no longer relies on differences across sectors, substantially mitigating concerns that omitted sector-level characteristics correlated with both sustainability and wages drive the estimated sustainability wage gap. Following the construction in Section 2, we use the MSCI environmental pillar score, both as a Best-in-industry indicator (the highest-rated firm within its three-digit industry-year) and as a continuous measure. In these tests, we also include the social and governance pillar scores as controls.[18]

[Table 9, Panel A about here.]

Workers in the highest-rated firm in a given industry earn about 4.1% lower wages than their industry peers (Table 9, Panel A, Column 1). The estimate on the continuous measure is negative but not significant. Consistent with Section 5.1, the governance pillar is somewhat positively associated with wages (column 2).

A remaining concern is that firms that score high on the environmental pillar are different in unobservable dimensions as well. For instance, those firms might be of lower productivity on average. To account for potential omitted variable bias arising from time-invariant unobservable firm characteristics, we can also exploit within-firm variation in the sustainability measure and estimate firm fixed effects regressions. Column 3 shows the corresponding results. We find that firms which become less (more) sustainable tend to pay higher (lower) wages to their workers. In this context, we would like to stress that our wage measure is based on total annual earnings and includes total taxable income, and, hence, includes bonus pay as well. While it is unlikely that fixed pay of incumbent workers is reduced, bonus pay or pay of newly hired workers can be reduced. Similarly, firms may increase pay or bonuses if they become less sustainable.

Alternatively, we estimate worker fixed-effects specifications, which exploit within-worker variation arising either from changes in a firm's environmental rating or from workers moving between firms. As reported in Column 4, the estimated coefficient

[18] The MSCI pillar scores are absolute 0–10 assessments of a firm's performance in each dimension; the best-in-industry indicator is constructed by us, not provided by MSCI.

remains negative and is statistically significant at about -0.007. To gauge economic magnitude, a move across the interquartile range of the environmental rating (from 4.57 to 6.85, or 2.28 rating points, see Online Appendix Table C.4, Panel B) corresponds to a wage difference of roughly 1.6% (0.007 × 2.28).

ESG news. As a second firm-level test, we examine how wages respond to negative ESG news, using the RepRisk data described in Section 2. We define an indicator for firm-years in which the RepRisk reputational risk index (RRI) rises and relate it to wages, holding the firm (and, alternatively, the worker) fixed. The idea here is that when the RRI increases, the firm is subject to negative ESG news which serves as proxy for a negative shock to the firm's sustainability reputation. In other words, when the RRI increases, negative ESG news becomes public and the firm's standing as a sustainable employer deteriorates.

[Table 9, Panel B about here.]

We estimate wage-level regressions with either firm or worker fixed effects. Consistent with this idea and our wage gap channel, earnings (which includes bonus) are about 1.5% higher in firm-years with negative ESG news in the firm fixed-effects specification (Table 9, Panel B, column 1), and about 1.9% higher when we hold the worker fixed (column 2). A possible concern is that some negative ESG news coincides with productivity shocks rather than with a change in perceived sustainability. For example, a firm might pollute more because doing so raises productivity by externalizing environmental costs. We therefore control for value added over assets in columns 3 and 4; the estimates remain similar.

Overall, the RepRisk tests are consistent with firms paying higher compensation following a deterioration in their sustainability reputation. Because our outcome measures are total annual earnings, including bonus payments, the increase need not reflect a permanent adjustment in base pay. In addition, because earnings include bonuses, higher pay in event years could partly reflect event-related workloads or retention payments.

Finally, we acknowledge also that because the RRI aggregates environmental, social, and governance news, these tests capture shocks to a firm's overall ESG reputation, of which environmental reputation is one component. Overall, we view these results as complementary evidence that points in the same direction as our main findings rather than as decisive on their own.

5.5 Taking stock

No single empirical test can fully rule out omitted-variable bias. Instead, our identification strategy addresses potential confounding at multiple levels using a broad set of complementary approaches.

At the worker level, our baseline specifications include rich worker and regional controls, including detailed measures of cognitive and non-cognitive skills. In addition, the comparison of cross-sectional and worker fixed-effects estimates suggests that, at least among switchers, selection on time-invariant worker characteristics plays a limited role. Even the most conservative estimates in the 5–10% range leave an economically meaningful gap.

At the sector level, we control for a broad range of alternative compensating differentials and explicitly test the leading competing explanations of career opportunities and work-life balance. Finally, we complement the sector-level analysis with firm-level sustainability measures and within-firm sustainability shocks, allowing us to exploit variation within industries and firms over time.

Another concern is that sustainability may improve firm performance through higher cash flows or a lower cost of capital, but these channels would, if anything, predict higher wages through rent sharing rather than the lower wages we observe.

While no individual test is decisive, the sustainability wage gap emerges consistently across these different settings and sources of variation. An omitted factor capable of explaining the results would therefore need to account simultaneously for the full set of evidence. Although such a possibility can never be ruled out completely, the cumulative evidence strongly supports our interpretation that workers value environmental sustainability and are willing to accept lower wages to work in more sustainable sectors.

5.6 Wealth and affordability

The preceding analyses examine alternative explanations for the sustainability wage gap. We conclude this section by considering a different but related question: whether the willingness to accept lower wages for environmental sustainability is confined to workers with greater financial resources. One might expect wealthier workers to be better able to trade off wages against non-pecuniary job attributes, implying a larger sustainability wage gap among the wealthy. To examine this possibility, we exploit individual wealth data available for 2001–2007 in our main sample and estimate how the sustainability wage gap varies across the wealth distribution. The evidence points in the opposite direction. The sustainability wage gap is largest for workers in the lowest wealth quintile, at about −9.3%, and becomes progressively smaller across wealth quintiles (Online Appendix Table D.5). This pattern should be read in a descriptive way as it does not survive the within-worker specification (Table D.5, columns (4)–(6)).

[Figure 2 about here.]

Quantile regressions reveal a similar pattern across the wage distribution. The sustainability wage gap is about −16.3% at the 5th percentile of wages and declines steadily to about −3.3% at the 95th percentile (Figure 2).

Overall, we interpret these patterns descriptively rather than causally, as wealth is highly persistent and likely endogenous to workers' preferences and career choices. Nevertheless, the results provide little support for the view that employment in environmentally sustainable sectors is a luxury good affordable only to wealthier workers. If anything, the sustainability wage gap is largest among workers with lower wages and less wealth.

6. Discussion of worker fixed effects results

Throughout the paper, we complement our cross-sectional estimates with specifications that include worker fixed effects: for the baseline analysis in Table 4, Panel B (column 3), and for all main specifications in Online Appendix E (Tables E.1–E.6). In this section, we

briefly take stock of these estimates and discuss how they compare with the cross-sectional results.

Across specifications, the estimated sustainability wage gap is consistently negative and generally smaller in absolute magnitude than its cross-sectional counterpart. As discussed in Section 4.3, the baseline estimate declines from about 8.4% to 5.1% when worker fixed effects are included (Table 4, Panel B, columns 2 and 3), and the same pattern emerges across the majority of our additional tests. For instance, in the analysis with the full set of perceived sector attributes, the gap decreases from −10.9% (Table 6, column 3) to −6.4% (Online Appendix Table E.3, column 3); when we combine the survey and emissions measures, from −10.0% to −5.8% (Table 5, Panel B versus Online Appendix Table E.2); and at the firm level, for the Best-in-industry indicator, from −4.1% to −1.6% (Table 9, Panel A, column 1 versus Online Appendix Table E.6, column 1).

As discussed in Section 4.3, the cross-sectional and worker fixed-effects designs rely on different identifying assumptions and populations. Worker fixed effects absorb all time-invariant worker characteristics and therefore rest on weaker assumptions about unobserved heterogeneity, but they identify the sustainability wage gap only from workers who switch between more and less sustainable sectors. The cross-sectional estimates instead reflect the entire workforce. The evidence in Section 4.3 suggests that most of the difference between the two sets of estimates arises from this change in the identifying population rather than from the removal of omitted worker heterogeneity: within the switcher population, the cross-sectional and worker fixed-effects estimates are nearly identical (−5.0% versus −5.1%). Whether the same holds for stayers cannot be assessed, however, because worker fixed effects cannot be estimated for this group. We therefore interpret the substantially larger cross-sectional gap among stayers (about 9.7%; Table 4, Panel B, column 5) with caution: it is consistent with stronger preferences among workers who sort into one type of sector and remain there, but it does not by itself distinguish preference heterogeneity from other persistent differences between stayers, switchers, and the sectors they remain in. We read the stayer estimate as the upper end of a range identified from a distinct population, rather than as a direct measure of the strength of workers' preferences for sustainability.

Taken together, we present the magnitude of the sustainability wage gap as a range rather than emphasizing a single estimate. The worker fixed-effects and cross-sectional switcher estimates place the lower end of this range at about 5%, while the cross-sectional estimate among stayers places the upper end at about 10%; the full-population cross-sectional estimate of about 8% lies between these values. We report both cross-sectional and worker fixed-effects estimates throughout the paper and interpret them as complementary evidence based on different identifying assumptions and populations. Importantly, even at the lower end of this range, the sustainability wage gap remains economically meaningful.

A final econometric issue concerns the inclusion of schooling and potential experience as controls. Because potential experience is defined as age minus years of schooling minus six, the separate effects of age, schooling, experience, and calendar time cannot always be identified in specifications that include worker and time fixed effects, a standard identification issue in the labor literature (see, e.g., Heckman and Robb, 1985). A related issue arises in the age-specific regressions in Table 7, Panel A and Online Appendix Table D.6, where potential experience is mechanically related to schooling at a given age. In our analysis, however, schooling and potential experience serve only as control variables, and their coefficients are not of substantive interest. We therefore retain these controls for consistency across specifications and also report them, but do not interpret their coefficients as returns to schooling or experience.

7. Conclusion

This paper examines whether workers value the environmental sustainability of their employers and accept lower wages in exchange. Combining matched employer–employee data covering the Swedish private-sector workforce with a novel survey-based measure of perceived sectoral sustainability, we document a sizable sustainability wage gap: workers in the most sustainable sectors earn approximately 5% to 10% less than otherwise similar workers, with the lower end of the range corresponding to switchers, the upper end to stayers, and a full-population estimate of about 8%. We obtain

qualitatively similar results using sector-level greenhouse gas emissions and complementary firm-level sustainability measures.

We interpret the sustainability wage gap as consistent with workers valuing environmental sustainability in their labor market decisions. No single test establishes this interpretation on its own. The strength of the evidence lies in its consistency. The gap survives unusually detailed controls for worker characteristics — including administrative measures of cognitive and non-cognitive skills. It also holds up when controlling for a broad set of other compensating differentials. Direct tests of two leading alternative explanations, career opportunities and work-life balance, find little support for either. Complementary firm-level tests, which exploit variation within industries, within firms, and within workers, point in the same direction.

An important question is whether these patterns generalize beyond Sweden. Two pieces of evidence suggest that they do. Data from the International Social Survey Programme show that Swedish workers report sustainability-related job preferences comparable to those of workers in the United States (Online Appendix Section F). And experimental and field studies document a willingness to give up pay for more sustainable or socially responsible employment in settings as different as the United States and Brazil (e.g., Burbano, 2016; Colonnelli et al., 2026). Our findings complement this evidence by documenting the relationship in realized wages and employment choices, across the male private-sector workforce of an entire economy, over nearly two decades (with consistent results for female workers). Taken together, workers' willingness to trade off wages for environmental sustainability does not appear to be unique to the Swedish context.

Our findings also bear on the relationship between sustainability and firm value. A large literature documents associations between firms' sustainability characteristics and their financial performance, but the mechanisms behind these associations are less well understood. We identify one concrete channel: if workers value environmental sustainability, more sustainable firms can attract and retain workers at lower wages, reducing labor costs and raising free cash flows. Because labor costs are among the largest expense items for many firms, wage differences of the magnitude we document would translate into economically meaningful differences in costs. At the same time, our

analysis does not identify the net effect of sustainability on free cash flows: becoming more sustainable is itself costly, and we do not observe those costs. This specific limitation is not unique to our setting but applies more generally to research concerned with firms' sustainability practices given that detailed firm-level measures quantifying the costs of improving sustainability do not exist.

More broadly, our results add workers to the set of stakeholders, alongside investors and consumers, whose preferences shape the economic consequences of corporate sustainability.

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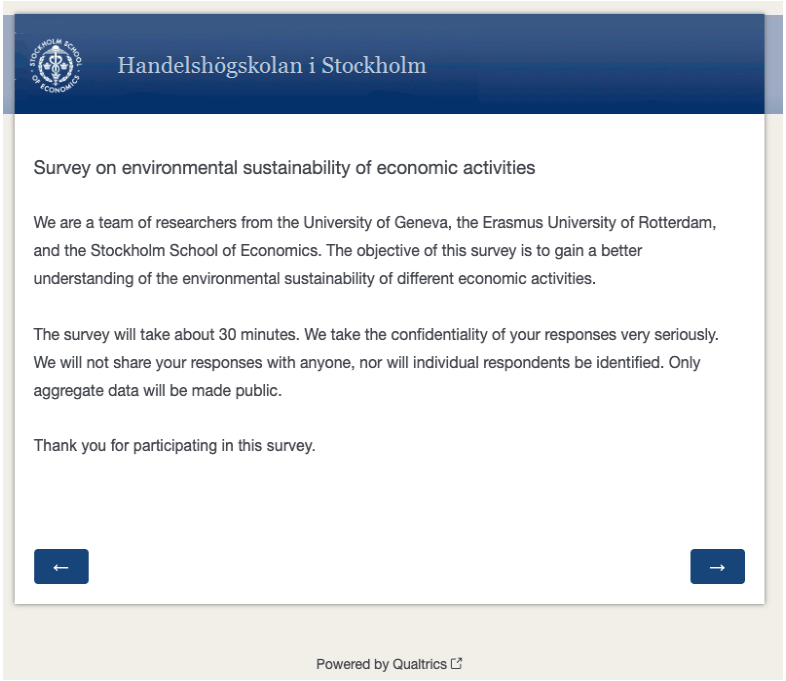
Figures

Figure 1: The Prolific survey

This figure reproduces screenshots of the online survey used to construct the sector-level sustainability classification. Panel A shows the general survey description presented to participants. Panel B shows the specific rating task for one example industry.

Panel A: Survey description



Panel B: Example - Industry classification

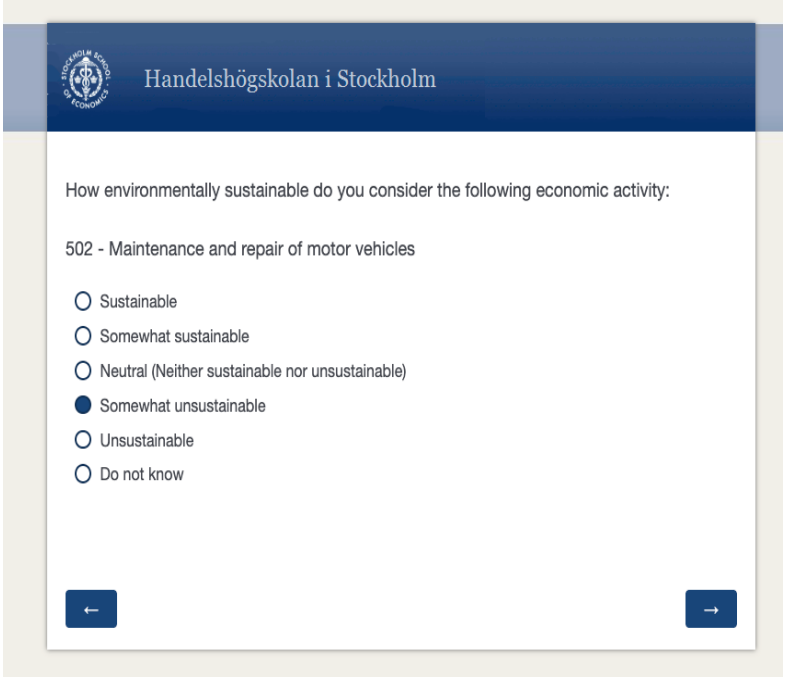
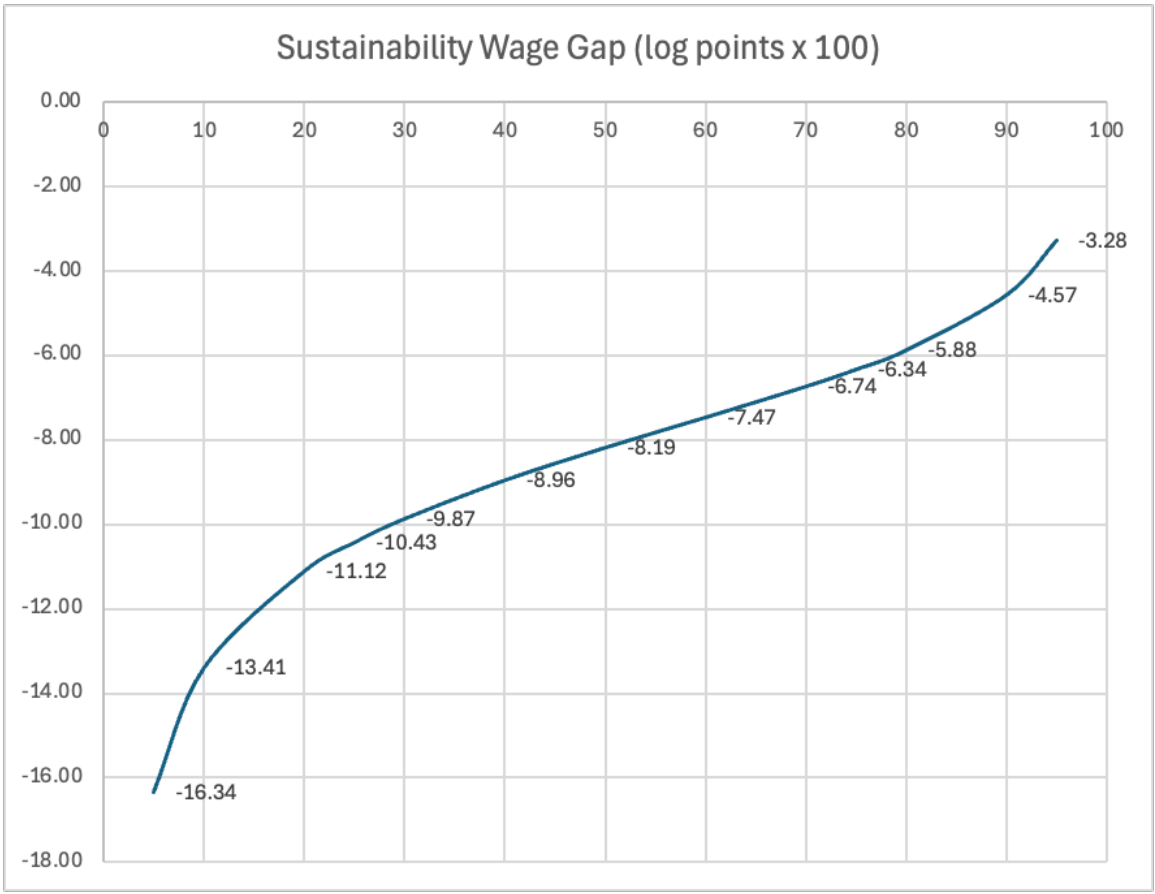


