The Voice: The Shareholders' Motives Behind Corporate Donations*

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Abstract

What motivates shareholders to become prosocial activists? At the onset of the COVID-19 pandemic, political and media attention demanded covid-related donations from large corporations. We study shareholders' support for such donations exploiting the heightened media scrutiny from annual general meetings. The pass-through of reputational gains from donating firms to shareholders led prominent individual shareholders to seek donations. In contrast, large institutional shareholders, who are hardly associated with specific corporations in their portfolios, preferred to donate themselves and opposed donations in their footprints. This mechanism also operates outside pandemic times and points to media attention to grow support for prosocial decisions.

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1 Introduction

Shareholders can influence a firm's decisions in several ways. The most direct way is to engage with a company's management to propose a preferred course of action. Alternatively, shareholders can transact a company's shares to show their concerns. These "voice" and "exit" strategies (Hirschman, 1970) are also pillars of shareholder activism over environmental, social, and governance (ESG) decisions, which are crucial in the current transition towards more responsible businesses by, for instance, incentivizing polluters to internalize their externalities (Hart and Zingales, 2017). Therefore, understanding the motives that lead shareholders to take action is essential to accelerate these positive changes. However, although a large body of evidence suggests that altruism and image concerns can lead investors to select prosocial portfolios (e.g., Riedl and Smeets, 2017, Hartzmark and Sussman, 2019, Barber *et al.*, 2021, Bonnefon *et al.*, 2022), we know neither what motivates shareholders to activism nor how these motives vary across investors.

This paper fills this gap by studying shareholders' motives for supporting or opposing corporate donations. We show that basic preferences like the image concerns of prominent shareholders can drive prosocial changes. We also find considerable heterogeneity in shareholders' demands, as shareholders with limited gains from image concerns oppose donations. We focus on donations because their visibility highlights the role of shareholders' reputations on firms' decisions, especially in the period under consideration, namely, the onset of the covid pandemic. Our portable framework naturally extends to inferring shareholders' voices outside prosocial domains, as it mainly relies on the pre-determined nature of firms' annual general meetings of the shareholders (AGM) with respect to exogenous shocks to shareholders' preferences.

One of the main problems in identifying shareholders' motives is that only a few of the engagement tactics available to shareholders are observable (Kacperczyk *et al.*, 2008). Shareholders can either passively delegate their engagement (Kakhbod *et al.*, 2021) or actively voice their concerns by emailing managers, requesting meetings with board members, or proposing non-binding resolutions to be voted on at the AGM (Dimson *et al.*, 2015). The last option is the only publicly-observed action, but it generally follows the other types of active engagement, which are less costly for shareholders (Gantchev, 2013). Since shareholder tactics ultimately depend on their preferences, focusing only on AGM votes substantially limits our understanding of activists' motives and their governance implications. In addition, shareholding is endogenous to both the outcome of the AGM votes (Cuñat *et al.*, 2012, Gantchev and Giannetti, 2021) and the informal confrontations between shareholders and managers, which can lead shareholders to transact their shares. Therefore, to attribute a firm's social responsibility policies to shareholder preferences, shareholding must vary exogenously, which in practice may be elusive.

To confront these identification challenges, the empirical strategy takes advantage of a firm's AGM, which, attracting considerable attention from consumer advocacy groups, other stakeholders, and media outlets (e.g., Wies *et al.*, 2019), also promotes shareholders' reputations from newly adopted corporate social responsibility measures.[1] Exploiting the SEC rules regarding AGM dates, our empirical strategy defines treated firms as those firms that, in 2019, planned an AGM before April 15, 2020. The AGM dates for these firms were already determined before the first U.S. covid case on January 15, 2020, (Holshue *et al.*, 2020) while the SEC extended more freedom to move the AGM dates for the other firms. Therefore, the condition for treatment is orthogonal to shareholders' preferences, allowing for their identification.

Our analysis connects donations at treated and control S&P500 firms with variation in the share of equity held by different categories of shareholders before the beginning of the pandemic. We take individual blockholding as an objective way to proxy for various figures that are readily associated with a firm, like the present and past managers, founders, and advisors (e.g., Cohn *et al.*, 2020). Our estimation uses shareholding data as of December 2019 and hand-collected data on the donations of S&P500 firms at the onset of the pandemic – between January and April 2020. In this period, 42% of the S&P500 firms donated towards the pandemic, with the average cash donation being as large as US$36 m, or about 1% of EBIT. Because firms often donate both in kind and in dollars, our analysis mainly focuses on the probability of observing a donation, as comparisons of in-kind donations across firms are hard to interpret.

Methodologically, since shareholders can pressure managers for donations before, during, and after an AGM, a staggered difference-in-differences approach with the treatment period starting with a firm's AGM is invalid because shareholders' influence can also occur before an AGM, biasing the estimator. Instead, we exploit variation in the severity of the pandemic as an exogenous shock to the media salience of corporate donations. Thus, we assess the impact of shareholder preferences by regressing the

[1] The recent increase in shareholders' proposals at AGMs (Gantchev and Giannetti, 2021), the proliferation of stated firms' goals at shareholder meetings (Rajan *et al.*, 2022), and the fact that boards have become more responsive to shareholders' demands (Del Guercio *et al.*, 2008, Ertimur *et al.*, 2010) support this view.

corporate donations of firm i by day t on the interaction between the treatment and the presence of blockholders, which are predetermined in the first three months of the pandemic, and the status of the pandemic at i's headquarter state on day t.[2] Since the AGM and covid treatments are exogenous to shareholder preferences, the difference in donation rates across treatment and control groups over time effectively purges out pure altruism and fiscal motives (e.g., Andreoni, 1990).

We find that, as covid rates increase, the probability of donating is greater for treated firms whose shareholders include individual and family blockholders. We explain this result by showing that larger image gains – as measured by internet searches around the donation event – accrue to these shareholders than to other similarly prominent shareholders. Connecting these findings to a strand of literature indicating that institutional investors prefer the threat of exit to push firms to behave more prosocially (Gantchev *et al.*, 2021), our results indicate substantial heterogeneity in the favorite engagement tactics across shareholders. In particular, individual shareholders with long-lasting experiences with certain firms might prefer voice over exit to demand prosocial changes as they expect their relations with the firm to continue. In contrast, institutional investors' preference for exit may derive from high costs of monitoring and engagement (e.g., Cronqvist and Fahlenbrach, 2008, Kang *et al.*, 2018). Nevertheless, we find that the poor pass-through of image gains to institutional blockholders leads them to voice their concerns to impede donations,[3] as blockholders like mutual funds drive down the probability of observing a donation at treated firms compared to the average shareholder.

To empirically relate trends in donations to the image gains accruing to individual and institutional shareholders, we take advantage of Google Trend data, which capture the online search intensity of shareholder names over time. Investigating these scores around the donation news date, we estimate that cumulative Google Trend scores are

[2]Our study differs from other studies on corporate donations in response to the COVID-19 pandemic (Palma-Ruiz *et al.*, 2020, García-Sánchez and García-Sánchez, 2020, Mahmood *et al.*, 2019, Chen *et al.*, 2021, Abbas *et al.*, 2020) because we focus on shareholder motives and account for endogeneity concerns. Several other studies use disasters for identification purposes. For instance, natural disasters are used by Barrot and Sauvagnat (2016) to study the propagation of shocks in production networks, and by Dessaint and Matray (2017) and Bernile *et al.* (2017) to study managers' risk preferences.

[3]The expectation of lower earnings could also drive institutional investors to obstruct donations. Standard results in the literature show that dividends increase after a drop in corporate giving (Cheng *et al.*, 2013, Masulis and Reza, 2015), signaling a negative correlation between these variables, impacting shareholders' consumption (Baker *et al.*, 2007). Paying dividends also signals a firm's solidity when markets are volatile (Jens, 2017), which further increases the cost of giving during crises – e.g., corporate giving declined by 4.3% during the financial crisis (The Center on Philantropy, 2010).

more than 50% greater for individual shareholders than for institutional shareholders in each of the days of the week following a donation. Therefore, besides sharing the donation expense with the other shareholders, large individual investors also gain media exposure when the firm donates. Institutional investors do not receive this reward; as a result, we find that these firms rather donate themselves and oppose the donations of the firms in their portfolios. Thus, the estimated poor pass-through of image gains suggests that the social responsibility perimeter of large U.S. corporations might be smaller than their financial perimeter.[4]

Our results do not hold only during covid times. First, we show that the identified mechanism also holds in other periods of crisis by drawing on the decisions of several U.S.-listed corporations to exit the Russian market in protest of the Russian invasion of Ukraine in February 2022. Exploiting the data collected by Professor Sonnenfeld's team at Yale School of Management, we show that firms with an AGM planned at the beginning of the invasion and larger shares of individual blockholders were more likely to exit Russia. In contrast, institutional blockholding reduces this probability. Second, we investigate corporate prosocial reputations around the time of firms' AGMs. We rely on a dataset of weekly negative ESG news covering more than 600 of the largest U.S. corporations between 2012 and 2019. The results from our event study approach, similar to that in Cengiz *et al.* (2019), show that firms with a larger share of individual investors are less likely to observe negative news in the months following an AGM than firms with a larger share of institutional investors. The mechanism we uncover relies on more attention to the "S" in ESG – social reporting, which includes corporate donations – at the former group of firms. The improvement is transitory and spikes between two months before and two months after an AGM as, of course, image concerns are not the only determinants of firms' prosocial stances.

We also examine conditions smoothing the voice mechanism we identified. In particular, we show that influence percolates across the network of board members: board members at treated firms also pressure other firms they serve for donating. On

[4]Since we mainly study corporate donations, which, due to their visibility, are suitable to assess the effect of investors' image concerns on the voice channel, our results are not in contrast with a literature indicating that institutional investors are a central driver of corporate social responsibility (e.g., Dyck *et al.*, 2019, Yegen, 2020), as these strategic decisions may depend on several other factors unrelated to shareholders' reputations. Related to our findings, Gibson and Krueger (2018) document a recent downward trend in the social stand of the investment portfolios of institutional investors but not in their environmental stand. To the extent that environmental policies are easier to measure and advertise, our results provide a mechanism for their finding. In another related paper, Mésonnier and Nguyen (2020) find that, once investors are required to publicly report their financing of fossil energy, they divest from companies in that sector.

the other hand, comparing donations of financial shareholders with the donations of the firms in their portfolios that have an AGM in the period under consideration, we find that the former firms prefer to donate themselves rather than supporting the donations in their footprint. The latter result underscores the role of reputational gains as it demonstrates that these firms are not against donating but rather prefer to do so directly. Finally, older and better-paid CEOs are more likely to align with the demand of blockholders, whether they are individuals or firms.

We rule out several potential alternative mechanisms. First, small altruistic shareholders could have more gains from corporate donations because their firms might be better positioned to procure or produce necessary products like face masks or sanitizing gel than they could do themselves. However, we find little support for this hypothesis as companies with more dispersed individual ownership did not donate more, all else equal. Second, we consider whether managers decided to donate to signal prestige by proxying managerial freedom with the share of self-ownership. However, self-ownership negatively relates to the probability of donating as covid rates increase at treated firms compared to control ones. We also do not find any evidence of peer pressure: firms do not donate more if they see their competitors doing so. Thus, managers align with financial investors on average, favoring no donations. Similarly, we exclude consumer pressure by showing that donations do not correlate with the covid rates at the locations where a firm has its branches. We also exclude financial motives: cumulative abnormal returns are negative after a donation is made public, indicating that market participants view donations as a waste of resources.[5]

Our approach allows us to establish that shareholders' images or reputations contribute to prosocial decisions.[6] This channel matters for public policy because image gains to institutional investors like Blackrock and Vanguard may provide them with incentives to hire professional figures to pressure managers over sustainability concerns in an industry where Blackrock, for instance, had only 47 individuals in its investment stewardship teams to cover assets worth \$7.4 tn in 2020 (Mooney, 2020). Analogously, the New York City Pension System's Boardroom Accountability Project successfully influenced firms in its footprint to reduce their pollution (Naaraayanan *et al.*, 2021),

[5]Negative stock market responses to CSR policies are not unheard of. Krüger (2015) finds a similar result when the CSR policy under scrutiny stems from agency problems and Serafeim and Yoon (2021) find that the relation between ESG news and returns is weak when ESG raters disagree on their ratings.

[6]A large theoretical and experimental literature points to image concerns and prestige as key drivers of donations for individuals and organizations (e.g., Andreoni, 1990, Harbaugh, 1998, Bénabou and Tirole, 2010).

and the Alliance for Bangladeshi Worker Safety, which includes several multinational apparel firms, successfully improved working conditions at firms in their supply chains after publicly committing to these goals (Boudreau, 2021). Therefore, facilitating the pass-through of reputation can be an effective way to ease the adoption of sustainability policies and, as a result, also improve the public perception of large corporations (Colonnelli and Gormsen, 2020).

Our paper contributes to several strands of literature. On corporate philanthropy, the common view sees giving as either an efficient advertising tool for profit maximization through increased consumer demand and reduced consumer price sensitivity (Navarro, 1988, Brown *et al.*, 2006, Elfenbein *et al.*, 2012), as an insurance to reputational risks (Godfrey *et al.*, 2009), as a repair for sudden reputational issues (Akey *et al.*, 2021), as political capture (Bertrand *et al.*, 2021), or as an agency problem within the firm, where managers and insiders extract private benefits from corporate donations to the detriment of shareholders (Jensen and Meckling, 1976, Cheng *et al.*, 2013).[7] Our paper reverses this agency problem by showing both that shareholders can affect firms' prosocial decisions and what incentives different shareholders respond to.

While considerable empirical evidence investigates the foundations of impact investing (e.g., Hong and Kacperczyk, 2009, Barber *et al.*, 2021, Humphrey *et al.*, 2021) and shows that shareholders can discipline managers through share sales (e.g., Admati and Pfleiderer, 2009, Edmans, 2009, Edmans and Manso, 2011), a recent literature emerged to study whether share sales of prosocial shareholders can impact firms' choices over corporate social responsibility (Berk and van Binsbergen, 2021). For instance, Gantchev *et al.* (2019) find that the threat of share sales by environmentally concerned institutional shareholders after negative environmental news leads firms to reduce their revenue-adjusted greenhouse gas emissions by 36.5% if managers receive equity compensations. In reality, activist shareholders employ a mixture of direct corporate governance interventions ("voice") and share sales ("exit") to affect a firm's social responsibility stance (Gollier and Pouget, 2014, Broccardo *et al.*, 2020, Oehmke and Opp, 2020). As a growing literature suggests that managers, investors, and firms respond to various incentives (Di Giuli and Kostovetsky, 2014, Riedl and Smeets, 2017, Fioretti, 2022), the voice channel can spur from several motives (e.g., political views,

[7] These views on the use of donations for profitability (Lev *et al.*, 2010), reputational risks (Vanhamme and Grobben, 2009, Barrage *et al.*, 2020, Lending *et al.*, 2018), trust, and agency problems (Ferrell *et al.*, 2016, Lins *et al.*, 2017) naturally extend beyond corporate donations to include other investments in corporate social responsibility more broadly (for a review of the literature, see Bénabou and Tirole, 2010, Kitzmueller and Shimshack, 2012, Gillan *et al.*, 2021).

altruistic behaviors, or reputational concerns), but little is known about its ability to affect firms' decisions. The main contribution of our paper is thus to shed light on the shareholders' rewards and preferences for voicing their concerns and to empirically study the origin of prosocial voice activism by examining a standard prosocial trait in the impure altruism literature, namely, reputation (e.g., Harbaugh, 1998).

Our paper also contributes to an extensive literature studying shareholder activism more broadly (e.g., Gillan and Starks, 1998, Denes *et al.*, 2017). Several empirical papers document shareholder activism related to board dissatisfaction (e.g., Del Guercio *et al.*, 2008, Bebchuk *et al.*, 2020), mergers (e.g., Boyson *et al.*, 2017), investors' value maximization (e.g., Smith, 1996, Del Guercio and Hawkins, 1999, Crane *et al.*, 2016), and executive pay (e.g., Cuñat *et al.*, 2016, Rajan *et al.*, 2022). Among a firm's various shareholders, the literature has focused primarily on blockholders for their ability to directly impact firms' operations due to their electoral salience in AGMs (Edmans, 2014, Brav *et al.*, 2021) by improving the independence of board members (Appel *et al.*, 2016), rewarding or punishing managers (Lending *et al.*, 2018), and attenuating managerial myopia (Dimson *et al.*, 2015). We contribute to this literature by proposing a portable framework that leverages on the pre-determined nature of the AGM dates and exogenous shocks to shareholders' preferences to infer shareholder activism over prosocial stances and their motives.

Zooming in on the underlying shareholder preferences, McCahery *et al.* (2016) surveyed 143 large institutional investors and linked shareholders' engagement tactics to their investment horizons and liquidity concerns, which are found to affect activism in opposite directions (e.g., Back *et al.*, 2013, Bebchuk *et al.*, 2015, Back *et al.*, 2018). In a similar vein, our empirical strategy highlights heterogeneity in the prosocial preferences of different types of shareholders, and its implications for corporate decisions. Furthermore, our analysis indicates that these decisions spill over to other firms through the network of board directors, as we find that sharing board seats with a treated firm increases the probability of donating for covid relief. This result echoes that in Iliev and Roth (2021), who identify the mechanisms through which board interconnectedness impact a firm's sustainability. We add to this literature that a firm's board members respond not only to policy changes in other countries served by internationally connected board members (Iliev and Roth, 2018), but also to shareholder preferences and engagements.

The remainder of our paper is set out as follows. Section 2 provides a background on COVID-19, introduces the conceptual framework, and describes our dataset. Section

3 identifies the mechanism of shareholder pressure, while Section 4 considers the external validity of our findings. Section 5 analyzes differential image gains to various shareholder types. Alternative mechanisms and extensions are examined in Section 6. Finally, Section 7 discusses the contributions of our findings and Section 8 concludes.

2 Background and Data

This paper leverages the COVID-19 pandemic as a quasi-natural experiment to elicit the motives that led shareholders to pressure managements and boards to donate towards covid relief. The COVID-19 virus, also known as the coronavirus, causes severe acute respiratory syndrome. The high fatality rates and quick spread of the disease has resulted in a global pandemic since the end of 2019. At the onset of the pandemic, governments and health organizations worldwide struggled to keep up with the sudden high requirements for specific medical devices, such as sanitizing gel, face masks and ventilators, that were needed to contain the spread of the infection and to heal patients.

In this scenario, legislators across various jurisdictions demanded the public to step up and to participate to the common effort against COVID-19. Individuals and corporations played important roles by donating to charities both in cash and in kind.[8] Our analysis focuses on the response of the largest U.S. corporations during the first months of the crisis. As shown in Figure 1, in the U.S., several large corporations redirected their donations toward COVID-19 relief as the pandemic advanced. The figure displays the evolution in covid rates (red) and deaths (green) across states alongside the number of donations (blue) over time. A clear pattern emerges: as the pandemic intensifies in a state (darker red and green colors), more S&P500 corporations headquartered in that state donate (darker blue). We exploit this variation to infer the role of shareholders on corporate donation decisions.

2.1 Conceptual Framework

Due to the media attention on firms at the time, also intensified by the social media usage of the then U.S. President Donald Trump, our central hypothesis is that image

[8] For instance, in Europe the signatories of the "diversity charters," an institutional platform managed by the European Commission to help firms sharing good practices, responded to the crisis with donations, as reported in European Commission (2020), which lists the major interventions of the signatories.

gains stimulated shareholders to pressure managers and board members to donate. In particular, prominent shareholders could gain the most from pressing management teams as they may reap large image gains from the donating firms if the public can easily connect them to the donating firm. Therefore, our first hypothesis is as follows:

Hypothesis 1. *Prominent shareholders will demand covid-related donations if reputational gains are large enough.*

This hypothesis hides two challenges. First, drawing the boundary to determine prominent shareholders is a subjective exercise, as this category could span various figures from large investors to current and past C-level individuals, board members, and advisors (e.g., Cohn *et al.*, 2020). Second, reputational gains come at the cost of monitoring a company's activity, contacting and pressuring management, but also in terms of the opportunity cost of donations, namely, the missed productive investments. These opportunity costs might loom particularly large at a time of limited corporate liquidity such as the covid pandemic (e.g., Kargar *et al.*, 2021), so that these donations could result in lower dividends or special dividends. To confront these two challenges, the following analyses will mainly focus on blockholders as (i) an objective measure of prominent shareholders, and (ii) as a way to favor comparison across different shareholders with similar costs from donating (e.g., individual and institutional investors with similar shares), at least in terms of lost dividends.

Since S&P500 corporations donated significant resources at the onset of the pandemic and due to the salience of the pandemic in the media, donations by these corporations are likely to resonate across both local and national media outlets. As individual shareholders are often cited on popular media due to their associations with the companies mentioned in the media pieces, large individual and family shareholders (e.g., Elon Musk and Tesla) might have more reputational gains from covid-donations than similar institutional shareholders like mutual funds, insurance companies, or banks. Therefore, we further hypothesize that:

Hypothesis 2. *Individual and family blockholders are a driver of corporate donations.*

An alternative view is that smaller altruistic shareholders might have more to gain than larger and wealthier shareholders if their goal is to help contain the spread of the disease. The "exchange rate" between dollars and devices such as face masks and ventilators was, at the time, particularly low given that the world production of these items had reached a bottleneck. Therefore, a minority shareholder – whether individual or financial – might pressure its firms to donate (e.g., a chemical company might be in a better position to donate a mixture of gallons of sanitizing gel and cash compared to any of its shareholders). This consideration leads us to our last hypothesis:

Hypothesis 3. *Shareholders in firms with more dispersed equity might have more incentives to pressure management, despite lower image motives.*

We will test these hypotheses by merging data from various sources, including both hand-collected data and private datasets. The next subsection provides details on the data construction effort.

2.2 Data

Our dataset comes from several sources. First, we manually recorded all covid-related pledges made by U.S. firms in the S&P500 between January 1 and April 15, 2020. We end our sample here to avoid contaminating our estimates with the Black Lives Matter movement's influence on U.S. media and public opinion beginning in the late Spring 2020. We scan each firm's investor relations website, Google news, and other mainstream media for information about donations, associating each piece of news with the oldest report available. The first row of Table 1 presents summary statistics of firm donations during our sample. Almost half of S&P500 firms placed at least one donation during our sample. For those firms that report the size of the donation, we report the cumulative donation by April 15, 2020, in the second row of the table. The average donation was US$36.5m. However, 58 firms do not report the US dollar amount of their donations, and several other firms donate both cash and in-kind (e.g., face masks), but indicate only the US dollar amount of their cash donations. We therefore focus most of the following analysis on the extensive margin of donations, rather than the intensive margin.[9]

We complement our donation data with cumulative covid cases and deaths data from Johns Hopkins University (Dong *et al.*, 2020). We present summary statistics of covid cases and deaths in the second panel of Table 1, where we compute cases and deaths either at the headquarter state, or at the state where a firm has its branches, using the number of branches as weights. To compute these variables we obtain firm level data for December 2019 from Orbis, which also includes accounting (third panel)

[9] Appendix Figure B1 shows an example of a data point in our dataset, with Google donating both cash and in-kind.

and shareholding information (fourth panel).[10]

Turning to financial data, we approximate the risk-free rate with the 1-Month Treasury-bill rate from the St. Louis FRED, and obtain daily returns for the S&P index from Yahoo Finance. We also source data on stock prices, market capitalizations, trading volumes, broker recommendations, and Environmental, Social and Governance (ESG) scores from Refinitiv. Although ESG measures represent an important factor guiding investors, they have a limited value for explaining variation across both the intensive and extensive margins of covid-related charitable donations.[11]

Finally, we collect the dates of the Annual General Meeting of shareholders through the Securities and Exchange Commission's N-PX form. These forms are used by funds to disclose their proxy voting procedures. We gather the firm's ticker and meeting date from forms filed in compliance with voting that took place in the first two quarters of 2020. Our data show that 43 U.S. headquartered S&P500 firms had an AGM before April 15, which represents about 10% of all firms in our dataset. We do not include non-U.S. headquartered S&P500 members in our analyses, which leaves us with 420 firms in total.

3 Shareholder Pressure

This section considers the hypotheses presented in Section 2.1 by testing whether shareholders influenced donation decisions. Identification issues arise because owning shares in a firm is endogenous to its prosocial decisions. For instance, major shareholders may influence the composition of the board and the appointment of C-level officers. To solve this endogeneity problem, we exploit the exogenous variation in the date of the annual general meeting of the shareholders (AGM) and the evolution of the pandemic.

3.1 Quasi-Random Selection into Treatment

The AGM is the annual gathering of a firm's shareholders, at which the firm's directors present the annual report about the firm's performance and strategy. At the AGM, shareholders can directly question the managers and vote on various proposals such as the nomination of new directors, the adoption of social responsibility strategies,

[10] Shareholding information is limited to holdings of at least 0.01% of a company.

[11] The Spearman correlation between the 2019 ESG scores and whether a firm has donated by April 15, 2020 is 0.2462 (p-value < 0.01). Also, the Spearman correlation between the donation amount and ESG scores among those firms that report the donation amount is only 0.180 (p-value = 0.042).

and prospective mergers. The AGM also puts a firm under the spotlight, as the public scrutiny also heightens the attention of consumer advocacy groups and other stakeholders in this period (Wies *et al.*, 2019). In turn, this attention creates an opportunity for prominent shareholders to appear on media pieces and increases the public awareness around the interests of the mentioned shareholders.[12]

Companies inform shareholders when the AGM is approaching, which reminds shareholders of their power to affect firms' decisions by questioning managers. Therefore, the shareholder meeting has two effects that are of interest for our investigation: on the one hand, it increases shareholders' popularity by making the firm's decisions public, and, on the other, it gives them opportunity to affect management. In particular, if shareholders satisfy certain criteria (see Rule 14a-8 SEA, 1934), they can also submit proposals to the management at least 120 days before the release of the proxy statement based on the date of the last year's AGMs (Glac, 2014).[13]

Covid "officially" entered the U.S. on January 15, 2020 (Holshue *et al.*, 2020), allowing the firms that have an AGM in the first few months of the year to benefit from additional media attention in case of covid-related donations. Such donations could particularly benefit shareholders' images at these firms, as these donations might resonate more in the media than for similar firms with no AGM in this period. Importantly, because of the SEC rules about AGM dates abovementioned, firms that planned an AGM in the three months after January 15 had done so before covid entered the U.S. Therefore, the AGM timing of these firms is independent of shareholder preferences and is unaffected by the health crisis. As a result, we find little variation in the AGM dates for S&P500 firms that had AGMs before April 15, 2020, compared to the AGM dates of the previous year, as shown in Panel (a) of Appendix Figure B3.[14]

[12] Appendix Figure B2 reports some examples of media pieces featuring prominent shareholders in articles discussing the outcomes of AGM votes.

[13] This rule establishes some eligibility criteria for shareholders' proposals to be admitted in the proxy statements. The criteria are either procedural or substantive requirements (i.e., the shareholders must hold at least US$2,000 in shares or 1% of the company's shares). These criteria have been recently amended but they will be effective only from January 2022 (SEC, 2020a).

[14] In addition, shareholders of firms with AGMs taking place before April 15 could only demand covid-related donations by "voicing" their concerns to the management, while shareholders at other firms can also propose resolutions at the AGM. Therefore, not only all shareholders of firms with an AGM before April 15, 2020 have similar incentives, but also they have similar engagement tools available.

3.1.1 Comparing Treated and Control Firms

Table 2 presents summary statistics of financial and operational variables for these two groups of firms. The last columns report the p-values from the t-test of difference in means: we find no significant differences on average. Not only, the firms are very similar with respect to their financial characteristics (e.g., market capitalization and brokers' recommendation), but also with respect to their operational characteristics (e.g., EBIT, Workforce, share of revenues from the U.S.), and ESG scores. Importantly for our analyses, the firms also have similar exposure to both individual and institutional shareholders and blockholders. Finally, the share of donating firms within the two groups is approximately the same. One caveat for the following analyses is that most firms have AGMs in the summer months. As a result, firms with an AGM in the sample period are only 11% of the firms without an AGM. This will result in a downward bias in the following analysis, implying that our empirical results should be interpreted as lower bounds.

3.1.2 Altruistic, and Fiscal Motives

The underlying assumption is that AGM dates are independent of unobservables affecting corporate giving. We view the AGM treatment as a shock to shareholder reputation. Comparing firms with and without AGMs purges pure forms of altruism (i.e., agents are motivated solely by their compassionate concern for others) from the analysis because, all else equal, pure altruistic concerns are accounted for by shareholders in control firms who do not gain additional publicity from the treatment. Similarly, the difference between treatment and control firms also accounts for fiscal motives for donating, which are plausibly uncorrelated with AGM dates.

3.1.3 The Salience of Local Covid Rates on the Media

The obvious approach to estimate shareholder influence would be a staggered difference-in-differences estimation strategy exploiting the random occurrence of the AGM across firms with different shareholding compositions. This approach faces at least three critical challenges. First and foremost, shareholders can pressure for donations both before and after an AGM, violating the parallel trend assumptions as we would expect donations also before the post period as a result of the AGM treatment. Second, the SEC issued guidance giving more flexibility to firms to postpone their AGMs on April 7, 2020, making the AGM date endogenous for firms with AGM planned for the following months.[15] Third, the Black Lives Matter movement substantially gained traction in the second quarter of 2020, and resulted in a reorientation of firms donations towards the movement (e.g., Livingston, 2020). Due to the local nature of the movement, in a way similar to the covid trends, including data from this period will affect the coefficient estimates of the treatment effect because fixed-effects are not suited to simultaneously capture time and local variations. In addition, demonstrations might be correlated with covid trends through state-level policy changes.

