

The Role of Non-Governmental Organisations in Corporate Governance¹

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September, 2025

Abstract

I examine the governance outcomes induced by NGO campaigns targeting firms. Using a unique dataset on NGO activism that raises Environmental, Social, and Governance (ESG) issues, I establish an association between NGO campaigns and several governance outcomes, including forced CEO turnover, executive pay, and the implementation of ESG-linked compensation. I also find that NGO campaigns garner support from shareholders through a higher number of submitted shareholder resolutions and a percentage of dissent votes cast against management-sponsored proposals. I further establish causality by implementing the staggered adoption of Anti-SLAPP laws in the U.S. and the strike of natural disasters as two exogenous sources of variation in NGO activism targeting firms. The findings have important policy and practical implications. First, they unveil the critical yet largely ignored role that NGOs can play in corporate governance. Hence, further policy initiatives empowering NGOs and non-profits could result in stronger monitoring of firm behaviour. Second, the results underscore the costly nature of NGO campaigns for corporate leadership. They result in adverse personal outcomes for executives and trigger shareholder dissatisfaction, making it vital for managers to develop a better understanding of the consequences of and adequate responses to NGO activism.

JEL Classification: L31, L38, G32, G34, G38,

Keywords: NGO, Forced CEO Turnover, Executive Pay, Shareholder Proposal, Proxy Voting, ESG

¹ I am thankful to SIGWATCH and Robert Blood, founder and chairman, for making available the invaluable data on NGO campaigns, without which this enquiry would not have been possible.

1. Introduction

In recent decades, confrontations between Non-Governmental Organisations (NGOs) and businesses have escalated considerably. The prevalence of confrontations stems from the shift in NGOs' strategy, as well as their increasing integration into the global political and business systems and growth in number and influence (Doh & Guay, 2006; Doh & Zachar, 2012; Peta, 2019; Teegen et al., 2004; Yaziji & Doh, 2009). Notably, after legal changes in the 2000s that diluted NGOs' influence in the sphere of public politics (Lyon, 2012), NGOs steered their efforts and resources to private politics, where they engage directly with corporations to influence their decision-making and policies (Baron, 2001, 2003, 2016; Daubanes & Rochet, 2019; Egorov & Harstad, 2017; Fioretti et al., 2024). For instance, in 2016, local tribes and environmental activists started protesting Energy Transfer's \$3.8 billion Dakota Access Pipeline project over the fear that the pipeline endangered their drinking water resources (Chu & Smyth, 2025b). Moreover, in August 2024, hundreds of activists gathered in front of Citigroup's New York headquarters to protest the bank for funding fossil fuel projects (Gopal, 2024; Hashemi, 2025). Similarly, People for the Ethical Treatment of Animals (PETA) organised protests against Pfizer, calling for the company to ban the "forced swim test" on mice (Peta, 2019). NGOs also initiate thousands of campaigns each year, spotlighting controversial practices by corporations.

Despite abundant anecdotal evidence of NGOs targeting firms over key issues such as pollution, climate change and corporate CO₂ emissions, greenwashing, animal rights, labour and human rights, and consumer rights, there is a paucity of empirical research on the outcomes of NGO activism in corporate finance and governance. Thus far, activism targeting firms initiated and led by non-shareholder stakeholder groups has been largely ignored, and only recently have a few studies in the field examined the financial and reputational ramifications of NGO campaigns.² Brendel et al. (2024) demonstrate a decline in stock returns and a significant reduction in carbon emissions among the firms targeted by the NGOs due to E&S-washing allegations. Additionally, focusing on the timing and juxtaposition of AGM with non-AGM campaigns, Fioretti et al. (2024) document that NGOs are more likely to target firms on the AGM dates and that the targeted firms receive a higher number of shareholder resolutions in the following AGM. Nonetheless, we still do not know whether NGO campaigns engender broader governance outcomes such as CEO turnover, executive compensation, shareholder engagement, and voting patterns in targeted firms. For instance, do NGO campaigns translate into a higher likelihood of CEO dismissal or adjustments to their compensation when an NGO targets the firms they lead? Do shareholders respond to NGO campaigns by filing resolutions and casting dissent votes?

To the best of my knowledge, this is the first study to provide empirical evidence on how pressure from advocacy groups influences governance mechanisms. There are several interrelated rationales from the perspectives of directors and shareholders to expect NGO activism to induce such governance outcomes. Firstly, NGO campaigns engender real or

² Certain NGOs, e.g., As You Sow and PETA, acquire a stake in firms and submit many proposals requiring them to address various environmental and social concerns, such as providing a climate transition plan, reporting on food waste, or Indigenous peoples' rights. However, such activism is not the focus of the study.

potential adverse reputational and financial consequences and mirror the concerns and values of broader stakeholder groups, such as consumers and creditors, about firms' externalities and misconduct (e.g., emissions and labour rights). Hence, by dismissing the CEOs at the company's helm or penalising them with reduced compensation, the board of directors could seek to protect shareholder value and firm image and appeal to broader stakeholders to communicate recognition and alignment with their values (*i.e., the disciplining and alignment rationale*). Second, ignoring the concerns raised by NGOs could increase the likelihood of more severe and disruptive actions, such as boycotts and protests in the future. As a result, it could be expected that firms may seek to alleviate these threats by signalling a commitment to self-regulation and care concerning E&S issues (*i.e., the signalling and commitment rationale*). Third, from the shareholders' point of view, NGO activism can prompt shareholder discontent with managerial performance and decision-making. It can also precipitate or exacerbate conflicts between shareholders and corporate leadership. They can also shift shareholder attention towards ESG issues that were previously unknown or overlooked. In such a scenario, whereas some shareholders may choose to "exit", others could "voice" their dissatisfaction and engage with firms to change corporate policies. Such engagement could be observed in a higher number of shareholder proposals and dissent shareholder votes for the targeted firms (*i.e., the attention and action rationale*).