Figure 2: Quantile regressions

This figure plots the estimated sustainability wage gap across the wage distribution. Each point is the coefficient on *Sustain. (high)=1* from a quantile regression of log wages at the indicated percentile, using the baseline controls and fixed effects. For computational reasons, we estimate these regressions using the last five years of the sample period, 2013–2017.



Tables

Table 1: Survey and industry classification

This table describes the survey used to construct the sector-level sustainability classification. Panel A reports summary statistics for the 300 survey participants, recruited via Prolific in November 2021. Panel B1 and B2 list the most and least sustainable industries according to the survey participants, together with each sector's mean rating (on a five-point scale from 1 = unsustainable to 5 = sustainable), standard deviation, percentage of "Do not know" responses, and the p-value from a t-test of whether the mean rating differs from the midpoint of the rating scale (3).

Panel A: Descriptive statistics Prolific survey participants

	Obs	mean	median	sd
Female	300	47.33%	0	0.50
Male	300	50.33%	1	0.50
Age	297	26.70	24	8.46
Survey duration (in sec)	300	1,535	1,293	824.40
OECD	300	89.67%	1	0.30
Europe	300	82.33%	1	0.38
Africa	300	10.33%	0	0.30
America	300	6.33%	0	0.24
Asia/Oceania	300	1.00%	0	0.10

Panel B1: Most sustainable industries

Rank	Industry	mean	sd	% of "do not know"	p-value
1	Physical well-being activities	4.34	0.93	4.26%	0.000
2	Social work activities	4.27	0.79	1.05%	0.000
3	Education	4.22	1.09	3.13%	0.000
4	Recycling of metal waste and scrap and non-metal waste and scrap	4.10	1.19	1.09%	0.000
5	Recreational, cultural, and sporting activities	4.00	1.02	4.17%	0.000
6	Research and development	3.71	1.09	10.64%	0.000
7	Human health activities	3.70	1.15	8.42%	0.000
8	Collection, purification, and distribution of water	3.65	1.30	1.05%	0.000
9	Legal, accounting and management consultancy	3.60	1.29	2.06%	0.000
10	Veterinary activities	3.52	1.18	3.23%	0.000

Panel B1: Least sustainable industries

Rank	Industry	mean	sd	% of "do not know"	p-value
1	Extraction of crude petroleum and natural gas	1.39	0.92	4.17%	0.000
2	Manufacture of rubber and plastic products	1.39	0.72	1.06%	0.000
3	Mining of coal	1.42	0.80	1.09%	0.000
4	Mining of uranium	1.53	1.10	10.64%	0.000
5	Manufacture of refined petroleum products	1.55	1.05	4.26%	0.000
6	Retail sale of automotive fuel	1.65	0.95	0.00%	0.000
7	Mining of metal ores	1.66	1.17	8.42%	0.000
8	Manufacture of chemicals and chemical products	1.71	1.09	5.21%	0.000
9	Manufacture of cars and trucks	1.73	1.10	3.13%	0.000
10	Manufacture of aircraft and spacecraft	1.81	1.14	3.13%	0.000

Table 2: Descriptive statistics

This table reports descriptive statistics for the main variables used in the analysis based on the sector-level survey measure. The sample covers male private-sector workers (public-sector workers are excluded). The first block reports, for all workers, the number of observations, mean, standard deviation, and selected percentiles. The final columns report the means separately for workers in high-sustainability sectors (top quintile of the survey measure) and in the remaining sectors. Variable definitions are provided in the Online Appendix Table B.1.

	All								***Sustain. high***		***Sustain. other***	
	Obs (in m)	**mean**	**sd**	**p10**	**p25**	**p50**	**p75**	**p90**	**Obs (in m)**	**mean**	**Obs (in m)**	**mean**
Age	17.4	41.81	10.45	28.00	34.00	42.00	50.00	56.00	5.6	41.65	11.8	41.88
Schooling	17.4	12.26	2.39	9.00	10.50	12.00	13.50	16.00	5.6	13.40	11.8	11.72
Pot. exp.	17.4	22.74	10.61	8.00	14.00	23.00	31.00	37.00	5.6	21.78	11.8	23.20
University (d)	17.4	0.20	0.40	0.00	0.00	0.00	0.00	1.00	5.6	0.38	11.8	0.12
Cog. skills	17.4	5.20	1.89	3.00	4.00	5.00	7.00	8.00	5.6	5.66	11.8	4.97
Cog.= 8 or 9 (d)	17.4	0.12	0.33	0.00	0.00	0.00	0.00	1.00	5.6	0.19	11.8	0.09
Non-cog. skills	17.4	5.11	1.70	3.00	4.00	5.00	6.00	7.00	5.6	5.26	11.8	5.03
Non-cog.= 8 or 9 (d)	17.4	0.08	0.26	0.00	0.00	0.00	0.00	0.00	5.6	0.10	11.8	0.07
Ln(Wages)	17.4	7.94	0.56	7.34	7.72	7.96	8.22	8.53	5.6	7.91	11.8	7.95
Married (d)	17.4	0.42	0.49	0.00	0.00	0.00	1.00	1.00	5.6	0.43	11.8	0.42
Divorced (d)	17.4	0.09	0.28	0.00	0.00	0.00	0.00	0.00	5.6	0.08	11.8	0.09
Children (d)	17.4	0.55	0.50	0.00	0.00	1.00	1.00	1.00	5.6	0.54	11.8	0.56
#Children	17.4	1.03	1.10	0.00	0.00	1.00	2.00	2.00	5.6	1.01	11.8	1.04
Parental leave (days)	15.6	6.15	21.81	0.00	0.00	0.00	0.00	16.00	5.0	7.24	10.6	5.63
Same job (d)	16.3	0.84	0.37	0.00	1.00	1.00	1.00	1.00	5.2	0.82	11.1	0.85
Voluntary turnover (d)	16.3	0.10	0.29	0.00	0.00	0.00	0.00	0.00	5.2	0.11	11.1	0.09
Fired (d)	16.3	0.07	0.25	0.00	0.00	0.00	0.00	0.00	5.3	0.07	11.1	0.06
Tenure (in years)	16.1	6.35	5.32	1.00	2.00	5.00	9.00	14.00	5.2	5.81	10.8	6.61
Total assets (in m)	6.0	0.89	3.21	0.00	0.05	0.47	1.10	2.04	2.0	0.88	4.0	0.89
Debt (in m)	6.0	0.40	0.85	0.00	0.06	0.25	0.54	0.94	2.0	0.42	4.0	0.39
Net wealth (in m)	6.0	0.49	2.82	-0.18	-0.04	0.12	0.57	1.38	2.0	0.46	4.0	0.50
Cash (in m)	6.0	0.06	0.35	0.00	0.00	0.00	0.05	0.15	2.0	0.06	4.0	0.06
Sick days (n)	17.4	5.94	34.17	0.00	0.00	0.00	0.00	0.00	5.6	6.08	11.8	5.88
Hospitalized (d)	17.4	0.00	0.05	0.00	0.00	0.00	0.00	0.00	5.6	0.00	11.8	0.00
Sustain. (high)	17.4	0.32	0.47	0.00	0.00	0.00	1.00	1.00	5.6	1.00	11.8	0.00
Sustain. (quint)	17.4	3.38	1.38	2.00	2.00	3.00	5.00	5.00	5.6	5.00	11.8	2.61
Physical demanding (high)	17.4	0.21	0.41	0.00	0.00	0.00	0.00	1.00	5.6	0.02	11.8	0.30
Work-life balance (high)	17.4	0.31	0.46	0.00	0.00	0.00	1.00	1.00	5.6	0.72	11.8	0.11
Career opport. (high)	17.4	0.28	0.45	0.00	0.00	0.00	1.00	1.00	5.6	0.47	11.8	0.20
Job security (high)	17.4	0.35	0.48	0.00	0.00	0.00	1.00	1.00	5.6	0.81	11.8	0.12
Governance (high)	17.4	0.38	0.49	0.00	0.00	0.00	1.00	1.00	5.6	0.76	11.8	0.20
Social responsibility (high)	17.4	0.29	0.45	0.00	0.00	0.00	1.00	1.00	5.6	0.67	11.8	0.10
Large cities (d)	17.4	0.35	0.48	0.00	0.00	0.00	1.00	1.00	5.6	0.42	11.8	0.31
Medium cities (d)	17.4	0.41	0.49	0.00	0.00	0.00	1.00	1.00	5.6	0.39	11.8	0.41
Small cities (d)	17.4	0.25	0.43	0.00	0.00	0.00	0.00	1.00	5.6	0.19	11.8	0.28
Stockholm (d)	17.4	0.09	0.28	0.00	0.00	0.00	0.00	0.00	5.6	0.13	11.8	0.07
Green (top25-50)	17.4	0.25	0.43	0.00	0.00	0.00	1.00	1.00	5.6	0.23	11.8	0.26
Green (top10-25)	17.4	0.25	0.43	0.00	0.00	0.00	1.00	1.00	5.6	0.27	11.8	0.24
Green (top 10)	17.4	0.27	0.44	0.00	0.00	0.00	1.00	1.00	5.6	0.34	11.8	0.23

Table 3: Selection into high-sustainability sectors

This table analyzes selection into sustainable sectors. The dependent variable is a dummy equal to one if a worker is employed in a high-sustainability sector in a given year. Independent variables include years of schooling, cognitive and non-cognitive skills, marital status, children, age, and regional indicators (Green-party vote share and city size). Columns (1)-(2) use the full sample; columns (3)-(4) focus on the period with available wealth data (2001-2007) and add wealth-quintile controls. Columns (1) and (3) are cross-sectional linear-probability specifications; columns (2) and (4) add worker fixed effects. Variable definitions are provided in the Online Appendix Table B.1. Standard errors are clustered at the worker level; ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

	Sustain. (high)=1			
	(1)	**(2)**	**(3)**	**(4)**
Schooling	0.013***	0.022***	0.013***	0.011***
	(0.000)	(0.000)	(0.000)	(0.001)
Cog. = 8 or 9 (d)	0.014***		0.013***	
	(0.001)		(0.001)	
Non-cog. = 8 or 9 (d)	0.005***		0.005***	
	(0.001)		(0.001)	
Married (d)	-0.007***	-0.002***	-0.006***	-0.002***
	(0.000)	(0.000)	(0.001)	(0.001)
Children (d)	-0.007***	-0.001*	-0.006***	0.000
	(0.000)	(0.000)	(0.001)	(0.000)
Age (21-28)	0.010***	0.005***	-0.011***	0.003***
	(0.001)	(0.001)	(0.001)	(0.001)
Age (29-36)	0.002***	0.000	-0.008***	0.000
	(0.000)	(0.000)	(0.001)	(0.001)
Age (45-52)	0.006***	0.003***	0.017***	0.001**
	(0.000)	(0.000)	(0.001)	(0.001)
Age (53-60)	0.009***	0.004***	0.019***	0.005***
	(0.001)	(0.001)	(0.001)	(0.001)
Green (top25-50)	0.007***	0.002***	0.007***	0.001**
	(0.000)	(0.000)	(0.001)	(0.000)
Green (top10-25)	0.015***	0.003***	0.016***	0.003***
	(0.001)	(0.000)	(0.001)	(0.001)
Green (top 10)	0.027***	0.006***	0.024***	0.004***
	(0.001)	(0.001)	(0.001)	(0.001)
Large cities (d)	0.019***	0.014***	0.022***	0.013***
	(0.001)	(0.001)	(0.001)	(0.002)
Medium cities (d)	0.005***	0.007***	0.005***	0.006***
	(0.001)	(0.001)	(0.001)	(0.002)
Wealth quant. (#2)			0.002**	0.001
			(0.001)	(0.000)
Wealth quant. (#3)			-0.012***	-0.000
			(0.001)	(0.000)
Wealth quant. (#4)			-0.016***	0.000
			(0.001)	(0.001)
Wealth quant. (#5)			-0.024***	-0.000
			(0.001)	(0.001)
Obs	16,788,071	16,747,287	5,848,027	5,746,923
Sustain. measure		Survey		
Sample	All		All (2001-2007)	
Occ. by year f.e.		Yes		
Muni. by year f.e.		No		
Skills by year f.e.		No		
Fixed effects	No	Worker	No	Worker
R-squared	0.487	0.815	0.502	0.896

Table 4: Main evidence

This table reports Mincerian wage regressions of log wages on the survey-based sustainability measure, *Sustain. (high)=1*, a dummy equal to one if the worker's sector is in the top quintile of the survey-based sustainability distribution. Panel A estimates the gap separately for six occupations present in nearly all sectors (receptionists, human-resources professionals, IT specialists, accountants, legal professionals, and executives), including skill-year and municipality-year fixed effects. Panel B pools occupations and adds occupation-year fixed effects: column (1) restricts to generic occupations (see Section 4.2 on how we define generic occupations), column (2) uses the full population, column (3) adds worker fixed effects, column (4) re-estimates the pooled cross-section on the sample of switchers, column (5) estimates the pooled cross-section on the sample of stayers, and column (6) restricts to workers displaced by mass layoffs within a ±3-year window around the displacement event, with worker fixed effects. Variable definitions are provided in the Online Appendix Table B.1. Standard errors are clustered at the industry level; ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

Panel A: Selected occupation-by-occupation estimates

	Ln(Wages)					
	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
Sustain. (high)=1	-0.126***	-0.186***	-0.098**	-0.121***	-0.164***	-0.123***
	(0.039)	(0.049)	(0.038)	(0.019)	(0.047)	(0.043)
Schooling	0.013**	0.025***	0.020***	0.047***	0.039***	0.092***
	(0.005)	(0.007)	(0.002)	(0.002)	(0.006)	(0.005)
Potential experience	0.057***	0.049***	0.050***	0.062***	0.061***	0.067***
	(0.002)	(0.004)	(0.003)	(0.005)	(0.004)	(0.003)
Pot. exp. (squared)	-0.001***	-0.001***	-0.001***	-0.001***	-0.001***	-0.001***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Married (d)	0.091***	0.069***	0.051***	0.084***	0.097***	0.116***
	(0.011)	(0.010)	(0.009)	(0.006)	(0.016)	(0.011)
Children (d)	-0.053***	0.001	-0.017**	-0.006	0.004	0.010
	(0.010)	(0.007)	(0.007)	(0.010)	(0.011)	(0.007)
Obs	41,002	42,727	31,530	91,163	24,697	159,668
Sustain. measure	Survey					
Sample	**Receptionists**	**HR**	**IT**	**Accountants**	**Legal**	**Executives**
Skills by year f.e.	Yes					
Muni. by year f.e.	Yes					
R-squared	0.352	0.367	0.329	0.262	0.294	0.263