Instead, we leverage the intuition in Figure 1 that shows a temporal and spatial correlation between covid rates and firms' donations by comparing the donation rates of treated and control firms over time; as covid rates increase in a firm's home state, also the public pressure to contribute increases for this firm. This effect is especially marked for the shareholders in treated firms because they are already under greater public scrutiny. Therefore, it is not only important to control for covid rates in the analysis because they could influence donations beyond the role of shareholders, but also because they help infer the influence of specific shareholders.

Our strategy investigates firms' donation decisions in the period between January and April 15, 2020, by modeling the probability that a firm has already donated through the interaction between the treatment – i.e., covid rates and the presence of an AGM in this period – and specific characteristics of the shareholding body at December 2019. For instance, using the share of individual investors in firms' equity as such a characteristic, we connect the observed donation differential across treated and control firms to a greater fraction of individual shareholders through the AGM channel. The following section explains this approach in detail.

3.2 Empirical Strategy

To estimate the effect of a specific class of shareholders (e.g., large or small) on the probability that firm f donates due to the occurrence of covid, we estimate the following linear probability model:

[15]The SEC (2020b) states that a firm "can notify shareholders of a change in the date, time, or location of its shareholder meeting without mailing additional soliciting materials or amending its proxy materials" under certain conditions. Seven firms in our sample held their AGM between April 7 and April 15, which is the last date for inclusion in the treatment. However, all of these firms had an AGM within less than a week from April 7 also in 2019, dispelling doubts of potential endogeneity concerns. As a result, Panel a of Appendix Figure B3 shows that the vast majority of AGM date changes in the first four months of 2020 concerns only firms that held AGMs in April 2019.

$$
\begin{aligned}
y_{ft} = {} & \beta_1 \text{Covid Rate}_{ft} + \beta_2 \text{Covid Rate}_{ft} \times \text{Ownership}_f + \beta_3 \text{Covid Rate}_{ft} \\
& \times \text{AGM Meeting}_f + \beta_{treat} \text{Covid Rate}_{ft} \times \text{Ownership}_f \times \text{AGM Meeting}_f \\
& + \alpha_f + \tau_t + \varepsilon_{ft},
\end{aligned} \tag{1}
$$

where the dependent variable, y_{ft}, is 1 if the firm f has publicly committed to a donation by day t, and 0 otherwise. We focus on donation intents and not on the actual amount donated because we cannot determine if the donation took place or not and because not all firms donate cash – some firms donate in-kind.

The main coefficient of interest is in the second line of Equation 1: β_{treat} captures the interaction between the cumulative covid rate at firm f's headquarter state, Covid Rate$_{ft}$, the fraction of equity owned by a certain shareholder type, Ownership$_f$, which varies across specifications, and a dummy variable that is 1 if the firm has an AGM in the sample period, AGM Meeting$_f$.

Among the variables in Equation 1, only Covid Rate$_{ft}$ varies by both firm and time, as the number of covid cases and deaths vary both in the time and in the cross-section dimensions. Changes to these variables indicate the severity of covid exposure at a firm's headquarters. In several instances, this is the place where large individual shareholders live (e.g., the Walton family for WalMart, or Jeff Bezos for Amazon). Thus, it is a good proxy for the covid-related media attention in the headquarter state that might pressure firms to donate. To avoid endogenous ownership changes due to the covid crisis, Ownership$_f$ is set at December 2020. Finally, α_f and τ_t are firm and day fixed effects, which captures unobserved variables that are either fixed characteristic of a firm in the time period (e.g., board composition) or that affect all firms simultaneously (e.g., macro policies). Finally, the standard errors are clustered at the firm level.

3.3 Main Results

Table 3 reports the main coefficients from the OLS estimation of Equation 1. The first three columns use cumulative covid cases for Covid Rate$_{ft}$, while covid deaths appear in columns four to six. Each column presents a different specification for the Ownership$_f$ variable. It represents the share of equity held by shareholders with at least 10% of the equity in Columns 1 and 4, at least 5% of the equity in Columns 2 and 5, and less than 2% in Columns 3 and 6. The variables Ownership$_f$ and Covid Rate$_{ft}$

are standardized to permit comparisons across columns.

Examining the results, the first row indicates a positive correlation between donation rates and cumlative covid rates across all columns, as suggested in Figure 1. The treatment effect estimates in the last row of Table 3 display sharply different coefficients for different levels of blockholding: one standard deviation increase in covid rates is associated with 1% to 7% decrease in covid-related donation rates for firms with major blockholders (Columns 1, 2, 4, and 5). Zooming in on minority shareholders instead (Columns 3 and 6), we find no differential effect between treatement and control firms.

Therefore, our results indicate that minority shareholders do not play a meaningful role in pressuring management for covid-related donations, which rules out the efficiency gain hypothesis (Hypothesis 3) in Section 2.1. We also find that blockholders pressured firms against donations, which contrasts with our Hypothesis 1. However, different shareholders may view donations differently depending on the pass-through of reputational gains to their reputation and the potential dividend losses. Since the largest shareholders of S&P500 companies are banks (holding on average 41% of a firm's equity), mutual funds (10%) and insurance companies (5%), the negative treatment effects estimated in Table 3 may depend on the fact that the balance of gains and losses from donating is perceived differently by financial and individual investors. As shareholders in the latter group only own 2% of shares of an S&P500 company, on average, the low image gains accruing to institutional shareholders may hide heterogeneous effects across shareholder types. We focus on this channel in the following sections.

3.4 Mechanism

This section explores the motives for different types of investors to pressure managers into making/avoiding donations. We will employ updated versions of Equation 1 to investigate the role of institutional investors and blockholders.

3.4.1 Shareholder Types

To study the influence of the four main institutional investor types – banks, insurance companies, mutual funds and private equity funds – and individual and family shareholders, we estimate separate regressions where we replace the variable Ownership$_f$ in Equation 1 with a dummy variable that equals one if an investor type's ownership of firm f is larger than its corresponding median ownership across all S&P500 firms. The Covid Rate$_{ft}$ variables are standardized to allow comparison across cases and deaths.

Table 4 reports the results of these new OLS regressions.[16] Across columns, we vary the reference shareholder type of the Ownership$_f$ variable in equation 1 as defined in the top panel. The bottom row shows the coefficients of the triple interaction between the AGM dummy, covid rates, and Ownership$_f$. These interaction terms are mostly negative for all investor types – and significantly different from zero when insurance companies are the reference investor as shown in Column 7 – but individual investors, whose coefficient is positive, large and significant (Columns 5 and 10).

These results suggest that individual shareholders pressured managers to make charitable donations in response to the pandemic. This pressure was proportional to the covid rate perceived at the company's headquarter-state. On average, the effect is slightly larger for covid deaths than for covid cases, and it increases in the fraction of equity owned by individual and family investors. To the extent that image gains differ across shareholder types, this result suggests a role for image concerns in driving shareholders to demand donations, both because covid deaths may receive more media attention than cases,[17] and because large individual shareholders are more likely to be associated with a company than other shareholder types. On the other hand, during crises, firms' dwindling financial resources may be further strained by charitable donations. As a result, financial investors may instead prefer more conspicuous dividend payments.

National covid cases. National covid rates may be more salient than headquarter-state ones for large financial investors. To exclude this channel, we replicate the analysis, but now use cumulative national covid cases and deaths instead of headquarter-state level ones. The results are displayed in Appendix Table A2. The estimated triple-interaction coefficients are similar to those in Table 4 for all the financial shareholders but not for individual and family shareholders (columns five and ten). The coefficient estimates for the latter groups are now close to zero and not significant. Hence, individual investors seem to react to local covid rates rather than national ones, which is in line with the image concern mechanism we uncover.

3.4.2 Majority and Minority Shareholders

Individual shareholders. Hypothesis 2 in Section 2.1 states that the easier it is to associate an individual investor (or family) with a company, the greater should be the

[16] Appendix Table A1 adjusts these estimates with industry level standard errors.

[17] For example, Sousa-Pinto *et al.* (2020) find stronger correlations between medical terms-related Google searches and covid deaths than cases for Spain, France, and the U.S.

investor's image gain from any charitable donations made by the firm in response to the increased media coverage due to a spike in covid-related deaths and cases at the headquarters. To highlight this mechanism, we update the variable Ownership_f in equation 1 to be the share of equity owned by individual investors among all shareholders with at least x% of total shares. We vary x% to be greater than 10%, greater than 5%, and between 0.01% and 2%. We expect the association between firms and investors to be more straightforward the greater is the share of individual investors with a controlling position. Therefore, such a firm should be more likely to donate as covid rates rise, all else equal.

Table 5 presents the results, with the variables Ownership_f and Covid Rate_{ft} standardized to permit comparisons across columns with different x-blockholding percentages, covid cases (Columns 1 to 3) and covid deaths (Column 4 to 6).[18] First, we compare the triple interaction coefficients across columns (bottom row). A one standard deviation increase in covid rates and in individual blockholding with a controlling share (columns one and four) increases the probability of donations by between 0.127 and 0.340 for firms that had a meeting compared to those that did not. The coefficient estimates are larger for deaths than for cases, and are different from zero at the 1% significance level. In comparison, a greater fraction of individual investors among non-controlling shares does not have the same impact on the probability of observing a donation. The triple interaction coefficients in columns three and six are both small in magnitude, and not statistically significant from zero.

Second, we compare the triple interaction with the direct effect of the variable Ownership_f (second row) within each column. Consider the controlling shares in Columns 1, 2, 4 and 5: a one standard deviation increase in Ownership_f affects the probability of donations through the triple interaction between two and seven times more than through its direct effect. This effect is larger for greater controlling shares and for covid deaths. Conversely, the direct effect in Columns 3 and 6 dominates the interaction effect. Thus, having a major individual shareholder increases the likelihood to observe a donation.

Institutional shareholders. We also ask whether large institutional shareholders behave like individual shareholders. Tables 6 and 7 perform the same analysis above for covid cases and covid deaths, respectively. In both tables, we vary the reference-blockholder across the three largest investors in Table 1, namely banks, mutual funds

[18] Appendix Table A3 reports similar results with standard errors clustered by industry.

and insurers. All continuous variables are standardized to ease comparisons across columns and tables.

The treatment effect estimates (bottom row) are negative and significant for the largest blockholders in both tables. Among these agents, large mutual fund blockholders are the most active in restraining charitable donations. For mutual funds, a one standard deviation increase in both cumulative covid rates and blockholding implies a drop in the probability of donating between 0.10 and 0.65. On the other hand, small investors do not influence the probability of donating as already shown for individual investors.[19]

3.4.3 Discussion

The results in this section support the view that individual and financial shareholders responded to different incentives, causing the former to pressure managers to pledge charitable donations as the public scrutiny proxied by the local pandemic trends and the AGM treatment increased at a firm's headquarter. However, how likely are we to witness a similar behavior outside pandemic times? The following section investigates the external validity of the results before zooming in on the pass-through of reputational gains to prominent shareholders in Section 5.

4 Shareholder Influence Beyond the Pandemic

Do the correlations between different shareholder types and corporate donations identified in the previous section generalize outside of the pandemic? We propose two external validity tests: the first test conducts a similar analysis on another time of crisis, the recent Russian invasion of Ukraine (Section 4.1), while the second test studies a more encompassing measure of prosociality than donations over an extended period of eight years (Section 4.2).

4.1 Corporate Reactions to the Russian Invasion of Ukraine in 2022

On February 24, 2022, the President of the Russian Federation, Vladimir Putin, launched the so-called "special military operation," which started with the invasion of Ukraine and quickly escalated to a war that is still ongoing at the time of writing.

[19] We replicate this analysis with national covid rates in Appendix Tables A4 and A5, respectively. The coefficient estimates are similar to but smaller than the estimates with headquarter-state covid rates.

Soon after that, media scrutiny intensified on international corporations as the public questioned the opportunity of Western firms to conduct business in the attacking country, Russia. As a result, many firms decided to limit their exposure to Russian consumers and businesses, with several exiting Russia altogether.

In a similar vein to the covid analysis just presented, we test shareholders' voices in support of "exiting Russia" decisions. Once again, we take advantage of the SEC rules and exploit the occurrence of an AGM as an exogenous shock to firm scrutiny, which incentivizes shareholders to pressure managers over an unexpected event. To this end, we use a novel dataset created by Professor Sonnenfeld's team at Yale School of Management, which classifies the actions taken by international corporations vis-à-vis Russia. In particular, we observe the set of U.S.-listed firms that publicly announced similar decisions by March 23, 2022, or a month from the beginning of the conflict (164 firms).[20] These decisions vary from exiting the country to limiting current and future investments or continuing business as usual. In particular, 51 of the 164 firms decided to leave the country; we study this radical decision not because we believe that exiting Russia will speed up the end of the hostility but because of its visibility and saliency for the public and the fact that exiting Russia goes beyond the intention of international political sanctions and, thus, it is not forced by regulations.

We identify shareholder voice through the following regression:

$$\begin{aligned} \text{Exit}_f = \beta_0 + \beta_1 \text{Above Median Blockholding}_f + \beta_2 \text{AGM}_f \\ + \beta_{treat} \text{ Above Median Blockholding}_f \times \text{AGM}_f + \beta_4 \text{X}_f + \varepsilon_f, \end{aligned} \tag{2}$$

where the left-hand-side is 1 if firm f decided to exit the Russian market in the first month of conflict. On the right-hand-side, the interaction between the treatment variable – AGM_f is 1 if firm f has an AGM in the three-month period starting on February 24, 2022 – and a variable accounting for the presence of either large individual or institutional blockholders – Above Median Blockholding_f is 1 if, for instance, firm f has at least an individual shareholder owning more shares than the median individual blockholder and 0 otherwise. The corresponding variable for institutional blockholders has an analogous definition.

Unlike the covid analysis, it is impossible to link the events happening in the battle

[20] Online Appendix C describes the data in detail and provides several additional analyses to those presented in this section. We focus only on U.S.-listed firms because the SEC AGM rules apply only to these firms. Appendix C.1 shows that a vast majority of these firms are part of the S&P500 index and that they span various sectors of the economy.

field with specific U.S. firms. Therefore, the time dimension is excluded from the analyses, which means that we cannot include firm fixed effects. However, we include several control variables such as industry fixed effects, broker recommendations, information about geographic sources of revenues, and financial standing at year end 2021.

The first three columns of Table 8 refer to individual blockholders, while Columns 4 to 6 refer to institutional blockholders. As in the previous tables, we vary the blockholding definition from above to 2% of shares to beyond 10%; as the considered blockholding increases, the magnitude of the interaction term β_{treat} becomes larger in magnitude and its standard error decreases. Consistent with previous results, the presence of prominent individual shareholders is positively correlated with the decision of exiting Russia, while the presence of similarly large institutional investors pushes firms decision in the opposite direction.

Online Appendix C.2 performs several tests to these empirical findings. First, we show that the negative β_{treat} coefficient for institutional investors is mainly driven by mutual funds and only partially depends on the influence of bank and insurance company shareholders – a finding that is consistent with Tables 6 and 7. The results also stay unchanged with a different specification of Equation 2 where the effect of individual and institutional blockholders simultaneously affects firm f's decision through the AGM treatment, and whether or not firms that decide for business as usual are included in the analysis. Finally, we show in Online Appendix C.3 that the decision to exit Russia is not merely determined by the size of the firm, as measured by the market capitalization or net income in 2021, indicating scope for shareholder influence.

4.2 Reports of Negative Corporate News between 2012 and 2019

We also investigate whether shareholder pressure affects firm news coverage around an AGM, as the previous findings suggest that firms with more individual (institutional) shareholders might be more (less) likely to behave prosocially around an AGM. We expect that if shareholder reputation drives influence, the change in news coverage should be temporary because the boost to reputation is limited to the AGM period.

In this exercise, we measure prosocial outcomes over time using data from RepRisk. RepRisk screens more than 80,000 media, regulatory, and commercial documents a day in fifteen different languages for negative ESG issues called "incidents." We obtain firm-level raw data on the count of ESG incidents per month. We combine this CSR measure with the Refinitiv Ownership database, which we can acces for the years 2012

– 2019. The advantage of the Refinitiv Owership database over, for instance, data from the 13F schedule is that it also includes non-institutional owners (large individual investors in particular). The main difference between the Refinitiv and Orbis databases is that the Orbis database contains the level of self-ownership, but only the current shareholders can be retrieved from WRDS. For these reasons, we use the Orbis database in the main analysis, and the Refinitiv database for the external validity exercise. This dataset includes monthly incident data for a balanced panel including 642 firms among the largest listed U.S. corporations over eight years. Appendix Section D describes the RepRisk data and the sample selection.

Once again we exploit the exogeneity of the date of the AGM to test whether individual blockholders are associated with less negative events. Panel (b) of Appendix Figure B3 supports this assumption as it shows little variation in the AGM month across adjacent years for the firms in our dataset. Exploiting the fact that shareholders have time until 120 days before the date of the release of the proxy statement of the past AGM to make proposals for the current AGM, we distinguish two periods: a pre-period where formal proposals can be casted, and a post-period were shareholders can only engage informally with managers and board members. We also consider two groups of firms based on the level of individual and institutional blockholders. Hence, identification of shareholder influence on ESG coverage comes from a difference-in-differences estimator.

To operationalize this analysis we need to overcome two issues: (i) AGM dates vary across firms within a year and (ii) firms have AGMs every year. To solve the first concern, we modify the calendar time of each firm so that the 3 months before the AGM date coincides with month 0 for all firms. The pre-period starts in month -4 and ends in month 0, while the post-period ranges from period 0 to 7. Thus, a year still consists of 12 months and starts 7 months before the yearly AGM date instead of January.[21] To confront the second challenge, we stack all yearly difference-in-differences analysis over years as proposed in Cengiz *et al.* (2019). We focus on the following event study analysis:

$$\text{ESG news}_{fmy} = \sum_{k=-4}^{7} \lambda_k \mathbb{I}_{\{m+k,y\}} \times \text{Treat}_{fy} + \beta \, \text{ESG Score}_{fmy} + \alpha_{fy} + \tau_{my} + \varepsilon_{fmy}, \quad (3)$$

[21] Due to the negligible variation in AGM months within firms (Appendix Figure B3), moving from calendar time to AGM time maintains the distribution of calendar months unchanged (i.e., the τ_{my} fixed effects).

where the dependent variable is an indicator that takes value 1 if firm f has a negative news in the rebased month m of the rebased year y, and 0 otherwise, and Treat_{fy} is 1 if firm f has individual shareholders and below median institutional blockholders at the beginning of the (rebased) AGM year y, and 0 otherwise. Thus we control for endogenous variation in stock ownership by setting this variable constant within each year. The variable $\mathbb{I}_{\{m+k,y\}}$ is instead 1 in month $m+k$ of year y, and 0 otherwise. Since our approach stacks multiple yearly difference-in-difference estimators, we include firm-by-year fixed effects and month-by-year fixed effects. Standard errors are clustered at the firm level.[22]

Figure 4 plots the λ_τ coefficents from estimating Equation 3 by OLS with blue dots. There is no evidence of a trend in the pre-period. In the post-period, instead, firms with individual shareholders and no institutional blockholder have less ESG incidents compared to the control group around the AGM month ($m = 1$ to $m = 5$). The difference is particualry large during the AGM month, where λ_3 implies a statistically significant drop in the coverage of negative ESG news by 7%. The red triangles, instead, update this analysis to consider as treated all firms having no individual shareholder above 5%, and at least one institutional investor above that threshold: we find no significant change in ESG incidents around an AGM date. Appendix Section D shows that these results are robust to different definition of treatment a control groups: when individual and family shareholders are synonymous with a firm, as proxied by their share ownership, we observe a drop in ESG incidents around the AGM date. Reassuringly, we do not detect a similar trend for institutional ownership, as we believe that no shareholders would actively seek negative news coverage for their firms.

Discussion. This section extends the results in the previous sections to a non-covid period of eight years and substitutes donations for a composite ESG measure. Supporting previous evidence, we find that individual and institutional shareholders influence the management and board of their firms for different means. In addition, Appendix Section D opens up the ESG measure and shows that the result in Figure 4 strongly depends on the social category (S), which includes donations. Our interpretation is that social outcomes such as the impacts on local communities and social discrimination may be domains where a firm can effortlessly get advertising without long-term interventions, which are typical for environmental (E) or governance (G) measures

[22]Refinitiv ESG scores are used to control for variation in a firm's ESG (ESG Score_{fmy}). Refinitiv updates firms' ESG scores on a weekly basis using various information. We transform this weekly variable to monthly by considering its monthly average.

like the management of waste issues, or supply chain issues. As a result, the effect of shareholder influence is transient and concentrated around the months of the AGM, which is consistent with image gains flowing to prominent individual investors, who are synonymous with the donating firm. On the other hand, probably due to the impersonal nature of institutional shareholdings, reputational gains may not flow along the investment footprints of financial institutions. The following section examines this possibility empirically.

5 The Pass-Through of Image Gains

The evidence presented so far points to shareholders having substantial influence in determining firms' social responsibility during the pandemics. Our results highlight that individual and financial investors may respond to different incentives as major individual investors sought to obtain covid-related donations from the firms they invested in (see Table 5); in contrast, major financial investors sought the opposite (see Tables 6 and 7).

A different pass-through of image gains may reconcile these results: corporate giving could yield prestige or image gains – in terms of increased positive media exposure – to the individual shareholders synonymous with the donating firm, but not to similarly large financial shareholders. There are two main benefits to individual blockholders from donating through the firm rather than doing it themselves. First, corporate giving from S&P500 firms receives substantial coverage thanks to appropriate media relations and marketing teams that would ensure adequate media exposure for the donation event. Second, shareholders only bear a fraction of the cost of donating, proportional to the shares they own, whereas they would bear the total cost of personal donations.

The pass-through of reputational gains to financial investors may well be null. For instance, an article describing Microsoft's charitable donations is unlikely to discuss the firm's principal shareholders – Vanguard and Capital Group have about 8% and 5% ownership, respectively. Instead, we are more likely to read about other Microsoft's main individual shareholders like Bill Gates and Steve Ballmer, who have smaller shares in the company. In addition, the costs of corporate giving may impact financial investors for several reasons. First, they reduce dividends (e.g., Masulis and Reza, 2015). Second, the size of covid pledges we observe in the data (about 30 million US dollars on average) is substantial, especially at a time when firms lack liquidity due to a halt in production or sales. Finally, the sinking stock market might create further incentives for financial shareholders to pressure the management of the firms in their footprint to avoid wasting resources.

Empirical approach. To provide empirical support for these arguments we first examine shareholders' media exposure around a donation event. We proxy media exposure with Google web searches, and run the following OLS regression,

$$
\begin{aligned}
y_{ift} = &\left(\sum_{k=-10}^{10} \psi_k \text{ News Day}_{it+k} + \gamma_k \text{ News Day}_{it+k} \times \text{Individual}_i \right) \\
&+ \alpha_i + \alpha_f + \tau_t + \varepsilon_{ift},
\end{aligned} \tag{4}
$$

where the dependent variable is the logarithm of the cumulative number of searches by investor i in firm f at time t. On the right-hand side, the vector $\{\text{News Day}_{it+k}\}_{k=-10}^{k=+10}$ is a set of time dummies around the date of the donation event. We further interact these dummies with an indicator that is 1 if shareholder i is an individual investor, and 0 otherwise. We also include firm, shareholder and time fixed effects. We interpret the coefficient vector ψ as the impact of the donation on Google searches for non-individual investors. Thus, γ describes the gap in visibility between an individual and a non-individual investor at each day $t+k$[23]

Results. Figure 3 reports the estimated $\hat{\gamma}$ in equation 4, using cumulative Google searches over 10 days as the dependent variable and clustering the standard errors at the firm level and the shareholder category.[24] Panel (a) uses only shareholders with more than 1% holdings, whereas Panel (b) focuses on shareholders with more than 5% holdings.[25] Across both panels, cumulative Google searches are flat around zero before the news is broken. After the news is broken, the coefficient estimates jump to about 50% from day 3 to day 10 in Panel (a). In Panel b, instead, coefficient estimates are significantly different from zero already two days before the news is broken. Hence, the

[23]For each day, Google Trend data return a value between 0 and 100 indicating the intensity of Google searches for a specific keyword based on its long-run searches. Therefore, accounting for shareholder fixed effects is necessary to compare searches across shareholders.

[24]We allow for the following shareholder types. The financial types are banks, hedge funds, insurance companies and mutual funds. All financial investors that do not belong to these types are categorized as financial companies. The remaining categories are individual investors, the government, self ownership and generic companies.

[25]Our analysis indicates a limited role for minority investors, thus we only consider Google Trend data for shareholders with at least 1% holdings. Appendix Figure B4 plots similar results with cumulative Google searches over 14 days (the coefficients are reported in Appendix Table A7, which also shows robustness checks for cumulative Google searches over 7, 10 and 14 days).

differential impact of cumulative Google searches is much stronger when the treated group considers only prominent individual shareholders.[26] Therefore, the Google search gains for individual investors is substantially higher, supporting our claim that image concerns create different incentives for individual and non-individual investors.

Donate yourself vs. supporting the donations of firms in your portfolio. We compare the donation decision of a S&P500 firm with the donation decisions of those S&P500 firms in the investment footprint of the focal firm to understand the tradeoff faced by institutional investors: better to donate directly or indirectly? More specifically, we analyze the correlation between two vectors: for each of the 37 financial firms, f, in our sample the first vector indicates whether it donated or not by April 15 (19 out of the 37 firms donated), and the second vector reports whether the firms in f's portfolio also donated.[27]

Table 12 reports the Spearman correlation coefficients for different definitions of the second vector. For each firm f, column two measures the donations of the firms in f's porfolio as a simple average of binary donation decisions. Column three computes a weighted average using shares as weights. The last column computes a similar weighted average but gives zero weight to firms that had no AGM. Across rows we progressively increase the minimum shareholding requirement for a firm to be considered in f's portfolio. p-values are reported in square brackets.

Focusing first on Column 3 of Table 12, we find that the correlation coefficient between a firm's corporate giving and the giving on its footprint is positive and even increases across rows as we raise the minimum shareholding threshold from 0% to 5%. However, no coefficient is statistically significant as shown by the p-values in square brackets. This trend may be driven by a few donating firms with greater shares receiving greater weights. Column 1 removes this effect by focusing on simple averages: correlations are now smaller and negative when the minimum shareholding threshold is either 2%, 3%, or 4%. Moving to the last column where that considers only firms with an AGM meeting, we effectively focus on those firms for which shareholders have more opportunity to exert influence, as they might be already actively engaging with the management over several corporate decisions due to the approaching AGM. Correlation

[26] The coefficient estimates across the two panels cannot be compared because the average number of cumulative Google searches to non-individual shareholders are different (on the news date this value is 20.8 in Panel a and 52.4 in Panel b. The p-value of the difference is < 0.01).

[27] We focus only on S&P500 firms investing in other S&P500 firms because of data availability. However, we expect our result to hold more broadly because it should be harder to influence the management of an S&P500 corporation than that of a smaller one, other things equal.

coefficients become negative and, as the minimum share threshold increases, the they approach -1. The coefficients are also significant at the 5% level when the threshold is 4%, and at the 10% level when the threshold is 2% or 3%, indicating that accounting for the AGM cleanly exposes the effect of shareholder pressure.

Discussion: the reputation mechanism. The evidence in this section supports the claim that large gains in terms of image, reputation and prestige are a driver of the influence exerted by large individual and family shareholders on corporate donations. The size of these rewards could be large enough to cover for the potential loss in earnings from donating. Institutional shareholders do not enjoy such rewards instead, which is consistent with our finding that these investors pressured the firms in their portfolio against donating and that they preferred to donate themselves.

Given how crucial and debated were covid-related donations in the first months of the pandemic (e.g., the U.S. President repeatedly called out firms by name to donate), our analysis suggests that a firm's social responsibility perimeter might not extend to its portfolio, as financial shareholders seem be unwilling to support costly actions to adopt prosocial behaviors without adequate returns – in this case, publicity.

6 Extensions

This section expands on the reputation mechanism put forth in Section 3. On the one hand, it first rules out alternative reasons for firms to donate, such as abnormal financial returns (Section 6.1.1), consumer pressure (Section 6.1.2), and the role of managers (Section 6.1.3). On the other hand, it then zooms into the identified mechanism to consider whether influence persists through the networks of shared board members (Section 6.2.1), and whether certain CEO observable characteristics like pay and age amplify or reduce shareholder voice (Section 6.2.2).

6.1 Alternative Mechanisms

6.1.1 Financial Motives

Donations could be attractive if the stock market rewards them. We consider this channel by examining the abnormal returns around the day when the news became public. We predict daily stocks' returns using the Fama-French 3 factors, namely: daily market returns (proxied by the S&P500 Index), daily returns on a portfolio of "small minus big stocks" (SMB, from Kenneth French's website) and daily returns on a portfolio of "high minus low" book-to-market value ratio (HML, also from French's website). We retrieve the betas on those three portfolios for stocks in our sample from CRSP. Then a stock f's abnormal return (AR) on day t is given by the difference between the actual excess return of the stock over the risk-free rate (R_{ft}) and the prediction of the 3-factor model, as follows:

$$AR_{ft} = R_{ft} - \left(\beta_f^{MKT} * R_{ft}^{MKT} + \beta_f^{SMB} * R_{ft}^{SMB} + \beta_f^{HML} * R_{ft}^{HML}\right).$$

We then use the realized AR in the following event study regression:

$$y_{ft} = \sum_{-5 \leq k \leq 5} \theta_k \text{ News Day}_{ft+k} + \alpha_f + \tau_f + \varepsilon_{ft},$$

where the left-hand side refers to either firm f's abnormal return or cumulative abnormal return (CAR) on day t. The regression also includes firm and date fixed effects.