To test these rationales, I examine over 30,000 campaigns targeting U.S. firms between 2011 and 2023, using a unique dataset on NGO activism provided by *SIGWATCH*. *SIGWATCH* is a UK-based data provider that monitors and reports campaigning by NGOs, activists and advocacy groups. They track the social media and open-source web platforms of over 12,500 NGOs worldwide, recording new actions, public awareness initiatives, new publications or reports, lawsuits filed, and direct actions and street protests undertaken by the NGOs since 2011 (Sigwatch, 2025).

Consistent with the *disciplining and alignment rationale*, I find that NGO campaigns have statistically and economically significant adverse effects on CEO tenure and executive pay. The results indicate an 11% higher likelihood of dismissal for CEOs of firms targeted by NGOs compared to those of non-targeted firms. NGO activism is also associated with a 3% reduction in total executive compensation. The findings indicate that directors tend to penalise the CEOs for the NGO campaigns targeting firms. Furthermore, as posited by *the signalling and commitment rationale*, targeted firms tend to award their executives 12 to 14 percentage points lower equity-based pay. They are also significantly more likely to adopt ESG-based pay metrics. These findings suggest that in response to NGO campaigns, firms tend to signal a departure from a shareholder-centric approach towards a greater commitment to the inclusion of broader stakeholders in decision-making. Furthermore, corroborating *the attention and action rationale*, I demonstrate that NGO activism gains a voice among shareholders, as evidenced by the higher number of shareholder resolutions and the increased percentage of votes cast against management recommendations in management-sponsored proposals. Specifically, I document that firms subject to NGO campaigns receive 15% more ESG proposals compared to their non-targeted peers and 0.3 to 0.08 percentage points less support in director elections and pay-related votes.

I further address endogeneity concerns by employing two distinct identification strategies to establish the causal nature of the observed relationships. Historically, firms have often resorted to Strategic Lawsuits Against Public Participation (SLAPP) laws to deter NGO activism. However, the enactment of anti-SLAPP laws in some state legislatures insulates stakeholders and activists, including NGOs, from threats of meritless SLAPP suits, enabling them to disseminate adverse information about firms publicly (Griffin et al., 2023; Lee et al., 2025). Therefore, the staggered passage or amendment of anti-SLAPP laws across U.S. states provides a clean context in which to capture exogenous variation in NGO activism. In this setting, I find evidence that NGO activism leads to a higher likelihood of forced CEO turnover and a reduction in executive compensation. However, while there is marginal support for the causality of the association between NGO activism and shareholder activism employing anti-SLAPP as a shock, the findings from further tests provide complementary evidence.

As a second shock to the environmental risk perception of the stakeholders that could trigger more intense NGO activism, particularly over environmental issues, I use a record of natural disasters (i.e., droughts, floods, heatwaves, hurricanes (including tropical storms), and wildfires) (as in e.g., Bourveau & Law, 2021; Dessaint & Matray, 2017; Huang et al., 2022). Using data on strikes of natural disasters from the Spatial Hazard Events and Losses Database for the United States (SHELDUS v23), I again find that NGO activism prompts reduced equity-based compensation and shareholder activism, as evidenced by a higher number of resolutions and increased dissent votes. The findings from natural disasters corroborate and complement earlier results from anti-SLAPP and *ceteris paribus* analyses.

Overall, the findings offer novel insights into the governance consequences of social activism, particularly campaigns by NGOs, and provide a more nuanced understanding of the factors at play in observed governance outcomes. By identifying a causal relationship between NGO campaigns, forced turnover, executive compensation, and shareholder activism, I demonstrate that coordinated and targeted activism by external stakeholders comes at a direct cost to corporate leadership and triggers shareholder activism. CEOs of firms that are targeted by NGOs over ESG concerns face a significantly higher likelihood of dismissal and reduced financial awards. Moreover, shareholders react to NGO campaigns by filing a higher number of proposals and withdrawing support from director elections and pay-related managerial proposals. These results underscore the relevance and importance of external stakeholders, pressure groups, and activists, particularly NGOs, in corporate governance. Although previously overlooked, NGOs can play a crucial role in promoting greater accountability among firms regarding their environmental and social impacts.