Panel B: Population estimates

	Ln(Wages)					
	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
Sustain. (high)=1	-0.127***	-0.084***	-0.051***	-0.050***	-0.097***	-0.050***
	(0.026)	(0.017)	(0.017)	(0.016)	(0.022)	(0.014)
Schooling	0.045***	0.026***	0.066***	0.023***	0.027***	0.049***
	(0.002)	(0.002)	(0.010)	(0.002)	(0.002)	(0.013)
Potential exp.	0.049***	0.045***	0.026**	0.050***	0.040***	0.038**
	(0.002)	(0.002)	(0.012)	(0.002)	(0.002)	(0.018)
Pot. exp. (squared)	-0.001***	-0.001***	-0.001***	-0.001***	-0.001***	-0.001***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Married (d)	0.068***	0.055***	0.008***	0.071***	0.049***	-0.002
	(0.005)	(0.003)	(0.002)	(0.003)	(0.003)	(0.001)
Children (d)	-0.010***	-0.024***	-0.070***	-0.037***	-0.020***	-0.067***
	(0.002)	(0.002)	(0.003)	(0.003)	(0.002)	(0.004)
Obs	2,692,169	17,430,588	17,391,320	4,807,907	12,622,620	2,979,031
Sustain. measure	Survey			Survey		Survey
Sample	Generic	All	All	Switcher	Stayer	Mass layoff (-3,+3)
Estimator	OLS	OLS	Worker FE	OLS	OLS	Worker FE
Occ. by year f.e.	Yes			Yes		Yes
Skills by year f.e.	Yes			Yes		Yes
Muni. by year f.e.	Yes			Yes		Yes
R-squared	0.458	0.412	0.719	0.423	0.410	0.801

Table 5: Robustness

This table evaluates the robustness of the baseline result to functional form and to the choice of sustainability measure. In Panel A, columns (1)-(2) replace the top-quintile indicator with the full set of sustainability quintiles (omitted category: the least sustainable sectors) using the survey measure, for generic occupations (column 1) and all occupations (column 2); columns (3)-(6) repeat the analysis using sector-level greenhouse-gas emissions, measured on a production basis (columns 3-4) and a consumption basis (columns 5-6), entered as a lowest-emissions-quintile indicator (columns 3, 5) and as quintiles (columns 4, 6). See Section 2.2 for details on consumption and production based GHG emissions. Panel B interacts the survey and GHG emissions measures. In these regressions, the omitted category comprises sectors not classified as highly sustainable by either measure. Emissions (p) and Emissions (c) refer to GHG emissions measured from the production and consumption perspectives, respectively. Variable definitions are provided in the Online Appendix Table B.1. Standard errors are clustered at the industry level; ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

Panel A: Functional form and greenhouse gas emissions

	Ln(Wages)					
	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
Sustain. (high)=1			-0.059**		-0.065**	
			(0.024)		(0.025)	
Sust. quintile = 2	-0.038**	-0.048***		0.006		-0.024
	(0.018)	(0.015)		(0.041)		(0.023)
Sust. quintile = 3	-0.045*	-0.056***		-0.023		-0.046**
	(0.027)	(0.018)		(0.033)		(0.022)
Sust. quintile = 4	-0.064*	-0.079***		-0.048		-0.081***
	(0.034)	(0.022)		(0.038)		(0.020)
Sust. quintile = 5	-0.166***	-0.137***		-0.088**		-0.126***
	(0.025)	(0.017)		(0.037)		(0.027)
Schooling	0.045***	0.025***	0.025***	0.025***	0.025***	0.025***
	(0.002)	(0.002)	(0.001)	(0.001)	(0.001)	(0.001)
Potential exp.	0.049***	0.045***	0.045***	0.045***	0.045***	0.045***
	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
Pot. exp. (squared)	-0.001***	-0.001***	-0.001***	-0.001***	-0.001***	-0.001***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Married (d)	0.068***	0.055***	0.055***	0.055***	0.055***	0.055***
	(0.005)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)
Children (d)	-0.010***	-0.024***	-0.024***	-0.024***	-0.024***	-0.024***
	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
Obs	2,692,169	17,430,588	16,796,475	16,796,475	16,796,475	16,796,475
Sustain. measure	Survey		Emission (p)		Emission (c)	
Sample	Generic	All	All		All	
Occ. by year f.e.			Yes			
Skills by year f.e.			Yes			
Muni. by year f.e.			Yes			
R-squared	0.459	0.412	0.411	0.411	0.411	0.412

Panel B: Combination of survey and emission measure

	Ln(Wages)	
	(1)	**(2)**
Survey = 1 & Emission = 1	-0.100***	-0.111***
	(0.017)	(0.017)
Survey = 1 & Emission = 0	-0.088***	-0.065**
	(0.027)	(0.028)
Survey = 0 & Emission = 1	-0.045	-0.024
	(0.027)	(0.035)
Schooling	0.026***	0.026***
	(0.002)	(0.002)
Potential exp.	0.045***	0.045***
	(0.002)	(0.002)
Pot. exp. (squared)	-0.001***	-0.001***
	(0.000)	(0.000)
Married (d)	0.055***	0.055***
	(0.003)	(0.003)
Children (d)	-0.024***	-0.024***
	(0.002)	(0.002)
Obs	16,665,109	16,665,109
Sustain. measure	Emission (p)	Emission (c)
Sample	All	
Occ. by year f.e.	Yes	
Skills by year f.e.	Yes	
Muni. by year f.e.	Yes	
R-squared	0.415	0.415

Table 6: Compensating differentials

This table addresses compensating differentials and alternative explanations. The dependent variable is log wages. Columns (1)-(3) add survey-based measures of the sector's perceived social (S) and governance (G) performance and of perceived job attributes, work-life balance, career opportunities, job security, and physical demandingness. Column (4) instead adds direct industry-level proxies for compensating differentials, entered as quadratic polynomials: firing rates (employment risk), sick days and hospitalization rates (safety), and marriage, divorce, number of children, and parental-leave days (work-life balance). Variable definitions are provided in the Online Appendix Table B.1. Standard errors are clustered at the industry level; ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

	Ln(Wages)			
	(1)	(2)	(3)	(4)
Sustain. (high)=1	-0.108***	-0.098***	-0.109***	-0.064***
	(0.024)	(0.020)	(0.027)	(0.016)
Social resp. (high)=1	-0.003		-0.014	
	(0.024)		(0.024)	
Governance (high)=1	0.047***		0.039	
	(0.015)		(0.029)	
Work-life (high)=1		0.013	-0.022	
		(0.012)	(0.017)	
Career opp. (high)=1		0.024	-0.001	
		(0.018)	(0.022)	
Job security (high)=1			0.034	
			(0.034)	
Physical dem. (high)=1			-0.018	
			(0.019)	
Schooling	0.025***	0.025***	0.025***	0.025***
	(0.001)	(0.002)	(0.001)	(0.001)
Potential exp.	0.045***	0.045***	0.045***	0.044***
	(0.002)	(0.002)	(0.002)	(0.002)
Pot. exp. (squared)	-0.001***	-0.001***	-0.001***	-0.001***
	(0.000)	(0.000)	(0.000)	(0.000)
Married (d)	0.055***	0.055***	0.055***	0.054***
	(0.003)	(0.003)	(0.003)	(0.003)
Children (d)	-0.024***	-0.024***	-0.024***	-0.025***
	(0.002)	(0.002)	(0.002)	(0.002)
Obs	17,430,588	17,430,588	17,430,588	16,996,908
Sustain. measure		Survey		Survey
Sample		All		All
Industry controls		No		Polyn. of ind. avg.
Occ. by year f.e.		Yes		Yes
Skills by year f.e.		Yes		Yes
Muni. by year f.e.		Yes		Yes
R-squared	0.412	0.412	0.413	0.416

Table 7: Career opportunities and tenure

This table examines career opportunities and wage-tenure profiles. Panel A relates log wages to the survey-based sustainability measure and to the sector's perceived career-opportunity rating: columns (1)-(5) estimate the gap for workers at ages 30, 40, 45, 50, and 55, while columns (6)-(9) measure sector affiliation at age 30 and relate this early-career exposure to wages at ages 40, 45, 50, and 55, without conditioning on remaining in the same sector. Panel B examines how the wage gap varies with firm tenure: column (1) interacts the sustainability dummy with continuous tenure, and column (2) with tenure categories (omitted: fewer than three years). Variable definitions are provided in the Online Appendix Table B.1. Standard errors are clustered at the industry level; ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

Panel A: Career opportunities

	Ln(Wages)								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
at age:	***30***	***40***	***45***	***50***	***55***	***40***	***45***	***50***	***55***
Sustain. (high)=1	-0.079***	-0.073***	-0.080***	-0.089***	-0.095***	-0.012	-0.024*	-0.027*	-0.024
	(0.020)	(0.020)	(0.020)	(0.020)	(0.022)	(0.015)	(0.014)	(0.014)	(0.015)
Career opp. (high)=1	0.012	0.033*	0.035*	0.035*	0.028	0.057***	0.058***	0.058***	0.049***
	(0.017)	(0.018)	(0.018)	(0.020)	(0.021)	(0.012)	(0.012)	(0.012)	(0.013)
Schooling	0.016***	0.005***	0.004***	0.003**	0.004***	0.004***	0.004***	0.003	0.003
	(0.002)	(0.001)	(0.002)	(0.002)	(0.001)	(0.001)	(0.002)	(0.002)	(0.003)
Potential exp.	-0.388***	-0.164***	-0.137***	-0.151**	-0.259***	-0.152***	-0.125***	-0.084*	-0.195*
	(0.026)	(0.050)	(0.043)	(0.058)	(0.066)	(0.044)	(0.040)	(0.045)	(0.104)
Pot. exp. (squared)	0.021***	0.004***	0.002**	0.002*	0.003***	0.003***	0.002**	0.001	0.002
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
Married (d)	0.028***	0.042***	0.046***	0.055***	0.061***	0.038***	0.041***	0.049***	0.056***
	(0.003)	(0.003)	(0.002)	(0.002)	(0.003)	(0.003)	(0.003)	(0.002)	(0.005)
Children (d)	-0.064***	0.010***	0.032***	0.031***	0.016***	0.006**	0.029***	0.030***	0.022***
	(0.004)	(0.003)	(0.004)	(0.002)	(0.002)	(0.003)	(0.003)	(0.003)	(0.004)
Obs	413,637	566,963	544,403	518,608	370,066	512,516	409,430	226,798	58,505
Sustain. measure			Survey				Survey (at age 30)		
Sample	All 30 yrs.	All 40 yrs.	All 45 yrs.	All 50 yrs.	All 55 yrs.	All 40 yrs.	All 45 yrs.	All 50 yrs.	All 55 yrs.
Occ. by year f.e.			Yes				Yes		
Skills by year f.e.			Yes				Yes		
Muni. by year f.e.			Yes				Yes		
R-squared	0.283	0.399	0.434	0.444	0.418	0.404	0.424	0.440	0.433

Panel B: Tenure

	Ln(Wages)		
	(1)		(2)
Sustain. (high)=1	-0.107***		-0.101***
	(0.021)		(0.024)
Tenure	0.011***		
	(0.001)		
Sustain. (high)=1 # Tenure	0.005***		
	(0.001)		
Tenure 3-5			0.138***
			(0.007)
Tenure 6-10			0.162***
			(0.009)
Tenure > 10			0.178***
			(0.011)
Sustain. (high)=1 # Tenure 3-5			0.030**
			(0.013)
Sustain. (high)=1 # Tenure 6-10			0.041***
			(0.015)
Sustain. (high)=1 # Tenure > 10			0.059***
			(0.016)
Schooling	0.026***		0.025***
	(0.002)		(0.002)
Potential exp.	0.041***		0.039***
	(0.002)		(0.002)
Pot. exp. (squared)	-0.001***		-0.001***
	(0.000)		(0.000)
Married (d)	0.057***		0.055***
	(0.003)		(0.003)
Children (d)	-0.029***		-0.028***
	(0.003)		(0.003)
Obs	16,057,887		16,057,887
Sustain. measure		Survey	
Sample		All	
Occ. by year f.e.		Yes	
Skills by year f.e.		Yes	
Muni. by year f.e.		Yes	
R-squared	0.423		0.430

Table 8: Effort and work-life balance

This table examines hours worked and the sector-level sustainability measure using the Swedish Labor Force Survey (LFS). The main independent variable is *Sustain. (high)*=1; a survey-based sector-level work-life-balance rating *Work-life (high)=1* is also included. The dependent variable is usual weekly hours worked (column 1) and indicators for working below 40 hours (column 2) and below 36 hours (column 3). Occupation-by-year fixed effects are included. The table reports (a) two-sided and (b) one-sided p-values. One-sided tests are reported because the competing work-life-balance hypothesis predicts that workers in more sustainable sectors work fewer hours. Variable definitions are provided in the Online Appendix Table B.1. Standard errors are clustered at the industry level; ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

	#hours	**<40h (d)**	**<36h (d)**
	(1)	**(2)**	**(3)**
Sustain. (high)=1	0.231	-0.042*	-0.008**
	(0.214)	(0.024)	(0.004)
Work-life (high)=1	-0.267*	-0.003	0.007
	(0.157)	(0.027)	(0.005)
Schooling	-0.004	0.004	-0.000
	(0.029)	(0.003)	(0.001)
Potential exp.	0.082***	0.003**	-0.001
	(0.016)	(0.001)	(0.000)
Pot. exp. (squared)	-0.001***	-0.000***	0.000
	(0.000)	(0.000)	(0.000)
Obs	96,886	96,886	96,886
Sustain. measure		Survey	
Sample		Labor force survey	
Occ. by year f.e.		Yes (Husky4)	
Skills by year f.e.		N/A	
Muni. by year f.e.		N/A	
R-squared	0.208	0.227	0.112
p-value (two-sided test)	0.283	0.085	0.031
p-value (one-sided test)	0.142	0.043	0.016

Table 9: Firm-level analysis

This table reports firm-level analyses. Panel A relates log wages to MSCI environmental ratings: column (1) uses a Best-in-industry indicator (the firm with the highest environmental-pillar score within its 3-digit industry-year) and the remaining columns use the continuous MSCI environmental pillar score. Column 1 and 2 include 3-digit industry-year fixed effects; column 3 firm fixed effects; column 4 includes worker and 3-digit industry-year fixed effects. All specifications control for the MSCI social and governance scores (using either the Best-in-industry or Continuous format). Panel B relates log wages to negative ESG news: *Negative ESG news (d)* equals one in firm-years in which the RepRisk reputational risk index rises. The index aggregates environmental, social, and governance news. Columns (1) and (3) include firm fixed effects and columns (2) and (4) worker fixed effects; columns (3)-(4) additionally control for lagged value added over assets. Variable definitions are provided in the Online Appendix Table B.1. Standard errors are clustered at the firm level; ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

Panel A: MSCI

	Ln(Wages)			
	(1)	**(2)**	**(3)**	**(4)**
Environ. Pillar	-0.041*	-0.002	-0.004**	-0.007**
	(0.022)	(0.006)	(0.002)	(0.003)
Social Pillar	-0.002	-0.004	-0.002	-0.006**
	(0.016)	(0.005)	(0.002)	(0.003)
Gov. Pillar	0.013	0.010*	0.002	0.006
	(0.015)	(0.005)	(0.001)	(0.004)
Schooling	0.027***	0.027***	0.027***	0.020
	(0.003)	(0.003)	(0.003)	(0.025)
Potential exp.	0.046***	0.046***	0.046***	0.016
	(0.003)	(0.003)	(0.003)	(0.032)
Pot. exp. (squared)	-0.001***	-0.001***	-0.001***	-0.001***
	(0.000)	(0.000)	(0.000)	(0.000)
Married (d)	0.038***	0.038***	0.038***	-0.005*
	(0.004)	(0.004)	(0.004)	(0.003)
Children (d)	-0.026***	-0.026***	-0.026***	-0.065***
	(0.003)	(0.003)	(0.003)	(0.004)
Obs	1,270,178	1,270,178	1,270,178	1,228,613
Functional form	Best-in-industry	Continuous	Continuous	Continuous
Sample	All	All	All	All
Occ. by year f.e.		Yes		
Skills by year f.e.		Yes		
Muni. by year f.e.		Yes		
Industry-year f.e.	3-digits	3-digits	No	3-digits
Fixed effects	No	No	Firm	Worker
R-squared	0.531	0.531	0.532	0.834

Panel B: RepRisk

	Ln(Wages)			
	(1)	(2)	(3)	(4)
Negative ESG news (d)	0.015**	0.019**	0.017**	0.020**
	(0.007)	(0.008)	(0.008)	(0.009)
VA/Assets			-0.028	-0.014
			(0.017)	(0.019)
Schooling	0.038***	0.005	0.041***	0.039
	(0.006)	(0.042)	(0.006)	(0.049)
Potential exp.	0.057***	-0.055	0.062***	-0.023
	(0.007)	(0.052)	(0.007)	(0.061)
Pot. exp. (squared)	-0.001***	-0.001***	-0.001***	-0.001***
	(0.000)	(0.000)	(0.000)	(0.000)
Married (d)	0.053***	-0.002	0.057***	0.001
	(0.008)	(0.003)	(0.008)	(0.002)
Children (d)	-0.025***	-0.064***	-0.028***	-0.064***
	(0.003)	(0.006)	(0.004)	(0.007)
Obs	267,793	260,350	221,444	215,030
Occ. by year f.e.		Yes		
Skills by year f.e.		Yes		
Muni. by year f.e.		No		
Industry-year f.e.		Yes		
Fixed effects	Firm	Worker	Firm	Worker
R-squared	0.569	0.897	0.575	0.904

THE SUSTAINABILITY WAGE GAP

Online Appendix

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Contents

A. The sustainability survey

Appendix A provides further discussion of the online survey used to construct our sector-level measure of perceived environmental sustainability. Section 2.1 of the paper introduces the measure and its main properties. This appendix describes the survey's design and administration (Section A.1), the construction of the 95-sector classification (Section A.2), further analysis of "do not know" responses (Section A.3), and the stability of the classification across respondent populations (Section A.4).