Figure 2 displays the estimates of $\hat{\theta}_k$. Panel (a) shows no abnormal returns before the news is broken. Immediately after the news is broken, the stock displays negative abnormal returns (although not significant), which suggests that market participants may be forming a negative view about the donation. Panel (b) reports the CAR over 5 days, which similarly shows a negative drop after the news date. We obtain similar results for the CAR at 10 days.[28] In sum, we find a negative but transient effect of news on firms' financial returns. In particular, the negative effect seems concentrated around the news date but it is completely absorbed within a few days. Therefore, financial returns do not seem to drive donation decisions.

6.1.2 Consumer Pressure

Firms could donate to please their consumers. For instance, a firm with a large amount of its sales in California may donate in February given the high rates of covid cases in this state, despite being headquartered in, for example, Oregon, which had far lower rates, (cf. Figure 1). The need to donate may be stronger the more a firm engages with its final consumers. We now investigate this possibility.

Empirical approach. We exploit exogenous variation in a firm's exposure to covid rates through its branches to asses the consumer pressure channel. Using the Orbis database,

[28]Appendix E shows similar results for returns over longer horizons. We also exclude a change in volatility around the news in Appendix Table E3.

we create two new variables: the weighted average of covid cases and deaths, with weights being calculated according to the number of branches a firm has in each state. We denote the standardized versions of these two new variables – one for deaths and one for cases – by Exposure at Branches$_{ft}$, and estimate the following linear probability model

$$\begin{aligned} y_{ft} = \beta_1 \text{ Exposure at Branches}_{ft} + \beta_{treat} \text{ Exposure at Branches}_{ft} \\ \times \text{Number of Branches}_f + \alpha_i + \tau_t + \varepsilon_{ft}, \end{aligned} \tag{5}$$

where Number of Branches$_f$ is the reported number of branches in the Orbis dataset as of December 2019. The distribution of the number of branches for S&P500 firms ranges from 0 to 13,582 with a median of 40 branches; since we do not observe the distinction between branches as shops or factories, it is fair to assume that firms with more branches are more exposed to final consumers than firms with less branches. Thus, this variable can proxy for how much a firm relies on consumer demand. We expect β_{treat} to be significantly larger than zero if consumer demand drives firm donations. α_f and τ_t are fixed effects.

Results. Table 10 presents OLS estimates of Equation 5. As for the previous tables, the first four columns define exposure at branches in terms of cumulative covid cases, and cumulative covid deaths in the last four columns. These variables are standardized.

Let's first consider Columns 1 and 5: the first row indicates a null impact of consumer covid exposure on average. The coefficients in the second line are very close to zero indicating that donations do not increase with the number of branches. The latter result is also evinced across the remaining columns where we substitute the term Number of Branches$_f$ in Equation 5 for a dummy variable that is 1 if the firm has more than either the 50$^{\text{th}}$ (Columns 2 and 6), 75$^{\text{th}}$ (Columns 3 and 7), or 90$^{\text{th}}$ percentile (Columns 4 and 8) of the distribution of the number of branches, and 0 otherwise. Across columns, there is no difference in donation rates between firms with many and few branches as the covid exposure rate increases. Thus, these results are not consistent with firms responding to consumer pressure.[29]

[29] The online appendix replicates the analysis by progressively subsetting the dataset to estimate the AGM treatment effect only across firms with more than x% of branches. The results in Appendix Table A6 are consistent with those reported in the main text.

6.1.3 Managerial Pressure

To study the will of managers about covid-related corporate donations, we start from the viewpoint that the strength of this channel is inversely proportional to the voice of the other stakeholders. We proxy this variable with the share of a firm's equity owned by the firm itself, and study the probability of observing a firm's donation at time t through Equation 1, where we take Ownership_f to be one if firm f owns more than the median amount of its own shares, and zero otherwise.[30] Since the AGM period provides an opportunity for managers to present their achievements, we use the difference between treated and control firms to estimate the causal impact of managerial will on donations.

Table 11 reports the coefficient estimates. Columns 1 and 2 measure covid rates at the headquarter-state, Columns 3 and 4 use national covid rates, whereas columns 5 and 6 measure covid rates at the branches. For each specification, cumulative case and death rates are in odd and even columns, respectively. The estimated coefficients of the triple interaction suggest that increases in covid rates lead managers to donate less, not more. As in the previous analyses, the coefficient estimates are more precise when covid rates are measured at the headquarter-state, indicating that donations respond more to the local evolution of the pandemic rather than the current national status.

In Appendix Section F, we extend the analysis to consider whether firms donated as a response of previous covid-related donations of competing firms within the same industry. Our results show a limited role for this "peer pressure" channel. Overall, these findings suggest that managers, like financial investors, dislike donations potentially becuase they may jeopardize a firm's financial position at a time of distress.

6.2 Propelling Shareholder Influence

6.2.1 Shared Board Members

Do influenced board members who sit on multiple boards pressure for donations in multiple firms? To address this question, we draw data on board members at the beginning of our sample period from Capital IQ's People Intelligence. We run the following OLS regression:

$$y_{ft} = \beta_1 \text{Covid Rate}_{ft} + \beta_2 \text{Covid Rate}_{ft} \times \text{Board Pressure}_f + \alpha_f + \tau_t + \varepsilon_{ft}, \tag{6}$$

[30] This value is zero in our dataset, which implies that the median value of self-ownership is smaller than 0.01% of a firm's equity as this is the smallest single equity share that we observe in the Orbis data.

where we now interact cumulative covid rates at the firm-headquarter-state level with a measure of the overlap of board seats across firms, Board Pressure$_f$, which either reflects the number of board members of firm f that also seats on a board of a either (i) a treated firm, or (ii) a firm that pledges a covid-related donation before April 15, 2020.[31] In either case, Board Pressure$_f$ is one if the underlying variable is positive, and zero otherwise.[32] The first definition considers the mechanism described above explicitly – i.e., board members are influenced by treated firms. Firms share on average 0.7 board members with treated firms (median = 0, 75$^{\text{th}}$-percentile = 1). The second definition does a similar measurement but indirectly through the board members that are in firms persuaded to donate. On average, a firm shares 3.9 board members with donating firms (median = 3, 75$^{\text{th}}$-percentile = 6). Table 9 presents the main coefficient estimates from Equation 6 and finds that the likelihood of observing a donation increases by between 3% and 5.6% as pressure from board-connected firms mounts.

6.2.2 CEO Characteristics

We next examine how managerial characteristics mediate shareholder influence. Leveraging Orbis data, we focus on firm variation across CEO age and total compensation.[33] To this end, we modify Equation 1 by adding interactions for either the age of a firm's CEO or his compensation. Appendix G describes the methodology in more details and reports the results. Our findings indicate that older and better-paid CEOs are better disposed towards the desires of a firm's most influential shareholders. We thus contribute to previous research showing a negative correlation between CEO pay and a specific measure of CSR engagement – covid-related donations – by suggesting that the negative correlation in the literature could reflect the influence of financial shareholders on management (e.g., Fabrizi *et al.*, 2014, Jian and Lee, 2015).[34]

[31] Considering the timing of the donation rather than only whether or not a firm has donated does not change the results substantially.

[32] We use dummy variables to ease comparison across columns. The results are robust to using the underlying continuous variable.

[33] The average CEO is 65.32 years old, with a total pay of USD 8.6 m. The correlation between these two variables is only 0.09. Only 10% of the CEOs in our dataset are women, which does not allow us to study a potential gender gap over covid-related donations.

[34] The literature also highlights mixed results on how CEO career horizons, as proxied by CEO age, affect a firm's CSR policy (e.g., Oh *et al.*, 2016).

7 Discussion

This paper presents compelling evidence that some forms of shareholder activism can be traced back to shareholders' preferences and, in particular, to reputational concerns. Our methodology exploits shocks related to the prosocial stance under consideration (e.g., the covid pandemic or the Russian invasion of Ukraine) and quasi-random variation in the selection into treatment (e.g., annual general meetings) to infer whether different types of investors exerted influence to support or oppose corporate decisions over prosocial stances (e.g., donations or exiting Russian markets due to military aggression). Through a series of empirical exercises, we show that prominent individual and institutional shareholders exerted opposite influence on prosocial decisions: individual and family shareholders demanded their firms to take prosocial measures, while institutional shareholders pushed for less. We then demonstrate that shareholders' reputational concerns are a driver of this behavior by exploiting internet search data around the time of company announcements.

The first contribution of this paper is to provide an empirical framework to examine the origin of prosocial activism. We propose a portable approach that relies on the predetermined date of a firm's AGM at the time of a shock to prosocial issues (e.g., covid for corporate donations) that are orthogonal to firms' characteristics and shareholders' preferences. This methodology can also be replicated with shocks from other domains; for instance, a U.S.-wide fiscal policy change can be used in connection with the AGM treatment to learn about shareholders' voices regarding, say, executive pay. The timing and salience of the AGM would constitute the underlying mechanism in this case, as the AGM immediately incentivizes shareholders at treated firms to engage with managers to avoid waiting until the following year's AGM to demand changes. Of course, researchers would have to reconsider what specific shareholders' preferences might be at stake: reputational concerns are easily associated with visible prosocial actions like donations but not so much in other domains.

The second contribution of this paper is the voice mechanism it identifies. It is theoretically unclear whether aligning with the preferences of their prosocial shareholders is optimal for firms. Improving a firm's reputation by aligning with some shareholders' prosocial proclivities might be beneficial if, for instance, it helps reduce the cost of capital (Pástor *et al.*, 2021). Nevertheless, if only a few shareholders are motivated by concerns over ESG matters or if the firm's stock is in high demand by other investors as well, the costs might overcome the returns from adopting these policies, as the threat of sale of current ESG-conscious shareholders is rebalanced by the purchases of new investors (Broccardo *et al.*, 2020, Berk and van Binsbergen, 2021).

In reality, exit and voice may appeal to different prosocial shareholders. By focusing on individual blockholders, our analysis captures, in an objective way, the influence of figures like the present and past CEOs, advisors, board members, and founders. The attachment of these individuals with the firm is undoubtedly different compared to that of institutional investors with similar shares. For example, founders of S&P500 companies owe their prestige and, most likely, their wealth to the company they found: due to their long-standing relationship with the company, they might favor influence through voicing their concerns rather than threatening a sale over a specific decision. Instead, exiting might seem more natural for an institutional investor, especially if such an investor has several investments and faces considerable costs for monitoring and engaging (e.g., Cronqvist and Fahlenbrach, 2008, Kang *et al.*, 2018). For instance, Gantchev *et al.* (2021) find that exit of institutional investors has a significant role in corporate prosocial changes, even greater than that of customers' boycotts.

The third contribution of our paper relates to policy. Since our analysis compares different categories of blockholders with the average shareholders, it lets the data inform us about which category of shareholders favored donations and which did not. Moving to the underlying preferences, this approach leads to the finding of a different pass-through of image gains, which has policy implications. First, financial investors might have more incentives to support prosocial choices if media outlets were to report (at least part of) the ownership structure of the firms they discuss in their pieces. Second, firms could appropriate themselves of the media attention by stating specific social responsibility and sustainability goals for the firms in their portfolios and welcome journalists and researchers to assess the outcomes of their efforts. For instance, Boudreau (2021) shows in a recent RCT experiment that multinational corporations within the Alliance for Bangladesh Worker Safety enacted policies to improve the well-being of garment workers in their supply chain after advertising their campaign. Similarly Naaraayanan *et al.* (2021) find that a large pension fund exerted pressure on the firms in its portfolio to reduce their pollution.

Our results have external validity. We infer similar behaviors across shareholder categories concerning the decision of pulling out of the Russian market in Section 4.1. These results are also robust outside of periods of crisis. Section 4.2 shows that the trends in reported negative news around the AGM period for the period 2012 - 19 are consistent with our findings. Importantly, we find that the effect of image concerns on firms' news is transient. This result is reassuring as shareholder image concerns determine only a portion of a firm's ESG stance. Although the transient nature of the mechanism that we uncover limits the policy implications that we can draw, our analysis opens up questions related to other behavioral factors that can impact the voice mechanism. For instance, Section 6.2.1 finds that the pressure that shareholders place on their board members to donate also leads the same board members to demand donations at the other firms that they also serve as board members. This result questions the origin and the spread of prosocial policies across large corporations, indicating that the beneficial role of shareholder activism may extend beyond direct influence.

Focusing on donations is both a limitation and a strength of our study. Donations represent only a portion of corporate social responsibility strategies, which typically range from gender and racial themes to environmental and governance issues. However, among all ESG policies, donations are the most visible on popular media and, thus, they may provide the most image value to a firm and its shareholders. For instance, the survey conducted in Hartzmark and Sussman (2019) indicate that generous corporate giving is viewed as a central aspect of a corporate sustainability programs. Also thanks to several external validity exercises, we believe that the mechanism we uncover – i.e., heterogeneous pass-through of image gains to various shareholders – applies more broadly to other ESG policies,making the study of how shareholder preferences translate into activism and how they shape corporate decisions concerning ESG measures to be a fruitful area of future research.

8 Conclusions

This paper exploits the onset of the COVID-19 pandemic as a natural experiment to learn how shareholder preferences shape corporate decisions on ESG measures. We take advantage of the exogenous changes in covid rates and on the predetermined nature of the date of the annual general meetings of the shareholders (AGM) to show that firms undergoing greater scrutiny due to an oncoming AGM were more likely to pledge a donation as the pandemic intensifies if they had prominent individual shareholders. Instead, significant financial shareholding has the opposite effect on corporate donations. We explain the different influences exerted by shareholders in terms of a heterogeneous pass-through of image gains to a firm's shareholders using Google Trend data. As a result of lacking image gains, financial shareholders preferred to donate themselves rather than support the corporate giving of the firms in their portfolios. We further show that this “voice” mechanism extends to non-covid times and ESG policies more broadly. Our results highlight the centrality of shareholder preferences to understand shareholder activism.

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Tables and Figures

Table 1: Summary of the main variables

	25% (1)	Median (2)	Mean (3)	75% (4)
i. Covid-Related Charitable Contribution Data				
Donating Firms (0/1)	0	0	0.42	1
Donation Amount (mln USD, if Available)	1.0	5.0	36.5	20.0
Donation as % of EBIT	0.06	0.13	0.61	0.43
Donation as % of Dividends Paid	0.19	0.60	2.1	1.65
ii. Covid Data				
Cumulative Cases at the HQ State	7,282	15,088	40,866	25,465
Cumulative Deaths at the HQ State	327	599	2,416	844
Average Cumul. Cases at Branches	11,665	19,068	23,728	25,406
Average Cumul. Deaths at Branches	412	748	1,248	1,263
iii. Operation Data				
EBIT (mln USD)	754	1,419	3,044	2,868
ESG Score	50.71	63.35	61.14	73.37
Share of Revenues From the U.S. (%)	14.8	19.3	19.7	25.0
Workforce	9,323	19,991	57,544	60,910
Number of Branches Across U.S. States	9	40	327	180
iv. Shareholding Data				
Share of Equity Owned by (%):				
- Banks	36.44	42.06	41.27	46.72
- Government	2.96	3.60	3.86	4.32
- Hedge Funds	0	0	0.27	0.21
- Individuals and Families	0	0	1.60	0.12
- Insurance Company	3.31	4.55	5.69	6.82
- Mutual Funds	5.92	8.20	9.52	11.73
- Private Equity (P.E.)	0.38	0.75	1.17	1.42
- Venture Capital (V.C.)	0.09	0.19	0.51	0.33
Had an AGM Meeting in Sample Period (0/1)	0	0	0.11	0
v. Financial Data				
Market Cap (bln USD)				
- January	13.0	24.4	52.5	52.5
- February	11.5	21.8	50.7	50.0
- March	8.6	18.2	44.4	43.2
- April	10.0	21.1	50.6	49.8
Brokers' Recommendations [-2,2]	0.35	0.63	0.60	0.88

Note: This table presents summary statistics of the main variables of interest. The accounting and financial data refer to the year ended on December 31, 2019. Shares are computed over total equity, and include only shareholders owning at least 0.01% of a company. The variable *Brokers' Recommendation* refers to the recommendations of equity analysts and ranges between -2 and 2, where strong sell = -2, sell = -1, hold/neutral = 0, buy = 1, strong buy = 2.

Table 2: Comparison across treatment and control groups

	Treatment (s. d.) (1)	Control (s. d.) (2)	Difference [p-value] (1) - (2)
i. Definition of the "Treatment Group"			
S&P 500 firms with AGM date	before April 15	after April 15	
ii. Financial Characteristics			
Avg. Market Cap (bn US$)	58.3	56.5	1.8
	(12.1)	(5.6)	[0.893]
Avg. Brokers' Recommendations [-2,2]	0.62	0.59	0.03
	(0.07)	(0.02)	[0.681]
iii. Ownership Characteristics			
Avg. Individual Ownership (%)	16.8	16.0	0.1
	(7.83)	(8.25)	[0.948]
Avg. Institutional Ownership (%)	57.15	56.97	0.2
	(10.47)	(9.65)	[0.912]
Avg. Individual Blockholding (> 5%)	2.45	2.72	0.3
	(12.0)	(14.07)	[0.898]
Conditional Avg. Individual Blockholding (> 5%)	56.26	61.98	5.7
	(20.71)	(29.61)	[0.796]
Avg. Institutional Blockholding (> 5%)	42.46	49.95	7.5
	(34.6)	(22.24)	[0.045]
Conditional Avg. Institutional Blockholding (> 5%)	57.45	53.55	3.9
	(27.3)	(18.36)	[0.260]
iv. Operative Characteristics			
Avg. EBIT (mln US$)	3,984	2,941	1,043
	(1,840)	(304)	[0.342]
Avg. Share of Revenues from the US (%)	19.9	19.7	0.2
	(1.9)	(0.6)	[0.901]
Avg. Workforce (headcount)	65,322	56,700	8,622
	(13,389.5)	(7,127.4)	[0.710]
v. Prosocial Characteristics			
Avg. ESG Score	62.9	60.2	2.7
	(2.2)	(0.9)	[0.328]
Share of Firms that Donated by April 15	48.8	42.2	6.6
	(7.7)	(2.5)	[0.404]
Number of Firms	43	377	Total = 420

Note: This table compares treatment and control firms. The p-value of the difference between Column 1 and 2 is reported in square brackets in Column 3, whereas standard deviations are reported in parenthesis. The accounting and financial data refer to the year ended on December 31, 2019. *Avg. Brokers' Recommendations* is the average of equity analysts' investment recommendation as of December 2019, where strong sell = −2, sell = −1, hold/neutral = 0, buy = 1, strong buy = 2. *Avg. Individual/Institutional Blockholding (*> 5%*)* reports the average shares owned by individual/institutional shareholders with at least 5% of a firm's equity computed across all firms. *Conditional Avg. Individual/Institutional Blockholding (*> 5%*)* is the average shares owned by individual/institutional shareholders with at least 5% of a firm's equity excluding firms without shareholders with at least 5% of the firm's equity. Observed *ESG Scores* range between 13.9 to 88.8.

Table 3: The impact of blockholders on covid donations

	Whether Firm i has Donated by Time t (0/1)					
	(1)	(2)	(3)	(4)	(5)	(6)
Cum. Covid Rate is defined as:		Cases			Deaths	
% Blockholders is the shares of shareholders owning:	$> 10\%$	$> 5\%$	$(0\%, 2\%)$	$> 10\%$	$> 5\%$	$(0\%, 2\%)$
Cum. Covid Rate	0.021**	0.021*	0.018	0.018*	0.018*	0.014
	(0.011)	(0.011)	(0.011)	(0.009)	(0.009)	(0.009)
Cum. Covid Rate × *% Blockholders*	0.003	0.001	0.026***	0.003	0.001	0.021**
	(0.009)	(0.010)	(0.010)	(0.007)	(0.009)	(0.009)
Cum. Covid Rate × Meeting	0.049	−0.019	0.089	0.038**	−0.038***	0.005
	(0.035)	(0.032)	(0.090)	(0.019)	(0.014)	(0.118)
Cum. Covid Rate × *% Blockholders* × Meeting	−0.055***	−0.061*	0.047	−0.046***	−0.077***	−0.018
	(0.017)	(0.035)	(0.069)	(0.010)	(0.020)	(0.087)
Time fixed effects	✓	✓	✓	✓	✓	✓
Firm fixed effects	✓	✓	✓	✓	✓	✓
N	36,805	36,805	36,805	36,805	36,805	36,805
Adjusted R-squared	0.5016	0.5006	0.5040	0.5004	0.5003	0.5016

* – $p < 0.1$; ** – $p < 0.05$; *** – $p < 0.01$.

Note: OLS regressions of whether firm i has donated by time t (dependent variable) on covariates. Italicized variables are defined in the top panel. Columns 1 to 3 use cumulative covid cases (standardized) at the headquarter state of firm i at time t as a measure of covid rates. Similarly, Columns 4 to 6 use cumulative covid deaths (standardized), instead. The variable *% Blockholders* is the share of investors among all investors owning at least a share of total equity in the bracket defined in the top panel. The variables *% Blockholders* and *Cum. Covid Rate* are standardized. All columns include day and firm fixed effects. Standard errors are clustered by firm and presented in parenthesis.

Table 4: The impact of shareholder type on covid donations

	Whether Firm i has Donated by Time t (0/1)									
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Cum. Covid Rate is defined as:			Cases					Deaths		
Above Median Ownership refers to:	Banks	Insur.	Mutual	P. E.s	Ind.	Banks	Insur.	Mutual	P. E.s	Ind.
Cum. Covid Rate	0.012	0.030**	0.033***	0.022*	0.027**	0.011	0.026**	0.028**	0.018	0.023**
	(0.015)	(0.015)	(0.013)	(0.013)	(0.012)	(0.013)	(0.013)	(0.011)	(0.011)	(0.010)
Cum. Covid Rate × *Above Median Ownership*	0.011	−0.023	−0.037**	−0.009	−0.029	0.009	−0.019	−0.032**	−0.006	−0.025
	(0.018)	(0.018)	(0.017)	(0.018)	(0.019)	(0.016)	(0.016)	(0.016)	(0.016)	(0.017)
Cum. Covid Rate × Meeting	0.016	0.020	0.012	0.059	−0.049	0.007	0.030	−0.062	−0.031	−0.061***
	(0.043)	(0.030)	(0.157)	(0.153)	(0.036)	(0.042)	(0.022)	(0.172)	(0.177)	(0.018)
Cum. Covid Rate × *Above Median Ownership* × Meeting	−0.029	−0.029	0.016	−0.051	0.131***	−0.064	−0.062*	0.084	0.036	0.135***
	(0.132)	(0.059)	(0.162)	(0.159)	(0.047)	(0.173)	(0.033)	(0.176)	(0.182)	(0.025)
Time fixed effects	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Firm fixed effects	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
N	38,845	38,845	38,845	38,845	38,845	38,845	38,845	38,845	38,845	38,845
Adjusted R-squared	0.4934	0.4944	0.4959	0.4934	0.4955	0.4929	0.4940	0.4948	0.4928	0.4949

* – $p < 0.1$; ** – $p < 0.05$; *** – $p < 0.01$.

Note: OLS regression of whether firm i has donated by time t (dependent variable) on covariates. Italicized variables are defined in the top panel. Columns 1 to 5 use cumulative covid cases (standardized) at the headquarter state of firm i at time t as a measure of covid rates. Similarly, Columns 6 to 10 use cumulative covid deaths (standardized), instead. The variable *Above Median Ownership* varies across columns. This variable is 1 if the share of equity owned by banks (Columns 1 and 6), or insurance (Columns 2 and 7), or mutual funds (Columns 3 and 8), or private equity (Columns 4 and 9), or individual investors (Columns 5 and 10) is greater than its median value across S&P500 firms, and 0 otherwise. All columns include day and firm fixed effects. Standard errors are clustered by firm and presented in parenthesis.

Table 5: The impact of individuals blockholders on covid donations

	Whether Firm i has Donated by Time t (0/1)					
	(1)	(2)	(3)	(4)	(5)	(6)
Cum. Covid Rate is defined as:	Cases			Deaths		
% Invidvidual Blockholders is the shares of individuals owning:	$> 10\%$	$> 5\%$	$(0\%, 2\%)$	$> 10\%$	$> 5\%$	$(0\%, 2\%)$
Cum. Covid Rate	0.018*	0.018*	0.020*	0.016*	0.016*	0.017*
	(0.011)	(0.011)	(0.011)	(0.009)	(0.009)	(0.009)
Cum. Covid Rate × *% Invidvidual Blockholders*	0.009**	0.008**	−0.015**	0.007*	0.007**	−0.013*
	(0.005)	(0.003)	(0.008)	(0.004)	(0.003)	(0.007)
Cum. Covid Rate × Meeting	0.033	0.037	0.011	0.060	0.068*	0.015
	(0.039)	(0.039)	(0.038)	(0.040)	(0.041)	(0.034)
Cum. Covid Rate × *% Invidvidual Blockholders* × Meeting	0.127***	0.143***	0.042	0.308***	0.340***	0.123
	(0.016)	(0.020)	(0.101)	(0.053)	(0.070)	(0.160)
Time fixed effects	✓	✓	✓	✓	✓	✓
Firm fixed effects	✓	✓	✓	✓	✓	✓
N	36,805	36,805	36,805	36,805	36,805	36,805
Adjusted R-squared	0.5017	0.5019	0.5008	0.5005	0.5005	0.5001

* − $p < 0.1$; ** − $p < 0.05$; *** − $p < 0.01$.

Note: OLS regressions of whether firm i has donated by time t (dependent variable) on covariates. Italicized variables are defined in the top panel. Columns 1 to 3 use cumulative covid cases (standardized) at the headquarter state of firm i at time t as a measure of covid rates. Similarly, Columns 4 to 6 use cumulative covid deaths (standardized), instead. The variable *% Individual Blockholders* is the share of individual investors among all investors owning at least a share of total equity as defined in the top panel. The variables *% Individual Blockholders* and *Cum. Covid Rate* are standardized. All columns include day and firm fixed effects. Standard errors are clustered by firm and presented in parenthesis.

Table 6: The impact of insitutional blockholders on covid donations through covid cases

	Whether Firm i has Donated by Time t (0/1)								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Institutional Blockholders is defined as:	Banks			Mutual Funds			Insurance		
% Inst. Blockholders is the shares of firms owning:	>10%	>5%	(0%, 2%)	>10%	>5%	(0%, 2%)	>10%	>5%	(0%, 2%)
Cum. Covid Cases	0.019*	0.021*	0.016	0.018	0.015	0.018	0.021*	0.021*	0.020*
	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)
Cum. Covid Cases × *% Inst. Blockholders*	−0.008	−0.006	0.028***	−0.021*	−0.027**	−0.019*	0.002	−0.000	0.010
	(0.012)	(0.009)	(0.008)	(0.012)	(0.011)	(0.010)	(0.005)	(0.007)	(0.010)
Cum. Covid Cases × Meeting	−0.023	0.008	0.043	−0.055	−0.040	0.000	0.063*	0.042	0.137
	(0.040)	(0.062)	(0.083)	(0.038)	(0.041)	(0.066)	(0.037)	(0.030)	(0.115)
Cum. Covid Cases × *% Inst. Blockholders* × Meeting	−0.104***	0.007	0.002	−0.264***	−0.118***	0.034	−0.019***	−0.017	0.111
	(0.024)	(0.057)	(0.057)	(0.026)	(0.045)	(0.060)	(0.007)	(0.013)	(0.096)
Time fixed effects	✓	✓	✓	✓	✓	✓	✓	✓	✓
Firm fixed effects	✓	✓	✓	✓	✓	✓	✓	✓	✓
N	36,805	36,805	36,805	36,805	36,805	36,805	36,805	36,805	36,805
Adjusted R-squared	0.5011	0.4997	0.5051	0.5008	0.5025	0.5019	0.5011	0.5001	0.5014

* – $p < 0.1$; ** – $p < 0.05$; *** – $p < 0.01$.

Note: OLS regressions of whether firm i has donated by time t (dependent variable) on covariates. Italicized variables are defined in the top panel. The variable *% Inst. Blockholders* is the share of institutional investors among all investors owning at least a share of total equity as defined in the top panel. The investor type is also defined in the top panel. The variables *% Invidvidual Blockholders* and Cum. Covid Cases are standardized. The interaction *% Inst. Blockholders* × *Meeting* is accounted for by the firm fixed effects. All columns include day and firm fixed effects. Standard errors are clustered by firm and presented in parenthesis.