I contribute to multiple research strands and ongoing debates in the literature. Firstly, I contribute to the rich literature on corporate finance and governance by presenting a novel antecedent of forced CEO turnover. Previous research shows that an array of factors, such as performance, board characteristics, and compensation, are associated with CEO dismissals (Hermalin, 2005; Hirshleifer & Thakor, 1998; Huson et al., 2001; Jenter & Kanaan, 2015; Jenter & Lewellen, 2020; Kaplan & Minton, 2012; Peters & Wagner, 2014; Weisbach, 1988). A recent strand also looks at the ESG antecedents of CEO turnover (Burke, 2022; Colak et al., 2024). I document that pressure group campaigns targeting firms increase the likelihood of observing a dismissal in targeted firms.

The paper also informs the debate on executive compensation. Recently, given that executive pay for incorporating ESG metrics into executive pay has become a common practice, an emerging literature studies the compensation tied to corporate E&S performance and its consequences. However, the empirical evidence is inconclusive (Cohen et al., 2023b; Flammer et al., 2019; Gantchev et al., 2024; Homroy et al., 2023). This paper looks at the association between E&S performance and executive pay from a different angle. The results indicate that E&S NGO campaigns that reflect stakeholder concern have a direct adverse impact on executive pay. That is, being targeted by the NGOs over ESG issues tends to diminish executive pay, suggesting that executives incur a significant direct cost through decreased pay when faced with NGO activism. Additionally, through adjustments to compensation contracts, such as reducing equity-based compensation and introducing ESG metrics into executive pay, firms tend to respond to stakeholder concerns and signal their commitment to broader stakeholder groups.

I also contribute to the literature on shareholder activism related to ESG issues through resolutions and voting, as well as how such activism influences corporate outcomes. Earlier studies in this stream argue that investors and shareholders actively monitor the ESG performance of their investee companies and engage with them to shape their governance, change their practices, and mitigate negative externalities that expose them to various risks (e.g., Azar et al., 2021; Chen et al., 2020; Cohen et al., 2023a; Dimson et al., 2015; Flammer et al., 2021; He et al., 2023; Ilhan et al., 2023; Krüger, 2015). Moreover, similar to shareholder proposals, voting is shown to be a critical governance mechanism and a channel for shareholders to voice their views and steer the direction of their companies worldwide (Ertimur et al., 2013; Hirschman, 1970; Iliev et al., 2015; Krueger et al., 2020a; McCahery et al., 2016). Whereas thus far the focal point of these studies has been the activism by shareholders, I provide empirical evidence that shareholder activism partially stems from the concerns put forward by other, previously disregarded, stakeholder groups (i.e., the NGOs). In particular, I show that NGO campaigns reflecting stakeholder concerns trigger shareholder activism by submitting a higher number of resolutions and a higher percentage of votes against management recommendations. This finding is particularly relevant as it suggests that shareholder votes could mirror the concerns and dissatisfaction of a broader community of stakeholders.

2. Institutional Background and Hypothesis Development

2.1. NGOs and Their Campaigns

The increasing confrontation between firms and non-profit activists, such as NGOs, is an important recent phenomenon. Whereas in the 1970s, NGOs campaigned against governments to push for social regulations, in later years, they began to engage in “private politics” (Baron, 2001, 2016) to exert direct pressure on firms to self-regulate or adopt practices aligned with corporate environmental and social responsibilities. One reason for such a shift in NGO strategy is the substantial gap between NGOs' ability and available resources to lobby with regulators compared to businesses. For instance, Daubanes and Rochet (2019) calculate the lobbying expenditure of the US-based NGOs as \$2.3 billion for 2002-2014, whereas for US-based companies, this value was a staggering \$36 billion. As Michael Brune, former executive director of the Rainforest Action Network (RAN) and currently the executive director of the Sierra Club,

once stated, “We felt we could create more democracy in the marketplace than in the government” (Baron & Diermeier, 2007). Additionally, technological advances, particularly the internet and social media, have enabled NGOs to disseminate information effortlessly and lowered the costs of opposing firms (Baron, 2003; Yu, 2005). In the words of Carol Browner, former head of the Environmental Protection Agency (EPA), “Environmental groups have become truly sophisticated in using the Web to move information to millions of people literally overnight, and to attack companies on a global scale” (Baron, 2003).

In shifting to engagement with firms, NGOs have also played a vital role in exposing well-publicised corporate scandals, forcing firms to adopt different policies. A quintessential example is the international campaigns by NGOs against Nike’s and other footwear and apparel companies’ sweatshops in Southeast Asia in the 1990s. Once NGOs drew substantial media attention to the incidents of abusive practices, low wages, long hours, and forced overtime, Nike and other companies adopted several work-practice standards, such as a 60-hour workweek, increased minimum employment age, expanded monitoring and educational programs, and U.S. clean air regulations (Baron, 2003; Harrison & Scorse, 2010). Another example is the Detox Campaign by Greenpeace. Starting in 2011, Greenpeace targeted numerous companies that collectively represented over 15% of global clothing production for dumping hazardous chemicals into nearby water sources near their production facilities. In response to the reputational threats posed by the campaign, more than 80 brands pledged to phase out hazardous chemicals from their production by 2020 (Greenpeace, 2018).³

NGOs employ various campaigning methods, including protests, boycotts, picketing, and sit-in demonstrations, as well as other methods such as litigation, research reports, policy briefings, filing shareholder proposals, and online campaigns. These campaigns cover a broad range of issues, including the environment, climate change, corporate CO2 emissions, greenwashing, animal rights, labour and human rights, and consumer rights (Luders, 2006; Yaziji & Doh, 2009). While NGO campaigns are often antagonistic with adverse financial consequences and threats to the targeted firms' reputation and legitimacy, they are important vehicles by which the interests and concerns of various stakeholder groups are communicated to firms (Hoepner & Li, 2021). As such, they are considered to be of significant informational value for managers, shareholders, and investors regarding how stakeholders perceive the firm.