A.1 Survey design and administration

We fielded the survey in November 2021 through Prolific, an online platform for recruiting survey participants, and recruited 300 respondents, balancing male and female participants ex ante. Summary statistics for the participants are reported in Table 1, Panel A of the paper. Of the 300 participants, 50.3% are male and 47.3% are female, with about 2% identifying as non-binary or other. The median participant completed the survey in about 22 minutes (1,293 seconds), close to the time taken in our own pilot runs; the mean completion time is somewhat higher (about 26 minutes), reflecting a small number of respondents who took considerably longer.

The central task asks each respondent to classify 30 randomly drawn economic sectors according to how environmentally sustainable they perceive them to be. In the instrument the scale runs from "sustainable" to "unsustainable" with an explicit "do not know" option; we recode the responses so that higher values denote greater perceived sustainability (1 = unsustainable, …, 5 = sustainable). For each sector we compute the average rating across the non-"do not know" responses and use this consensus rating as the sector-level measure. The full instrument is reproduced in Online Appendix Figure A.4.

Each participant classifies 30 randomly drawn sectors, which yields on average approximately 95 (= 300 × 30 / 95) assessments per sector. Because respondents can answer "do not know," the number of usable ratings per sector is slightly lower than this nominal count. Table 1, Panel B of the paper reports the most and least sustainable sectors under the resulting ranking. The ranking is intuitive, with the lowest-rated sectors related to fossil fuels and chemicals-intensive production and the highest-rated sectors related to health, education, and recycling. We do not claim that the survey measures the "true" or scientific sustainability of a sector. In contrast, it captures the sector's perceived sustainability in the population, which we argue is the concept most relevant for workers' labor market decisions.

In the same survey, we also ask respondents to randomly evaluate 10 sectors on a comparable five-point scale along several additional dimensions associated with compensating differentials, namely work-life balance, career opportunities, job security, physical demandingness, corporate governance and social responsibility. This results in around 30 assessments per sector, fewer than the approximately 95 assessments per sector obtained for the sustainability classification, for which each respondent evaluated 30 sectors. To achieve a comparable number of assessments across measures, we conducted a follow-up survey in 2024 involving an additional 400 respondents using the same selection criteria, each of whom evaluated 15 sectors on these dimensions. Combining the 3,000 assessments from the 2021 survey (300 respondents × 10 sectors) with the 6,000 assessments from the 2024 survey (400 respondents × 15 sectors) yields approximately 95 assessments per sector for each dimension.

A.2 Construction of the industry sector classification

The survey covers 95 economic sectors, which together account for about 98% of private-sector employment in our matched employer–employee data. To arrive at the 95 sectors, we start from the Swedish Standard Industrial Classification (SNI), which follows the EU's NACE Rev. 2 standard and which distinguishes 99 sectors at the two-digit level and 274 sectors at the three-digit level. We considered classifying sectors at the three-digit level but found it often too granular for our purpose: at the three-digit level, for example, "secondary education," "higher education," and "adult and other education" are separate sectors, whereas the two-digit sector "education" is sufficient for the classification, and overly detailed categories risk making respondents less focused or confused. We rely primarily on the two-digit level but move to a finer (three- or four-digit) level where the two-digit description is too coarse to separate activities that plausibly differ in environmental sustainability, for example, splitting "manufacture of transport equipment" into "manufacture of motorcycles" and "manufacture of bicycles." The resulting 95 sectors are therefore a mixture of two-, three-, and four-digit SNI categories. We also relabeled some sectors for clarity.

A.3 "Do not know" responses

Classifying some economic activities in terms of environmental sustainability is straightforward, but others are harder. We therefore always allow respondents to answer "do not know" (DNK) in the classification. Figure A.1 plots, for each of the 95 sectors, the share of DNK responses against the sector's average perceived environmental sustainability. The

relationship is hump-shaped: sectors near the middle of the sustainability distribution attract the most DNK responses, while respondents are markedly more certain—and give fewer DNK responses—about sectors at the tails, and especially about the most sustainable sectors. This pattern motivates our focus on the tails of the distribution, and in particular on the top-quintile indicator, which uses the most informative part of the measure.

A.4 Stability across respondent populations

Because the Prolific respondents are drawn from a range of countries rather than only from Sweden, a natural question is whether the classification depends on the respondent population. Two independent pilot surveys speak to this. In December 2019 and December 2020, we surveyed second-year Bachelor students in Economics and Management enrolled in a corporate finance course in Switzerland, asking them to classify the same sectors. The sector-level classifications are highly stable across the two student cohorts, with a correlation of about 0.92 (Figure A.2). They are also highly correlated with the classification obtained from the 2021 Prolific sample, at about 0.91 (Figure A.3).

That the classification is so stable across quite different respondent populations—business students in Switzerland in two separate years, and a broad international Prolific sample—suggests that it captures a widely shared perception of the relative environmental sustainability of sectors rather than the idiosyncrasies of a particular pool of respondents. This is the basis for the external-validity discussion in Section 2.2: because our measure elicits perceptions of the relative ordering of sectors rather than respondents' own preferences, it is not obvious why different populations would rank sectors systematically differently, and empirically they do not. To the extent that residual cross-population variation is unrelated to conditional wage outcomes, such noise would attenuate our estimates toward zero and bias against our findings.

Figure A.1: Sustainability vs. "Do not know"
The chart shows the relationship between the sustainability of industries and the percentage of "do not know" answers. For each of the 95 industries, we calculate the percentage of "Do not know" answers and plot it against the average sustainability of the sector.

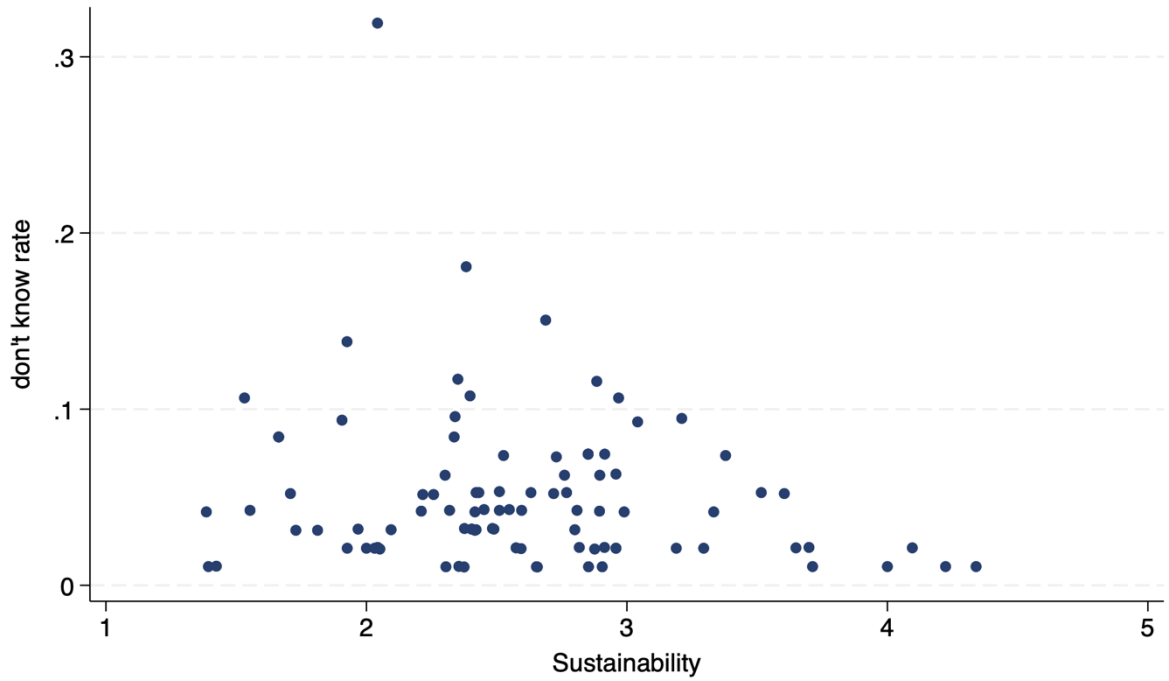

Figure A.2: Survey-based measure of sustainability 2019 vs. 2020 (student sample) This figure shows a scatter plot of the relation between the environmental sustainability of different economic sectors in the survey carried out in 2020 versus the survey carried out in 2019.

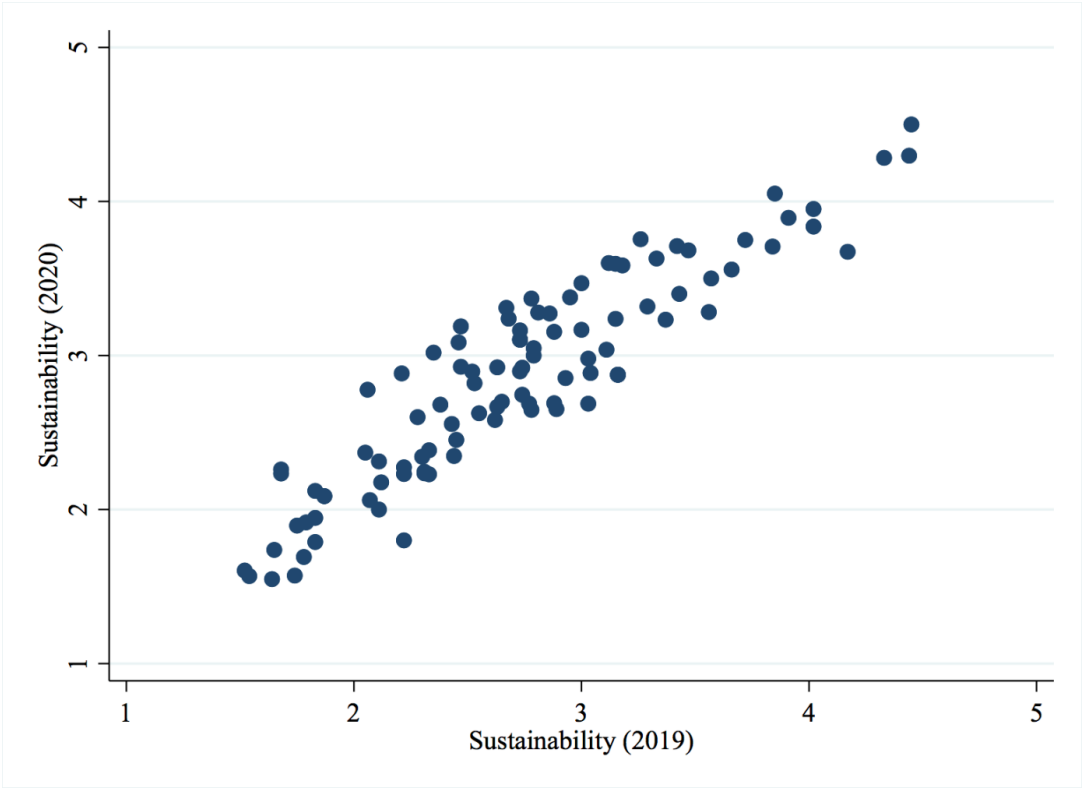

Figure A.3: Survey-based measure of sustainability Student (2019/2020) vs. Prolific (2021) sample

This figure shows a scatter plot between the average industry classifications resulting from the student surveys in 2019 and 2020 and the survey carried out via Prolific in 2021.

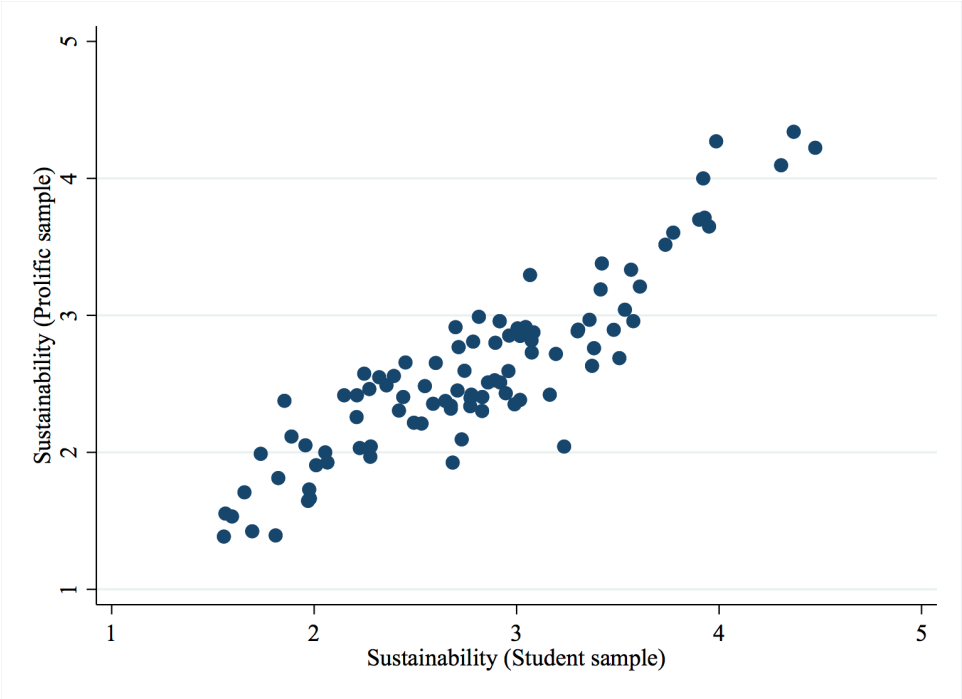

Figure A.4: The Survey Instrument

I. Demographics and high school performance

Q1 Gender: how do you identify?

- ○ Woman (2)
- ○ Non-binary (3)
- ○ Man (4)
- ○ Other (5)

Q2 Which year were you born?

Q3 What is the highest level of education that you have achieved?

- ○ High School (1)
- ○ Bachelors (2)
- ○ Masters (3)
- ○ PhD (4)
- ○ Other (5)

Q4 Did you take the Scholastic Aptitude Test (SAT)?

- ○ Yes (1)
- ○ No (0)

Q4b If you took the SAT, what was your total score?

Q5 In high school, how was your academic performance relative to your classmates?

- ○ Much better (1)
- ○ Somewhat better (2)
- ○ About the same (3)
- ○ Somewhat worse (4)
- ○ Much worse (5)

Q6 Where did you rank in terms of your grades in high school.

- ○ In the top 1% (1)
- ○ In the top 5% (2)
- ○ In the top 10% (3)
- ○ Below the top 10% (4)
- ○ I am not sure (6)

II. Preferences for environmental sustainability and job choices

Q7 How important is it for you that your job is environmentally sustainable?

- ○ Very important (1)
- ○ Important (2)
- ○ Moderately important (3)
- ○ Slightly important (4)
- ○ Not important (5)

Q8 Would you consider accepting a lower wage to work for a firm that is more environmentally sustainable?

- ○ Yes (1)
- ○ No (0)

Q8a If yes, what is the maximum **reduction** in wage you would accept in order to work for an environmentally sustainable ("green") firm versus an environmentally unsustainable ("brown") firm (from 0% to 100%)?

Q9 For the same wage, would you be willing to work harder for an environmentally sustainable ("green") firm versus an environmentally unsustainable ("brown") firm?

- ○ Yes (1)
- ○ No (0)

III. Classification of environmental sustainability of economic sectors (95 different sectors; one sector shown)

How environmentally sustainable do you consider the following economic activity:

505 - Retail sale of automotive fuel

- ○ Sustainable (1)
- ○ Somewhat sustainable (2)
- ○ Neutral (Neither sustainable nor unsustainable) (3)
- ○ Somewhat unsustainable (4)
- ○ Unsustainable (5)
- ○ Do not know (6)

IV. Questions measuring preferences with respect to dimensions of compensating differentials

Q10 When making job choices, how important are the following aspects of a potential employer to you?