Table 7: The impact of insitutional blockholders on covid donations through covid deaths

	Whether Firm i has Donated by Time t (0/1)								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Institutional Blockholders is defined as:	Banks			Mutual Funds			Insurance		
% Inst. Blockholders is the shares of firms owning:	>10%	>5%	(0%, 2%)	>10%	>5%	(0%, 2%)	>10%	>5%	(0%, 2%)
Cum. Covid Deaths	0.017*	0.018*	0.014	0.016*	0.014	0.015	0.018*	0.018**	0.017*
	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)
Cum. Covid Deaths × *% Inst. Blockholders*	−0.006	−0.004	0.023***	−0.013	−0.020*	−0.014	0.001	−0.002	0.008
	(0.010)	(0.008)	(0.007)	(0.013)	(0.012)	(0.009)	(0.004)	(0.006)	(0.009)
Cum. Covid Deaths × Meeting	−0.081**	0.028	−0.035	−0.154***	−0.128**	−0.052	0.053***	0.041**	0.095
	(0.040)	(0.080)	(0.074)	(0.038)	(0.051)	(0.048)	(0.020)	(0.018)	(0.179)
Cum. Covid Deaths × *% Inst. Blockholders* × Meeting	−0.234***	0.028	−0.055	−0.649***	−0.317***	0.086*	−0.015***	−0.018**	0.073
	(0.042)	(0.062)	(0.051)	(0.047)	(0.092)	(0.048)	(0.005)	(0.008)	(0.148)
Time fixed effects	✓	✓	✓	✓	✓	✓	✓	✓	✓
Firm fixed effects	✓	✓	✓	✓	✓	✓	✓	✓	✓
N	36,805	36,805	36,805	36,805	36,805	36,805	36,805	36,805	36,805
Adjusted R-squared	0.5003	0.4991	0.5028	0.4996	0.5008	0.5008	0.5001	0.4998	0.4996

* – $p < 0.1$; ** – $p < 0.05$; *** – $p < 0.01$.

Note: OLS regressions of whether firm i has donated by time t (dependent variable) on covariates. Italicized variables are defined in the top panel. The variable *% Inst. Blockholders* is the share of institutional investors among all investors owning at least a share of total equity as defined in the top panel. The investor type is also defined in the top panel. The variables *% Individual Blockholders* and Cum. Covid Deaths are standardized. The interaction *% Inst. Blockholders* × Meeting is accounted for by the firm fixed effects. All columns include day and firm fixed effects. Standard errors are clustered by firm and presented in parenthesis.

Table 8: Blockholders' influence on the decision to exit the Russian market after the invasion of Ukraine

	Exited Russia (0/1)					
	(1)	(2)	(3)	(4)	(5)	(6)
Blockholder defined as		Individual			Institutional	
Threshold defined as	2%	5%	10%	2%	5%	10%
AGM	−0.094	−0.080	−0.067	0.043	0.035	0.144
	(0.090)	(0.087)	(0.090)	(0.111)	(0.116)	(0.115)
Blockholder Above Median	−0.428***	−0.542***	−0.547***	0.148	0.070	0.116
	(0.128)	(0.145)	(0.181)	(0.137)	(0.134)	(0.132)
AGM × Blockholder Above Median	0.263	0.316	0.705***	−0.188	−0.152	−0.341**
	(0.175)	(0.244)	(0.254)	(0.159)	(0.160)	(0.165)
Controls	✓	✓	✓	✓	✓	✓
Sector fixed effects	✓	✓	✓	✓	✓	✓
N	138	138	138	138	138	138
Adjusted R-squared	0.2879	0.2923	0.2762	0.2372	0.2320	0.2642

* – $p < 0.1$; ** – $p < 0.05$; *** – $p < 0.01$.

Note: OLS regressions of whether firm f has exited Russia as of March 23, 2022 on the interaction between (i) the AGM treatment and (ii) the variable *Blockholder* % that is the share of investors among all investors owning at least the % of total equity defined above the column. Italicized variables are defined in the top panel. Categories are defined in the top panel and vary across columns based on the reference shareholder type and minimum blockholding threshold considered. Italicized variables are defined in the top panel. Online Appendix C describes the dataset in detail. Firms with Grade F (i.e., firms that announced business as usual) are not included in the analysis (Online Appendix C.2.1 shows similar results when including these firms). Institutional investors include mutual funds, banks, insurance, hedge funds, private equity and venture capital. Control variables include the share of revenues that come from activities in US and Canada, brokers' recommendation, CEO age and net income. Market capitalization, revenues and net income are highly correlated; controlling for any of these two variables (in log) instead of net income does not change the results qualitatively. For models with *Blockholder* defined over Individual Investors (Columns 1 to 3), we also include a dummy equal to 1 for above median institutional ownership. This variable is necessary to control whether institutional investors are heavily invested in a firm as this channel could reduce the voice of individual and family shareholders. This variable would have been unnecessary if we could have exploited firm fixed effects (Online Appendix C.2 shows robustness to different specifications and heterogenous effect across more shareholder types). All columns include sector fixed effects. Robust standard errors are reported in parenthesis.

Table 9: The impact of blockholders on covid donations through shared board seats

	Whether Firm i has Donated by Time t (0/1)			
	(1)	(2)	(3)	(4)
Board Pressure based on shared board seats with:	Firms with AGMs		Donating firms	
	Cases	Deaths	Cases	Deaths
Cum. Covid Rate	−0.000	−0.000	−0.034	−0.024
	(0.014)	(0.012)	(0.026)	(0.023)
Board Pressure × *Cum. Covid Rate*	0.036**	0.030*	0.056**	0.042*
	(0.018)	(0.016)	(0.026)	(0.024)
Time fixed effects	✓	✓	✓	✓
Firm fixed effects	✓	✓	✓	✓
N	31,705	31,705	35,445	35,445
Adjusted R-squared	0.4968	0.4955	0.4964	0.4949

* – $p < 0.1$; ** – $p < 0.05$; *** – $p < 0.01$.

Note: OLS regressions of whether firm i has donated by time t (dependent variable) on covariates. Italicized variables are defined in the top panel. Columns 1 and 3 use cumulative covid cases (standardized) at the headquarter state of firm i at time t as a measure of covid rates. Similarly, Columns 2 and 4 use cumulative covid deaths (standardized), instead. In Columns 1 and 2 the variable *Board Pressure* is 1 if at least one board member at the focal firm is also a board member at a firm that has an AGM before April 15$^{\text{th}}$, 2020, and 0 otherwise. The regressions in these two columns include only firms without an AGM. The variable *Board Pressure* is instead 1 if at least one member of the board of the focal firm is also part of the board of a firm that donates. The variable *Cum. Covid Rate* is standardized. All columns include day and firm fixed effects. Standard errors are clustered by firm and presented in parenthesis.

Table 10: The impact of covid exposure at branches on donations

	Whether Firm i has Donated by Time t (0/1)							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Exposure at branches is defined as:	Cases				Deaths			
More than x branches (0/1) defined as:	all	50%	75%	90%	all	50%	75%	90%
Exposure at branches	0.007	0.009	0.012	0.014	0.008	0.008	0.010	0.011
	(0.017)	(0.013)	(0.012)	(0.012)	(0.015)	(0.011)	(0.010)	(0.010)
Exposure at branches × Number of branches (ln)	0.003				0.001			
	(0.005)				(0.005)			
Exposure at branches × *More than x branches*		0.024	0.039	0.020		0.018	0.039	0.016
		(0.024)	(0.028)	(0.045)		(0.024)	(0.029)	(0.050)
Time fixed effects	✓	✓	✓	✓	✓	✓	✓	✓
Firm fixed effects	✓	✓	✓	✓	✓	✓	✓	✓
N	33,490	37,570	37,570	37,570	33,490	37,570	37,570	37,570
Adjusted R-squared	0.4979	0.4967	0.4969	0.4958	0.4978	0.4961	0.4965	0.4956

* – $p < 0.1$; ** – $p < 0.05$; *** – $p < 0.01$.

Note: OLS regressions of whether firm i has donated by time t (dependent variable) on covariates. Italicized variables are defined in the top panel. Columns 1 to 4 use cumulative covid cases (standardized) at the headquarter state of firm i at time t as a measure of covid rates. Similarly, Columns 5 to 8 use cumulative covid deaths (standardized), instead. The variable *Number of branches* in Columns 1 and 5 is in log. The remaining column use a dummy variable for whether the focal firm has more than the x-percentile than the distribution of dummies: this value is 40 branches in Columns 2 and 6, 170 branhces in Columns 3 and 7, and 664 branhces in Columns 4 and 8. Orbis misses observations about branches for 15 firms. All columns include day and firm fixed effects. Standard errors are clustered by firm and presented in parenthesis.

Table 11: The impact of self-ownership on covid donations

	Whether Firm i has Donated by Time t (0/1)					
	(1)	(2)	(3)	(4)	(5)	(6)
Cum. Covid Rate is defined as:	At Headquarter		National Rates		At Branches	
	Cases	Deaths	Cases	Deaths	Cases	Deaths
Cum. Covid Rate	0.022^{**}	0.019^{**}	0.114^{***}	0.100^{***}	−0.003	−0.001
	(0.011)	(0.009)	(0.007)	(0.006)	(0.015)	(0.012)
Cum. Covid Rate × *Above Median Ownership*	−0.035	−0.034	−0.019	−0.016	0.010	−0.007
	(0.028)	(0.024)	(0.028)	(0.026)	(0.060)	(0.052)
Cum. Covid Rate × Meeting	0.067^{*}	0.057^{***}	0.028	0.025	0.068	0.084
	(0.038)	(0.021)	(0.028)	(0.025)	(0.055)	(0.070)
Cum. Covid Rate × *Above Median Ownership* × Meeting	-0.109^{**}	-0.091^{***}	−0.079	−0.075	−0.024	0.075
	(0.048)	(0.031)	(0.068)	(0.063)	(0.283)	(0.349)
Time fixed effects	✓	✓	✓	✓	✓	✓
Firm fixed effects	✓	✓	✓	✓	✓	✓
N	38,845	38,845	38,845	38,845	29,665	29,665
Adjusted R-squared	0.4958	0.4948	0.4927	0.4924	0.5007	0.5006

* – $p < 0.1$; ** – $p < 0.05$; *** – $p < 0.01$.

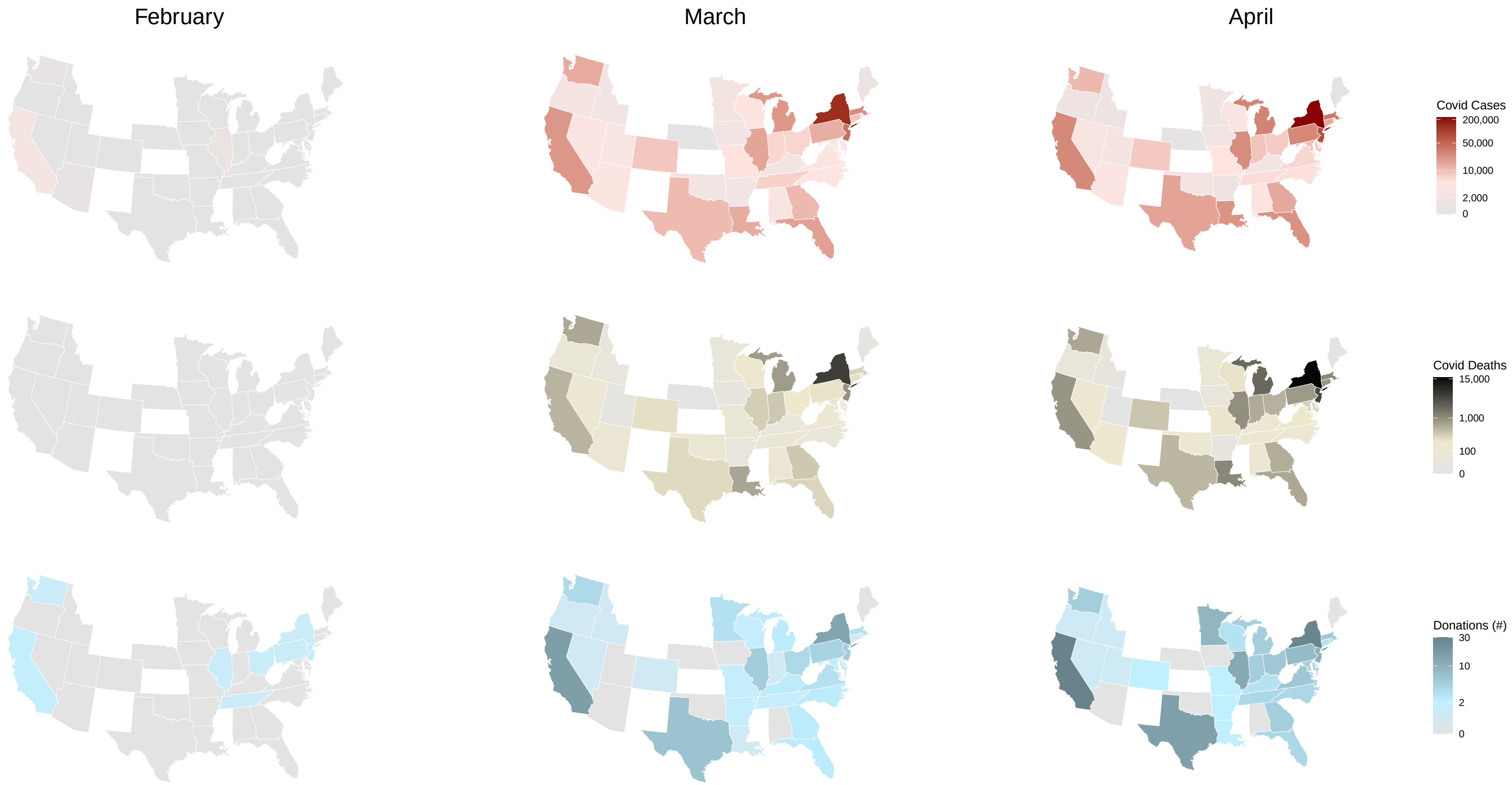
Note: OLS regressions of whether firm i has donated by time t (dependent variable) on covariates. Italicized variables are defined in the top panel. The variable *Above Median Self Ownership* is 1 if the share of equity owned by the firm itself is greater than its median value in the dataset, and 0 otherwise. The variable *Cum. Covid Rate* is standardized for cases (Columns 1, 3, and 5) and deaths (Columns 2, 4, and 6). The interaction *Above Median Self Ownership* × *Meeting* is accounted for by the firm fixed effects. The last two columns restrict the data to firms with at least five branches. All columns include day and firm fixed effects. Standard errors are clustered by firm and presented in parenthesis.

Table 12: Correlation between financial investors' donations and their companies' donations

Mimimum Share (1)	Spearman Correlations: Simple Average [p-values] (2)	Weighted Average [p-values] (3)	Weighted Average × AGM [p-values] (4)
0%	0.442	-0.062	-0.211
(Avg. N = 222)	[0.007]	[0.721]	[0.238]
1%	0.064	0.079	-0.093
(Avg. N = 100)	[0.751]	[0.696]	[0.705]
2%	-0.230	0.077	-0.439
(Avg. N = 57)	[0.280]	[0.721]	[0.089]
3%	-0.105	0.180	-0.617
(Avg. N = 48)	[0.643]	[0.423]	[0.077]
4%	-0.112	0.060	-0.878
(Avg. N = 42)	[0.630]	[0.795]	[0.021]
5%	0.124	0.275	-0.289
(Avg. N = 35)	[0.637]	[0.285]	[0.638]

Note: The table computes the Spearman correlation between whether a financial firm donates and the share of donations at the firms in its portfolio. In each row we vary the minimum share % that a firm must have in another firm in order to be considered an investment according to the percentages reported in the first column. Column 1 also reports the average number of S&P500 firms in the portfolio of a financial investor. Column 2 computes the total donations of the firms that financial firm i has invested in using simple averages (i.e., $N^{-1} \times \sum_j \mathbb{I}_{[\text{firm } j \text{ donated}]} \times \mathbb{I}_{[i\text{'s share in } j \text{ is greater than } x\%]}$, where N is the number of investments of firm i), Column 3 computes weighted average with weights equal to the equity shares (i.e., $\sum_j share_{ij} \times \mathbb{I}_{[\text{firm } j \text{ donated}]} \times \mathbb{I}_{[i\text{'s share in } j \text{ is greater than } x\%]}$), and column 4 considers only investments that got an AGM in the period under consideration (i.e., $\sum_j share_{ij} \times \mathbb{I}_{[\text{firm } j \text{ donated}]} \times \mathbb{I}_{[i\text{'s share in } j \text{ is greater than } x\%]} \times \mathbb{I}_{[j \text{ has an AGM}]}$). We only consider financial investors. p-values testing whether the Spearman correlation is equal to zero are reported in square brackets.

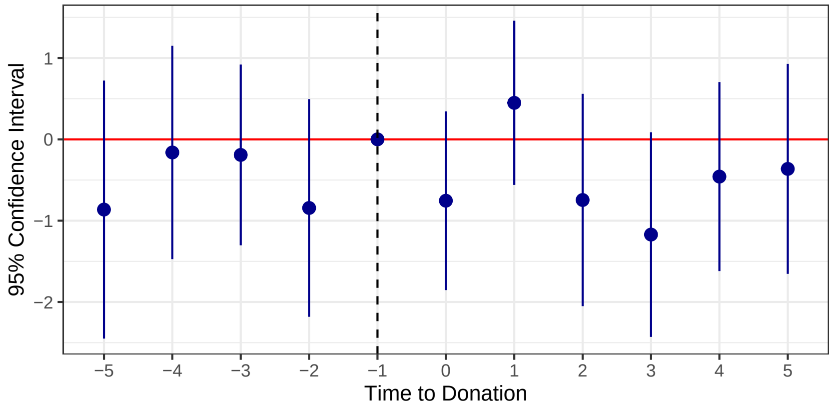
Figure 1: Covid cases, covid deaths and corporate donations



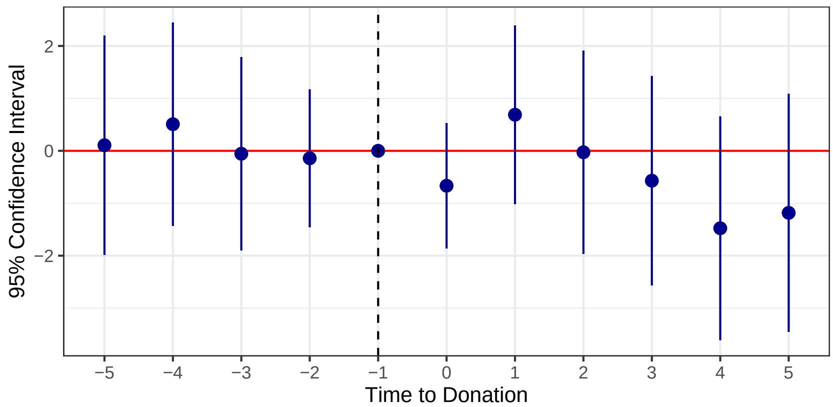
Notes: The figure reports snapshots of covid rates (number of deaths and cases) and the number of firms donating by U.S. states at February 29, March 31 and April 15. States in white do not house S&P500 firms.

Figure 2: Abnormal and cumulative abnormal returns, event study

(a) Abnormal Returns, AR



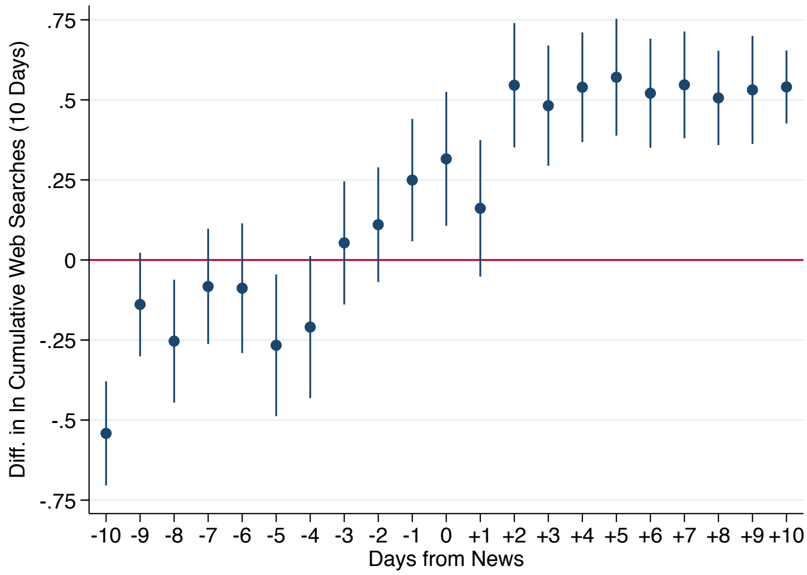
(b) Cumulative Abnormal Returns (5 days), CAR



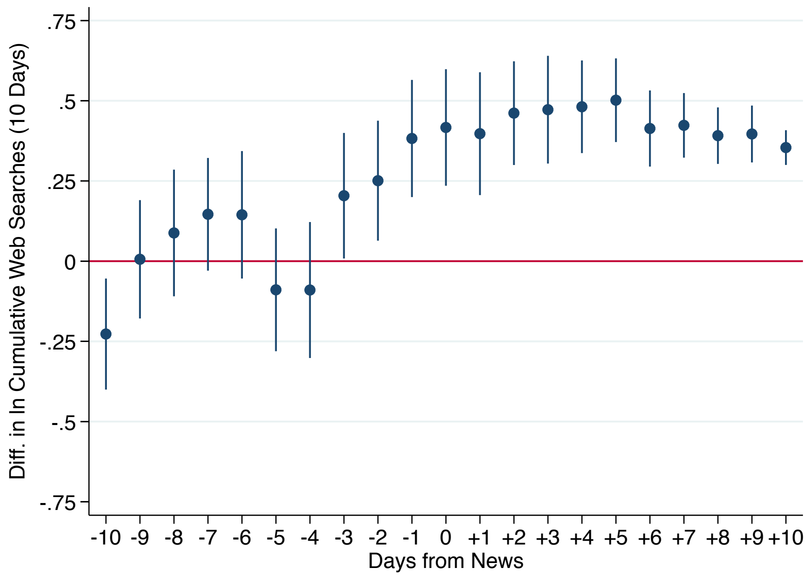
Notes: The figure shows event studies in a five-day window around the donation announcement. The coefficients are in Appendix Table E1 in Online Appendix E.

Figure 3: Difference in the (log) cumulative Google trends to individual shareholders and institutional investors, event study

(a) Shareholders With > 1%

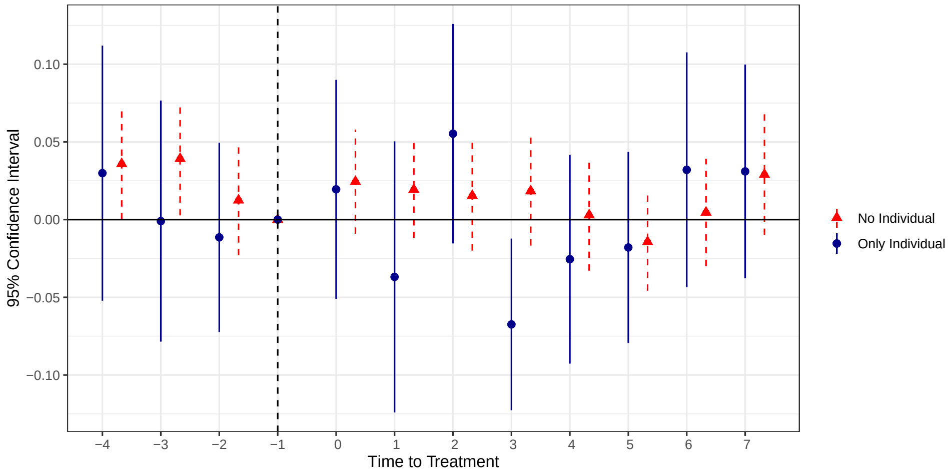


(b) Shareholders With > 5%



Notes: Both panels report coefficient estimates from regressing the (log) cumulative number of Google searches (ten-day window) of shareholder's names over dummy variables describing a 10 window around a firm's donation date and the interaction of these dummies with an indicator function that is one if the shareholder is an individual and zero otherwise. The panels show the coefficient for the interaction terms. The regression is explained in detail in Section 5. Panel a (Panel b) includes only shareholders with more than 1% (5%) shares. Appendix Table A7 in Online Appendix A reports the coefficient estimates. Standard errors are clustered by firm and shareholder type (bank, company, individual, financial company, government, hedge fund, insurance, mutual fund, self control) and presented in parenthesis.

Figure 4: Probability of having an ESG-incident around the AGM



Notes: The figure reports coefficient estimates from regressing the probability of observing a risk incident for a firm in a given month, on a dummy equal to one if the firm has above median institutional blockholding (5%) and no individual shareholder ("No individual"), and a dummy equal to one if a firm has at least one individual shareholder and below median institutional blockholding ("Only individual"). The specification is described in Equation 3 in Section 4.2. Both regressions include firm and time fixed effects. Standard errors are clustered at the firm level.

The Voice: the Shareholders' Motives Behind Corporate Donations

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Online Appendix

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Part

Online Appendix

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A Omitted Tables

Table A1: The impact of shareholder type on covid donations for financial investors, standard error clustered by industry

	Whether Firm i has Donated by Time t (0/1)									
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Cum. Covid Rate is defined as:	Cases					Deaths				
Above Median Ownership refers to:	Banks	Insur.	Mutual	P. E.s	Ind.	Banks	Insur.	Mutual	P. E.s	Ind.
Cum. Covid Rate	0.012	0.030^{**}	0.033^{**}	0.022^{*}	0.027^{**}	0.011	0.026^{**}	0.028^{**}	0.018^{*}	0.023^{**}
	(0.012)	(0.010)	(0.012)	(0.011)	(0.011)	(0.010)	(0.009)	(0.010)	(0.009)	(0.009)
Cum. Covid Rate × *Above Median Ownership*	0.011	−0.023	-0.037^{*}	−0.009	−0.029	0.009	−0.019	-0.032^{*}	−0.006	−0.025
	(0.018)	(0.020)	(0.018)	(0.013)	(0.022)	(0.014)	(0.017)	(0.016)	(0.013)	(0.019)
Cum. Covid Rate × Meeting	0.016	0.020	0.012	0.059	−0.049	0.007	0.030	−0.062	−0.031	-0.061^{**}
	(0.046)	(0.032)	(0.131)	(0.161)	(0.044)	(0.045)	(0.024)	(0.153)	(0.197)	(0.020)
Cum. Covid Rate × *Above Median Ownership* × Meeting	−0.029	−0.029	0.016	−0.051	0.131^{**}	−0.064	-0.062^{*}	0.084	0.036	0.135^{***}
	(0.140)	(0.062)	(0.119)	(0.134)	(0.045)	(0.196)	(0.033)	(0.147)	(0.183)	(0.022)
Time fixed effects	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Firm fixed effects	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
N	38,845	38,845	38,845	38,845	38,845	38,845	38,845	38,845	38,845	38,845
Adjusted R-squared	0.4934	0.4944	0.4959	0.4934	0.4955	0.4929	0.4940	0.4948	0.4928	0.4949

* – $p < 0.1$; ** – $p < 0.05$; *** – $p < 0.01$.

Note: OLS regressions of whether firm i has donated by time t (dependent variable) on covariates. Italicized variables are defined in the top panel. The variable Cases and Deaths are standardized. The variable *Above Median Ownership* varies across columns. This variable is 1 if the share of equity owned by the banks (cols 1 and 6), or insurance (cols 2 and 7), or mutual funds (cols 3 and 8), or private equity (cols 4 and 9), or individual investors (cols 5 and 10) is greater than its median value in the dataset, and 0 otherwise. The interaction *Above Median Ownership* × *Meeting* is accounted for by the firm fixed effects. All columns include day and firm fixed effects. Standard errors are clustered by industry and presented in parenthesis.

Table A2: The impact of shareholder type on covid donations through US national covid rates

	Whether Firm i has Donated by Time t (0/1)									
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
U.S. Cum. Covid Rate is defined as:			Cases					Deaths		
Above Median Ownership refers to:	Banks	Insur.	Mutual	P. E.s	Ind.	Banks	Insur.	Mutual	P. E.s	Ind.
U.S. Cum. Covid Rate	0.097***	0.115***	0.122***	0.120***	0.128***	0.084***	0.099***	0.108***	0.106***	0.113***
	(0.011)	(0.011)	(0.011)	(0.011)	(0.009)	(0.010)	(0.010)	(0.010)	(0.010)	(0.008)
U.S. Cum. Covid Rate × *Above Median Ownership*	0.030*	−0.004	−0.019	−0.015	−0.049***	0.027*	−0.001	−0.018	−0.013	−0.046***
	(0.016)	(0.016)	(0.016)	(0.016)	(0.017)	(0.015)	(0.015)	(0.015)	(0.015)	(0.015)
U.S. Cum. Covid Rate × Meeting	0.048	0.008	−0.008	0.020	−0.000	0.042	0.005	−0.006	0.014	−0.001
	(0.035)	(0.035)	(0.045)	(0.044)	(0.032)	(0.032)	(0.031)	(0.043)	(0.039)	(0.029)
U.S. Cum. Covid Rate × *Above Median Ownership* × Meeting	−0.064	0.022	0.041	−0.002	0.056	−0.057	0.023	0.034	0.003	0.050
	(0.051)	(0.052)	(0.055)	(0.054)	(0.054)	(0.047)	(0.048)	(0.052)	(0.049)	(0.049)
Time fixed effects	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Firm fixed effects	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
N	38,845	38,845	38,845	38,845	38,845	38,845	38,845	38,845	38,845	38,845
Adjusted R-squared	0.4937	0.4915	0.4923	0.4919	0.4961	0.4932	0.4914	0.4921	0.4917	0.4953

* – $p < 0.1$; ** – $p < 0.05$; *** – $p < 0.01$.