Considering the ramifications of NGO activism for firms, managers continually seek to understand, anticipate, and respond adequately to the NGO opposition (Daubanes & Rochet, 2019). Responses to NGO campaigns can vary significantly, ranging from press releases to reductions in carbon emissions (Brendel et al., 2024). However, one particular response could be changes to the firm's governance structure and mechanisms. Similarly, shareholders could implement various choices, ranging from divestment to filing resolutions (Fioretti et al., 2024).

2.2. Conceptual Framework

2.2.1. Disciplining and Alignment (rationale 1)

³ <https://www.greenpeace.org/international/publication/17612/destination-zero/>

From a traditional agency theory perspective, directors' fiduciary duty is to protect shareholder value and ensure that managerial objectives are aligned with the interests of shareholders. In this regard, retaining or firing CEOs and setting managerial incentives are critical responsibilities entrusted to the board of directors, and these are two of the various disciplinary mechanisms that can reduce agency conflicts and align principal-agent interests. Empirically, earlier studies provide evidence that CEOs are dismissed for firm underperformance or even performance factors beyond their control (e.g., Eisfeldt & Kuhnen, 2013; Huson et al., 2001; Jenter & Kanaan, 2015; Jenter & Lewellen, 2020; Peters & Wagner, 2014). Particularly motivated by anecdotal evidence, such as the Volkswagen or BP scandals, several studies have also shown that negative media coverage of ESG-related incidents increases the likelihood of CEO turnover (Burke, 2022; Colak et al., 2024). While there may be a non-pecuniary component in these turnovers, such as reputational considerations for board members (Bereskin et al., 2020; Colak et al., 2024), a significant component of shareholder value remains present. Put differently, ESG issues have an adverse economic impact on shareholder value, for example, through analyst downgrades (Derrien et al., 2022), firm valuation (Berg et al., 2024), and sales and revenue (Meier et al., 2023). Thus, even if solely for pecuniary reasons, directors are compelled and pressured to take corrective actions by attributing the adverse consequences of the NGO campaigns to the CEOs and penalising them through dismissals.

Similarly, with the incorporation of ESG metrics into managerial incentive contracts gaining prevalence, traditional principal-agent arguments have expanded to consider whether such practices mitigate or exacerbate agency conflicts. A particularly related debate is that ESG metrics serve as leading indicators of future performance and risk exposure, for example, regulatory risks associated with climate change (Cohen et al., 2023b; Krueger et al., 2020a). As a result, considering ESG factors in executive pay-setting processes is considered similar to the inclusion of non-financial factors, such as customer satisfaction or product quality, and has significant contractual value (Dikolli, 2001; Dutta & Reichelstein, 2003; Sliwka, 2002).⁴ Relatedly, a fledgling literature provides empirical but inconclusive evidence on the compensation tied to corporate ESG performance and its consequences. For instance, Cohen et al. (2023b) and Flammer et al. (2019) document that adopting ESG pay is significantly associated with improved key ESG outcomes, increased firm value, long-term orientation, corporate innovation, and reduced emissions. Yet, Homroy et al. (2023) show that it improves the likelihood of the executive meeting ESG targets but negatively correlates with the probability of meeting financial targets. Overall, prior research suggests that from the shareholder value standpoint alone, NGO activism on ESG issues could urge directors to take remedial actions by adjusting managerial compensation or tying it to ESG criteria.

2.2.2. Signalling and Commitment (rationale 2)

Contrary to the glorification of the shareholder value maximisation (SVM) idea by Friedman (1970), Hart and Zingales (2022) have recently argued for a governance model that maximises

⁴ However, Bebchuk and Tallarita (2022) argue that ESG-based compensation is likely to serve the interests of executives rather than stakeholders, enabling additional rent extraction by the executives. Thus, it is driven by and exacerbates agency problems (Gosling et al., 2021). Nevertheless, it is essential to reckon that both positive and negative views of the ESG-based compensation anchor on an agency model and argue for or against such practices from a shareholder value point of view.

stakeholder welfare. The imposition of a penalty on executives through dismissal or compensation packages in response to NGO activism could also be viewed as a step toward stakeholder governance and a commitment to incorporating stakeholder interests into corporate decision-making.

A unique characteristic of NGO campaigns, particularly over E&S issues, is that they reflect coordinated and targeted efforts by various stakeholder groups to voice their concerns about corporate activities and externalities that are not fully internalised due to putting more emphasis on the firm's financial performance by corporate leadership. A prominent example is the environmental pollution engendered by firms' operations or waste. Additionally, by ignoring the concerns raised by pressure groups, firms risk provoking stronger activism, such as boycotts and protests that could disrupt operations and trigger litigation. (Hoepner & Li, 2021; Luders, 2006; Yaziji & Doh, 2009). Research spanning politics, economics, and management provides empirical evidence that NGO campaigns not only induce negative financial outcomes for the targeted firms, but also impose long-term damage to corporate reputation (e.g., Eesley et al., 2016; King & Soule, 2007).