	Very important (1)	Important (2)	Moderately important (3)	Slightly important (4)	Not important (5)
Compensation (1)	○	○	○	○	○
Work-life balance (e.g., flexible hours, maternity benefits,...) (2)	○	○	○	○	○
Job security (3)	○	○	○	○	○
Career opportunities (4)	○	○	○	○	○
Environmental sustainability (6)	○	○	○	○	○
Governance (5)	○	○	○	○	○
Social values (7)	○	○	○	○	○

V. Classifying sectors in terms of other compensating differentials (95 sectors; one sector shown)

How much do you agree with each of the statements considering working in the following sector:
01 Agriculture

	Strongly Agree (1)	Agree (2)	Neutral (Neither agree nor disagree) (3)	Disagree (4)	Strongly Disagree (5)	Do not know (6)
Working in this sector is physical demanding or dangerous (high risk of accidents). (1)	○	○	○	○	○	○
Working in this sector allows for a good work-life balance. (3)	○	○	○	○	○	○
Working in this sector provides good career opportunities (e.g., training, high wage growth, good promotion opportunities). (6)	○	○	○	○	○	○
Working in this sector provides high job security (low firing risk). (5)	○	○	○	○	○	○
Working in this sector is characterized by good corporate governance. (9)	○	○	○	○	○	○
Working in this sector is characterized by high social responsibility towards stakeholders (e.g., communities or workers). (10)	○	○	○	○	○	○

VI. Other questions

Q11 Would you require a higher wage to work for a firm that is environmentally unsustainable?

- ○ Yes (1)
- ○ No (0)

Q11a If yes, what is the minimum percentage **increase** in wage you would require in order to work for an environmentally unsustainable ("brown") firm versus an environmentally sustainable ("green") firm (from 0% to 100%)?

Q12 We would really appreciate your feedback on the survey. Please provide any thoughts you might have here. Depending on the quality of your input, we will consider a bonus payment.

B. Variable definitions

Table B.1: Variable definitions

This table defines the variables used in the paper and the Online Appendix, grouped by data source. Variables from the ISSP surveys are defined separately in Online Appendix Section F (Tables F.1 and F.2).

Employer-Employee matched data:

Variable	Definition	Source
Female (d)	Dummy variable equal to 1 if the individual is female.	LISA (SCB)
Age	Worker's age in years.	LISA (SCB)
Schooling	Total years of formal education completed.	LISA (SCB)
Potential experience / Pot. exp.	Years of potential labor market experience, calculated as age minus years of schooling minus 6.	LISA (SCB)
University (d)	Dummy variable equal to 1 if the worker holds a university degree.	LISA (SCB)
Cog. skills	Cognitive ability score (1 to 9, Stanine scale).	Military enlistment test (SCB)
Cog. = 8 or 9 (d)	Dummy variable equal to 1 if the cognitive ability score is 8 or 9.	Military enlistment test (SCB)
Non-cog. skills	Non-cognitive ability score (1 to 9, Stanine scale).	Military enlistment test (SCB)
Non-cog. = 8 or 9 (d)	Dummy variable equal to 1 if the non-cognitive ability score is 8 or 9.	Military enlistment test (SCB)
Pred. cog. skills	Predicted cognitive skills based on high-school grades and track, following Böhm, Metzger, and Strömberg (2023); used for female workers (Online Appendix Table D.2).	Military enlistment test (SCB) / LISA (SCB)
Ln(Wages)	Log of deflated labour income. For labour income, we use reported annual earnings before tax. This information is not censored or top-coded and includes bonus payments.	LISA (SCB)
Fulltime work (d)	Dummy variable equal to 1 if the worker has a full-time contract.	LISA (SCB)
Tenure	Number of years the worker has been employed at the current firm.	LISA (SCB)
Tenure 3-5 / 6-10 / >10 (d)	Dummy variables equal to 1 if firm tenure is 3–5, 6–10, or more than 10 years (omitted category: less than 3 years).	LISA (SCB)
Fired (d)	Dummy variable equal to 1 if the worker is fired (proxied by no job next year or received unemployment benefits).	LISA (SCB)
Same job (d)	Dummy variable equal to 1 if the worker remains with the same employer as in the previous year.	LISA (SCB)
Voluntary turnover (d)	Dummy variable equal to 1 if the worker changes employer without being classified as fired.	LISA (SCB)
Occupation	4-digit occupation classification (SSYK4).	LISA (SCB)

Generic job (d)	Dummy variable equal to 1 if the occupation has an HHI < 0.1 across industries (generic occupation). See Section 4 for more details.	LISA (SCB)
3 digits	3-digit industry classification (SNI).	LISA (SCB)
Married (d)	Dummy variable equal to 1 if civil status is 'married'.	LISA (SCB)
Divorced (d)	Dummy variable equal to 1 if civil status is 'divorced'.	LISA (SCB)
Children (d)	Dummy variable equal to 1 if the worker has at least one child.	LISA (SCB)
#Children	Number of children.	LISA (SCB)
Parental leave (n)	Number of parental leave days taken in a given year.	LISA (SCB)
Sick days (n)	Number of sick leave days in a given year.	LISA (SCB)
Hospitalized (d)	Dummy variable equal to 1 if the worker was hospitalized during the year.	LISA (SCB)
Total assets	Total assets held by the individual, in SEK (available 2001–2007; reported in millions in the tables).	LISA (SCB)
Debt	Total debt of the individual, in SEK (available 2001–2007; reported in millions in the tables).	LISA (SCB)
Net wealth	Net wealth, calculated as total assets minus debt, in SEK (available 2001–2007; reported in millions in the tables).	LISA (SCB)
Cash	Total cash holdings, in SEK (available 2001–2007; reported in millions in the tables).	LISA (SCB)
Wealth=20/40/60/80/100 (d)	Dummy variable equal to 1 if the individual belongs to the 1st / 2nd / 3rd / 4th / 5th quintile of the net wealth distribution.	LISA (SCB)
Municipality	Municipality of residence (290 unique municipalities).	LISA (SCB)
Stockholm (d)	Dummy variable equal to 1 if the individual resides in Stockholm.	LISA (SCB)
Large cities / medium cities / small cities (d)	Dummy variable equal to 1 if the individual lives in a large city, medium-sized town, or small town, based on the Statistics Sweden classification of municipality types.	LISA (SCB)
Green (top 10) / (top10-25) / (top25-50)	Dummy variables equal to 1 if the worker's municipality ranks in the top 10%, the 10th–25th percentile band, or the 25th–50th percentile band of Green Party vote shares, based on the most recent municipal election result (1998–2018); omitted category: bottom half.	Municipal election results / LISA (SCB)
#hours	Usual number of actual hours worked per week. The LFS sample is restricted to workers with contractual hours of 40 per week; observations above 80 hours are excluded.	Labor force survey (LFS) (SCB)
<40h (d)	Dummy variable equal to 1 if usual actual weekly hours are below 40.	Labor force survey (LFS) (SCB)
<36h (d)	Dummy variable equal to 1 if usual actual weekly hours are below 36 (approximately 10% below the full-time norm).	Labor force survey (LFS) (SCB)
Occupation (LFS)	4-digit occupation classification in the LFS. (Husky4)	Labor force survey (LFS) (SCB)

Sustainability measures:

Variable	Definition	Source
Sustainability score	Continuous sector-level score based on the average rating by survey participants (1 = unsustainable, 5 = sustainable).	Authors' survey
Sustain. (high)	Dummy variable equal to 1 if the sector ranks in the top quintile of sustainability based on the survey score or, for the emission-based measures, in the lowest-emissions quintile.	Authors' survey
Sust. quintile = 1/2/3/4/5	Dummy variable equal to 1 if the sector belongs to the 1st / 2nd / 3rd / 4th / 5th quintile of the sustainability score distribution across all sectors. Sustain. (quint) denotes the corresponding quintile number (1–5).	Authors' survey
Social resp. (high)	Dummy variable equal to 1 if the sector is in the top quintile for social responsibility.	Authors' survey
Governance (high)	Dummy variable equal to 1 if the sector is in the top quintile for governance quality.	Authors' survey
Work-life (high)	Dummy variable equal to 1 if the sector is in the top quintile for work-life balance.	Authors' survey
Career opp. (high)	Dummy variable equal to 1 if the sector is in the top quintile for career opportunities.	Authors' survey
Job security (high)	Dummy variable equal to 1 if the sector is in the top quintile for job security.	Authors' survey
Physical dem. (high)	Dummy variable equal to 1 if the sector is in the top quintile of physical demandingness.	Authors' survey
Emission (p)/(c)	Sector-level GHG emission intensity, measured as total emissions (metric tons of CO_2 equivalents) divided by the number of employees and averaged over 2008–2020. 'p' denotes the production-based and 'c' the consumption-based measure. The high dummy and the quintile variables are constructed analogously to the survey-based measure (high = lowest-emissions quintile).	Environmental accounts (SCB)
Environ. pillar	Yearly firm-level environmental pillar score from MSCI IVA (0–10), entered either as a continuous score or as a Best-in-industry indicator equal to 1 for the firm with the highest environmental score within its 3-digit SNI industry in a given year (classification constructed by the authors).	MSCI
Social pillar	Yearly firm-level social pillar score from MSCI IVA (0–10); continuous or Best-in-industry within the 3-digit SNI industry-year, analogous to the environmental pillar.	MSCI
Gov. pillar	Yearly firm-level governance pillar score from MSCI IVA (0–10); continuous or Best-in-industry within the 3-digit SNI industry-year, analogous to the environmental pillar.	MSCI
Negative ESG news (d)	Dummy variable equal to 1 in firm-years in which the firm's RepRisk Index (RRI) increases.	RepRisk
VA/Assets (Value added / Assets)	Value added divided by total assets.	Serrano

Sample definitions:

Variable	Definition	Source
Generic	Workers employed in generic occupations (see Generic job (d)).	LISA (SCB)
Switcher	Workers observed in both high-sustainability and other sectors at least once during the sample period (2001–2017).	LISA (SCB)
Stayer	Workers observed exclusively in high-sustainability sectors, or exclusively in other sectors, throughout the sample period.	LISA (SCB)
Mass layoff (-3,+3)	Workers employed at a firm in the year before a mass layoff, defined as a reduction in employment of at least 30% at firms with at least 20 employees; the estimation uses observations within a ±3-year window around the event.	LISA (SCB)

C. Summary statistics

Table C.1: Descriptive statistics (switchers vs. stayers)
This table reports descriptive statistics separately for sector switchers (workers observed in both high- and low-sustainability sectors during the sample period) and for stayers observed only in high- or only in low-sustainability sectors. The sample period runs from 2001-2017. For each group and variable it reports the number of observations and the mean.

	Switchers		***Stayers Sustain. high***		***Stayers Sustain. other***	
	Obs (in m)	**mean**	**Obs (in m)**	**mean**	**Obs (in m)**	**mean**
Age	4.808	38.99	3.483	43.14	9.140	42.78
Schooling	4.808	12.63	3.483	13.71	9.140	11.51
Pot. exp.	4.808	19.73	3.483	23.01	9.140	24.22
University	4.808	0.24	3.483	0.44	9.140	0.10
Cog. skills	4.808	5.35	3.483	5.78	9.140	4.89
Cog. 8 or 9 (d)	4.808	0.14	3.483	0.21	9.140	0.08
Non-cog. skills	4.808	5.17	3.483	5.28	9.140	5.01
Non-cog. 8 or 9 (d)	4.808	0.08	3.483	0.10	9.140	0.06
Ln(Wages)	4.808	7.86	3.483	7.94	9.140	7.97
Married (d)	4.808	0.38	3.483	0.46	9.140	0.43
Divorced (d)	4.808	0.08	3.483	0.09	9.140	0.09
Children (d)	4.808	0.54	3.483	0.55	9.140	0.56
#Children	4.808	1.00	3.483	1.03	9.140	1.05
Parental leave (days)	4.331	7.42	3.118	7.01	8.175	5.15
Same job (d)	4.491	0.73	3.256	0.88	8.555	0.88
Voluntary turnover (d)	4.491	0.15	3.256	0.07	8.555	0.07
Fired (d)	4.496	0.12	3.265	0.05	8.572	0.05
Tenure in years	4.682	4.02	3.152	7.10	8.225	7.38
Total assets (in m)	1.622	0.780	1.250	0.925	3.089	0.932
Debt (in m)	1.622	0.394	1.250	0.432	3.089	0.394
Net wealth (in m)	1.622	0.386	1.250	0.493	3.089	0.537
Cash (in m)	1.622	0.055	1.250	0.068	3.089	0.067
Sick days (n)	4.808	5.58	3.483	6.50	9.140	5.92
Hospitalized (d)	4.808	0.00	3.483	0.00	9.140	0.00
Sustain. (high)	4.808	0.45	3.483	1.00	9.140	0.00
Sustain. (quint)	4.808	3.73	3.483	5.00	9.140	2.58
Physical demanding (high)	4.808	0.14	3.483	0.01	9.140	0.32
Work-life balance (high)	4.808	0.39	3.483	0.71	9.140	0.11
Career opportunities (high)	4.808	0.35	3.483	0.44	9.140	0.19
Job security (high)	4.808	0.43	3.483	0.82	9.140	0.12
Governance (high)	4.808	0.46	3.483	0.74	9.140	0.20
Social responsibility (high)	4.808	0.33	3.483	0.71	9.140	0.10
Large cities (d)	4.808	0.41	3.483	0.41	9.140	0.29
Medium cities (d)	4.808	0.38	3.483	0.40	9.140	0.42
Small cities (d)	4.808	0.20	3.483	0.19	9.140	0.29
Stockholm (d)	4.808	0.12	3.483	0.13	9.140	0.06
Green (top25-50)	4.807	0.24	3.482	0.23	9.136	0.27
Green (top10-25)	4.807	0.26	3.482	0.27	9.136	0.24
Green (top 10)	4.807	0.32	3.482	0.34	9.136	0.21

Table C.2: Descriptive statistics (greenhouse gas emission sample)

This table reports descriptive statistics for the sample used in the analysis that relies on sector-level greenhouse-gas emissions. These measures are only available for a subset of sectors, resulting in a smaller sample. In line with the whole paper, public-sector workers are excluded and statistics are shown for the male population. The sample period runs from 2001 to 2017. The sector-level emissions variables are calculated using data from 2008-2020. Variable definitions are provided in the Online Appendix Table B.1.

	Obs (in m)	mean	sd	p10	p25	p50	p75	p90
Age	16.80	41.93	10.45	28.00	34.00	42.00	50.00	56.00
Schooling	16.80	12.27	2.39	9.00	10.50	12.00	13.50	16.00
Pot. exp.	16.80	22.86	10.62	8.00	14.50	23.00	31.00	37.00
University	16.80	0.21	0.40	0.00	0.00	0.00	0.00	1.00
Cog. skills	16.80	5.20	1.89	3.00	4.00	5.00	7.00	8.00
Cog. 8 or 9 (d)	16.80	0.12	0.33	0.00	0.00	0.00	0.00	1.00
Non-cog. skills	16.80	5.11	1.70	3.00	4.00	5.00	6.00	7.00
Non-cog. 8 or 9 (d)	16.80	0.08	0.26	0.00	0.00	0.00	0.00	0.00
Ln(Wages)	16.80	7.94	0.56	7.36	7.73	7.97	8.23	8.53
Married (d)	16.80	0.42	0.49	0.00	0.00	0.00	1.00	1.00
Divorced (d)	16.80	0.09	0.28	0.00	0.00	0.00	0.00	0.00
Children (d)	16.80	0.55	0.50	0.00	0.00	1.00	1.00	1.00
#Children	16.80	1.03	1.10	0.00	0.00	1.00	2.00	2.00
Parental leave (days)	15.00	6.22	21.94	0.00	0.00	0.00	0.00	16.00
Same job (d)	15.68	0.85	0.36	0.00	1.00	1.00	1.00	1.00
Voluntary turnover (d)	15.68	0.09	0.29	0.00	0.00	0.00	0.00	0.00
Fired (d)	15.71	0.06	0.24	0.00	0.00	0.00	0.00	0.00
Tenure in years	15.47	6.42	5.36	1.00	2.00	5.00	9.00	15.00
Sick days (n)	16.80	5.87	33.92	0.00	0.00	0.00	0.00	0.00
Hospitalized (d)	16.80	0.00	0.05	0.00	0.00	0.00	0.00	0.00
Sustain. emission (prod., high)	16.80	0.28	0.45	0.00	0.00	0.00	1.00	1.00
Sustain. emission (prod.,quint.)	16.80	3.61	1.13	2.00	3.00	4.00	5.00	5.00
Sustain. emission (cons., high)	16.80	0.33	0.47	0.00	0.00	0.00	1.00	1.00
Sustain. emission (cons., quint.)	16.80	3.88	1.09	2.00	3.00	4.00	5.00	5.00
Large cities (d)	16.80	0.35	0.48	0.00	0.00	0.00	1.00	1.00
Medium cities (d)	16.80	0.41	0.49	0.00	0.00	0.00	1.00	1.00
Small cities (d)	16.80	0.25	0.43	0.00	0.00	0.00	0.00	1.00
Stockholm (d)	16.80	0.09	0.28	0.00	0.00	0.00	0.00	0.00
Green (top25-50)	16.79	0.25	0.43	0.00	0.00	0.00	1.00	1.00
Green (top10-25)	16.79	0.25	0.43	0.00	0.00	0.00	1.00	1.00
Green (top 10)	16.79	0.27	0.44	0.00	0.00	0.00	1.00	1.00

Table C.3: Descriptive statistics (LFS)

This table reports descriptive statistics for the Swedish Labor Force Survey (LFS) sample used in the working-hours analysis (2005-2014). Variable definitions are provided in the Online Appendix Table B.1.