Note: OLS regressions of whether firm i has donated by time t (dependent variable) on covariates. Italicized variables are defined in the top panel. This table uses the national cumulative Covid cases and Covid deaths for the whole U.S.A., instead of the headquarter-state specic Covid rates. The variable *Above Median Ownership* varies across columns. This variable is 1 if the share of equity owned by the banks (cols 1 and 6), or insurance (cols 2 and 7), or mutual funds (cols 3 and 8), or private equity (cols 4 and 9), or individual investors (cols 5 and 10) is greater than its median value in the dataset, and 0 otherwise. The interaction *Above Median Ownership* × Meeting is accounted for by the firm fixed effects. All columns include day and firm fixed effects. Standard errors are clustered by firm and presented in parenthesis.

Table A3: The impact of individual blockholders on covid donations, standard error clustered by industry.

	Whether Firm i has Donated by Time t (0/1)					
	(1)	(2)	(3)	(4)	(5)	(6)
Cum. Covid Rate is defined as:		Cases			Deaths	
% Invidvidual Blockholders is the shares of individuals owning:	$> 10\%$	$> 5\%$	$(0\%, 2\%)$	$> 10\%$	$> 5\%$	$(0\%, 2\%)$
Cum. Covid Rate	0.018	0.018	0.020**	0.016	0.016	0.017*
	(0.011)	(0.011)	(0.009)	(0.009)	(0.009)	(0.008)
Cum. Covid Rate × *% Invidvidual Blockholders*	0.009**	0.008**	−0.015*	0.007**	0.007**	−0.013*
	(0.004)	(0.003)	(0.007)	(0.003)	(0.003)	(0.006)
Cum. Covid Rate × Meeting	0.033	0.037	0.011	0.060	0.068	0.015
	(0.051)	(0.051)	(0.043)	(0.052)	(0.054)	(0.035)
Cum. Covid Rate × *% Invidvidual Blockholders* × Meeting	0.127***	0.143***	0.042	0.308***	0.340***	0.123
	(0.017)	(0.020)	(0.077)	(0.051)	(0.066)	(0.135)
Time fixed effects	✓	✓	✓	✓	✓	✓
Firm fixed effects	✓	✓	✓	✓	✓	✓
N	36,805	36,805	36,805	36,805	36,805	36,805
Adjusted R-squared	0.5017	0.5019	0.5008	0.5005	0.5005	0.5001

* – $p < 0.1$; ** – $p < 0.05$; *** – $p < 0.01$.

Note: OLS regressions of whether firm i has donated by time t (dependent variable) on covariates. Italicized variables are defined in the top panel. The variable *% Invidvidual Blockholders* is the share of individual investors among all investors owning at least a share of total equity in the bracket defined in the top panel. The variables *% Invidvidual Blockholders*, Cases and Deaths are standardized. The interaction *% Invidvidual Blockholders* × *Meeting* is accounted for by the firm fixed effects. All columns include day and firm fixed effects. Standard errors are clustered by industry and presented in parenthesis.

Table A4: The impact of large insitutional shareholders on covid donations through US national covid cases

	Whether Firm i has Donated by Time t (0/1)								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Institutional Blockholders is defined as:	Banks			Mutual Funds			Insurance		
% Inst. Blockholders is the shares of firms owning:	>10%	>5%	(0%, 2%)	>10%	>5%	(0%, 2%)	>10%	>5%	(0%, 2%)
U.S. Cum. Covid Cases	0.115***	0.115***	0.115***	0.115***	0.115***	0.114***	0.115***	0.115***	0.114***
	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)
U.S. Cum. Covid Cases × *% Inst. Blockholders*	−0.015*	−0.007	0.039***	−0.005	−0.009	−0.035***	0.012*	0.019**	0.009
	(0.008)	(0.009)	(0.008)	(0.008)	(0.008)	(0.008)	(0.007)	(0.008)	(0.008)
U.S. Cum. Covid Cases × Meeting	0.020	0.016	0.020	0.010	0.020	0.022	0.021	0.017	0.028
	(0.025)	(0.028)	(0.026)	(0.025)	(0.026)	(0.027)	(0.026)	(0.027)	(0.029)
U.S. Cum. Covid Cases × *% Inst. Blockholders* × Meeting	−0.027**	−0.002	−0.018	−0.054***	−0.021**	0.032	−0.032***	−0.007	0.012
	(0.011)	(0.023)	(0.028)	(0.013)	(0.010)	(0.023)	(0.007)	(0.016)	(0.028)
Time fixed effects	✓	✓	✓	✓	✓	✓	✓	✓	✓
Firm fixed effects	✓	✓	✓	✓	✓	✓	✓	✓	✓
N	36,805	36,805	36,805	36,805	36,805	36,805	36,805	36,805	36,805
Adjusted R-squared	0.5013	0.4978	0.5110	0.4980	0.4995	0.5074	0.4992	0.5006	0.4983

* – $p < 0.1$; ** – $p < 0.05$; *** – $p < 0.01$.

Note: OLS regressions of whether firm i has donated by time t (dependent variable) on covariates. Italicized variables are defined in the top panel. The variable *% Inst. Blockholders* is the share of institutional investors among all investors owning at least a share of total equity as defined in the top panel. The investor type is also defined in the top panel. The variables *% Invidvidual Blockholders* and Cum. US national Covid Cases are standardized. The interaction *% Inst. Blockholders* × *Meeting* is accounted for by the firm fixed effects. All columns include day and firm fixed effects. Standard errors are clustered by firm and presented in parenthesis.

Table A5: The impact of large insitutional shareholders on covid donations through US national covid deaths

	Whether Firm i has Donated by Time t (0/1)								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Institutional Blockholders is defined as:	Banks			Mutual Funds			Insurance		
% Inst. Blockholders is the shares of firms owning:	>10%	>5%	(0%, 2%)	>10%	>5%	(0%, 2%)	>10%	>5%	(0%, 2%)
U.S. Cum. Covid Deaths	0.101^{***}	0.101^{***}	0.101^{***}	0.101^{***}	0.101^{***}	0.100^{***}	0.101^{***}	0.101^{***}	0.101^{***}
	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)
U.S. Cum. Covid Deaths × *% Inst. Blockholders*	−0.013	−0.005	0.034^{***}	−0.005	−0.009	-0.032^{***}	0.012^{*}	0.019^{**}	0.009
	(0.008)	(0.008)	(0.007)	(0.008)	(0.007)	(0.007)	(0.006)	(0.007)	(0.007)
U.S. Cum. Covid Deaths × Meeting	0.017	0.014	0.017	0.008	0.017	0.019	0.018	0.015	0.025
	(0.023)	(0.026)	(0.024)	(0.023)	(0.024)	(0.025)	(0.024)	(0.024)	(0.026)
U.S. Cum. Covid Deaths × *% Inst. Blockholders* × Meeting	-0.026^{**}	−0.003	−0.016	-0.049^{***}	-0.019^{**}	0.029	-0.030^{***}	−0.006	0.012
	(0.010)	(0.021)	(0.026)	(0.012)	(0.009)	(0.021)	(0.007)	(0.015)	(0.027)
Time fixed effects	✓	✓	✓	✓	✓	✓	✓	✓	✓
Firm fixed effects	✓	✓	✓	✓	✓	✓	✓	✓	✓
N	36,805	36,805	36,805	36,805	36,805	36,805	36,805	36,805	36,805
Adjusted R-squared	0.5004	0.4974	0.5080	0.4978	0.4991	0.5054	0.4987	0.5000	0.4981

* – $p < 0.1$; ** – $p < 0.05$; *** – $p < 0.01$.

Note: OLS regressions of whether firm i has donated by time t (dependent variable) on covariates. Italicized variables are defined in the top panel. The variable *% Inst. Blockholders* is the share of institutional investors among all investors owning at least a share of total equity as defined in the top panel. The investor type is also defined in the top panel. The variables *% Individual Blockholders* and Cum. US national Covid deaths are standardized. The interaction *% Inst. Blockholders* × *Meeting* is accounted for by the firm fixed effects. All columns include day and firm fixed effects. Standard errors are clustered by firm and presented in parenthesis.

Table A6: The impact of covid exposure at branches on donations

	Whether Firm i has Donated by Time t (0/1)					
	(1)	(2)	(3)	(4)	(5)	(6)
Exposure at branches is defined as:		Cases			Deaths	
More than x branches (0/1) defined as:	50%	75%	90%	50%	75%	90%
Exposure at branches	–0.019	0.092	0.239	–0.025	0.098	0.260
	(0.077)	(0.187)	(0.503)	(0.080)	(0.205)	(0.572)
Exposure at branches × Number of branches (ln)	0.006	0.004	–0.017	0.007	–0.002	–0.030
	(0.015)	(0.028)	(0.068)	(0.016)	(0.032)	(0.078)
Time fixed effects	✓	✓	✓	✓	✓	✓
Firm fixed effects	✓	✓	✓	✓	✓	✓
N	18,785	9,350	3,740	18,785	9,350	3,740
Adjusted R-squared	0.5145	0.5586	0.5607	0.5144	0.5547	0.5590

* – $p < 0.1$; ** – $p < 0.05$; *** – $p < 0.01$.

Note: OLS regressions of whether firm i has donated by time t (dependent variable) on covariates. Italicized variables are defined in the top panel. Columns 1 to 3 use cumulative covid cases (standardized) at the headquarter state of firm i at time t as a measure of covid rates. Similarly, Columns 4 to 6 use cumulative covid deaths (standardized), instead. The variable *Number of branches* is in log. Across columns, the number of observation is restricted to consider only firms with more than the x-percentile than the distribution of dummies as described in the top panel: this value is 40 branches in Columns 1 and 4, 170 branhces in Columns 2 and 5, and 664 branhces in Columns 3 and 6. Orbis misses observations about branches for 15 firms. All columns include day and firm fixed effects. Standard errors are clustered by firm and presented in parenthesis.

Table A7: Google searches to individual shareholders

	# of Google Searches Daily		(log) Comulative Google Web Searches Over 14 days		10 days		7 days	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Individual Shareholder × 10 Days Before	−8.701***	−11.095***	−0.259***	−0.102	−0.542***	−0.227**	−0.337***	−0.132
	(1.617)	(2.884)	(0.079)	(0.072)	(0.073)	(0.075)	(0.058)	(0.072)
Individual Shareholder × 9 Days Before	−11.347***	−14.754***	−0.195**	−0.018	−0.139*	0.006	−0.396***	−0.164*
	(0.910)	(1.781)	(0.084)	(0.074)	(0.073)	(0.080)	(0.064)	(0.077)
Individual Shareholder × 8 Days Before	−8.722***	−12.710***	−0.131	0.044	−0.254**	0.088	−0.414***	0.004
	(1.276)	(3.061)	(0.087)	(0.087)	(0.086)	(0.086)	(0.078)	(0.085)
Individual Shareholder × 7 Days Before	−11.431***	−16.198**	0.127	0.361***	−0.083	0.146*	−0.598***	0.033
	(1.755)	(4.901)	(0.080)	(0.080)	(0.081)	(0.076)	(0.081)	(0.081)
Individual Shareholder × 6 Days Before	−5.798**	−8.352	0.149	0.383***	−0.088	0.144	−0.053	0.271**
	(2.581)	(5.907)	(0.087)	(0.086)	(0.091)	(0.086)	(0.099)	(0.098)
Individual Shareholder × 5 Days Before	−2.846	−3.702	−0.033	0.171*	−0.267**	−0.089	−0.336***	−0.036
	(2.358)	(4.651)	(0.087)	(0.080)	(0.099)	(0.083)	(0.101)	(0.087)
Individual Shareholder × 4 Days Before	−4.770*	−5.242	0.030	0.212**	−0.210*	−0.090	−0.135	−0.026
	(2.373)	(5.523)	(0.094)	(0.084)	(0.100)	(0.092)	(0.096)	(0.086)
Individual Shareholder × 3 Days Before	−9.395***	−11.464**	0.091	0.231**	0.053	0.204**	−0.170	−0.056
	(1.975)	(4.360)	(0.096)	(0.090)	(0.086)	(0.085)	(0.099)	(0.083)
Individual Shareholder × 2 Days Before	−7.173***	−8.182	0.242**	0.308***	0.110	0.251**	−0.051	0.073
	(1.811)	(4.527)	(0.093)	(0.082)	(0.080)	(0.081)	(0.101)	(0.085)
Individual Shareholder × 1 Day Before	−5.140**	−5.507	0.289**	0.330***	0.250**	0.382***	0.085	0.152
	(2.220)	(5.913)	(0.092)	(0.074)	(0.086)	(0.079)	(0.099)	(0.086)
Individual Shareholder × News Day	6.610*	2.246	0.334***	0.324***	0.316***	0.417***	0.400***	0.431***
	(3.522)	(6.770)	(0.088)	(0.065)	(0.094)	(0.079)	(0.074)	(0.077)
Individual Shareholder × 1 Day After	−6.287**	−9.775*	0.306***	0.307***	0.161	0.397***	0.209**	0.388***
	(2.493)	(4.995)	(0.086)	(0.062)	(0.096)	(0.083)	(0.076)	(0.072)
Individual Shareholder × 2 Days After	0.480	−2.515	0.384***	0.298***	0.546***	0.461***	0.384***	0.499***
	(2.234)	(3.410)	(0.074)	(0.055)	(0.087)	(0.070)	(0.074)	(0.073)
Individual Shareholder × 3 Days After	−0.345	−0.037	0.385***	0.312***	0.482***	0.472***	0.220**	0.566***
	(1.806)	(2.785)	(0.076)	(0.046)	(0.084)	(0.073)	(0.087)	(0.082)
Individual Shareholder × 4 Days After	3.035	3.911	0.404***	0.330***	0.539***	0.481***	0.446***	0.619***
	(1.742)	(2.211)	(0.074)	(0.042)	(0.077)	(0.063)	(0.076)	(0.085)
Individual Shareholder × 5 Days After	0.739	−1.051	0.402***	0.290***	0.571***	0.502***	0.747***	0.630***
	(1.404)	(3.061)	(0.084)	(0.039)	(0.082)	(0.057)	(0.077)	(0.080)
Individual Shareholder × 6 Days After	2.055	−0.048	0.419***	0.264***	0.521***	0.413***	0.683***	0.595***
	(2.192)	(3.311)	(0.080)	(0.038)	(0.076)	(0.051)	(0.074)	(0.073)
Individual Shareholder × 7 Days After	−2.397	−4.423	0.404***	0.253***	0.547***	0.423***	0.693***	0.574***
	(1.735)	(2.759)	(0.074)	(0.034)	(0.075)	(0.044)	(0.069)	(0.059)
Individual Shareholder × 8 Days After	−1.216	−2.355	0.375***	0.212***	0.506***	0.391***	0.688***	0.608***
	(2.281)	(3.572)	(0.081)	(0.037)	(0.066)	(0.038)	(0.072)	(0.059)
Individual Shareholder × 9 Days After	6.062**	6.669**	0.498***	0.317***	0.531***	0.396***	0.689***	0.571***
	(2.062)	(2.536)	(0.069)	(0.031)	(0.076)	(0.038)	(0.062)	(0.052)
Individual Shareholder × 10 Days After	7.752***	7.812***	0.377***	0.142***	0.540***	0.354***	0.697***	0.529***
	(1.403)	(1.617)	(0.067)	(0.034)	(0.051)	(0.023)	(0.049)	(0.034)
Shareholders with:	> 1%	> 5%	> 1%	> 5%	> 1%	> 5%	> 1%	> 5%
Time fixed effects	✓	✓	✓	✓	✓	✓	✓	✓
Firm fixed effects	✓	✓	✓	✓	✓	✓	✓	✓
Shareholder fixed effects	✓	✓	✓	✓	✓	✓	✓	✓
N	397,893	125,772	350,276	110,504	365,106	115,206	376,035	118,728
Adjusted R-squared	0.6328	0.6609	0.7695	0.8009	0.7728	0.7898	0.7801	0.7880

Note: The table reports the OLS regression of either the number of daily Google searches (columns 1 and 2) or the (log) cumulative Google searches (columns 3 to 8) of shareholder i's names who owns shares in firm f on time dummies in a ten-day window around the date when firm f donated and the interaction of these dummy variables with an indicator that is 1 if shareholder i is an individual. Only the interaction of the time dummies with the Individual Shareholder dummy are reported due to space constraints. All columns include firm, shareholder and day fixed effects. Standard errors are clustered by firm and shareholder type (bank, company, individual, financial company, government, hedge fund, insurance, mutual fund, self control) and presented in parenthesis.

B Omitted Figures

Figure B1: Screenshot of the news of a donation event

BUSINESS INSIDER FRANCE

TECH ECONOMIE POLITIQUE STRATÉGIE LIFESTYLE +

Google pledges to donate $800 million and 3 million face masks in an effort to combat the coronavirus

Hugh Langley | Publié le 27/03/2020 à 19h20

coronavirus

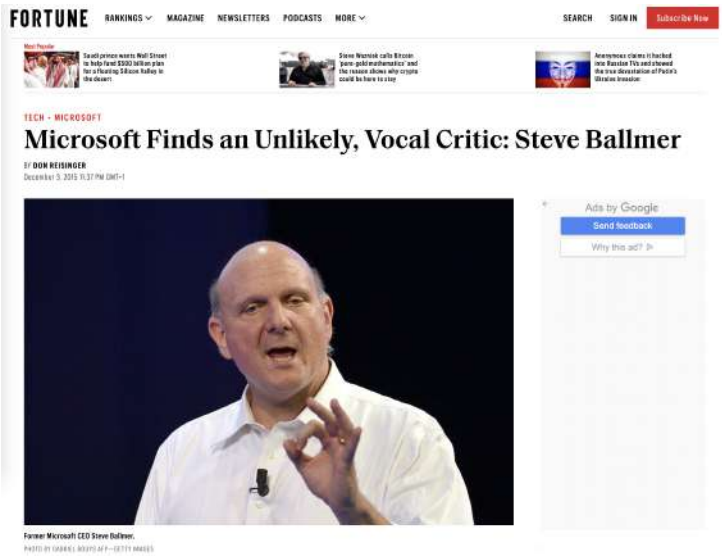
+ Suivre

Notes: This is the example of a datapoint in our dataset. We record that Google pledged a donation on March 27, 2019. The news of Google's donation was taken from this Business Insider article: https://www.businessinsider.fr/us/coronavirus-Google-donates-800-million-fight-covid19-face-masks-2020-3.

Figure B2: Examples of prominent shareholders featured on media pieces in the AGM period

(a) Walton family member for Wallmart

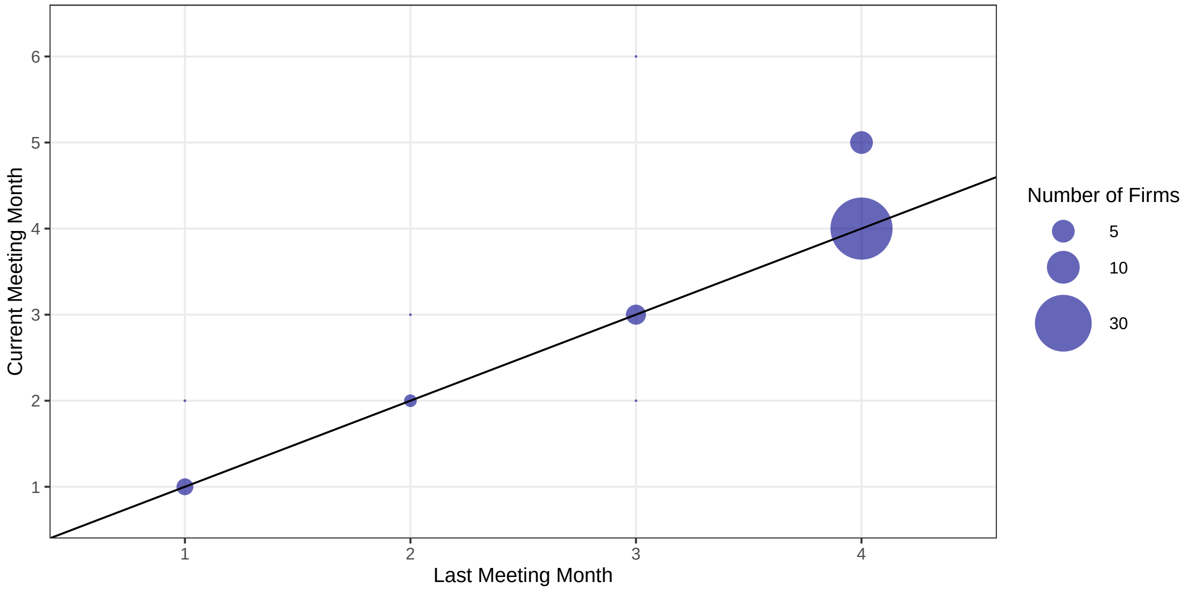
(b) Steve Ballmer for Microsoft



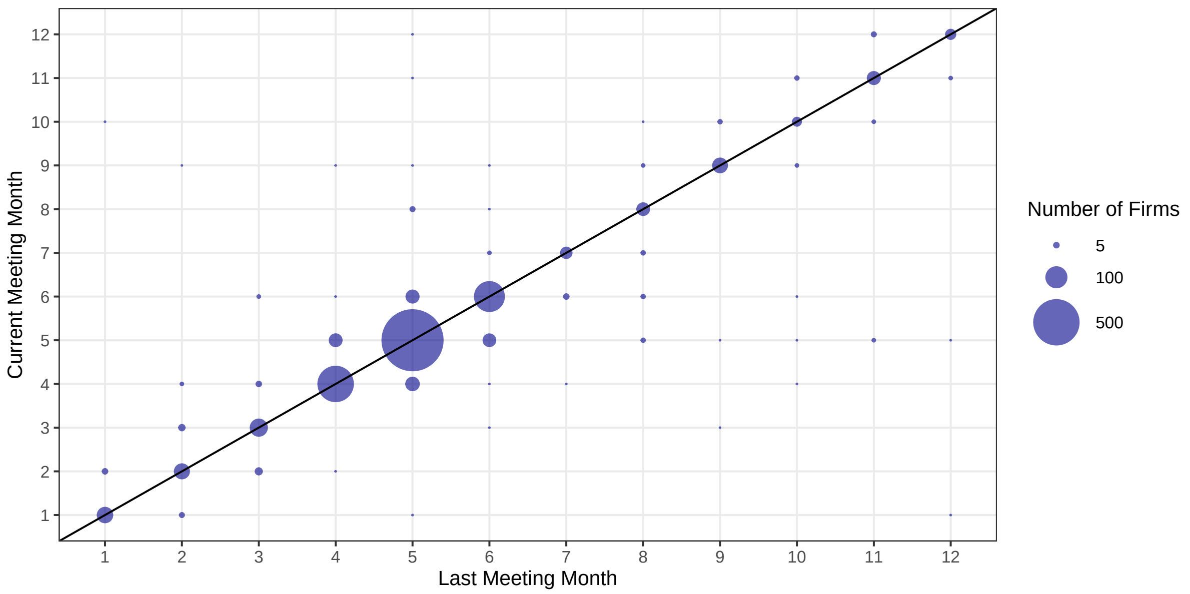
Notes: The source for Panel (a) is https://www.nbcnews.com/business/business-news/wal-marts-annual-meeting-dogged-investor-anger-flna808050. The source for Panel (b) is https://fortune.com/2015/12/03/microsoft-critic-steve-ballmer/

Figure B3: Stability of the AGM month over time

(a) AGM Months in 2019 and 2020



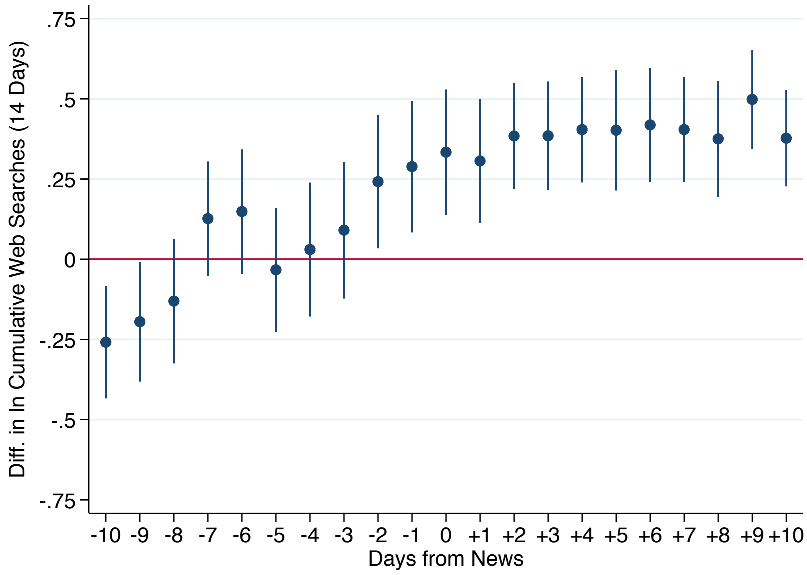
(b) AGM Months between 2012 and 2019



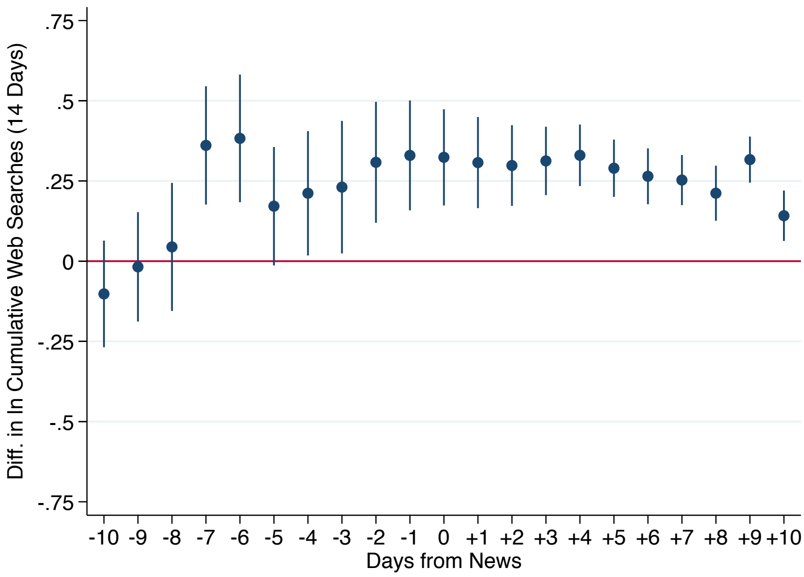
Notes: Both panels count the occurrences of the AGM month over two adjacent years. A dot in position (2,3) means that at least one firm with an AGM in March of year t had an AGM in February of year $t-1$. The size of the blue dot refers to the number of firms. Dots on the diagonal solid line indicate firms that did not change AGM month over time. Panel a focuses on the first six months of 2020, while Panel b focuses on all years between 2012 and 2019. In the last case observations are at the firm-by-year level as firms have more than one AGM.

Figure B4: Difference in the (log) Cumulative Google searches to Individual Shareholders and Other Investors (14 days), event study

(a) Shareholders With > 1%



(b) Shareholders With > 5%



Notes: Both panels report coefficient estimates from regressing the (log) cumulative number of Google searches (ten-day window) of shareholder's names on dummy variables describing a ten-day window around a firm's donation date and the interaction of these dummies with an indicator that is one if the shareholder is an individual and zero otherwise. The panels show the coefficient for the interaction terms. The regression is explained in detail in Section 5. Panel a (Panel b) includes only shareholders with more than 1% (5%) shares. Appendix Table A7 in Online Appendix A reports the coefficient estimates. Standard errors are clustered by firm and shareholder type (bank, company, individual, financial company, government, hedge fund, insurance, mutual fund, self control) and presented in parenthesis.

C Shareholders' Voice over Corporate Sanctions Against Russian Invasion of Ukraine

This section investigates the external validity of the main results exposed in the paper, namely, that prominent individual and institutional investors employ "voice" in opposite ways: the former group lean towards greater (costly) social responsible actions, while the latter group would rather avoid them. To this end, we apply our methodology that categorize firms as treatment or control group based on the date of their annual general meetings (AGMs) in reference to an exogenous shock. In this section, we focus our attention to the way firms exposed to the Russian economy reacted to the Russian Army's invasion of Ukraine and the ensuing war between the two countries in 2022.

C.1 Background and Data

On February 24, 2022, Vladimir Putin, the President of the Russian Federation, announced the start of a "special military operation" in Ukraine to demilitarize and denazify Ukraine. We take this date as the beginning of our sample. A team led by Professor Sonnenfeld from Yale School of Management compiled a detailed list of firms exposed to the Russian economy (e.g., exporters to Russia).[1] We accessed this list on March 23, a month after the beginning of the invasion. The list contains 476 international firms operating in Russia at the time. Figure C1 shows a breakdown of this sample based on different firm categories. Most of the observations belong to non-US firms (especially from the UK, Germany and France), and international sport federations (e.g., UEFA), which quickly denied access to Russian sport teams in the days after the beginning of the invasion. Since our exogenous variation is based on the SEC rules before a firm's AGM, we exclude these firms. Excluding another 12% of the observations that account for U.S. non-listed firms for which we lack shareholding data, we are left with 164 U.S.-listed firms for which the 2022 AGM date is available on the Refinitiv database.