Therefore, taking deliberate action would be warranted. By penalising the CEOs, the most visible figures leading the firm, the firm can signal to its stakeholders (e.g., employees, creditors, regulators, suppliers, and customers) that it recognises their concerns and values, and is committed to guarding their interests. Firms could also mitigate the threat of future and potentially more severe activism by demonstrating their awareness of their stakeholder environment and their willingness to take corrective actions. In doing so, firms also anticipate accruing future rewards from stakeholders through bond purchases or increased customer and employee loyalty (e.g., Krueger et al., 2020b; Servaes & Tamayo, 2013).

Confirming these observations, extant literature suggests that firms often self-regulate to avoid future activism and reduce their vulnerability to social pressure and reputational costs associated with it (Baron, 2016; York et al., 2018). They additionally respond to activism by strategically increasing their prosocial claims (Hiatt et al., 2015; McDonnell & King, 2013) and reducing their carbon footprint (Brendel et al., 2024). Hence, to the extent that NGO campaigns batter firms' value and tarnish their reputation and legitimacy by publicising corporate ES & G misconduct(s) (Brendel et al., 2024; Fioretti et al., 2024), directors will be pressured to take corrective actions to discipline, align principal-agent interests, and protect corporate owners' wealth. They would also be incentivised to communicate their commitment to internalising the costs generated by firm activities and taking remedial measures. Such measures could take the form of outright dismissal or be invoked by penalising through managerial incentives, even when the CEO cannot possibly oversee all the actions that led to the misconduct. An alternative to financial penalties could be incorporating ESG metrics into executive pay.

2.2.3. Attention and Action (rationale 3)

Earlier studies on social activism maintain that NGOs (particularly watchdog NGOs) play an important informational role by mitigating informational asymmetry and market failure (Baron, 2001, 2003) and constituting a news source for the media (Fenton, 2009). NGOs also collaborate with and call upon investors to vote in support of proposals concerning various socio-environmental issues and pressure companies to adopt policy changes (Hoepner & Li,

2021). One example is CERES (a network of NGOs, labour unions, public interest, and religious groups), which has mobilised institutional investors to pressure firms to improve their ESG practices (Lee & Lounsbury, 2011). Given the initiatives by such pressure groups, economic actors, i.e., shareholders, investors, and managers, continually monitor the stakeholder environment (Wijk et al., 2013) and interpret campaigns as informational cues about latent market forces and conditions (Ingram et al., 2010; King & Soule, 2007), such as potential constraints on the future cash flows (Eesley et al., 2016; King & Soule, 2007).

Taking stock of prior research, it would be reasonable to argue that NGO campaigns targeting a firm will shift shareholder attention to the E&S or G issues previously unknown to or ignored by them. They can also trigger shareholder discontent with managerial decision-making and precipitate or widen the principal-agent rifts. In such scenarios, shareholders would be inclined to engage with their investee firms through various means. Two of the most well-documented instruments at their disposal are submitting shareholder resolutions and voting in AGMs. Therefore, shareholders could be expected to voice their concerns about the discovery or increased perception of ESG issues by submitting a higher number of proposals to the targeted firms. They can further express their discontent by withdrawing support for management-backed proposals or casting dissenting votes, particularly on agendas that are material to management, such as director elections or pay-related votes.

Findings from a rich body of literature on shareholder activism suggest that this may indeed be the case. Recent studies argue that there's an ever-increasing emphasis by practitioners, regulators, and investors on ESG issues (Dimson et al., 2015; Flammer et al., 2021; Ilhan et al., 2023; Krueger et al., 2020a; Stroebe & Wurgler, 2021). For example, shareholders actively engage with firms by submitting resolutions concerning E&S or G issues despite their low probability of receiving a passing vote and non-binding nature (Cuñat et al., 2012; He et al., 2023; Levit & Malenko, 2011; O'Rourke, 2003; Reid & Toffel, 2009). Additionally, several studies highlight that shareholder votes have significant implications and influence corporate governance (Ertimur et al., 2013). For example, they express dissatisfaction by withdrawing their support in director elections and pay-related items, such as say-on-pay. These channels (i.e., resolutions and votes) are often utilised to convey shareholder concerns and discontent regarding a wide array of issues, rather than merely implementing proposals or voting directors onto or off the boards (Aggarwal et al., 2024; Ertimur et al., 2018). For instance, in a recent related paper, Aggarwal et al. (2024) provide evidence that negative public sentiment leads to a higher number of shareholder proposals and dissent votes in director elections. Also, Aggarwal et al. (2023) found that weaker ESG performance, measured by the composite MSCI score, is associated with lower support for management-sponsored proposals. Furthermore, it is documented that firms explicitly address the concerns of shareholders that lead to dissent votes (Ertimur et al., 2018), and the directors who face dissent votes are more likely to leave or move to less prominent positions (Aggarwal et al., 2019).