	Obs	**mean**	**sd**	**p10**	**p25**	**p50**	**p75**	**p90**
Age	96,886	43.15	11.56	27.00	34.00	43.00	53.00	59.00
Schooling	96,886	12.96	1.89	12.00	12.00	12.00	13.50	16.00
Pot. exp.	96,886	24.18	11.88	8.00	15.00	24.00	34.00	40.00
Sustain. (high)	96,886	0.28	0.45	0.00	0.00	0.00	1.00	1.00
Social resp. (high)	96,886	0.30	0.46	0.00	0.00	0.00	1.00	1.00
Governance (high)	96,886	0.34	0.47	0.00	0.00	0.00	1.00	1.00
Work/life (high)	96,886	0.30	0.46	0.00	0.00	0.00	1.00	1.00
Career opp. (high)	96,886	0.32	0.47	0.00	0.00	0.00	1.00	1.00
Job security (high)	96,886	0.34	0.48	0.00	0.00	0.00	1.00	1.00
Physical dem. (high)	96,886	0.14	0.35	0.00	0.00	0.00	0.00	1.00
Usual working hours (#hours)	96,886	40.76	4.88	38.00	40.00	40.00	40.00	45.00
<40h (d)	96,886	0.19	0.39	0.00	0.00	0.00	0.00	1.00
<36h (d)	96,886	0.02	0.15	0.00	0.00	0.00	0.00	0.00

Table C.4: Firm-level ESG data (MSCI sample)

This table reports descriptive statistics for the firm-level MSCI ESG analysis. Panel A shows descriptive statistics at the worker level (worker-year sample). Panel B reports statistics at the firm level (firm-year sample). The panels report both the Best-in-industry indicators and the continuous environmental, social, and governance pillar scores. The sample period in these tables is 2003-2017. Variable definitions are provided in Online Appendix Table B.1.

Panel A: Worker-level

	Obs (in m)	mean	sd	p10	p25	p50	p75	p90
Age	1.27	42.97	10.10	29.00	35.00	43.00	51.00	57.00
Schooling	1.27	12.64	2.39	10.50	10.50	12.00	16.00	16.00
Pot. exp.	1.27	23.68	10.40	9.50	16.00	24.00	32.00	38.00
University	1.27	0.25	0.44	0.00	0.00	0.00	1.00	1.00
Cog. skills	1.27	5.47	1.90	3.00	4.00	5.00	7.00	8.00
Cog. 8 or 9 (d)	1.27	0.16	0.36	0.00	0.00	0.00	0.00	1.00
Non-cog. skills	1.27	5.26	1.63	3.00	4.00	5.00	6.00	7.00
Non-cog. 8 or 9 (d)	1.27	0.08	0.27	0.00	0.00	0.00	0.00	0.00
Ln(Wages)	1.27	8.19	0.50	7.75	7.95	8.15	8.44	8.75
Married (d)	1.27	0.46	0.50	0.00	0.00	0.00	1.00	1.00
Children (d)	1.27	0.57	0.50	0.00	0.00	1.00	1.00	1.00
Environ. Pillar (best in ind.)	1.27	0.46	0.50	0.00	0.00	0.00	1.00	1.00
Social pillar (best in ind.)	1.27	0.45	0.50	0.00	0.00	0.00	1.00	1.00
Gov. Pillar (best in ind.)	1.27	0.55	0.50	0.00	0.00	1.00	1.00	1.00
Environ. Pillar (cont.)	1.27	6.12	1.66	3.80	5.10	6.27	7.02	8.11
Social pillar (cont.)	1.27	5.84	1.60	3.63	5.00	5.93	6.89	8.11
Gov. Pillar (cont.)	1.27	6.27	1.59	4.19	5.46	6.38	7.20	8.30

Panel B: Firm-level

	Obs	mean	sd	p10	p25	p50	p75	p90
Environ. Pillar (best in ind.)	502	0.45	0.50	0.00	0.00	0.00	1.00	1.00
Social pillar (best in ind.)	502	0.46	0.50	0.00	0.00	0.00	1.00	1.00
Gov. Pillar (best in ind.)	502	0.49	0.50	0.00	0.00	0.00	1.00	1.00
Environ. Pillar (cont.)	502	5.72	1.79	3.45	4.57	5.69	6.85	7.90
Social pillar (cont.)	502	5.58	1.57	3.50	4.82	5.58	6.60	7.74
Gov. Pillar (cont.)	502	6.27	1.70	4.00	5.10	6.34	7.30	8.50

Table C.5: Firm-level ESG data (RepRisk sample)

This table reports descriptive statistics for the firm-level RepRisk ESG-news data and for the workers matched to it. The sample period is 2008-2015. Variable definitions are provided in the Online Appendix Table B.1.

	Obs	**mean**	**sd**	**p10**	**p25**	**p50**	**p75**	**p90**
Age	267,793	43.94	10.09	30.00	36.00	44.00	52.00	57.00
Schooling	267,793	13.08	2.40	10.50	10.50	13.50	16.00	16.00
Pot. exp.	267,793	24.35	10.59	9.00	16.00	25.00	33.00	38.50
University	267,793	0.33	0.47	0.00	0.00	0.00	1.00	1.00
Cog. skills	267,793	5.69	1.80	3.00	5.00	6.00	7.00	8.00
Cog. 8 or 9 (d)	267,793	0.17	0.37	0.00	0.00	0.00	0.00	1.00
Non-cog. skills	267,793	5.47	1.64	3.00	4.00	5.00	7.00	8.00
Non-cog. 8 or 9 (d)	267,793	0.10	0.30	0.00	0.00	0.00	0.00	1.00
Ln(Wages)	267,793	8.29	0.57	7.79	8.01	8.24	8.54	8.90
Married (d)	267,793	0.49	0.50	0.00	0.00	0.00	1.00	1.00
Children (d)	267,793	0.57	0.50	0.00	0.00	1.00	1.00	1.00
Value added / Assets	221,510	0.12	0.33	0.00	0.00	0.01	0.05	0.33
Negative ESG news (d)	267,793	0.42	0.49	0.00	0.00	0.00	1.00	1.00

D. Robustness tests and further analysis

Table D.1: Robustness tests

This table reports robustness checks for the baseline result. Columns (1)-(4) use the survey measure and columns (5)-(12) use the GHG emissions measure (columns 5-8 at the production-level; columns 9-12 at the consumption-level). Columns (1)-(2), (5)-(6), and (9)-(10) re-estimate the baseline with alternative clustering—industry-year, and double-clustered by industry-year and firm; columns (3), (7), and (11) restrict the sample to post-2015 years, and columns (4), (8), and (12) to full-time workers. Variable definitions are provided in the Online Appendix Table B.1. ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

	Ln(Wages)											
	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**	**(9)**	**(10)**	**(11)**	**(12)**
Sustain. (high)=1	-0.084***	-0.084***	-0.094***	-0.094***	-0.059***	-0.059***	-0.066**	-0.088***	-0.065***	-0.065***	-0.072***	-0.066**
	(0.005)	(0.008)	(0.018)	(0.018)	(0.007)	(0.010)	(0.027)	(0.020)	(0.007)	(0.009)	(0.026)	(0.029)
Schooling	0.026***	0.026***	0.019***	0.026***	0.025***	0.025***	0.018***	0.027***	0.025***	0.025***	0.018***	0.026***
	(0.000)	(0.001)	(0.001)	(0.002)	(0.000)	(0.001)	(0.001)	(0.002)	(0.000)	(0.001)	(0.001)	(0.002)
Potential exp.	0.045***	0.045***	0.050***	0.039***	0.045***	0.045***	0.050***	0.039***	0.045***	0.045***	0.050***	0.039***
	(0.001)	(0.001)	(0.002)	(0.002)	(0.001)	(0.001)	(0.002)	(0.003)	(0.001)	(0.001)	(0.002)	(0.003)
Pot. exp. (squared)	-0.001***	-0.001***	-0.001***	-0.001***	-0.001***	-0.001***	-0.001***	-0.001***	-0.001***	-0.001***	-0.001***	-0.001***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Married (d)	0.055***	0.055***	0.044***	0.041***	0.055***	0.055***	0.044***	0.041***	0.055***	0.055***	0.044***	0.041***
	(0.001)	(0.001)	(0.003)	(0.003)	(0.001)	(0.001)	(0.003)	(0.003)	(0.001)	(0.001)	(0.003)	(0.003)
Children (d)	-0.024***	-0.024***	-0.003	-0.024***	-0.024***	-0.024***	-0.002	-0.023***	-0.024***	-0.024***	-0.002	-0.023***
	(0.001)	(0.001)	(0.003)	(0.002)	(0.001)	(0.002)	(0.003)	(0.003)	(0.001)	(0.002)	(0.003)	(0.003)
Obs	17,430,588	17,430,588	2,181,501	6,038,988	16,796,475	16,796,475	2,166,650	5,864,308	16,796,475	16,796,475	2,166,650	5,864,308
Sustain. measure	Survey				Emission (p)				Emission (c)			
Sample	All	All	> 2015	Fulltime	All	All	> 2015	Fulltime	All	All	> 2015	Fulltime
Occ. by year f.e.	Yes				Yes				Yes			
Skills by year f.e.	Yes				Yes				Yes			
Muni. by year f.e.	Yes				Yes				Yes			
Clustering	Ind by Year	Ind-Year by Firm	Ind	Ind	Ind by Year	Ind-Year by Firm	Ind	Ind	Ind by Year	Ind-Year by Firm	Ind	Ind
R-squared	0.412	0.412	0.359	0.555	0.411	0.411	0.356	0.554	0.411	0.411	0.357	0.552

Table D.2: Sustainability wage gap – Female workers

This table reports the baseline results for female workers. Because cognitive skills are not observed for women, they are imputed from detailed high-school grades (see Böhm, Metzger, and Strömberg, 2023). The imputed skill measure enters as a second-order polynomial interacted with year fixed effects. Non-cognitive skills are not available for women and are not included. As in the main analysis, columns (1)-(4) use the survey measure (as a top-quintile indicator and as quintiles); columns (5)-(8) the production- and consumption-based GHG emissions. Variable definitions are provided in the Online Appendix Table B.1. Standard errors are clustered at the industry level; ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

	Ln(Wages)							
	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**
Sustain. (high)=1	-0.115***		-0.075***		-0.058**		-0.060**	
	(0.019)		(0.020)		(0.024)		(0.028)	
Sust. quintile = 2		-0.055**		-0.066***		0.027		-0.009
		(0.021)		(0.021)		(0.052)		(0.033)
Sust. quintile = 3		-0.075***		-0.098***		-0.019		-0.048
		(0.024)		(0.023)		(0.044)		(0.036)
Sust. quintile = 4		-0.084***		-0.091***		-0.058		-0.095***
		(0.030)		(0.025)		(0.047)		(0.035)
Sust. quintile = 5		-0.179***		-0.153***		-0.089*		-0.132***
		(0.022)		(0.022)		(0.048)		(0.037)
Schooling	0.030***	0.030***	0.018***	0.017***	0.017***	0.017***	0.017***	0.017***
	(0.003)	(0.003)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
Potential exp.	0.059***	0.059***	0.056***	0.056***	0.056***	0.056***	0.056***	0.056***
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
Pot. exp. (squared)	-0.001***	-0.001***	-0.001***	-0.001***	-0.001***	-0.001***	-0.001***	-0.001***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Married (d)	0.002	0.002	-0.010**	-0.010**	-0.009**	-0.010**	-0.009**	-0.009**
	(0.002)	(0.002)	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)
Children (d)	-0.217***	-0.217***	-0.238***	-0.238***	-0.237***	-0.237***	-0.237***	-0.237***
	(0.010)	(0.010)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)
Obs	2125799	2125799	15698651	15698651	15176405	15176405	15176405	15176405
Sustain. measure	Survey		Survey		Emission (p)		Emission (c)	
Sample	Generic		All		All		All	
Occ. by year f.e.	Yes							
Skills by year f.e.	Pred. cog. Skills (polynomial of order 2)							
Muni. by year f.e.	Yes							
R-squared	0.382	0.383	0.370	0.371	0.372	0.373	0.372	0.373

Table D.3: Sustainability wage gap – Excluding startups

This table re-estimates the sustainability wage gap excluding startups, defined by firm age: columns (1)-(3) exclude firms younger than 5, 10, and 20 years, respectively. Variable definitions are provided in the Online Appendix Table B.1. Standard errors are clustered at the industry level; ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

	Ln(Wages)		
	(1)	**(2)**	**(3)**
Sustain. (high)=1	-0.071***	-0.073***	-0.073**
	(0.019)	(0.021)	(0.029)
Schooling	0.026***	0.025***	0.026***
	(0.002)	(0.002)	(0.002)
Potential exp.	0.046***	0.046***	0.047***
	(0.002)	(0.002)	(0.002)
Pot. exp. (squared)	-0.001***	-0.001***	-0.001***
	(0.000)	(0.000)	(0.000)
Married (d)	0.055***	0.053***	0.049***
	(0.003)	(0.003)	(0.003)
Children (d)	-0.028***	-0.028***	-0.029***
	(0.002)	(0.002)	(0.002)
Obs	11,363,604	10,151,485	7,633,666
Sustain. measure		Survey	
Sample	All	All	All
Firm age	>5	>10	>20
Occ. by year f.e.		Yes	
Skills by year f.e.		Yes	
Muni. by year f.e.		Yes	
R-squared	0.434	0.444	0.463

Table D.4: Effect of sector sustainability on firing risk

This table examines firing risk. The dependent variable, *Fired (d)*, equals one if a worker has no job in the following year (or starts a new job after receiving unemployment benefits). The specification mirrors the wage regressions. Columns (1)-(2) use generic occupations and columns (3)-(4) the full sample; columns (1) and (3) use the top-quintile indicator and columns (2) and (4) the full set of sustainability quintiles. Variable definitions are provided in the Online Appendix Table B.1. Standard errors are clustered at the industry level; ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

	Fired			
	(1)	**(2)**	**(3)**	**(4)**
Sustain. (high)=1	0.028**		0.019	
	(0.011)		(0.013)	
Sust. quintile = 2		0.008***		0.013***
		(0.003)		(0.004)
Sust. quintile = 3		0.006		0.012**
		(0.004)		(0.005)
Sust. quintile = 4		0.019***		0.026***
		(0.004)		(0.006)
Sust. quintile = 5		0.038***		0.034**
		(0.011)		(0.013)
Schooling	-0.001**	-0.001**	-0.002***	-0.002***
	(0.000)	(0.000)	(0.001)	(0.001)
Potential exp.	-0.009***	-0.009***	-0.010***	-0.010***
	(0.001)	(0.001)	(0.001)	(0.001)
Pot. exp. (squared)	0.000***	0.000***	0.000***	0.000***
	(0.000)	(0.000)	(0.000)	(0.000)
Married (d)	-0.010***	-0.010***	-0.013***	-0.013***
	(0.001)	(0.001)	(0.001)	(0.001)
Children (d)	-0.003***	-0.003***	-0.003***	-0.003***
	(0.001)	(0.001)	(0.001)	(0.001)
Obs	2,526,061	2,526,061	16,333,744	16,333,744
Sustain. measure	Survey		Survey	
Sample	Generic		All	
Occ. by year f.e.	Yes			
Skills by year f.e.	Yes			
Muni. by year f.e.	Yes			
R-squared	0.040	0.041	0.044	0.045

Table D.5: Sustainability wage gap – Wealth heterogeneity

This table analyzes how the gap varies with wealth, using the individual wealth data available for 2001-2007. Columns (1)-(3) are cross-sectional and columns (4)-(6) add worker fixed effects; within each group, the first column is the benchmark gap for the period, the second adds wealth-quintile controls, and the third interacts the sustainability dummy with wealth quintiles. Variable definitions are provided in the Online Appendix Table B.1. Standard errors are clustered at the industry level; ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

	Ln(Wages)					
	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
Sustain. (high)=1	-0.071***	-0.068***	-0.093***	-0.038**	-0.038**	-0.041***
	(0.018)	(0.018)	(0.018)	(0.015)	(0.015)	(0.015)
Wealth=40		-0.008*	-0.012***		-0.001	-0.002
		(0.004)	(0.004)		(0.002)	(0.002)
Wealth=60		0.042***	0.033***		0.011***	0.009***
		(0.004)	(0.004)		(0.002)	(0.002)
Wealth=80		0.067***	0.054***		0.014***	0.011***
		(0.004)	(0.005)		(0.002)	(0.003)
Wealth=100		0.095***	0.077***		0.017***	0.017***
		(0.010)	(0.015)		(0.003)	(0.004)
Sustain. (high)=1 # Wealth=40			0.008			0.001
			(0.012)			(0.004)
Sustain. (high)=1 # Wealth=60			0.022***			0.007**
			(0.005)			(0.003)
Sustain. (high)=1 # Wealth=80			0.039***			0.008*
			(0.011)			(0.004)
Sustain. (high)=1 # Wealth=100			0.052*			0.001
			(0.029)			(0.009)
Schooling	0.029***	0.027***	0.027***	0.123***	0.123***	0.123***
	(0.002)	(0.002)	(0.002)	(0.009)	(0.009)	(0.009)
Potential exp.	0.053***	0.052***	0.052***	0.123***	0.123***	0.123***
	(0.002)	(0.002)	(0.002)	(0.011)	(0.011)	(0.011)
Pot. exp. (squared)	-0.001***	-0.001***	-0.001***	-0.001***	-0.001***	-0.001***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Married (d)	0.063***	0.061***	0.061***	0.001	0.001	0.001
	(0.003)	(0.003)	(0.003)	(0.001)	(0.001)	(0.001)
Children (d)	-0.040***	-0.044***	-0.044***	-0.078***	-0.078***	-0.078***
	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)
Obs	5,960,370	5,960,370	5,960,370	5,857,811	5,857,811	5,857,811
Sustain. measure		Survey			Survey	
Sample		All			All	
Occ. by year f.e.		Yes			Yes	
Skills by year f.e.		Yes			Yes	
Muni. by year f.e.		Yes			Yes	
Fixed effects		No			Worker	
R-squared	0.407	0.411	0.411	0.792	0.792	0.792