This dataset is not the whole universe of U.S.-listed firms operating in Russia. Rather, it is a collection, by date, of the firms that took actions, either pro or against Russia, in the first month of the war. By taking early actions, this dataset spans the firms that are most exposed to Russia, and, thus, these firms are the most relevant for

[1]The list is freely available at the following link, https://som.yale.edu/story/2022/almost-500-companies-have-withdrawn-russia-some-remain.

our analysis. On March 28, 2022, Professor Sonnenfeld informed us by email that "Our data sources are drawn upon multi-method anchoring with triangulation confirmation across such expert authoritative resources as: US Securities & Exchange Commission filings and along with other global regulatory reports; operational data available through Bloomberg; Thomson Reuters, and FactSet, company annual reports and shareholder communications, industry analyst reports, a wiki network of 300 company insiders across sectors and nations, personal exchanges with company executives, official company pronouncements on websites and press releases. We then review this data as a team in evaluating the categorizations." As a result, 85% of the firms in this list have market capitalization in excess of U.S.$ 8 bn, which is the limit for inclusion in the S&P500 index. As a sanity check, firms like Amazon, Apple, and Microsoft, among others, are all in the list. Table C1 provides key information about the financial, business and managerial spheres of the firms in our sample. Importantly, the size of institutional ownership is substantial across firms.

Among the 164 firms in our database, 94 have an AGM in the three months following the outbreak of the war, whereas the 70 remaining firms have AGMs outside this time window.[2] Figure C2 shows that, within sectors, firms are almost evenly distributed between treatment (blue) and control firms (red) – this further corroborates the exogeneity of selection into treatment. Among the firms in our sample, the most exposed sectors to the Russian economy are manufacturing, information technology and finance. We further study whether treatment and control firms differ based on observable characteristics in Panel i of Table C2: Column 3 shows that these firms do not statistically differ along common observables such as market capitalization, revenues, net income, fraction of revenues coming from U.S. and Canada, age of the CEO, ESG scores, and average brokers' recommendations. Furthermore, also shareholding (Panel ii) varies quite similarly across treatment and control groups.

The main outcome variable of this investigation is whether, as a result of the war, a firm took significant actions to reduce its involvement within the Russian economy or not. Professor Sonnenfeld's team gathered this information and categorized firms in the following five bins:[3]

1. *Grade A - Surgical Removal, Resection* (51 firms). This is the highest sanction a corporation can pledge against Russia, as firms in this group pledged to leave the country. For example, Uber announced on March 1, 2022 that it would di-

[2] No firm had an AGM in the first month of the war.

[3] Notice that there is no Grade E.

vest from partnership with Yandex (https://www.politico.eu/article/uber-bolt-cut-ties-with-russian-companies/).

2. *Grade B – Keeping Options Open for Return* (69 firms). Firms in this group decided to pause its ongoing project. For instance, Warner Media announced on March 1, 2022, to pause new content release in Russia (https://www.bloomberg.com/news/articles/2022-03-01/these-organizations-are-cutting-ties-with-russia-over-war-in-ukraine-list?srnd=premium), while Twitter suspend certain operations in Russia on February 27, 2022 (https://www.npr.org/2022/02/26/1083291122/russia-ukraine-facebook-google-youtube-twitter?t=1649316650625).

3. *Grade C – Reducing Current Operations* (9 firms). Instead of pausing certain operations, Grade C firms decided to reduce their volumes with Russian counterparts. This is for instance the case of JP Morgan and Goldman Sachs. These firms announced on March 10, 2022, that they would wind down operations in Russia, but still purchase Russian debt (https://www.reuters.com/business/finance/goldman-sachs-exit-russia-bloomberg-news-2022-03-10/).

4. *Grade D – Holding Off New Investments/Development* (27 firms). These firms kept ongoing projects running, while pledged to halt future investments. For example, Hulliburton on March 17, 2022, "announced it immediately suspended future business in Russia as the Company complies with sanctions that prohibit transactions and work, including for certain state-owned Russian customers" (https://www.halliburton.com/en/about-us/press-release/halliburton-announces-update-russia-operations-sanctions-compliance).

5. *Grade F – Defying Demands for Exit or Reduction of Activities* (9 firms). These firms took active actions to keep working in Russia, for different reasons. Spokesperson for Cloudflare, an Internet company in the Russell 1000 index, state that Russia needs more rather than less internet access (https://arstechnica.com/tech-policy/2022/03/cloudflare-wont-cut-off-russia-says-it-needs-more-internet-access-not-less/) on March 8, 2022, while Align Technology, a S&P500 digital scanner manufacturer, has taken no actions according to Professor Sonnenfeld's team, and International Paper, which has a significant 50% stake joint venture with the Lim Group, is similarly evaluating potential actions but has not decided yet at the time

of writing (https://www.investmentmonitor.ai/special-focus/ukraine-crisis/western-companies-operate-russia-ukraine).

The point of the following analysis is not to comment on specific actions taken by firms, neither to review the classification proposed by Professor Sonnenfeld's team. Collecting and categorizing actions in strict bins is a particularly difficult exercise as there might be a grey area between categories. In addition, these actions are rather costly for firms, and it might be difficult to compare firms' decisions without an appropriate understanding of the objectives of these firms. Moreover, international sanctions against Russia might force firms to take actions, biasing the composition of our sample. Furthermore, our dataset includes only firms that communicated their view about their Russian operations: therefore, investigating only the intensive margin of these actions, disregarding the extensive ones (i.e., whether a firms communicate its view or not), may bias our inference of a firm's objectives.

For all these reasons, we avoid commenting on firms' objectives and focus instead on whether or not a firm has taken the decision to exit Russia. Arguably, outright exit is the highest possible sanction that a firm can take against Russia and it is not forced by international sanctions. The first three columns of Panel iii of Table C2 illustrate the decisions share of firms in Grades A to F across treatment and control group. Overall, control (treatment) firms are more represented in Grade A (D). The remaining two columns illustrate variation in Grade across firms with at least 2% of individual shareholders or with at least 5% of institutional shareholders. Our analysis will study the interaction between shareholder composition and exposure to an AGM.

C.2 Empirical Analysis

Empirically, the identifying equation is a variation of Equation 1 from the main text,

$$\begin{aligned} \text{Exit}_f = \beta_0 + \beta_1 \text{Ownership}_f + \beta_2 \text{AGM Meeting}_f \\ + \beta_3 \text{ Ownership}_f \times \text{AGM Meeting}_f + \beta_4 \text{X}_f + \varepsilon_f, \end{aligned} \tag{C1}$$

where we regress a firm's exit decision in the first month of the war in Ukraine on the size of individual or institutional shareholder measure at the end of December 2021, Ownership_f, interacted with the treatment dummy, AGM_f. We exclude Grade F firms from the analysis because there could be something idyosincratic of these firms that lead them to dismiss Russian sanctions.[4]

Unlike Equation 1, Equation C1 leverages only cross-sectional variation because it is impossible to connect time varying events in the war field with specific firm characteristics as done in the main text for covid. The absence of a panel structure excludes firm fixed effects. However, as shown in the previous analysis the AGM treatment can be considered quasi-random variation. In addition, we control for various variables in X_f, including the fraction of revenues from America and Canada, the average broker recommendation, the age of the CEO, the net income, and industry dummies.[5] Almost all firms have institutional blockholders with holdings greater than 2%, therefore, to properly capture individual shareholder's voice, X_f includes a dummy that is 1 if firm f has above the median blockholding of institutional investors and 0 otherwise when Ownership_f refers to individual investors. This additional variable accounts for the fact that large institutional blockholders might reduce the effectiveness of individual shareholder voice. Allowing for different intercepts based on shareholder composition ensures the identification of the coefficient of interest, β_3.

Table C3 report the estimates from Equation C1. Individual (institutional) shareholders are the reference $Ownership_f$ category in the first (last) three columns of the table. We vary the limiting thresholds to be considered in the cumulative shareholder size. For instance, in the first column $Ownership_f$ is the fraction of equity held by individual investors holding at least 2% of shares. Focusing on individual shareholding, we find that the coefficient of interest is small and not significant from zero when the shareholding is computed considering also small blockholders (Columns 1 and 2). It is instead large and significant when the focus is restricted to large shareholders only. This results echoes that in Table 3 in the main text, as it signals a central role of prominent individual shareholders. We find a similar result, although less accentuated, for institutional shareholders in Columns 4 to 6.

Blockholders. To better highlight the role of prominent shareholders in funnelling

[4]We will show later that including these firms does not impact the analysis.

[5]Net income is highly correlated with market capitalization (90%), EBIT (92%), and revenues (79%), which we therefore omit from the analysis. Including any of these variables in place of net income does not qualitatively affect the results.

consent over exit decisions, we update Equation C1 as follows:[6]

$$\begin{aligned}\text{Exit}_f = \beta_0 + \beta_1 \text{Above Median Blockholding}_f + \beta_2 \text{AGM}_f \\ + \beta_3 \text{ Above Median Blockholding}_f \times \text{AGM}_f + \beta_4 \text{X}_f + \varepsilon_f,\end{aligned} \tag{C2}$$

where Above Median Blockholding$_f$ is 1 if the firm has above the median value of blockholding of a specific shareholder reference group and 0 otherwise.

Tables 8 from the main text and C4 report the results. The first table focuses on individual and institutional blockholders, while the second table expands on different types of institutional blockholders. As mentioned in the main text, we find that the estimate regression coefficient becomes larger (and more significant) as we increase the blockholding thresholds. Large individual blockholders are associated with more frequent exits, while institutional blockholders are associated with stays. Zooming in on institutional blockholders, we find that mutual funds blockholders play the most important role, followed in order by banks and insurance companies, which is consistent with what we reported for the pandemics in Tables 6 and 7 in the main text. This is probably because mutual funds are the largest shareholders in these firms (Table C2) and, they might be following their investments more actively than other investors due to their statutes.

C.2.1 Robustness Checks

Finally we show that these results are robust to different specifications. First, we show that including firms with Grade F does not impact our results. Second, we perform a similar analysis with a modified specification that simultaneously accounts for the effect of the AGM treatment on both individual and institutional blockholders.

Including Grade F firms. Table C5 performs the estimation in Equation C2 including also Grade F firms. The reported coefficients are consistent with the previous analyses.

Different specification. One might worry that our results are artificial given the small sample size since the proposed regressions focus either on institutional or individual shareholders, while firm decisions might result from pressure from different sharehold-

[6]This specification is also presented in Equation 2 in the main text. In this section we also study heterogeneous effects across the main institutional shareholders.

ers. To account for this circumstance, we update Equation C2 as follows:

$$
\begin{aligned}
\text{Exit}_f = {} & \tilde{\beta}_0 + \tilde{\beta}_1 \text{AGM}_f \\
& + \gamma_1 \text{Above Median Indiv. Block.}_f + \gamma_2 \text{ Above Median Indiv. Block.}_f \times \text{AGM}_f \\
& + \theta_1 \text{Above Median Instit. Block.}_f + \theta_2 \text{ Above Median Instit. Block.}_f \times \text{AGM}_f \\
& + \tilde{\beta}_2 \text{X}_f + \varepsilon_f, \qquad \text{(C3)}
\end{aligned}
$$

where the coefficient vectors $\{\gamma_i\}_{i=1}^2$ and $\{\theta_i\}_{i=1}^2$ refer to either individual or institutional blockholders above the median level. Therefore, this specification simultaneously accounts for the effect of the treatment on both types of shareholder. The remaining variables stay unchanged.

Table C6 report the results varying the thresholds of the blockholder definition and whether the reference institutional shareholders are all institutional shareholders (Columns 1 to 4) or only mutual funds (Columns 5 to 8). Overall, the results are in line with those presented in the previous analyses, not only in terms of the sign of the coefficients, but also in terms of their magnitude: a shareholder's voice grows as the blockholding threshold increases.

C.3 Financial Outcomes and Exit

One might posit that a firm's financial position is the sole determinant of exit decisions. Larger firms or firms with greater liquidity might be in a better position to exit Russia because they have better means to face the associated costs. For instance, Shell communicated that its exit from Russia will cost between \$4 and \$ 5 bn in assets.[7]

We study this hypothesis by investigating firms' Grades compared to the their net incomes and market capitalizations. Figure C3 shows the histogram of the net income variable across the five Grade categories. Interestingly, having negative net income is not associated with Grade F: that is, the firms that actively decided to stay in Russia are not those with less ability to confront the cost of an exit. Moreover, Grade A firms are not those with the largest profits, as the densities of Grade B, C, and D firms give more probability mass to right tail events. Finally, Figure C4 shows similar results for market capitalization. Grade A firms are not the biggest, and are rather comparable

[7]CNBC reports that "Shell was forced to apologize on March 8 [2022] for buying a heavily discounted consignment of Russian oil. It subsequently announced that it was withdrawing from Russia." Source: https://www.cnbc.com/2022/04/07/shell-to-write-down-up-to-5-billion-in-assets-after-exiting-russia.html.

with Grade F firms.

Overall, these plots indicate that there might not just be costs from exiting Russia, but also costs from staying in Russia, as home consumers and other western stakeholders might penalize firms from doing so. As for the pandemics, firms balance the opportunity to make costly decisions vis-à-vis their current and future benefits. This paper shows that shareholder influence enters this balance equation.

Table C1: Summary of the sample of listed firms exposed to the Russian economy

	(1) Mean	(2) Median	(3) Q1	(4) Q3	(5) SD
i. Firm Characteristics					
Market Value (bn USD)	142.9	39.8	12.7	121.6	367.6
Revenue (bn USD)	34.1	14.2	4.7	34.6	61.4
Net Income (bn USD)	5.2	1.4	0.3	4.9	12.4
EBIT (bn USD)	4.8	1.4	0.2	4.7	12.6
Brokers' Recommendation	1.0	1.2	0.9	1.3	.5
CEO age	61.1	61	57	66	8.3
Social Score	69.3	74.1	58.4	82.9	18.4
Share of Revenues from US and Canada (%)	51.9	51.3	41.8	61.3	18.1
ii. Shareholding Data					
Individual Ownership (%)	3.1	0.6	0.2	1.9	8.0
Institutional Ownership (%)	87.0	90.1	87.0	91.6	9.8

Note: This table presents summary statistics of the variables used in the empirical analysis of the corporate sanctions against the Russian economy executed in the first month of the 2022 war in Ukraine. This data was collected by Jeffrey Sonnenfeld and his team at Yale SOM, which we thank for sharing the data and explaining the data construction. Shareholding, profitability and control variables come from Refinitiv. The variable *Brokers' Recommendation* refers to the recommendations of equity analysts and it ranges between -2 and 2, where strong sell = −2, sell = −1, hold/neutral = 0, buy = 1, strong buy = 2. ESG score is the Social score of the firm as computed by Refinitiv.

Table C2: Summary of the sample of listed firms exposed to the Russian economy by group

	(1)	(2)	(3)	(4)	(5)
	Annual General Meeting (AGM) between 02/22 and 05/22		p-values	Individual Shareholders	Institutional Shareholders
	Yes (treat)	No (control)	(1) - (2)	With ≥ 2%	With ≥ 5%
i. Firm Characteristics					
Market Cap (bn USD)	109.4	186.9	0.202	129.9	143.2
Brokers' Recommendation [-2, 2]	1.0	1.1	0.291	1.0	1.0
Revenue (bn USD)	33.2	35.1	0.849	33.8	33.5
EBIT (bn USD)	5.0	4.6	0.859	2.7	4.8
- EBIT > (dummy) 0	87.1	81.7	0.352	88.9	84.3
Net Income (bn USD)	4.9	5.6	0.724	2.5	5.3
- Net Income > 0 (dummy)	87.1	80.3	0.25	77.8	84.3
% of Revenues from US and Canada	51.8	51.9	0.98	51.9	52.0
CEO Age	61.6	60.4	0.337	62.1	61.0
ESG Score	71.3	66.6	0.101	63.5	69.2
ii. Shareholding (% Ownership)					
Share of Individual Investors With > 2%	1.4	3.3	0.15	13.6	2.0
Share of Institutional Investors With > 5%	28.6	25.0	0.08	23.7	27.9
- Mutual Funds	10.1	9.6	0.746	8.1	10.2
- Banks	0.5	0.0	0.07	0.2	0.3
- Insurance	1.1	0.0	0.029	0.0	0.6
iii. Corporate Actions as of March 23, 2022 (% of each group)					
Grade A - Surgical Removal, Resection (51 firms)	22.6	40.8	0.014	25.9	31.4
Grade B – Keeping Options Open for Return (69 firms)	41.9	42.3	0.968	55.6	42.1
Grade C – Reducing Current Operations (9 firms)	8.6	1.4	0.028	3.7	5.7
Grade D – Holding Off New Investments/Development (27 firms)	22.6	8.5	0.011	11.1	15.1
Grade F – Defying Demands for Exit or Reduction of Activities (9 firms)	4.3	7.0	0.462	3.7	5.7

Note: This table compares the firms in the treatment and control groups used in the empirical analysis of the corporate sanctions against the Russian economy executed in the first month of the 2022 war in Ukraine. This data was collected by Jeffrey Sonnenfeld and his team at Yale SOM, which we thank for sharing the data and explaining the data construction. Columns 1 focuses on firms with AGM within 3 months after the start of the war and Columns 2 the other firms. Column 4 focuses on firms with at least one individual shareholder owning more than 2% of total equity. Column 6 focuses on firms with at least one institutional investor owning more than 5% of total equity. Shareholding, profitability and control variables come from Refinitiv. The variable *Brokers' Recommendation* refers to the recommendations of equity analysts and it ranges between -2 and 2, where strong sell = −2, sell = −1, hold/neutral = 0, buy = 1, strong buy = 2. ESG score is the Social score of the firm as computed by Refinitiv.

Table C3: Shareholders' influence on the decision to exit the Russian market after the invasion of Ukraine

	Exiting Russia (0/1)					
	(1)	(2)	(3)	(4)	(5)	(6)
Blockholder defined as	Individual			Institutional		
Threshold defined as	2%	5%	10%	2%	5%	10%
AGM	−0.077	−0.069	−0.060	0.336	0.375**	0.130
	(0.087)	(0.085)	(0.090)	(0.271)	(0.183)	(0.122)
Blockholder %	−1.550***	−1.514***	−1.307***	0.675	0.623	0.442
	(0.364)	(0.354)	(0.325)	(0.505)	(0.526)	(0.693)
AGM × Blockholder %	0.466	0.293	3.500	−0.953	−1.561**	−1.506*
	(1.693)	(2.031)	(2.285)	(0.649)	(0.614)	(0.833)
Sector FE	✓	✓	✓	✓	✓	✓
Controls	✓	✓	✓	✓	✓	✓
N	138	138	138	138	138	138
Adjusted R-squared	0.2748	0.2696	0.2600	0.2413	0.2631	0.2544

* – $p < 0.1$; ** – $p < 0.05$; *** – $p < 0.01$.

Note: OLS regressions of whether firm f has exited Russia as of March 23, 2022 on the interaction between (i) the AGM treatment and (ii) the variable *Blockholder %* that is the share of investors among all investors owning at least the % of total equity defined above the column. Italicized variables are defined in the top panel. Categories vary across columns based on the reference institutional shareholder (either all institutions in Columns 1 to 4, or only mutual funds in Columns 5 to 8) and minimum blockholding threshold considered, and are defined in the top panel. Also firms with Grade F (i.e., firms that announced business as usual) are included in the analysis. Institutional investors include mutual funds, banks, insurance, hedge funds, private equity and venture capital. Control variables include the share of revenues that come from activities in US and Canada, brokers' recommendation, CEO age and net income. Market capitalization, revenues and net income are highly correlated; controlling for any of these two variables (in log) instead of net income does not change the results qualitatively. For models with *Blockholder* defined as Individual Investors, we also include a dummy equal to 1 for above median institutional ownership to account for the importance of institutional blockholders among the firms in this sample, and for the impossibility to exploit firm fixed effects with only cross-sectional variation. All columns include sector fixed effects. Robust standard errors are reported in parenthesis.

Table C4: Blockholders' influence on the decision to exit the Russian market after the invasion of Ukraine

	Exited Russia (0/1)									
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Blockholder defined as	Individual		Institutional		Banks		Insurance		Mutual Funds	
Threshold defined as	2%	10%	2%	10%	1%	2%	1%	2%	5%	10%
AGM	−0.094	−0.067	0.043	0.144	−0.022	−0.012	0.003	−0.028	0.098	−0.032
	(0.090)	(0.090)	(0.111)	(0.115)	(0.086)	(0.085)	(0.091)	(0.090)	(0.099)	(0.089)
Blockholder Above Median	−0.428***	−0.547***	0.148	0.116	0.423**	0.703***	0.262	0.163	0.206	−0.067
	(0.128)	(0.181)	(0.137)	(0.132)	(0.213)	(0.193)	(0.272)	(0.264)	(0.129)	(0.181)
AGM × Blockholder Above Median	0.263	0.705***	−0.188	−0.341**	−0.309	−0.584**	−0.332	−0.150	−0.293*	−0.176
	(0.175)	(0.254)	(0.159)	(0.165)	(0.245)	(0.230)	(0.292)	(0.283)	(0.154)	(0.198)
Controls	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sector fixed effect	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
N	138	138	138	138	138	138	138	138	138	138
BIC	206	204	212	207	207	204	212	214	209	212
Adjusted R-squared	0.2879	0.2762	0.2372	0.2642	0.2628	0.2818	0.2378	0.2280	0.2523	0.2397

* – $p < 0.1$; ** – $p < 0.05$; *** – $p < 0.01$.

Note: OLS regressions of whether firm f has exited Russia as of March 23, 2022 on the interaction between the AGM treatment with a dummy variable for whether the shareholders of firm f include blockholders with shares above the median value for that specific category. Categories vary across columns based on the reference shareholder type and minimum blockholding threshold considered, and are defined in the top panel. Firms with Grade F (i.e., firms that announced business as usual) are not included in the analysis. Institutional investors include mutual funds, banks, insurance, hedge funds, private equity and venture capital. All columns include sector fixed effects. Control variables include the share of revenues that come from activities in US and Canada, brokers' recommendation, CEO age and net income. Market capitalization, revenues and net income are highly correlated; controlling for any of these two variables (in log) instead of net income does not change the results qualitatively. For models with *Blockholder* defined as Individual Investors, we also include a dummy equal to 1 for above median institutional ownership to account for the importance of institutional blockholders among the firms in this sample, and for the impossibility to exploit firm fixed effects with only cross-sectional variation. Robust standard errors are reported in parenthesis.

Table C5: Blockholders' influence on the decision to exit the Russian market after the invasion of Ukraine, including also Grade F firms

	Exited Russia (0/1)			
	(1)	(2)	(3)	(4)
Blockholder defined as	Individuals		Institutions	
Threshold defined as	2%	5%	2%	5%
AGM	−0.059	−0.038	0.040	0.148
	(0.088)	(0.086)	(0.108)	(0.105)
Blockholder Above Median (0/1)	−0.336***	−0.468**	0.074	0.124
	(0.128)	(0.181)	(0.130)	(0.128)
AGM × Blockholder Above Median (0/1)	0.198	0.656**	−0.124	−0.320**
	(0.174)	(0.255)	(0.152)	(0.157)
Sector fixed effects	✓	✓	✓	✓
Controls	✓	✓	✓	✓
N	147	147	147	147
BIC	219	215	222	216
Adjusted R-squared	0.2527	0.2491	0.2182	0.2474

* – $p < 0.1$; ** – $p < 0.05$; *** – $p < 0.01$.

Note: OLS regressions of whether firm f has exited Russia as of March 23, 2022 on the interaction between (i) the AGM treatment and (ii) the variable *Blockholder %* that is the share of investors among all investors owning at least the % of total equity defined above the column. Italicized variables are defined in the top panel. Categories vary across columns based on the reference shareholder type and minimum blockholding threshold considered, and are defined in the top panel. Also firms with Grade F (i.e., firms that announced business as usual) are included in the analysis. Institutional investors include mutual funds, banks, insurance, hedge funds, private equity and venture capital. Control variables include the share of revenues that come from activities in US and Canada, brokers' recommendation, CEO age and net income. Market capitalization, revenues and net income are highly correlated; controlling for any of these two variables (in log) instead of net income does not change the results qualitatively. For models with *Blockholder* defined as Individual Investors, we also include a dummy equal to 1 for above median institutional ownership to account for the importance of institutional blockholders among the firms in this sample, and for the impossibility to exploit firm fixed effects with only cross-sectional variation. All columns include sector fixed effects. Robust standard errors are reported in parenthesis.

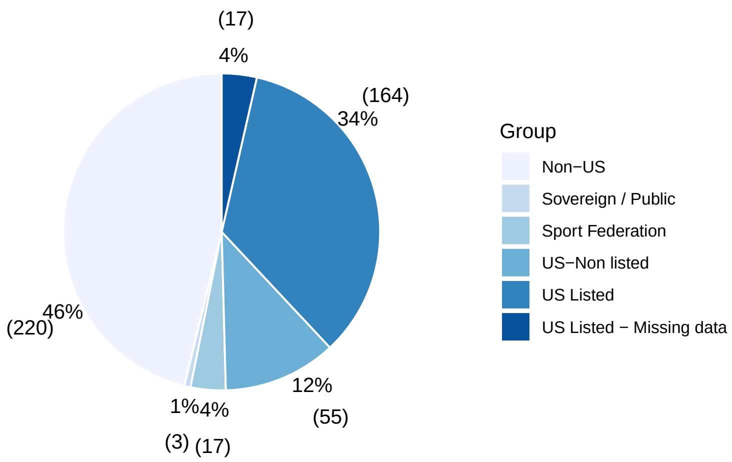
Table C6: Blockholders' influence on the decision to exit the Russian market after the invasion of Ukraine, simultaneous effect of different blockholder types

	Exited Russia (0/1)							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Blockholder defined as	Institutional Investors				Mutual Funds			
Threshold defined as	1%	2%	5%	10%	1%	2%	5%	10%
AGM	0.015	−0.011	−0.014	0.099	−0.093	−0.098	0.055	−0.067
	(0.105)	(0.112)	(0.112)	(0.114)	(0.111)	(0.110)	(0.096)	(0.089)
Individual Above Median	−0.152	−0.430***	−0.541***	−0.518***	−0.191	−0.419***	−0.548***	−0.531***
	(0.141)	(0.125)	(0.144)	(0.189)	(0.146)	(0.130)	(0.131)	(0.184)
Blockholder Above Median	0.281*	0.168	0.067	0.100	0.037	0.028	0.211*	−0.053
	(0.144)	(0.129)	(0.123)	(0.125)	(0.136)	(0.117)	(0.119)	(0.171)
AGM × Individual Above Median	0.099	0.271	0.335	0.786***	0.114	0.245	0.344	0.658**
	(0.183)	(0.173)	(0.254)	(0.238)	(0.191)	(0.183)	(0.230)	(0.269)
AGM × Blockholder Above Median	−0.282*	−0.189	−0.136	−0.326**	0.023	0.023	−0.292**	−0.175
	(0.165)	(0.150)	(0.150)	(0.163)	(0.164)	(0.146)	(0.145)	(0.189)
Sector FE	✓	✓	✓	✓	✓	✓	✓	✓
Controls	✓	✓	✓	✓	✓	✓	✓	✓
N	138	138	138	138	138	138	138	138
Adjusted R-squared	0.2666	0.2921	0.2915	0.3012	0.2341	0.2799	0.3140	0.2762

* − $p < 0.1$; ** − $p < 0.05$; *** − $p < 0.01$.

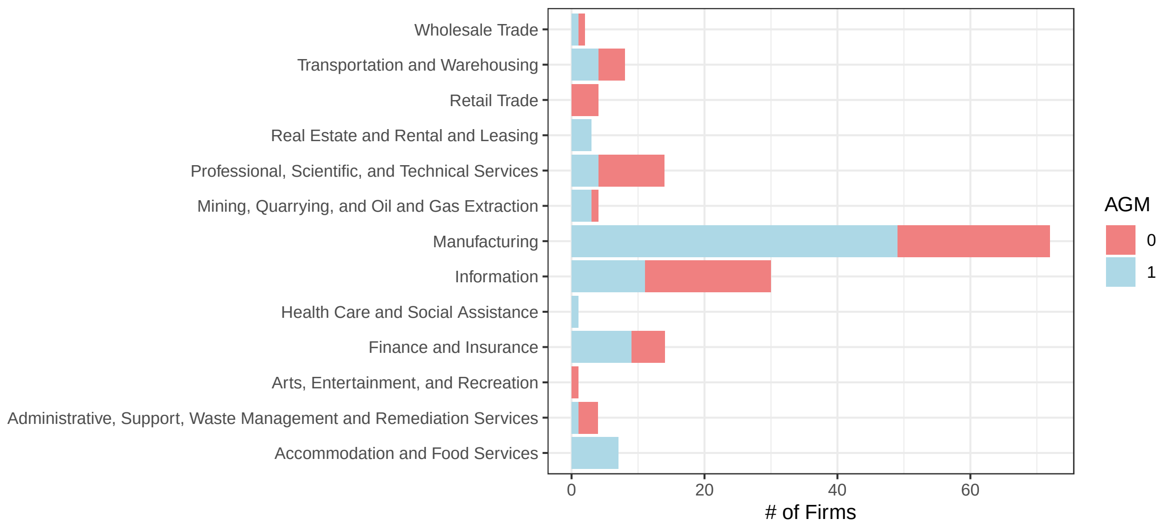
Note: OLS regressions of whether firm f has exited Russia as of March 23, 2022 on the interaction between (i) the AGM treatment and (ii) the variable *Blockholder %* that is the share of investors among all investors owning at least the % of total equity defined above the column. Italicized variables are defined in the top panel. Categories vary across columns based on the reference institutional shareholder (either all institutions in Columns 1 to 4, or only mutual funds in Columns 5 to 8) and minimum blockholding threshold considered, and are defined in the top panel. Also firms with Grade F (i.e., firms that announced business as usual) are included in the analysis. Institutional investors include mutual funds, banks, insurance, hedge funds, private equity and venture capital. Control variables include the share of revenues that come from activities in US and Canada, brokers' recommendation, CEO age and net income. Market capitalization, revenues and net income are highly correlated; controlling for any of these two variables (in log) instead of net income does not change the results qualitatively. All columns include sector fixed effects. Robust standard errors are reported in parenthesis.