3. Data and Descriptive Statistics

3.1. NGO Data

I obtain data on NGO campaigns from SIGWATCH, a European consultancy and data analytics firm specialised in tracking and analysing NGO activism campaigns worldwide. SIGWATCH

data encompasses over 12,000 activist groups, with more than 90,000 campaigns targeting 29,000 firms since 2011. SIGWATCH also provides additional information for each campaign, including a summary of the campaign, sentiment, prominence, NGO power, the targeted firm's country, the NGOs' country, and two generic topic tags (e.g., pollution, labour rights, etc.) indicating the most relevant issues highlighted in each campaign.⁵

I focus on NGO campaigns targeting public U.S. firms between 2011 and 2023. The sample constitutes 28,602 campaigns targeting 5,171 firms. I further categorise NGO campaigns into four broader Environmental (E), Social (S), Governance (G), and Cross-Cutting (C) issues based on the generic topic tags of the reports.⁶ Figures (1) and (2) plot the number of campaigns over time and the percentage of NGO campaigns addressing each issue. As shown in Figure 1, the number of NGO campaigns targeting firms has increased consistently since 2011. The increase is particularly related to activism surrounding environmental issues. This is particularly the case after 2016, which may reflect the increased salience of such issues after the Paris Agreement. In Figure 2, we observe that environmental campaigns account for over 54% of the total activism undertaken by NGOs during the entire sample period. Social issues account for roughly 20% of NGO activism. Interestingly, the lowest percentage is associated with governance issues, with 9.8% of the activities and being relatively flat over time. This could reflect the fact that governance issues are less relevant to and observable by external stakeholders such as NGOs.

[Insert Figures 1 and 2 about here]

Table 1, Panel A, ranks firms based on the total number of campaigns targeting them. It is worth noting that 20 firms are responsible for almost half of the campaigns. Among these firms, NGO activism targeting the first five (i.e., Exxon Mobil Corp. (4.3%), The Coca-Cola Co. (3.7%), Walmart Inc. (3.4%), Chevron Corp. (3.1%), Amazon Inc. (3.0%)) constitutes approximately 18% of the entire sample, with 4,976 campaigns. Additionally, as illustrated in Panel B, the Retail, Petroleum and Natural Gas, and Restaurants, Hotels, and Motels industries are the primary target industries for over 30% of the NGO campaigns.

[Insert Table 1 about here]

3.2. Forced Turnover, Executive Compensation, and Shareholder Activism

Forced turnover data is obtained from Peters and Wagner (2014). The publicly available dataset on CEO turnovers covers 1993 to 2020. I obtain the list and classification of the turnovers for the sample period (i.e., 2011-2020) and complement the data for the remaining three years using an age-based classification. For this purpose, I use different age thresholds of 60, 58, and 56 years as the algorithm to identify forced turnovers.

The executive compensation data, comprising two measures of total compensation and equity-based compensation, is collected from Execucomp and aggregated at the firm level. For the

⁵ Koenig (2017) provides an explanatory note and contextual information on the NGO campaigns dataset.

⁶ For this categorisation, I use fuzzy matching and match the generic topic tags with 28 issue tags from RepRisk. Then, I subsume issue tags into four broad categories of E, S, G, and Cross-cutting, following RepRisk classification. In my analysis, I mainly focus on E & S, and consider G as a measure of establishing robustness.

ESG-based compensation measure, I utilise the “Sustainability Compensation Incentive” indicator from LSEG Workspace, which indicates whether a senior executive's compensation is linked to CSR, H&S, and sustainability targets.

The data on shareholder proposals and voting records are from ISS ESG Voting Analytics. The dataset covers Russell 3000 index firms. The data obtained from ISS provides an initial categorisation of the resolutions into SRI (socially responsible investing) and G (governance). However, I further separate the SRI proposals into E and S manually based on the resolution description. Finally, for each subcategory (E, S, and G), I calculate the number of shareholder proposals per firm in a given year.

The voting records include meeting date, the description of the agenda voted on, the identity of the sponsor (management or shareholders), and the voting recommendations of the firm’s management. For each proposal, the data also provides the number of shares outstanding, the number of votes cast “for” or “against” the proposal, and the number of “abstain” votes. I focus on the director election and pay-related proposals sponsored by management. Specifically, I focus on the percentage of votes cast against management’s recommendation (i.e., dissent vote) for each proposal.

3.3. Firm-Level Controls

I collect data on and control for firm-specific characteristics, using several other databases: CRSP, Boardex, Thomson Reuters Institutional Holding (13F), and Execucomp.⁷ To obtain the final sample for analysis, I merge the turnover, compensation, and shareholder datasets with firm-level characteristics from the above sources. Further, I compile the datasets with the NGO campaigns based on firms’ International Securities Identification Numbers (ISINs). The procedure yields an unbalanced panel of 25,305 firm-year observations, comprising 2,557 unique firms and spanning 13 years (2011-2023), which are used for testing the impact of NGO campaigns on forced CEO turnover and executive pay outcomes. Additionally, the sample used to test the relationship between NGO campaigns and shareholder resolutions comprises 956 firms and 4,548 firm-year observations. Finally, the voting data includes 4,585 and 302,856 firm-ballot-year observations.