Table D.6: Robustness – Career opportunities

This table reports robustness tests for the career-opportunity analysis in Table 7, Panel A, columns (6)–(9), restricting the control set to information available at age 30. Columns (1)–(4) estimate the sustainability wage gap at ages 40, 45, 50, and 55 after dropping all controls measured after age 30. Columns (5)–(6) instead measure the controls at age 30 (survey measures, married, children, occupation, and municipality) and estimate the sustainability wage gap at ages 40 and 45. Because occupation data are available only from 2001 onward and our sample ends in 2017, this specification cannot be estimated at ages 50 and 55. Variable definitions are provided in the Online Appendix Table B.1. Standard errors are clustered at the industry level; ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
at age:	***40***	***45***	***50***	***55***	***40***	***45***
Sustain. (high)=1	-0.103***	-0.106***	-0.108***	-0.109***	-0.021*	-0.008
	(0.034)	(0.032)	(0.026)	(0.024)	(0.011)	(0.013)
Career opp. (high)=1	0.150***	0.137***	0.124***	0.107***	0.042***	0.062***
	(0.039)	(0.036)	(0.033)	(0.029)	(0.011)	(0.012)
Schooling	0.020***	0.024***	0.022***	0.019***	0.008***	0.009*
	(0.005)	(0.006)	(0.007)	(0.006)	(0.002)	(0.005)
Potential exp.	0.068	0.106	0.130	0.047	-0.205***	-0.326***
	(0.112)	(0.144)	(0.185)	(0.239)	(0.033)	(0.072)
Pot. exp. (squared)	-0.002	-0.003	-0.003	-0.002	0.005***	0.006***
	(0.003)	(0.003)	(0.003)	(0.003)	(0.001)	(0.001)
Married (d)					0.039***	0.045***
					(0.003)	(0.005)
Children (d)					0.046***	0.049***
					(0.003)	(0.005)
Obs	512,836	409,684	226,798	58,616	145,043	27,850
Sustain. measure		Survey (at age 30)			Survey (at age 30)	
Sample	All 40 yrs.	All 45 yrs.	All 50 yrs.	All 55 yrs.	All 40 yrs.	All 45 yrs.
Occ. by year f.e.		No			Yes (at age 30)	
Skills by year f.e.		Yes			Yes	
Muni. by year f.e.		No			Yes (at age 30)	
R-squared	0.190	0.200	0.205	0.186	0.337	0.329

Table D.7: Effort and work-life balance (without the work-life-balance control)

This table re-estimates the working-hours analysis of Table 8 without the work-life-balance control and, in the wider specifications, with the full set of perceived amenity controls. Panel A reports OLS estimates and Panel B worker fixed effects. The dependent variables are usual weekly hours and indicators for working below 40 and below 36 hours. Variable definitions are provided in the Online Appendix Table B.1.T The table reports (a) two-sided and (b) one-sided *p*-values, testing the hypotheses that working hours in sustainable sectors are (a) different from or (b) higher than those in other sectors. One-sided tests are reported because the competing work-life-balance hypothesis predicts that workers in more sustainable sectors work fewer hours. Standard errors are clustered at the industry level; ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

Panel A: OLS

	#hours	**<40h (d)**	**<36h (d)**	**#hours**	**<40h (d)**	**<36h (d)**
	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
Sustain. (high)=1	0.146	-0.043**	-0.006**	0.266	-0.053*	-0.012***
	(0.200)	(0.020)	(0.003)	(0.192)	(0.028)	(0.004)
Social resp. (high)=1				-0.174	0.048	0.009**
				(0.228)	(0.035)	(0.005)
Governance (high)=1				0.349**	-0.004	0.004
				(0.165)	(0.031)	(0.005)
Work/life (high)=1				-0.330**	0.012	0.010**
				(0.163)	(0.027)	(0.005)
Career opp. (high)=1				-0.145	0.017	0.009**
				(0.193)	(0.024)	(0.004)
Job security (high)=1				-0.233	-0.042	-0.018***
				(0.191)	(0.030)	(0.004)
Physical dem. (high)=1				0.416	0.019	0.014*
				(0.303)	(0.030)	(0.007)
Schooling	-0.002	0.004	-0.000	0.001	0.003	-0.000
	(0.029)	(0.003)	(0.001)	(0.028)	(0.003)	(0.001)
Potential exp.	0.082***	0.003**	-0.001	0.080***	0.003**	-0.001
	(0.016)	(0.001)	(0.000)	(0.015)	(0.001)	(0.000)
Pot. exp. (squared)	-0.001***	-0.000***	0.000	-0.001***	-0.000***	0.000
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Obs	96,886	96,886	96,886	96,886	96,886	96,886
Sustain. measure		Survey			Survey	
Sample		Labor force survey			Labor force survey	
Occ. by year f.e.		Yes (Husky4)			Yes (Husky4)	
Skills by year f.e.		N/A			N/A	
Muni. by year f.e.		N/A			N/A	
R-squared	0.208	0.227	0.112	0.209	0.229	0.113
p-value (two-sided test)	0.467	0.038	0.026	0.168	0.057	0.006
p-value (one-sided test)	0.233	0.019	0.013	0.084	0.029	0.003

Panel B: Worker fixed effects

	#hours	<40h (d)	<36h (d)	#hours	<40h (d)	<36h (d)
	(1)	(2)	(3)	(4)	(5)	(6)
Sustain. (high)=1	0.353**	-0.033**	-0.006	0.563***	-0.034	-0.015**
	(0.158)	(0.016)	(0.005)	(0.163)	(0.024)	(0.006)
Social resp. (high)=1				0.238	0.013	0.002
				(0.228)	(0.028)	(0.007)
Governance (high)=1				-0.628**	-0.014	0.011
				(0.274)	(0.029)	(0.009)
Work/life (high)=1				0.115	-0.013	0.012**
				(0.175)	(0.017)	(0.005)
Career opp. (high)=1				-0.347	0.022	0.018*
				(0.238)	(0.023)	(0.010)
Job security (high)=1				0.666**	-0.012	-0.026***
				(0.273)	(0.023)	(0.008)
Physical dem. (high)=1				0.172	-0.042***	-0.000
				(0.233)	(0.016)	(0.007)
Schooling	0.226*	0.003	-0.005	0.229*	0.003	-0.005
	(0.131)	(0.008)	(0.007)	(0.130)	(0.008)	(0.007)
Potential exp.	0.149**	-0.000	-0.002	0.149**	-0.000	-0.002
	(0.060)	(0.004)	(0.002)	(0.061)	(0.004)	(0.002)
Pot. exp. (squared)	-0.002**	0.000	0.000	-0.002**	0.000	0.000
	(0.001)	(0.000)	(0.000)	(0.001)	(0.000)	(0.000)
Obs	92,734	92,734	92,734	92,734	92,734	92,734
Sustain. measure		Survey			Survey	
Sample		Labor force survey			Labor force survey	
Worker f.e.			Yes			
Occ. by year f.e.		Yes (Husky4)			Yes (Husky4)	
Skills by year f.e.		N/A			N/A	
Muni. by year f.e.		N/A			N/A	
R-squared	0.850	0.910	0.807	0.850	0.910	0.807
p-value (two-sided test)	0.029	0.042	0.282	0.001	0.159	0.017
p-value (one-sided test)	0.014	0.021	0.141	0.000	0.079	0.009

E. Main specifications with worker fixed effects

Table E.1: Main evidence – Worker fixed effects

This table reports worker fixed-effects counterparts of the main wage regressions in Table 4. The dependent variable is log wages; the main independent variable is *Sustain. (high)=1*, a dummy equal to one if the worker's sector is in the top quintile of the survey-based sustainability distribution. Panel A estimates the gap separately for the six occupations of Table 4, Panel A (e.g., receptionists, human-resources professionals) including skill-year and municipality-year fixed effects. Panel B mirrors Table 4, Panel B: column (1) restricts the sample to generic occupations, column (2) uses the full population, and column (3) re-estimates the worker fixed effects specification on the subsample of sector switchers. Columns (1)–(3) include the baseline controls and occupation-year, skill-year, and municipality-year fixed effects. Variable definitions are provided in the Online Appendix Table B.1. Standard errors are clustered at the industry level; ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

Panel A: Selected occupation-by-occupation estimates

	Ln(Wages)					
	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
Sustain. (high)=1	-0.042**	-0.048**	-0.120***	-0.099***	-0.092***	-0.202***
	(0.020)	(0.022)	(0.037)	(0.023)	(0.020)	(0.076)
Schooling	0.031	-0.197***	0.129	-0.140***	-0.194***	0.060
	(0.032)	(0.053)	(0.085)	(0.050)	(0.065)	(0.080)
Potential exp.	0.066*	-0.219***	0.136	-0.122**	-0.148*	0.102
	(0.035)	(0.069)	(0.095)	(0.052)	(0.078)	(0.088)
Pot. exp. (squared)	-0.001***	-0.001***	-0.001***	-0.002***	-0.002***	-0.001***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.001)	(0.000)
Married (d)	-0.012	0.013	-0.004	0.024***	-0.007	0.023***
	(0.017)	(0.017)	(0.014)	(0.005)	(0.015)	(0.008)
Children (d)	-0.073***	-0.073***	-0.045***	-0.070***	-0.080***	-0.009
	(0.010)	(0.007)	(0.010)	(0.005)	(0.011)	(0.006)
Obs	35,585	39,035	28,129	87,912	22,795	153,979
Sustain. measure	Survey					
Sample	**Receptionists**	**HR**	**IT**	**Accountants**	**Legal**	**Executives**
Skills by year f.e.	Yes					
Muni. by year f.e.	Yes					
R-squared	0.792	0.835	0.806	0.780	0.820	0.817

Panel B: Main estimates

	Ln(Wages)		
	(1)	**(2)**	**(3)**
Sustain. (high)=1	-0.087***	-0.051***	-0.053***
	(0.021)	(0.017)	(0.016)
Schooling	0.018*	0.066***	0.057***
	(0.009)	(0.010)	(0.010)
Potential exp.	-0.024**	0.026**	0.033***
	(0.012)	(0.012)	(0.013)
Pot. exp. (squared)	-0.001***	-0.001***	-0.001***
	(0.000)	(0.000)	(0.000)
Married (d)	0.009***	0.008***	0.017***
	(0.003)	(0.002)	(0.002)
Children (d)	-0.045***	-0.070***	-0.086***
	(0.002)	(0.003)	(0.003)
Obs	2,583,179	17,391,320	4,807,897
Sustain. measure		Survey	
Sample	Generic	All	Switcher
Estimator		Worker FE	
Occ. by year f.e.		Yes	
Skills by year f.e.		Yes	
Muni. by year f.e.		Yes	
R-squared	0.827	0.719	0.677

Table E.2: Robustness – Worker fixed effects

This table reports worker fixed-effects counterparts of the robustness tests in Table 5. The dependent variable is log wages. In Panel A, columns (1)–(2) replace the top-quintile indicator with the full set of survey-based sustainability quintiles (omitted category: the least sustainable sectors), for generic occupations (column 1) and all occupations (column 2); columns (3)–(6) use sector-level greenhouse-gas emissions, measured on a production basis (columns 3–4) and a consumption basis (columns 5–6), entered as a lowest-emissions-quintile indicator (columns 3, 5) and as quintiles (columns 4, 6). Panel B interacts the survey and emissions measures, separately for production-based (column 1) and consumption-based (column 2) emissions. All regressions include worker fixed effects in addition to the baseline controls and occupation-year, skill-year, and municipality-year fixed effects. Variable definitions are provided in the Online Appendix Table B.1. Standard errors are clustered at the industry level; ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

Panel A: Functional form and greenhouse gas emissions

	Ln(Wages)					
	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
Sustain. (high)=1			-0.032		-0.036*	
			(0.023)		(0.020)	
Sust. quintile = 2	-0.024***	-0.042***		-0.002		-0.022
	(0.007)	(0.011)		(0.029)		(0.020)
Sust. quintile = 3	-0.036***	-0.062***		-0.009		-0.024
	(0.012)	(0.014)		(0.025)		(0.020)
Sust. quintile = 4	-0.047***	-0.070***		-0.023		-0.057***
	(0.014)	(0.014)		(0.026)		(0.020)
Sust. quintile = 5	-0.117***	-0.102***		-0.045		-0.079***
	(0.020)	(0.017)		(0.029)		(0.023)
Schooling	0.018*	0.066***	0.067***	0.067***	0.066***	0.066***
	(0.009)	(0.010)	(0.012)	(0.012)	(0.013)	(0.012)
Potential exp.	-0.024**	0.026**	0.028**	0.027**	0.027**	0.027**
	(0.012)	(0.011)	(0.012)	(0.013)	(0.012)	(0.012)
Pot. exp. (squared)	-0.001***	-0.001***	-0.001***	-0.001***	-0.001***	-0.001***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Married (d)	0.009***	0.008***	0.007***	0.007***	0.007***	0.007***
	(0.003)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
Children (d)	-0.045***	-0.070***	-0.071***	-0.071***	-0.071***	-0.071***
	(0.002)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)
Obs	2,583,179	17,391,320	16,755,627	16,755,627	16,755,627	16,755,627
Sustain. measure	Survey		Emission (p)		Emission (c)	
Sample	Generic	All	All		All	
Occ. by year f.e.			Yes			
Skills by year f.e.			Yes			
Muni. by year f.e.			Yes			
R-squared	0.827	0.719	0.726	0.726	0.726	0.726

Panel B: Combination of survey and emission measure

	Ln(Wages)	
	(1)	**(2)**
Survey = 1 & Emission = 1	-0.058**	-0.062***
	(0.023)	(0.019)
Survey = 1 & Emission = 0	-0.054***	-0.053*
	(0.019)	(0.028)
Survey = 0 & Emission = 1	-0.025	-0.025
	(0.022)	(0.018)
Schooling	0.067***	0.067***
	(0.010)	(0.010)
Potential exp.	0.026**	0.026**
	(0.011)	(0.011)
Pot. exp. (squared)	-0.001***	-0.001***
	(0.000)	(0.000)
Married (d)	0.007***	0.007***
	(0.002)	(0.002)
Children (d)	-0.071***	-0.071***
	(0.003)	(0.003)
Obs	16623087	16623087
Sustain. measure	Emission (p)	Emission (c)
Sample	All	
Occ. by year f.e.	Yes	
Skills by year f.e.	Yes	
Muni. by year f.e.	Yes	
R-squared	0.727	0.727

Table E.3: Compensating differentials – Worker fixed effects

This table reports worker fixed-effects counterparts of the compensating-differentials regressions in Table 6. The dependent variable is log wages. Columns (1)–(3) add survey-based measures of the sector's perceived social and governance performance and of perceived job attributes—work-life balance, career opportunities, job security, and physical demandingness. Column (4) instead adds direct industry-level proxies for compensating differentials, entered as quadratic polynomials: firing rates (employment risk), sick days and hospitalization rates (safety), and marriage, divorce, number of children, and parental-leave days (work-life balance). All regressions include worker fixed effects in addition to the baseline controls and occupation-year, skill-year, and municipality-year fixed effects. Variable definitions are provided in the Online Appendix Table B.1. Standard errors are clustered at the industry level; ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