Figure C1: Firms surveyed by Professor Sonnenfeld's team



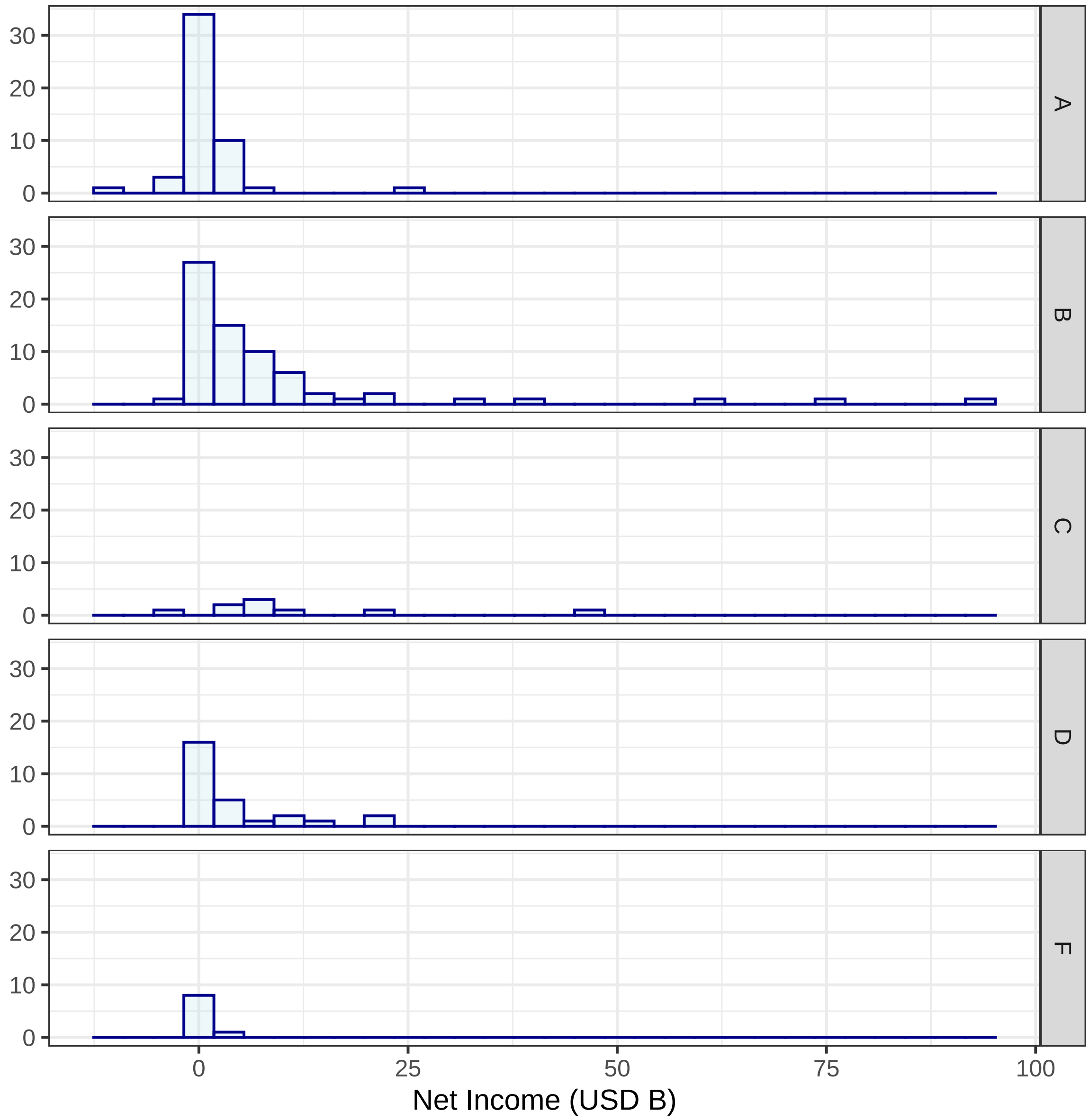
Notes: The breakdown of the firms used in the empirical analysis of the corporate sanctions against the Russian economy executed in the first month of the 2022 war in Ukraine. We identify Sport Federations (e.g. UEFA) and Sovereign/Public entities (e.g. New Development Bank) based on their names. We map companies to their Refinitiv identifiers using a latter version of the list including firms' CUSIP. We attribute firms to a US or Non-US category using the country of headquarters in Refinitiv. We collect by hand the information for non-listed firms. Finally, firms with missing data are firms for which the date of the 2022 AGM could not be retrieved.

Figure C2: Sector representation of firms in our sample



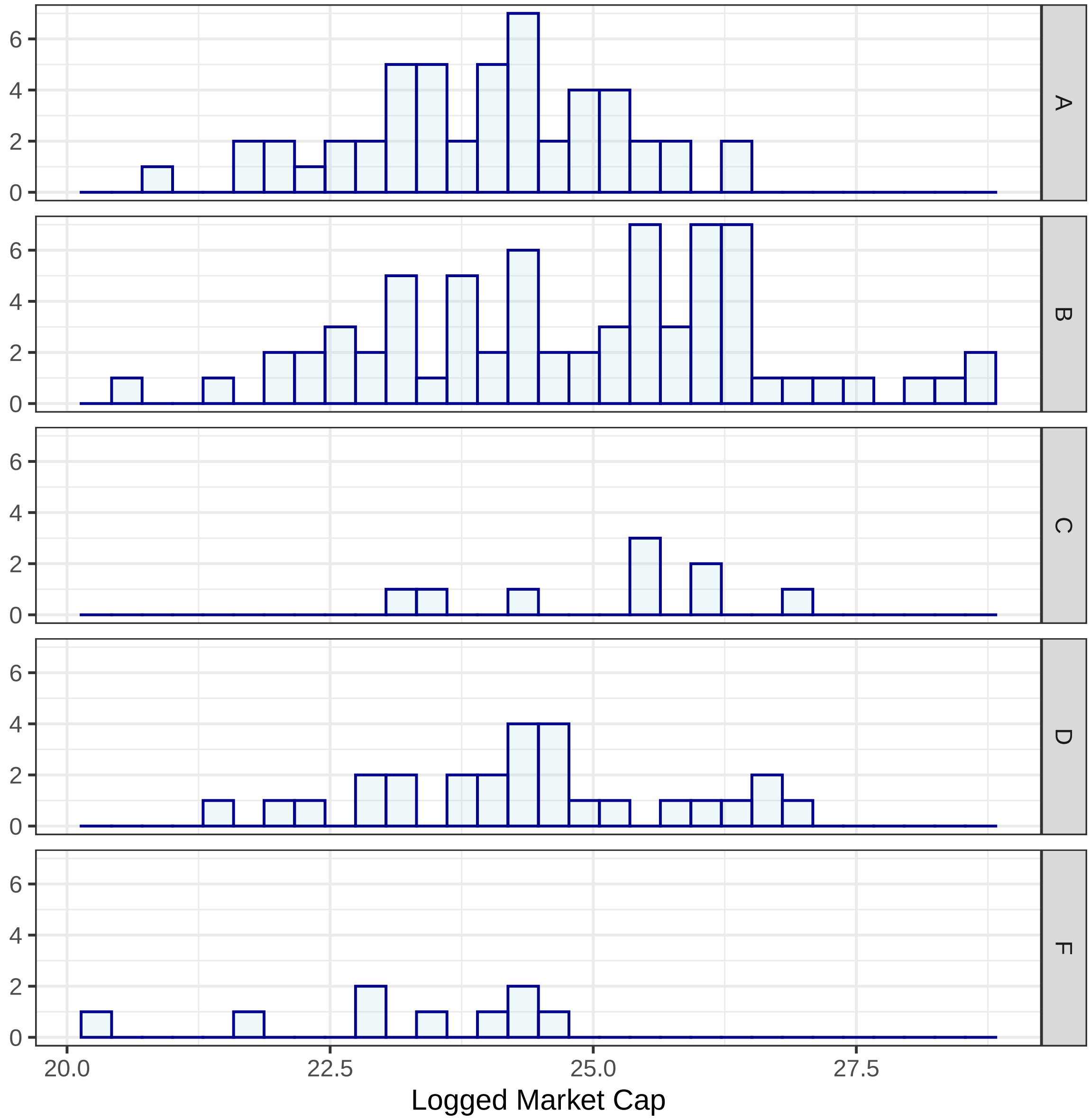
Notes: Number of firms by sector. Red (light blue) bars indicate control (treatment) group firms. Firms with a 2022 AGM scheduled between February 24 and May 24, 2022 are in the treated group (AGM = 1). Data from Refinitiv.

Figure C3: Distribution of net income by Grade (from A to F)



Notes: This figure displays the number of firms in each Net Income bin by group. Grade E firms do not exist. Data from Refinitiv.

Figure C4: Distribution of market capitalization (in logs) by Grade (from A to F)



Notes: This figure displays the number of firms in each logged Market Cap (in US dollars) bin by group. Grade E firms do not exist. Data from Refinitiv.

D ESG News Reports: Data Description and Additional Results

This appendix section describes the sample selection (Section D.1) and events classification processes (Section D.2) for the external validity analysis presented in Section 4.2. Section D.3 presents that the mechanism we identify is robust to several confounds.

D.1 Sample Selection

We started from the whole universe of firms in Compustat covered by RepRisk during the whole sample period (2,722 firms). We kept firms listed on the NYSE or the Nasdaq and headquartered in the US, with no missing data in Compustat (share price, number of shares oustanding), in the N-PX forms (at least one Annual General Meeting in our sample), Refinitiv ESG scores and the Refinitiv Ownership Database. This narrows down the sample to 642 firms, accounting for 90% of the market capitalization of the original sample.

Table D1 provides summary statistics on the market capitalization, number of ESG risk incidents, ownership data and ESG scores for the companies in the sample. The average market capitalization is 53 billion dollars, ranging from 3 million to 1.5 trillion. Firms have on average 772 reported negative ESG news during the period. Equivalently, a firm has a 30% chance of observing a news on a given month. Most news are "S" related. The summary statistics emphasize the holdings of individual and financial ("institutional") investors, which include Banks, Mutual Funds, Pension Funds, Hedge Funds, Investment Advisors, Insurance Companies, Private Equity and Venture Capital firms. The remaining shares are held by investors such as Governments, other Corporations or Research Foundations. ESG scores are expressed as a percentage and are scaled by industry. While the ESG scores can be revised anytime, they typically change only once a year.

D.2 Classification of News Events

RepRisk classifies the incidents it collects from media outlets as related to *Environmental* (E), *Social* (S), and *Governance* (G) matters using the "Related Issues" and "Related UNCG Principles" variables in RepRisk. The breakdown of each category is as follows:

- The "E" category includes the following issues: "Climate change, GHG emissions, and global pollution", "Local pollution", "Impacts on landscapes, ecosystems and biodiversity", "Waste issues", "Animal mistreatment", "Other environmental issues", "Overuse and wasting of resources";

- The "S" category covers: "Impacts on communities", "Human rights abuses and corporate complicity", "Social discrimination", "Discrimination in employment", "Occupational health and safety issues", "Violation of national legislation", "Products issues", "Forced labor", "Local participation issues", "Controversial products and services", "Corruption, bribery, extortion and money laundering", "Violation of international standards", "Poor employment conditions", "Child labor", "Fraud", "Anti-competitive practices", "Misleading communication", "Other social issues", "Tax optimization", "Tax evasion";

- The "G" category covers: "Executive compensation issues", "Supply chain issues", "Freedom of association and collective bargaining".

Finally, any incident can be reported by multiple outlets. We avoid double counting the same incident by considering the probability of having one incident in a month in the main analysis.

D.3 Robustness Checks

We start by showing that the drop in negative news around a firm's AGM in Figure 4 of the main text is driven by social matters affecting a firm. Figure D1 reports results from an event study equation similar to 3 but that employs only data from the "S" category in the RepRisk database. The blue line, which reports the differences between firms with and without individual blockholders, shows a marked drop around the AGM date. The same is not true for the difference in news coverage between a treatment group, composed by firms with institutional blockholders larger than the median size and no individual blockholders, and a control group, composed by the remaining firms: the red triangles that depict these differences over time are never statistically different from zero. Thus, the social news category drives the effect presented in the main text. This result is internally valid with the mechanism we uncover in the main text as the social category also includes corporate donations.

In addition to our analysis in Section 4.2, we test the impact of individual and institutional shareholders on firms' behavior using different measures of ownership. We run an event study similar to equation 3, around a firm's AGM, with different treatment variables. The results are presented in Figure D2. In line with the results in the main analysis, we find that individual shareholding decreases the probability that a firm observes an ESG risk incident around the time of an AGM.

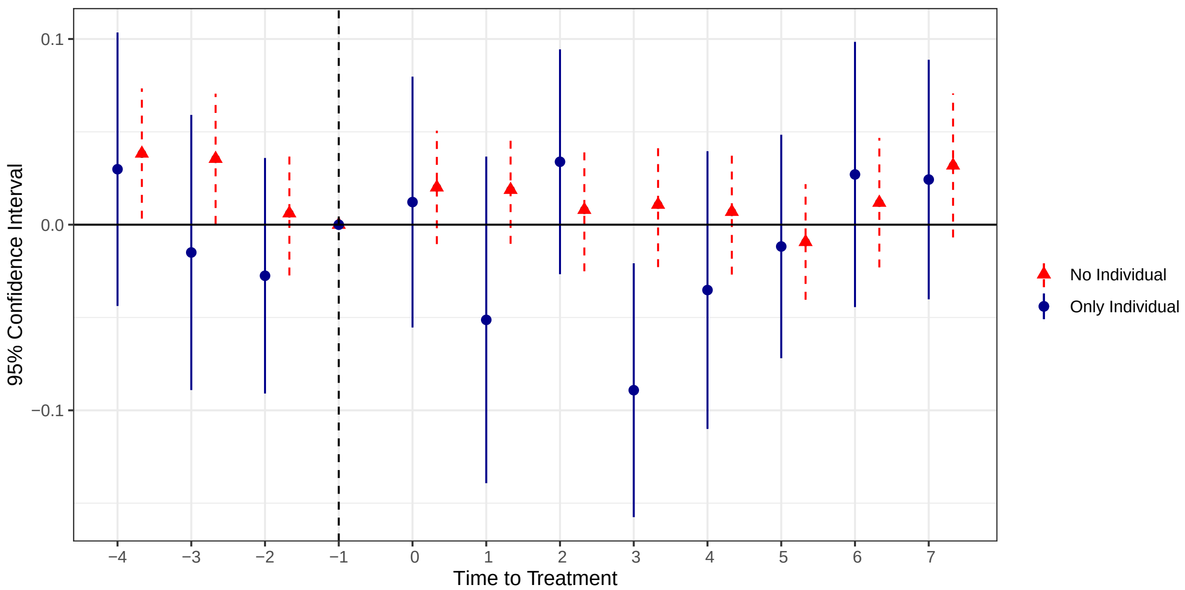
In particular, Panel (a) uses as treatment variable a dummy equal to one if the focal firm has at least one individual shareholder with a share of at least 0.01%, irrespective of its blockholding. The coefficient estimates are strikingly similar to the blue dots in Figure 4, which also condition treatment group firms not to have institutional blockholders. Panels (b), (c) and (d) test the influence of having at least one institutional shareholder owning more than, respectively, 1%, 5% and 10% of a company's shares. We find that smaller blockholdings (1% and 5%) do not impact a firm's behavior around the time of the AGM. However, large financial blockholdings (greater than 10%) increase significantly the probability of observing a risk incident, pointing at a negative effect of institutional shareholders on firms' corporate social responsibility at the time when they most interact with the management. These results are robust to different definition of blockholdings. For instance, subsetting the dataset to consider only firms with with large blockholders (i.e., firms with shareholders owning either at least 5% or 10% of the firm's equity), Panels (e) and (f) find that more negative news accrue to firms with a share of blockholders greater than the sample median. Finally, we define the treatment variable as being equal to one if a firm has at least one individual shareholder and no institutional blockholder above 5% (Panel (g)) and find a negative and statistically significant effect.

Table D1: Summary statistics in our sample

	Mean	Median	25%	75%	s.d.
	(1)	(2)	(3)	(4)	(5)
Market Capitalization (m USD)	53,130	18,961	6,047	56,598	99,360
RepRisk Incidents Data					
Number of Incidents	772.4	96	0	594	1,889.2
Number of E-Incidents	188.7	12	0	96	611.3
Number of S-Incidents	651.4	84	0	498	1,616.6
Number of G-Incidents	129.9	6	0	60	448.9
Ownership Data					
Individual Investor Ownership (%)	2.7	0	0	0.7	9.9
Institutional Ownership (%)	43.8	35.6	16.0	55.1	70.3
ESG Scores Data					
Environmental Score (%)	52.6	55.8	34.0	74.0	25.9
Social Score (%)	42.7	45.4	9.4	71.0	31.2
Governance Score (%)	54.4	58.1	37.8	75.1	25.7

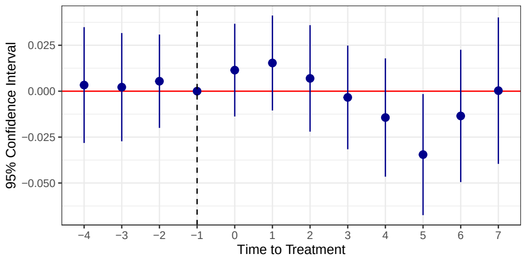
Note: Summary statistics of the ESG Refinitiv news coverage data. Shares are computed over total equity, and include only shareholders owning at least 0.01% of a company. *Institutional Owernship* is the sum of the shares owned by Banks, Hedge Funds, Insurance Companues, Investment Advisors, Mutual Funds, Pension Funds, Private Equity and Venture Capital firms. Risk Incidents data report the number of incidents observed by firm during the whole sample period.

Figure D1: Probability of having an S-incident around the AGM

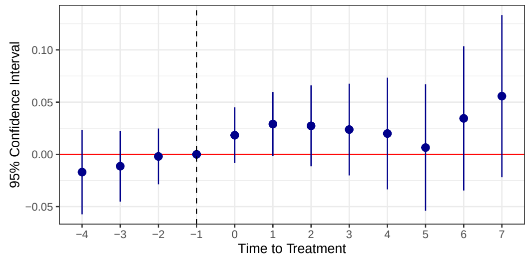


Notes: The figure reports coefficient estimates from regressing the probability of observing an "S" risk incident for a firm in a given month, on a dummy equal to one if the firm has above median institutional blockholding (5%) and no individual shareholder ("No individual"), and a dummy equal to one if a firm has at least one individual shareholder and below median institutional blockholding ("Only individual"). The specification is described in Equation 3 in Section 4.2 of the main text. Both regressions include firm and month fixed effects. Standard errors are clustered at the firm level.

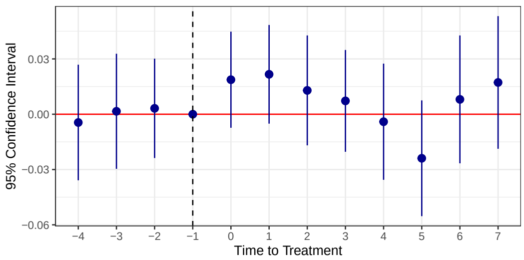
Figure D2: Probability of having a risk incident around the AGM



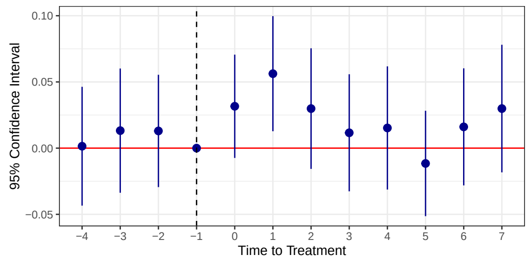
(a) At least 1 individual investor



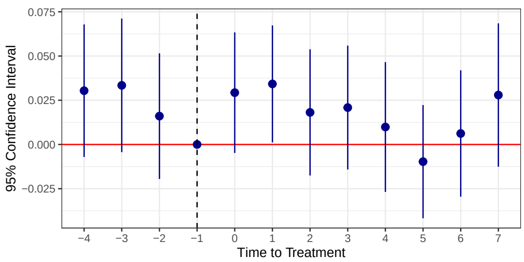
(b) At least 1 institution with more than 1%



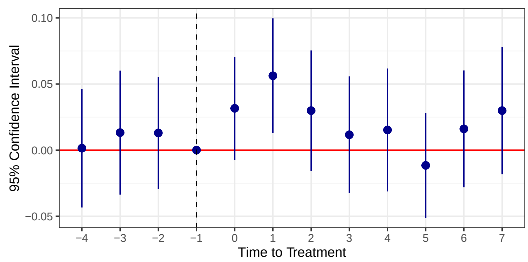
(c) At least 1 institution with more than 5%



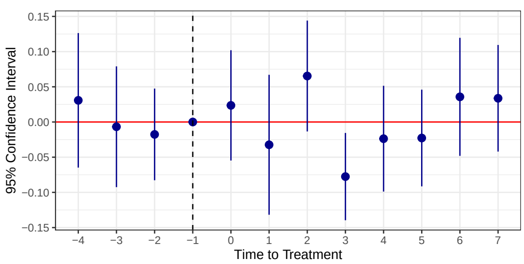
(d) At least 1 institution with more than 10%



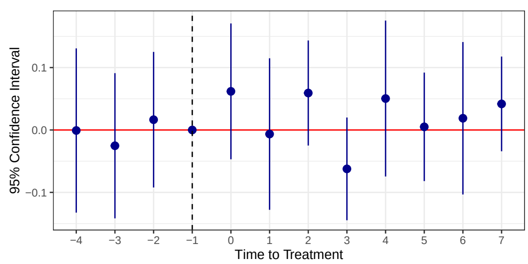
(e) Institutional blockholding above median (5%)



(f) Institutional blockholding above median (10%)



(g) At least 1 individual and no institution above 5%



(h) At least 1 individual and no institution above 10%

Notes: The figure reports coefficient estimates from regressing the probability of observing an ESG incident for a firm in a given month, on a treatment defined in the caption of each panel. The specification is described in Equation 3 in Section 4.2 of the main text. All regressions include firm and month fixed effects. Standard errors are clustered at the firm level.

E Abnormal Returns on Stock Prices

This section shows that the abnormal returns analysis in the main text is robust to the selection of different windows and methodologies. Table E1 reports the estimated coefficients of the model laid out in 6.1.1, with the Abnormal Returns as the dependent variable in Column 1 and the Cumulative Abnormal Returns in Column 2. That regression considers a time period of 5 days around the time of the donation and finds no statistically significant coefficient (at the 5% level). Table E2 reports the results for similar regressions over a longer period of time (10 days around the donation), which confirms that we do not observe any stock price reaction to the news. Figure E1 plots the coefficients.

We also consider a simpler model, in which the only factor predicting the cross section of stock returns is the return on the S&P500. We compute each stock's beta based on the 60 days before January 1, and study abnormal and cumulative abnormal returns over 7 to 14 days. We find that donation events lead to negative abnormal and cumulative abnormal returns two days after the news broke out (Table E4).

Finally, we study excess trading volumes (in comparison to the market average) over different horizons after the news broke out. We do not find evidence that the stock is more traded once a firm made a donation (Table E3). Taken together, those results point at the lack of reaction of investors to donation events, and exclude financial motives as an incentive to pledge charitable contributions.

Table E1: Event Study: Abnormal and Cumulative Abnormal Returns Around a Donation (5-day window)

Dependent Variable:	AR	CAR
5 Days Before	-0.8633	0.1064
	(0.8093)	(1.068)
4 Days Before	-0.1614	0.5080
	(0.6691)	(0.9903)
3 Days Before	-0.1911	-0.0556
	(0.5670)	(0.9419)
2 Days Before	-0.8436	-0.1423
	(0.6828)	(0.6718)
Day of the Donation	-0.7545	-0.6658
	(0.5608)	(0.6108)
1 Days After	0.4491	0.6883
	(0.5151)	(0.8704)
2 Days After	-0.7457	-0.0275
	(0.6660)	(0.9900)
3 Days After	-1.171*	-0.5699
	(0.6420)	(1.020)
4 Days After	-0.4577	-1.477
	(0.5929)	(1.090)
5 Days After	-0.3632	-1.183
	(0.6586)	(1.159)
Time fixed effects	✓	✓
Firm fixed effects	✓	✓
N	2,541	2,541
Adjusted R-squared	0.00564	0.00349

* – $p < 0.1$; ** – $p < 0.05$; *** – $p < 0.01$.

Note: This table reports the coefficients from an event-study using the Abnormal Returns (AR) and Cumulative Abnormal Returns (CAR, computed as the sum of AR over the last 10 days) around the day of the donation (model 6.1.1). AR are computed as the difference between realized excess returns and the prediction of a three-factor model. The day before the donation is used as a reference, so the coefficient is not reported. The sample period goes from January 1 to April 15, 2020. All columns include firm and day fixed effects. Standard errors are clustered by firm and presented in parenthesis.

Table E2: Event Study: Abnormal and Cumulative Abnormal Returns Around a Donation (10-day window)

Dependent Variable:	AR	CAR
10 Days Before	0.4439	0.9366
	(0.6188)	(0.9565)
9 Days Before	0.0367	0.6701
	(0.7297)	(1.083)
8 Days Before	0.6767	1.866
	(0.6412)	(1.171)
7 Days Before	0.4142	1.839
	(0.6557)	(1.228)
6 Days Before	0.0987	1.887*
	(0.6680)	(1.123)
5 Days Before	-0.6704	0.5565
	(0.7849)	(1.190)
4 Days Before	0.0480	0.2965
	(0.6446)	(1.185)
3 Days Before	0.0030	0.1980
	(0.5649)	(0.9102)
2 Days Before	-0.8236	0.0840
	(0.6572)	(0.6414)
Day of the Donation	-0.6972	-0.6936
	(0.5475)	(0.5931)
1 Day After	0.4552	0.6310
	(0.5084)	(0.8580)
2 Days After	-0.6754	-0.0334
	(0.6552)	(0.9598)
3 Days After	-1.175*	-0.5158
	(0.6215)	(0.9900)
4 Days After	-0.4851	-1.468
	(0.5643)	(1.046)
5 Days After	-0.4217	-1.239
	(0.6174)	(1.098)
6 Days After	-0.2117	-0.2183
	(0.4920)	(0.9841)
7 Days After	-0.5986	-0.3564
	(0.5193)	(0.9368)
8 Days After	-0.4382	-0.3910
	(0.4874)	(0.9238)
9 Days After	-0.8514	-1.066
	(0.5362)	(0.9172)
10 Days After	-0.6679	-1.104
	(0.4955)	(0.9204)
Time fixed effects	✓	✓
Firm fixed effects	✓	✓
N	4,847	4,847
Adjusted R-squared	0.00504	0.00535

* – $p < 0.1$; ** – $p < 0.05$; *** – $p < 0.01$.

Note: This table reports the coefficients from an event-study using the Abnormal Returns (AR) and Cumulative Abnormal Returns (CAR, computed as the sum of AR over the last 10 days) around the day of the donation (model 6.1.1). AR are computed as the difference between realized excess returns and the prediction of a three-factor model. The day before the donation is used as a reference, so the coefficient is not reported. The sample period goes from January 1 to April 15, 2020. All columns include firm and day fixed effects. Standard errors are clustered by firm and presented in parenthesis.

Table E3: Cumulative excess volumes after a donation

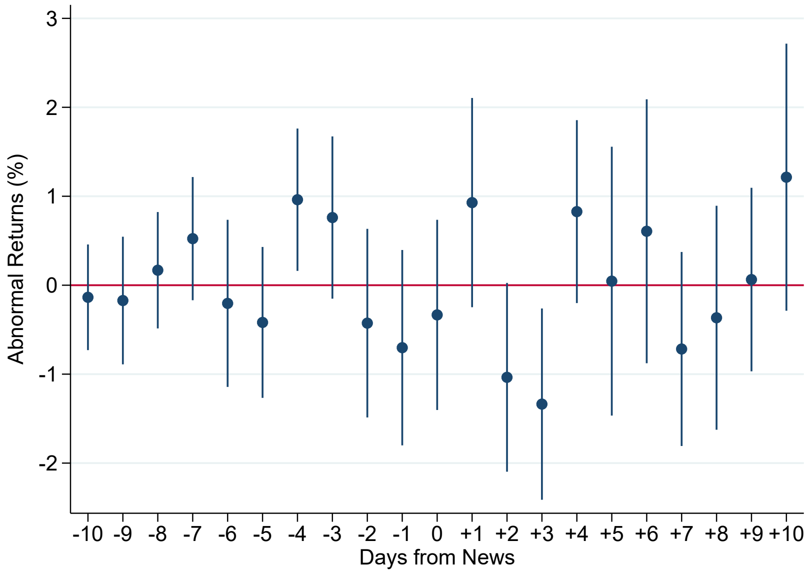
	Cumulative Excess Volumes Over		
	Last 2 Days	Last 7 Days	Last 14 Days
	(1)	(2)	(3)
News last 2 days	0.048		
	(0.043)		
News last 7 days		0.030	
		(0.026)	
News last 14 days			−0.005
			(0.036)
Time fixed effects	✓	✓	✓
Firm fixed effects	✓	✓	✓
N	36,065	36,065	36,065
Adjuster R-squared	0.0436	0.1385	0.3042

* – $p < 0.1$; ** – $p < 0.05$; *** – $p < 0.01$.