In Table 2, I provide summary statistics at the firm-year level for the sample. Focusing on NGO activism, the binary variable of a firm is targeted by NGOs, equal to 1 for slightly more than 20% of observations (mean of 0.207). Looking at the number of NGO campaigns, the average is 1.3. However, the 75th percentile is 0, which shows that NGOs do not target the majority of firms in my sample. On average, campaigns have a negative sentiment. Still, the average could be misleading, as the sentiment takes a value of zero when a firm is not targeted in a given year, thereby driving the average sentiment to a much smaller value than it is. As shown in the table, there are 827 or 3.3% of firm-years with at least one forced CEO turnover (mean of 0.033), which is similar to prior studies examining CEO turnovers (e.g., Jenter & Kanaan, 2015).

[Insert Table 2 about here]

⁷ Table A1 of the Appendix lists all variables, definitions, and data sources employed throughout the study.

4. NGO Campaigns and Governance Outcomes

To gauge the empirical validity of the rationales regarding the potential consequences of NGO activism on corporate governance mechanisms, I examine forced CEO turnover, total executive compensation, equity-based compensation, adoption of ESG-linked compensation, the number of shareholder proposals, and the percentage of shareholder support for management-sponsored proposals.

4.1. Research Design

The first set of analyses sheds light on the association between NGO activism, forced CEO turnover, and executive compensation. I estimate the following model at the firm-year level:

$$GOV_Outcomes_{i,t} = \beta_0 + \beta_1 \cdot Activism_{i,t} + \beta_2 \cdot Controls_{i,t} + \mu_i + \theta_t + \varepsilon_{i,t} \quad (1)$$

Where i indexes the firm, and t indexes the year. *GOV_Outcomes* represent dependent variables, i.e., forced CEO turnover and executive pay variables. *Forced Turnover* is a binary variable that takes a value of 1 for the firm-years in which the CEO is dismissed. The primary independent variable, *Activism* is initially a binary variable that equals 1 if NGOs target a firm in a given year and zero otherwise (*Activism Dummy*). I also re-run the regression using the natural logarithm of 1 plus the number of campaigns (*Log. Activism*). Additionally, I use the number of campaigns as the independent variable in robustness checks.

Following prior literature, equation (1) includes a vector of controls for firm-specific characteristics. First, I include a set of variables pertaining to fundamentals and key financial characteristics. *Firm Size* is the natural logarithm of total assets. To control for firm growth opportunities, *Tobin's Q* is calculated as the ratio of the market value of assets to the book value of assets. *Firm Leverage* is computed as total debt scaled by total assets. *Industry-adjusted ROA* is the firm's ROA minus the median industry ROA in a given year, using the Fama-French 48 industry classification (Fama & French, 1997). *Cash* is the firm's cash holdings scaled by total assets. *CAPEX* is the capital expenditure to total assets; *Excess Return* is defined as the firm's annual stock return minus the value-weighted stock market return. Finally, *Inst. Ownership* refers to the fraction of a firm's equity held by institutional shareholders.

Additionally, based on previous studies on CEO turnover and compensation (e.g., Jenter & Kanaan, 2015; Peters & Wagner, 2014) I include a group of variables to control for CEO power and entrenchment that could affect these governance outcomes. I construct a dummy variable denoting whether the CEO received *Equity-Based Pay*. Additionally, *Outsider* is defined as equal to 1 if the individual joined the firm no earlier than one year before being appointed CEO, intended to capture whether the CEO was hired from within or outside the firm. This follows the classification proposed by Weisbach (1988) and utilised in Peters and Wagner (2014). Finally, a set of board characteristics is included in the regressions: *Board Size*, measured as the natural logarithm of the number of board members; *Board Independence*, measured as the percentage of independent directors to the total number of directors; and *CEO-Chair*, a dummy that identifies if the CEO serves as the chairperson of the board.

Primarily, I estimate the coefficients using a fixed-effects panel regression model. To mitigate concerns that the results may be driven by a range of unobserved time-invariant firm-level

factors, I include firm fixed effects. As the relationship between NGO activism and governance outcomes is likely to be shaped by heterogeneous business cycles, equation (1) includes year fixed effects. The variables μ_i and θ_t refer to the firm and year fixed effects, respectively. In the Appendix, Table A3, I re-estimate the CEO turnover results using a Logit model. I also use an alternative fixed effects structure. All control variables are winsorised at the 1st and 99th percentiles to diminish the effect of outliers. The standard errors are corrected for clustering of observations at the firm level.

4.2. Forced CEO Turnover Results

The *disciplining and alignment* (rationale 1), as well as *signalling and commitment* (rationale 2) discussed in the previous section, predict that coordinated and targeted activism by pressure groups, such as NGOs, is likely to incentivise protecting shareholder value from their adverse consequences. Additionally, given the embeddedness of stakeholder value and concerns in NGO campaigns, directors would also be compelled to exhibit commitment and attention to those values. One such action could be penalising the CEOs of the targeted firms through dismissals.