	Ln(Wages)			
	(1)	(2)	(3)	(4)
Sustain. (high)=1	-0.061***	-0.058***	-0.064***	-0.044***
	(0.018)	(0.016)	(0.014)	(0.012)
Social resp. (high)=1	-0.005		-0.011	
	(0.020)		(0.020)	
Governance (high)=1	0.021		0.025	
	(0.014)		(0.017)	
Work/life (high)=1		0.014	-0.007	
		(0.013)	(0.016)	
Career opp. (high)=1		-0.006	-0.021	
		(0.016)	(0.019)	
Job security (high)=1			0.018	
			(0.017)	
Physical dem. (high)=1			-0.018	
			(0.013)	
Schooling	0.066***	0.066***	0.066***	0.066***
	(0.010)	(0.010)	(0.010)	(0.010)
Potential exp.	0.026**	0.026**	0.026**	0.028**
	(0.011)	(0.012)	(0.012)	(0.012)
Pot. exp. (squared)	-0.001***	-0.001***	-0.001***	-0.001***
	(0.000)	(0.000)	(0.000)	(0.000)
Married (d)	0.008***	0.008***	0.008***	0.008***
	(0.002)	(0.002)	(0.002)	(0.002)
Children (d)	-0.070***	-0.070***	-0.071***	-0.071***
	(0.003)	(0.003)	(0.003)	(0.003)
Obs	17,391,320	17,391,320	17,391,320	16,956,182
Sustain. measure		Survey		Survey
Sample		All		All
Industry controls		No		Polyn. of ind. avg.
Occ. by year f.e.		Yes		Yes
Skills by year f.e.		Yes		Yes
Muni. by year f.e.		Yes		Yes
R-squared	0.719	0.719	0.719	0.720

Table E.4: Tenure – Worker fixed effects

This table reports worker fixed-effects counterparts of the wage-tenure regressions in Table 7, Panel B. The dependent variable is log wages. Column (1) interacts *Sustain. (high)=1* with continuous firm tenure; column (2) interacts it with tenure categories (omitted category: fewer than three years). Both regressions include worker fixed effects in addition to the baseline controls and occupation-year, skill-year, and municipality-year fixed effects. Variable definitions are provided in the Online Appendix Table B.1. Standard errors are clustered at the industry level; ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

	Ln(Wages)	
	(1)	**(2)**
Sustain. (high)=1	-0.053***	-0.053***
	(0.017)	(0.015)
Tenure	0.006***	
	(0.001)	
Sustain. (high)=1 # Tenure	0.002*	
	(0.001)	
Tenure 3-5		0.083***
		(0.004)
Tenure 6-10		0.079***
		(0.005)
Tenure > 10		0.073***
		(0.006)
Sustain. (high)=1 # Tenure 3-5		0.015*
		(0.009)
Sustain. (high)=1 # Tenure 6-10		0.013
		(0.009)
Sustain. (high)=1 # Tenure > 10		0.006
		(0.008)
Schooling	0.070***	0.067***
	(0.010)	(0.010)
Potential exp.	0.027**	0.025**
	(0.011)	(0.011)
Pot. exp. (squared)	-0.001***	-0.001***
	(0.000)	(0.000)
Married (d)	0.008***	0.008***
	(0.002)	(0.002)
Children (d)	-0.075***	-0.073***
	(0.003)	(0.003)
Obs	16,014,416	16,014,416
Sustain. measure	Survey	
Sample	All	
Occ. by year f.e.	Yes	
Skills by year f.e.	Yes	
Muni. by year f.e.	Yes	
R-squared	0.718	0.720

Table E.5: Effort and work-life balance – Worker fixed effects

This table reports worker fixed-effects counterparts of the working-hours regressions in Table 8, using the Swedish Labour Force Survey (LFS). The dependent variable is usual weekly hours worked (column 1) and indicators for working fewer than 40 hours (column 2) and fewer than 36 hours (column 3). The main independent variable is Sustain. (high)=1; the survey-based sector-level work-life-balance rating, Work-life (high)=1, is included as a control. Occupation-by-year fixed effects are included; skill and location controls are not available in the LFS. Because LFS respondents are followed for at most two years, identification relies on a limited number of sector switchers, and we therefore view these estimates primarily as a robustness check. The table reports (a) two-sided and (b) one-sided p-values. Variable definitions are provided in the Online Appendix Table B.1. Standard errors are clustered at the 2-digit industry level; ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

	#hours	**<40h (d)**	**<36h (d)**
	(1)	**(2)**	**(3)**
Sustain. (high)=1	0.362**	-0.028*	-0.010
	(0.177)	(0.016)	(0.006)
Work-life (high)=1	-0.029	-0.016	0.012**
	(0.230)	(0.019)	(0.006)
Schooling	0.226*	0.003	-0.005
	(0.131)	(0.008)	(0.007)
Potential exp.	0.150**	-0.000	-0.002
	(0.061)	(0.004)	(0.002)
Pot. exp. (squared)	-0.002**	0.000	0.000
	(0.001)	(0.000)	(0.000)
Obs	92,734	92,734	92,734
Sustain. measure		Survey	
Sample		Labor force survey	
Occ. by year f.e.		Yes (Husky4)	
Skills by year f.e.		N/A	
Muni. by year f.e.		N/A	
R-squared	0.850	0.910	0.807
p-value (two-sided test)	0.044	0.089	0.127
p-value (one-sided test)	0.022	0.044	0.064

Table E.6: Firm-level analysis MSCI – Worker fixed effects

This table reports worker fixed-effects counterparts of the MSCI regressions in Table 9, Panel A. The dependent variable is log wages. Column (1) uses the Best-in-industry indicator (the firm with the highest MSCI environmental-pillar score within its 3-digit industry-year) and includes worker and 3-digit industry-year fixed effects; column (2) uses the continuous MSCI environmental-pillar score and includes worker and firm fixed effects. Both specifications control for the MSCI social and governance scores (in the corresponding format). Variable definitions are provided in the Online Appendix Table B.1. Standard errors are clustered at the firm level; ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

	Ln(Wages)	
	(1)	**(2)**
Environ. Pillar	-0.016**	-0.003
	(0.007)	(0.002)
Social pillar	-0.001	-0.001
	(0.002)	(0.001)
Gov. Pillar	0.018**	0.001
	(0.008)	(0.001)
Schooling	0.020	0.020
	(0.025)	(0.025)
Potential exp.	0.016	0.016
	(0.032)	(0.032)
Pot. exp. (squared)	-0.001***	-0.001***
	(0.000)	(0.000)
Married (d)	-0.005*	-0.005*
	(0.003)	(0.003)
Children (d)	-0.065***	-0.065***
	(0.004)	(0.004)
Obs	1,228,613	1,228,612
Functional form	Best-in-industry	Continuous
Sample	All	All
Occ. by year f.e.	Yes	
Skills by year f.e.	Yes	
Muni. by year f.e.	Yes	
Industry-year f.e.	3-digits	No
Fixed effects	Worker	Firm & Worker
R-squared	0.834	0.834

F. International Social Survey Programme (ISSP): sustainability preferences in Sweden and the United States

In this section, we use the International Social Survey Programme (ISSP), which is a cross-national collaborative programme running annual surveys on topics important to the social sciences. This data is used to examine whether the sustainability-related job preferences of Swedish workers are unusual in an international comparison.

We focus on the "Work Orientations" module of ISSP and, given the focus of our paper, on five items from the survey: the importance of a job that is useful to society *(hlpsoc)*; agreement that a job is just a way of earning money *(wrkearn)*; agreement that one's own job is useful to society *(rhlpsoc)*; and two stated labor-market outcomes, i.e., the willingness to turn down another job with quite a bit more pay in order to stay with the current organization *(stayorg)* and the willingness to work harder than required to help the organization succeed *(helporg)*.

All items are answered on five-point scales (1 = strongly disagree / not important at all; 5 = strongly agree / very important). Figure F.2 provides an overview. We pool the four Work Orientations waves (1989, 1997, 2005, and 2015) for the United States; Sweden joined the ISSP in 1997, so the Swedish sample pools the 1997, 2005, and 2015 waves. The two samples are demographically similar (see the notes to Table F.1).

Table F.1 compares the responses. Workers in both countries care about the non-financial, societal aspects of their jobs: 63% of Swedish and 84% of U.S. respondents state that it is important or very important that a job is useful to society *(hlpsoc45)*, and an identical 59% in both countries disagree with the statement that a job is just a way of earning money. A majority in both countries also considers their own job useful to society (69% and 76%).

Where the two countries differ is in levels: U.S. respondents report somewhat stronger agreement on most items (last column of Table F.1). This could potentially suggest that Swedish sustainability preferences are not unusually strong. However, we cannot rule out that the stronger patterns in the U.S. relative to Sweden are due to cross-country differences in response styles (e.g., more extreme responding).

We also conduct within-country contrasts. Figure F.1 plots the willingness to turn down a better-paying job against the importance attached to societally useful work, separately by

country. The idea here is to test if individuals who have stronger stated preferences for societally useful work (our proxy for sustainability preferences in the ISSP data) are also more likely to state that they would be willing to turn down a higher paying job. The two profiles rise in near-parallel. In Table F.2 we test differences across respondent groups. Respondents who consider societal usefulness important state a significantly higher willingness to forgo pay in both countries (Sweden: 2.41 vs. 2.26, difference +0.15, t = 3.09; U.S.: 2.70 vs. 2.46, difference +0.24, t = 3.70), and the share willing to turn down a better-paying job is 4–8 percentage points higher among them. Again, the pattern appears somewhat stronger in the US than in Sweden. Splitting instead by the money item (Panel B) yields the same picture (+0.16 in Sweden, +0.31 in the U.S., both significant at the 1% level). Workers with stronger sustainability preferences state a greater willingness to sacrifice pay — in Sweden and in the United States alike.

Overall, the ISSP evidence is suggestive that Swedish workers' sustainability preferences are not unusual: majorities in both countries value societally useful work, and the link between these preferences and the stated willingness to accept lower pay is, if anything, somewhat stronger in the United States. At a minimum, these data provide no indication that Swedish workers' sustainability-related job preferences are unusual relative to those of U.S. workers.

Tables and figures

Figure F.1: Sustainability preferences and the willingness to forgo pay, Sweden vs. the United States

The figure plots the mean agreement with “I would turn down another job that offered quite a bit more pay in order to stay with this organization” (*stayorg*, 1–5) by the response to "How important is a job that is useful to society" (hlpsoc), separately for Sweden and the United States. Bars are 95% confidence intervals. Pooled ISSP Work Orientations waves; *stayorg* is available from 1997 onward, so the figure pools the 1997, 2005, and 2015 waves for both countries.

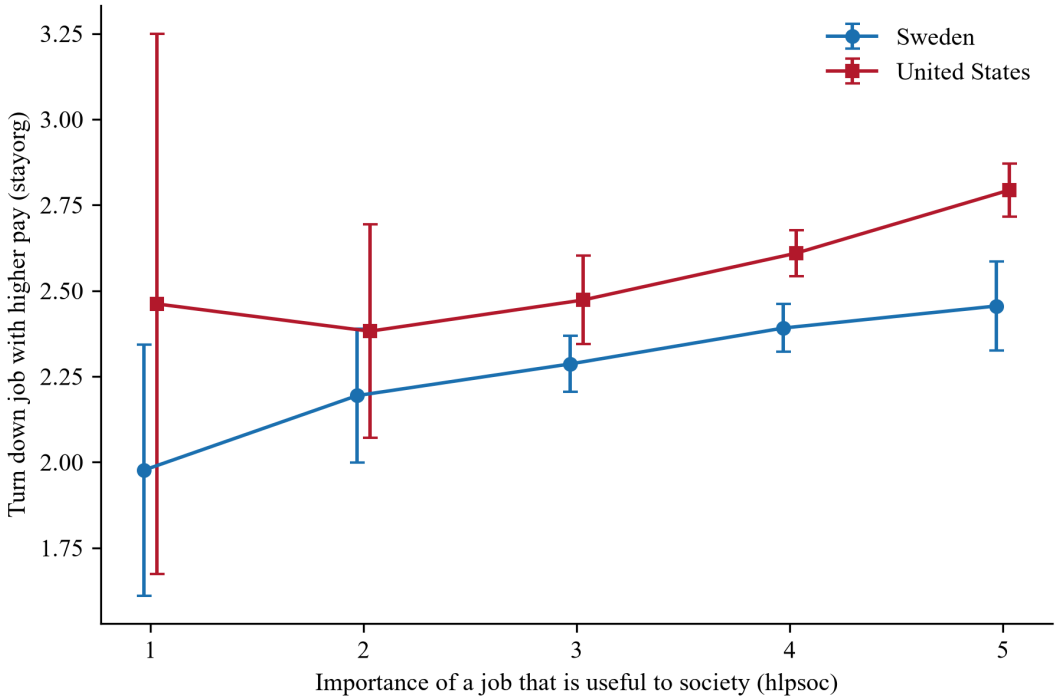

Table F.1: Sustainability-related job preferences in Sweden and the United States

This table compares responses to the main ISSP items between Sweden and the United States, pooled across the ISSP Work Orientations waves (Sweden: 1997, 2005, 2015, N = 3,808; U.S.: 1989, 1997, 2005, 2015, N = 5,676). Raw items are scaled from 1 (strongly disagree / not important at all) to 5 (strongly agree / very important); "can't choose" is set to missing. Dummies marked (4,5) equal one for the two highest agreement/importance categories; (1,2) for the two lowest. The last column reports the U.S.–Sweden difference with t-statistics in parentheses; ***, **, * denote significance at the 1%, 5%, and 10% levels. The samples are demographically similar: mean age 47.7 vs. 46.8, female 51% vs. 55%, employed at least part-time 63% vs. 63%.

	Sweden			U.S.			
	N	**mean**	**sd**	**N**	**mean**	**sd**	**U.S. – SE (t)**
Job useful to society (hlpsoc)	3,666	3.68	0.89	5,552	4.19	0.80	0.51*** (27.95)
Job useful to society (4,5) (hlpsoc45)	3,666	0.63	0.48	5,552	0.84	0.37	0.21*** (22.27)
Job just way earn money (wrkearn)	3,600	2.42	1.11	5,567	2.57	1.18	0.15*** (6.20)
Job just way earn money (1,2) (wrkearn12)	3,600	0.59	0.49	5,567	0.59	0.49	-0.01 (-0.74)
My job useful to society (rhlpsoc)	2,377	3.86	0.99	3,626	4.00	0.93	0.15*** (5.78)
My job useful to society (4,5) (rhlpsoc45)	2,377	0.69	0.46	3,626	0.76	0.43	0.07*** (5.95)
Turn down job higher pay (stayorg)	2,136	2.35	1.11	2,730	2.67	1.25	0.32*** (9.45)
Turn down job higher pay (4,5) (stayorg45)	2,136	0.16	0.36	2,730	0.27	0.45	0.12*** (10.29)
Work harder (helporg)	1,586	3.35	0.98	1,940	4.10	0.89	0.74*** (23.30)
Work harder (4,5) (helporg45)	1,586	0.46	0.50	1,940	0.81	0.40	0.35*** (22.58)

Table F.2: Stated willingness to forgo pay, by sustainability preference

This table reports mean values of stayorg ("I would turn down another job that offered quite a bit more pay in order to stay with this organization", 1–5) and of the agree/strongly-agree dummy stayorg45, separately for respondents with strong and weak sustainability preferences, in Sweden and in the United States. In Panel A, "High" denotes respondents who sconsider a societally useful job important or very important (hlpsoc ∈ {4,5}) and "Low" the rest; in Panel B, "High" denotes respondents who disagree or strongly disagree that a job is just a way of earning money (wrkearn ∈ {1,2}) and "Low" the rest. "Diff" is the High−Low difference with Welch t-statistics in parentheses; ***, **, * denote significance at the 1%, 5%, and 10% levels.

Panel A: split by importance of a societally useful job (hlpsoc45)

	Sweden			U.S.		
	High	**Low**	**Diff (t)**	**High**	**Low**	**Diff (t)**
Turn down job higher pay (stayorg)	2.41	2.26	0.15*** (3.09)	2.70	2.46	0.24*** (3.70)
Turn down job higher pay (4,5) (stayorg45)	0.17	0.13	0.04*** (2.69)	0.29	0.21	0.08*** (3.29)
Observations (High / Low)	1,273	830		2,323	381	

Panel B: split by disagreement that a job is just a way of earning money (wrkearn12)

	Sweden			U.S.		
	High	**Low**	**Diff (t)**	**High**	**Low**	**Diff (t)**
Turn down job higher pay (stayorg)	2.41	2.25	0.16*** (3.07)	2.79	2.48	0.31*** (6.33)
Turn down job higher pay (4,5) (stayorg45)	0.16	0.15	0.01 (0.32)	0.30	0.23	0.07*** (3.84)
Observations (High / Low)	1,311	764		1,660	1,048	

Figure F.2: ISSP questions

This figure shows the main questions of the ISSP survey that we consider in our analysis.

Group 1: Respondents' general preferences and attitudes about work

Question 1: How much do you agree or disagree with each of the following statements, thinking of work in general:

"A job is just a way of earning money – no more." *(wrkearn)*

Strongly agree (5), Agree (4), Neither agree nor disagree (3), Disagree (2), Strongly disagree (1); Can't choose

Question 2: How important is … "A job that is useful to society." *(hlpsoc)*

Very important (5), Important (4), Neither important nor unimportant (3), Not important (2), Not important at all (1); Can't choose

Group 2: Beliefs about current job

Question 3: How much do you agree or disagree that it applies to your job: "My job is useful to society." (rhlpsoc)

Group 3: Labor outcomes

Question 4: To what extent do you agree or disagree with each of the following statements?

"I am willing to work harder than I have to in order to help the firm or organization I work for succeed." *(helporg)*

"I would turn down another job that offered quite a bit more pay in order to stay with this organization." (stayorg)

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