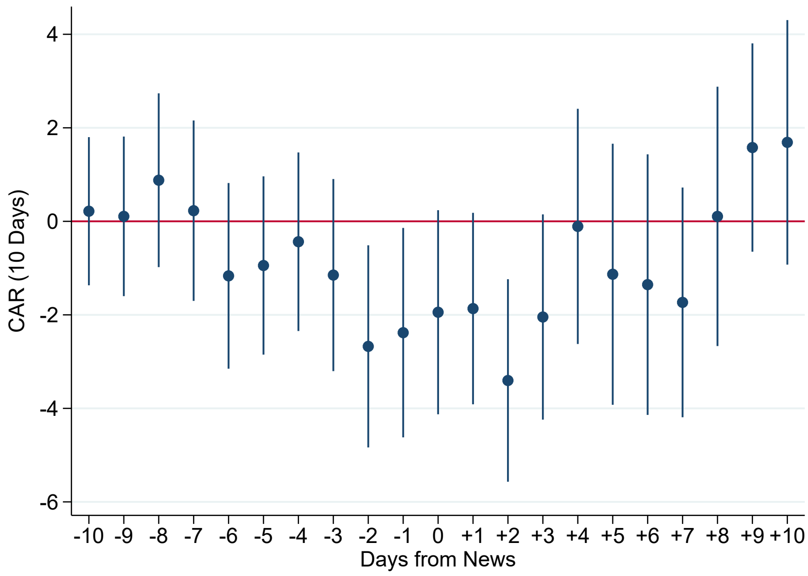
Note: This table reports the coefficients from regressing the Cumulative Excess Volume around the day of the donation on different time dummies. Excess Volume is computed as the difference between the day-to-day change in trading volume for a stock and the change in market-wide trading volume. All columns include firm and day fixed effects. Standard errors are clustered by firm and presented in parenthesis.

Figure E1: Abnormal and cumulative abnormal returns, event study

(a) Abnormal Returns



(b) Cumulative Abnormal Returns (10 days)



Notes: The figure shows event studies in a ten-day window around the donation announcement. The coefficients are in Appendix Table E4.

Table E4: Abnormal and cumulative abnormal returns, stock return forecasts based on past 60 days, event study

	Abnormal Returns	Comulative Abnormal Returns		
		7 days	10 days	14 days
	(1)	(2)	(3)	(4)
10 Days Before	−0.136	0.543	0.216	−0.771
	(0.302)	(0.789)	(0.806)	(0.768)
9 Days Before	−0.172	1.197	0.106	−0.734
	(0.365)	(0.889)	(0.868)	(0.837)
8 Days Before	0.168	1.219	0.879	−0.255
	(0.333)	(0.997)	(0.946)	(0.892)
7 Days Before	0.524	0.267	0.228	−0.568
	(0.352)	(1.078)	(0.982)	(0.981)
6 Days Before	−0.204	−0.208	−1.166	−1.555
	(0.478)	(1.070)	(1.010)	(1.070)
5 Days Before	−0.418	0.747	−0.944	−1.242
	(0.432)	(0.977)	(0.970)	(1.017)
4 Days Before	0.961**	0.786	−0.436	−1.138
	(0.407)	(0.951)	(0.972)	(1.036)
3 Days Before	0.761	−1.396	−1.149	−2.140*
	(0.464)	(1.051)	(1.045)	(1.129)
2 Days Before	−0.426	−2.204**	−2.674**	−3.544***
	(0.539)	(1.116)	(1.100)	(1.239)
1 Day Before	−0.702	−1.571	−2.381**	−3.226**
	(0.559)	(1.202)	(1.140)	(1.343)
News Day	−0.334	−1.054	−1.944*	−2.777*
	(0.544)	(1.286)	(1.110)	(1.485)
1 Day After	0.929	−1.453	−1.866*	−2.536*
	(0.598)	(1.113)	(1.042)	(1.414)
2 Days After	−1.036*	−2.201**	−3.404***	−3.799***
	(0.540)	(1.077)	(1.102)	(1.403)
3 Days After	−1.337**	−1.043	−2.046*	−2.444
	(0.547)	(1.055)	(1.117)	(1.488)
4 Days After	0.827	0.144	−0.108	−0.346
	(0.523)	(1.293)	(1.280)	(1.630)
5 Days After	0.046	−1.144	−1.132	−1.588
	(0.769)	(1.507)	(1.420)	(1.867)
6 Days After	0.606	0.171	−1.353	−1.470
	(0.755)	(1.345)	(1.418)	(1.670)
7 Days After	−0.717	−0.288	−1.733	−1.240
	(0.555)	(1.046)	(1.250)	(1.338)
8 Days After	−0.366	0.940	0.106	0.312
	(0.641)	(1.110)	(1.411)	(1.274)
9 Days After	0.063	0.790	1.578	1.540
	(0.525)	(0.979)	(1.134)	(1.112)
10 Days After	1.214	0.969	1.689	1.985
	(0.764)	(1.403)	(1.331)	(1.456)
Time fixed effects	✓	✓	✓	✓
Firm fixed effects	✓	✓	✓	✓
N	22,246	22,246	22,246	22,246
Adjusted R-squared	0.0331	0.1039	0.1401	0.1880

Note: This table reports the coefficients from an event-study using the Abnormal Returns (AR) and Cumulative Abnormal Returns (CAR, computed as the sum of AR over the last 10 days) around the day of the donation (model 6.1.1). AR are computed as the difference between realized excess returns and the prediction of a one-factor model (the market factor), and for which the stock's beta is computed over the last 60 days. The sample period goes from January 1 to April 15, 2020. All columns include firm and day fixed effects. Standard errors are clustered by firm and presented in parenthesis.

F Peer Pressure

To dig deeper into the motives of managers to engage in charitable donations we investigate the role of peer pressure. We consider whether managers feel compelled to donate if other firms in their industry already do so. This effect should be larger for managers undergoing shareholder scrutiny due to a nearby, past, or future AGM. Therefore, we empirically analyze the role of peer pressure through the following linear probability model

$$\begin{aligned} y_{ft} = \beta_0 + \beta_1 \text{Competitors Donating}_{ft} + \beta_2 \text{AGM}_f \\ + \beta_3 \text{Competitors Donating}_{ft} \times \text{AGM}_f + \alpha_i + \tau_t + \varepsilon_{ft} \end{aligned} \tag{F1}$$

where we still denote by $\text{AGM}_f = 1$ all firms with an AGM in the sample period. The variable Competitors Donating_{ft} varies both over time and across firms and indicates the fraction of firms in the same sector as firm f that have already pledged a charitable donation by time t. We include firm and day fixed effects. We estimate equation F1 by OLS and report the results in Table F1, where we cluster the standard errors at the firm level.

The first column of Table F1 shows a positive and significant correlation between the donations of a firm's competitors and the probability that the firm also donates. This result comes as no surprise since similar firms may share similar incentives for donations (e.g., the government may have requested some in-kind donations from all firms producing certain goods or services to confront the pandemic).[8] The second column of the table includes the AGM_f dummy and its interaction with its competitors' donations. We find that the coefficient estimates of the interaction terms is close to zero, with large standard errors. Also, the direct effect of the AGM is approximately zero. We interpret this result as no evidence of managerial peer pressure to donate.

Finally, the third column adds another interaction term to equation F1, namely the fraction of equity owned by individual shareholders. This variable was found to substantially explain donations in Section 3. We include this interaction to further examine whether the null result we found in column two is due to shareholders' insistence after competitors donate, rather than managerial reaction to competitors. As the estimated interaction coefficient is close to zero, we do not find evidence for this alternative channel. We further investigate the same channel in connection with

[8]This coefficient is not statistically different form zero if the standard errors are clustered by industry as in Appendix Table F2.

other shareholder types in Table F3, where we interact the variables in equation F1 with a dummy variable that is 1 if a firm's equity is owned by more than the median value of a shareholder type.[9] Across columns, we examine the influence of individual shareholders, banks, insurance companies, mutual funds, private equity funds, and all financial investors together in the last column. We find that none of these shareholder types has a substantial effect on a firm's covid-related donations through the peer effect channel. We conclude that our analysis finds a small role for managers to drive covid donations.

Table F1: Effect of competitors on covid donations

	Whether Firm i has Donated by Time t (0/1)		
	(1)	(2)	(3)
% Competitors Already Donating	0.050***	0.050***	0.044***
	(0.013)	(0.014)	(0.015)
% Competitors Already Donating × Meeting		0.003	0.004
		(0.031)	(0.033)
% Competitors Already Donating × % Owned by Individuals			0.356***
			(0.137)
% Competitors Already Donating × % Owned by Individuals × Meeting			0.008
			(0.293)
Time fixed effects	✓	✓	✓
Firm fixed effects	✓	✓	✓
N	48,442	48,442	45,898
Adjusted R-squared	0.4486	0.4486	0.4570

$^{*} - p < 0.1$; $^{**} - p < 0.05$; $^{***} - p < 0.01$.

Note: OLS regressions of whether firm i has donated by time t (dependent variable) on covariates. The variables *% Competitors Already Donating* and *% Owned by Individuals* are in $[0,1]$. The interaction *% Owned by Individuals* × *Meeting* is accounted for by firm fixed effects. All columns include day and firm fixed effects. Standard errors are clustered by firm and presented in parenthesis.

[9] Appendix Table F4 shows similar results when standard errors are clustered at the industry level.

Table F2: Effect of competitors on covid donations, standard errors are clustered by industry

	Whether Firm i has Donated by Time t (0/1)		
	(1)	(2)	(3)
% Competitors Already Donating	0.050	0.050	0.044
	(0.035)	(0.037)	(0.038)
% Competitors Already Donating × Meeting		0.003	0.004
		(0.041)	(0.043)
% Competitors Already Donating × % Owned by Individuals			0.356*
			(0.185)
% Competitors Already Donating × % Owned by Individuals × Meeting			0.008
			(0.383)
Time fixed effects	✓	✓	✓
Firm fixed effects	✓	✓	✓
N	48,442	48,442	45,898
Adjusted R-squared	0.4486	0.4486	0.4570

* $- p < 0.1$; ** $- p < 0.05$; *** $- p < 0.01$.

Note: OLS regressions of whether firm i has donated by time t (dependent variable) on covariates. The variables *% Competitors Already Donating* and *% Owned by Individuals* are in $[0,1]$. The interaction *% Owned by Individuals × Meeting* is accounted for by firm fixed effects. All columns include day and firm fixed effects. Standard errors are clustered by industry and presented in parenthesis.

Table F3: Effect of competitors on covid donations by shareholder type

	Whether Firm i has Donated by Time t (0/1)					
	(1)	(2)	(3)	(4)	(5)	(6)
Above Median Ownership refers to :	Indiv.	Banks	Insur.	Mutual	P. E.s	Fin.
% Competitors Already Donating	0.064***	0.026	0.057***	0.076***	0.076***	0.040**
	(0.016)	(0.018)	(0.020)	(0.019)	(0.020)	(0.018)
% Competitors Already Donating × *Above Median Ownership*	–0.045*	0.044**	–0.014	–0.052**	–0.052**	0.018
	(0.024)	(0.022)	(0.023)	(0.023)	(0.023)	(0.022)
% Competitors Already Donating × Meeting	–0.028	0.043	0.020	–0.055	0.000	0.009
	(0.036)	(0.042)	(0.047)	(0.045)	(0.054)	(0.042)
% Competitors Already Donating × *Above Median Ownership* × Meeting	0.097	–0.085	–0.045	0.095	0.014	–0.009
	(0.069)	(0.062)	(0.059)	(0.060)	(0.066)	(0.063)
Time fixed effects	✓	✓	✓	✓	✓	✓
Firm fixed effects	✓	✓	✓	✓	✓	✓
N	48,442	48,442	48,442	48,442	48,442	48,442
Adjusted R-squared	0.4497	0.4497	0.4489	0.4502	0.4501	0.4487

* – $p < 0.1$; ** – $p < 0.05$; *** – $p < 0.01$.

Note: OLS regressions of whether firm i has donated by time t (dependent variable) on covariates. Italicized variables are defined in the top panel. *Above Median Ownership* is 1 for firms that have more than the median amount of individual (Column 1), banks (Column 2), insurance companies (Column 3), mutual funds (Column 4), private equity (Column 5), or all financial institutions together (Column 6), respectively and 0 otherwise. The interaction *Above Median Ownership* × *Meeting* is accounted for by firm fixed effects. All columns include day and firm fixed effects. Standard errors are clustered by firm and presented in parenthesis.

Table F4: Effect of competitors on covid donations by shareholder type, standard errors clustered by industry

	Whether Firm i has Donated by Time t (0/1)					
	(1)	(2)	(3)	(4)	(5)	(6)
Above Median Ownership refers to :	Indiv.	Banks	Insur.	Mutual	P. E.s	Fin.
% Competitors Already Donating	0.064	0.026	0.057	0.076	0.076*	0.040
	(0.036)	(0.039)	(0.050)	(0.045)	(0.038)	(0.039)
% Competitors Already Donating × *Above Median Ownership*	−0.045	0.044	−0.014	−0.052**	−0.052*	0.018
	(0.025)	(0.029)	(0.030)	(0.021)	(0.025)	(0.030)
% Competitors Already Donating × Meeting	−0.028	0.043	0.020	−0.055	0.000	0.009
	(0.034)	(0.045)	(0.051)	(0.067)	(0.048)	(0.072)
% Competitors Already Donating × *Above Median Ownership* × Meeting	0.097	−0.085*	−0.045	0.095	0.014	−0.009
	(0.056)	(0.041)	(0.041)	(0.070)	(0.056)	(0.105)
Time fixed effects	✓	✓	✓	✓	✓	✓
Firm fixed effects	✓	✓	✓	✓	✓	✓
N	48,442	48,442	48,442	48,442	48,442	48,442
Adjusted R-squared	0.4497	0.4497	0.4489	0.4502	0.4501	0.4487

* – $p < 0.1$; ** – $p < 0.05$; *** – $p < 0.01$.

Note: OLS regressions of whether firm i has donated by time t (dependent variable) on covariates. All columns include day and firm fixed effects. Above Median Ownership is 1 for firms that have more than the median amount of individual (col 1), banks (2), insurance companies (3), mutual funds (4), private equity (5), or all financial institutions together (6), respectively and 0 otherwise. The interaction Above Median Ownership × Meeting is accounted for by firm fixed effects. Standard errors are clustered by industry and presented in parenthesis.

G CEO Characteristics

This section studies heterogeneous effects of how CEO characteristics mediate the way shareholder influence affects the frequency of observing covid-related donations. As described in the main text, we focus on two CEO characteristics available in the Orbis data: CEO age and CEO total compensation. The median (mean) CEO age across S&P500 corporation is 65 (65.32), and the third quartile of its distribution is 71 years old. The same metrics for total compensation are USD 6.7m (USD 8.6 m) and USD 15m. Notably, the two variables are not correlated (the correlation coefficient is 0.09).

Our specification updates the linear probability model in equation 1 as follows,

$$
\begin{aligned}
y_{ft} = {} & \beta_0 + \beta_1 \text{Covid Rate}_{ft} \\
& + \beta_2 \text{Covid Rate}_{ft} \times \text{Ownership}_f + \beta_3 \text{Covid Rate}_{ft} \times \text{AGM Meeting}_f \\
& + \beta_{treat} \text{Covid Rate}_{ft} \times \text{Ownership}_f \times \text{AGM Meeting}_f \\
& + \beta_4 \text{CEO}_f \times \text{Covid Rate}_{ft} + \beta_5 \text{CEO}_f \times \text{Covid Rate}_{ft} \times \text{Ownership}_f \\
& + \beta_6 \text{CEO}_f \times \text{Covid Rate}_{ft} \times \text{AGM Meeting}_f \\
& + \beta_{int2} \text{CEO}_f \times \text{Covid Rate}_{ft} \times \text{Ownership}_f \times \text{AGM Meeting}_f \\
& + \alpha_i + \tau_t + \varepsilon_{ft}.
\end{aligned}
\tag{F1}
$$

The equation includes the same terms as equation 1 while adding lines four to six, which account for the indirect effect of firm f's CEO characteristics (either age or compensation measured as of December 2019) through its interaction with the other time-varying variables.[10] The coefficients of interest are β_6 and β_{int2} that respectively describe the differential effect across firms with and without an AGM on the probability of donating due to the interaction of a specific CEO characteristic with the exogenous covid rate, and due to a CEO characteristics interacted with covid rates and the share of equity help by a specific shareholder type, Ownership_f. As in the main text, we account for firm and day fixed effects and cluster the standard errors by firms. We let Ownership_f vary across individual, bank, and financial shareholders. All continuous variables are standardized.

First, we focus on CEO age, and we let CEO_f be a dummy variable that is one if firm f's CEO is older than the median age, 65. We present estimates of $\hat{\beta}_6$ and $\hat{\beta}_{int2}$ in Appendix Table F1: the first coefficient is close to zero across all columns, while

[10] Variables that do not vary over time are captured in the fixed effect.

the second coefficient is positive and significant for individual shareholders. We then extend our analyses to blockholders by modifying the Ownership_f to indicate the share of equity held by a certain shareholder type with at least 10% of equity or with less than 2%. Appendix Table F2 measures covid rates using cumulative cases at the headquarter while F3 uses cumulative deaths. Across columns, we confirm that older CEOs who are associated with firms with greater individual blockholders are more likely to donate for covid relief. At the same time, we now find that $\hat{\beta}_{int2}$ is negative and significant for financial investors (though much smaller in magnitude compared to that for individual shareholders). Unreported results suggest that bank blockholders are driving this negative result. Also, $\hat{\beta}_6$ differs markedly across individual and financial blockholders, especially with respect to cumulative covid deaths, indicating that certain CEO characteristics may be associated with a greater inclination of a CEO to react to an imminent AGM meeting by donating to charity.

We then move to CEO compensation – the variable is standardized. Appendix Table F4 indicates no differential effect of CEO compensation on donation through different ownership categories, on average. Moving to blockholders instead, Appendix Tables F5 and F6 find, once again, that different categories of blockholders affect the probabilities of donating differently. As covid rates increase, better-paid CEOs are significantly more (less) likely to donate when the firm's shareholders include large individual (financial) blockholders.

Table F1: Heterogenous effect by CEO age

	Whether Firm i has Donated by Time t (0/1)					
	(1)	(2)	(3)	(4)	(5)	(6)
Cum. Covid Rate is defined as:	Cases			Deaths		
Ownership % is defined as	Indiv.	Fin.	Banks	Indiv.	Fin.	Banks
Cum. Covid Rate × Meeting × Age	0.017	–0.098	–0.169	–0.026	–0.254	–0.382
	(0.172)	(0.183)	(0.186)	(0.346)	(0.376)	(0.365)
Cum. Covid Rate × *Ownership %* × Meeting × Age	0.888***	0.044	0.048	1.686***	–0.008	0.079
	(0.107)	(0.179)	(0.191)	(0.155)	(0.362)	(0.291)
Time fixed effects	✓	✓	✓	✓	✓	✓
Firm fixed effects	✓	✓	✓	✓	✓	✓
N	24,225	24,225	24,225	24,225	24,225	24,225
Adjusted R-squared	0.4918	0.4904	0.4876	0.4895	0.4881	0.4866

Note: OLS regressions of whether firm i has donated by time t (dependent variable) on covariates. All columns include day and firm fixed effects. The variable Cases and Deaths are standardized. The first three columns refer to covid cases and the second three columns refer to covid deaths. Across columns, we vary the reference shareholder type defined by the variable *% Ownership* in the top panel by individuals and family shareholders, general financial investors and banks. *Age* is a dummy indicating whether the firm's Chairman is older than the median among the CEO of S&P500 firms. We only report selected coefficients for space constraints. Standard errors are clustered by firm and presented in parenthesis.

Table F2: Heterogenous effect of covid cases by CEO age and blockholders

	(1)	(2)	(3)	(4)	(5)	(6)
	Whether Firm i has Donated by Time t (0/1)					
Blockholders is defined as:	Indiv.		Fin.		Banks	
% Blockholders is the shares of *Blockholders* owning:	>10%	(0%, 2%)	>10%	(0%, 2%)	>10%	(0%, 2%)
Cum. Covid Cases × Meeting × Age	0.080	–0.237	–0.230	–0.120	–0.221	–0.221
	(0.170)	(0.187)	(0.155)	(0.196)	(0.167)	(0.178)
Cum. Covid Cases × *% Blockholders* × Meeting × Age	1.196***	0.117	0.100	–0.106	0.096	–0.269
	(0.092)	(0.757)	(0.069)	(0.169)	(0.084)	(0.196)
Time fixed effects	✓	✓	✓	✓	✓	✓
Firm fixed effects	✓	✓	✓	✓	✓	✓
N	24,225	24,225	24,225	24,225	24,225	24,225
Adjusted R-squared	0.4917	0.4890	0.4917	0.4888	0.4924	0.4926

Note: OLS regressions of whether firm i has donated by time t (dependent variable) on covariates. All columns include day and firm fixed effects. The variable Cases is standardized. Across columns, we vary the reference shareholder type defined by the variable *% Ownership* in the top panel by individuals and family shareholders, general financial investors and banks. The variable *% Blockholders* is the share of investors among all investors owning at least a share of total equity as defined in the top panel. The investor type is also defined in the top panel. The variables *% Blockholders* is standardized. *Age* is a dummy indicating whether the firm's Chairman is older than the median among the CEO of S&P500 firms. We only report selected coefficients for space constraints. Standard errors are clustered by firm and presented in parenthesis.

Table F3: Heterogenous effect of covid deaths by CEO age and blockholders

	Whether Firm i has Donated by Time t (0/1)					
	(1)	(2)	(3)	(4)	(5)	(6)
Blockholders is defined as:	Indiv.		Fin.		Banks	
% Blockholders is the shares of *Blockholders* owning:	>10%	(0%, 2%)	>10%	(0%, 2%)	>10%	(0%, 2%)
Cum. Covid Deaths × Meeting × Age	0.073	−0.340	−0.533	−0.380	−0.469	−0.572*
	(0.341)	(0.388)	(0.324)	(0.364)	(0.348)	(0.322)
Cum. Covid Deaths × *% Inst. Blockholders* × Meeting × Age	2.165***	0.910	0.187	−0.404	0.269*	−0.640*
	(0.160)	(1.331)	(0.140)	(0.318)	(0.162)	(0.381)
Time fixed effects	✓	✓	✓	✓	✓	✓
Firm fixed effects	✓	✓	✓	✓	✓	✓
N	24,225	24,225	24,225	24,225	24,225	24,225
Adjusted R-squared	0.4897	0.4872	0.4899	0.4880	0.4910	0.4912

Note: OLS regressions of whether firm i has donated by time t (dependent variable) on covariates. Italicized variables are defined in the top panel. The variables *Cum. Covid Rate* is standardized for both cases and and deaths. Across columns, we vary the reference shareholder type defined by the variable *% Ownership* in the top panel by individuals and family shareholders, general financial investors and banks. The variable *% Blockholders* is the share of investors among all investors owning at least a share of total equity as defined in the top panel. The variables *% Blockholders* is standardized. *Age* is a dummy indicating whether the firm's Chairman is older than the median among the CEO of S&P500 firms. We only report selected coefficients for space constraints. All columns include day and firm fixed effects. Standard errors are clustered by firm and presented in parenthesis.

Table F4: Heterogenous effect by CEO compensation

	Whether Firm i has Donated by Time t (0/1)					
	(1)	(2)	(3)	(4)	(5)	(6)
Cum. Covid Rate is defined as:		Cases			Deaths	
Ownership % is defined as	Indiv.	Fin.	Banks	Indiv.	Fin.	Banks
Cum. Covid Rate × Meeting × Compensation	−0.438	0.092	0.171**	−0.816	0.282*	0.385***
	(0.632)	(0.081)	(0.066)	(1.473)	(0.165)	(0.123)
Cum. Covid Rate × % *Ownership* × Meeting × Compensation	−2.572	−0.181	0.077	−4.986	−0.232	0.176
	(2.931)	(0.122)	(0.065)	(6.841)	(0.293)	(0.128)
Time fixed effects	✓	✓	✓	✓	✓	✓
Firm fixed effects	✓	✓	✓	✓	✓	✓
N	24,310	24,310	24,310	24,310	24,310	24,310
Adjusted R-squared	0.5108	0.5102	0.5088	0.5075	0.5074	0.5072

Note: OLS regressions of whether firm i has donated by time t (dependent variable) on covariates. All columns include day and firm fixed effects. The first three columns refer to covid cases and the second three columns refer to covid deaths. The variable Cases and Deaths are standardized. Across columns, we vary the reference shareholder type defined by the variable % *Ownership* in the top panel by individuals and family shareholders, general financial investors and banks. The variables % *Ownership* and Cum. Covid rates are standardized. *Compensation* is Orbis's record of the total compensation of a firm's CEO, and is standardized. We only report selected coefficients for space constraints. Standard errors are clustered by firm and presented in parenthesis.

Table F5: Heterogenous effect of covid cases by CEO compensation and blockholders

	(1)	(2)	(3)	(4)	(5)	(6)
	Whether Firm i has Donated by Time t (0/1)					
Blockholders is defined as:	Indiv.		Fin.		Banks	
% Blockholders is the shares of *Blockholders* owning:	>10%	(0%, 2%)	>10%	(0%, 2%)	>10%	(0%, 2%)
Cum. Covid Cases × Meeting × Compensation	2.303***	−0.117	−0.195**	0.099	−0.001	0.084
	(0.156)	(0.072)	(0.079)	(0.142)	(0.062)	(0.073)
Cum. Covid Cases × *% Blockholders* × Meeting × Compensation	10.355***	−0.766***	−0.575***	−0.003	−0.336***	0.133
	(0.749)	(0.130)	(0.055)	(0.178)	(0.050)	(0.092)
Time fixed effects	✓	✓	✓	✓	✓	✓
Firm fixed effects	✓	✓	✓	✓	✓	✓
N	24,310	24,310	24,310	24,310	24,310	24,310
Adjusted R-squared	0.5113	0.5134	0.5168	0.5113	0.5135	0.5121

Note: OLS regressions of whether firm i has donated by time t (dependent variable) on covariates. Italicized variables are defined in the top panel. The variables *Cum. Covid Rate* is standardized for both cases and and deaths. Across columns, we vary the reference shareholder type defined by the variable *% Ownership* in the top panel by individuals and family shareholders, general financial investors and banks. The variable *% Blockholders* is the share of investors among all investors owning at least a share of total equity as defined in the top panel. The investor type is also defined in the top panel. The variables *% Blockholders* is standardized. *Compensation* is Orbis's record of the total compensation of a firm's CEO, and is standardized. We only report selected coefficients for space constraints. All columns include day and firm fixed effects. Standard errors are clustered by firm and presented in parenthesis.

Table F6: Heterogenous effect of covid deaths by CEO compensation and blockholders

	Whether Firm i has Donated by Time t (0/1)					
	(1)	(2)	(3)	(4)	(5)	(6)
Blockholders is defined as:	Indiv.		Fin.		Banks	
% Blockholders is the shares of *Blockholders* owning:	>10%	(0%, 2%)	>10%	(0%, 2%)	>10%	(0%, 2%)
Cum. Covid Deaths × Meeting × Compensation	4.204***	−0.235	−0.004	0.162	0.169	0.183
	(0.247)	(0.145)	(0.132)	(0.306)	(0.120)	(0.146)
Cum. Covid Deaths × *% Blockholders* × Meeting × Compensation	18.691***	−1.578***	−0.626***	0.198	−0.272***	0.352**
	(1.156)	(0.273)	(0.061)	(0.375)	(0.102)	(0.159)
Time fixed effects	✓	✓	✓	✓	✓	✓
Firm fixed effects	✓	✓	✓	✓	✓	✓
N	24,310	24,310	24,310	24,310	24,310	24,310
Adjusted R-squared	0.5081	0.5098	0.5109	0.5084	0.5087	0.5094

Note: OLS regressions of whether firm i has donated by time t (dependent variable) on covariates. Italicized variables are defined in the top panel. The variables *Cum. Covid Rate* is standardized for both cases and and deaths. Across columns, we vary the reference shareholder type defined by the variable *% Ownership* in the top panel by individuals and family shareholders, general financial investors and banks. The variable *% Blockholders* is the share of investors among all investors owning at least a share of total equity as defined in the top panel. The investor type is also defined in the top panel. The variables *% Blockholders* is standardized. *Compensation* is Orbis's record of the total compensation of a firm's CEO, and is standardized. We only report selected coefficients for space constraints. All columns include day and firm fixed effects. Standard errors are clustered by firm and presented in parenthesis.