The evidence presented in Table 3 supports rationales 1 and 2, indicating that CEO dismissal is a mechanism employed by directors to address ESG concerns raised by NGOs. After restricting analysis to within-group variations in activism, all variables associated with NGO activism are positive and statistically significant. *Activism Dummy* is significant at a 1% level with a magnitude of 0.109. This is also economically significant as it suggests that the forced CEO turnover rate is 10.9 percentage points higher in targeted firms compared to the non-targeted firms. Similarly, the coefficient of the *Log. Activism* is significantly positive (0.114, $P < 0.01$). The magnitude of the coefficient on *Log. Activism* implies that a 1% increase in the number of NGO campaigns is associated with an 11 percentage point higher likelihood of CEO dismissal.

Further, in columns (3) and (4), I disentangle NGO activism into E, S, and G categories. All categories have positive and significant coefficients. In particular, it is shown that campaigns over social issues have the largest impact on forced CEO turnover (0.121-0.190), followed by governance (0.034-0.038) and environmental issues (0.014). These results indicate that being targeted by NGOs over social issues (a 1% increase in the number of campaigns) increases the likelihood of forced CEO turnover by 19% (12%). In contrast, governance issues are associated with a 4% (3%) and environmental campaigns with a 1.5% higher dismissal rate.

The results of the robustness checks presented in Table A3 of the Appendix, which employ a logit model to account for the binary outcome variable of forced CEO turnover, are consistent with those in Table 3. All variables are statistically significant regardless of the fixed effect structure. Importantly, the coefficients in columns (1) to (4) are also economically significant. In particular, the average marginal effect of *Log. Activism* in column 2 is 2%. The marginal impact of the log of the ESG categories related to campaigns ranges between 0.5% for environmental activism to 2% for the social campaigns.

[Insert Table 3 about here]

Overall, these results suggest that NGO campaigns have a significant impact on CEO tenure. Due to the negative reputational and economic impact of NGO activism against firms, directors

are given the impetus to remove the most visible individual in the firm, both to protect shareholder value and signal conformity to stakeholder values.

Turning to the effect of the employed control variables on forced CEO turnover, the results are consistent with the findings of previous studies in the literature. Unlike Peters and Wagner (2014), the coefficient of *Firm Size* in Table 4 is positive but insignificant. The variation primarily stems from the difference in the fixed-effects structure employed. In their study, they only control for year-fixed effects, whereas I use firm and year fixed effects. Still, this is similar to Jenter and Lewellen (2020), where size loads a positive but insignificant effect. This suggests that firm size does not significantly influence the probability of CEO dismissal. As expected, *Tobin's Q* and *Ind-Adj ROA* have negative and statistically significant coefficients, indicating that CEOs of growing profitable firms are less likely to be sacked. Additionally, the *CEO-Chair (dummy)* variable is negatively associated with forced CEO turnover, indicating a decreased likelihood of dismissal for more powerful CEOs.

4.3. Executive Compensation Results

A second governance outcome posited by rationales 1 and 2 is executive compensation. Executive compensation contracts provide directors with a lever to penalise the CEOs and signal a shift in corporate strategies towards stakeholder values. By adjusting managerial incentives financially and reducing equity-based compensation, while incorporating ESG metrics into executive pay contracts, directors can impose a penalty on CEOs and communicate the importance of stakeholder concerns.

Table 4 below presents the regression results of NGO activism on compensation outcomes by substituting forced turnover with pay-related variables of the study in equation (1), including *Ln(total compensation)*, defined as the natural logarithm of total executive compensation; *Equity-Based Compensation*, is total equity-based pay awarded in a firm-year; *ESG-linked Comp.(dummy)*, an indicator variable that equals one if executive compensation is linked to ESG metrics; and *ESG-linked Comp.(score)*, a continuous variable representing Refinitive ESG-based compensation score.

Columns (1) and (2) show that while both measures of NGO campaigns are negatively associated with *Ln(Total Compensation)*, only *Log. Activism* is statistically significant (at the 1% level). Given that both the dependent and independent variables are log-transformed, the magnitude of the coefficient (-0.031) implies a 3.1% decrease in total executive pay in response to a 1% increase in the number of campaigns targeting the firm. This further corroborates earlier observations in support of the disciplining and alignment rationale from forced turnover.

Moreover, as presented in columns (3) and (4), NGO activism is also negatively correlated with *Equity-Based Compensation*. The effect is both statistically and economically significant. Depending on the measure used, NGO activism is associated with a 12-14% decline in equity-based compensation. In line with this, in columns (5)-(8), NGO activism is shown to be positively and significantly associated with the adoption of ESG-based compensation (as a dummy variable) and the adoption score (as a continuous variable). Given the relatively persistent nature of ESG-based compensation variables, columns (5) to (8) employ industry by year fixed effects rather than firm fixed effects.

[Insert Table 4 about here]

These results suggest that, in response to pressure from NGOs, directors are shifting from a shareholder-centric approach to setting executive pay, incorporating ESG metrics. In other words, while executive compensation is less tied to the value of the equity, it is increasingly linked to the ESG criteria and the firm's performance. Adopting and incorporating ESG measures into managerial incentives signals a further commitment to addressing the ESG issues raised by NGOs and conformity to stakeholder values.

The sign and magnitude of other control variables align with prior literature on executive compensation. Larger firms pay their executives significantly higher total and equity-based compensation (Conyon, 2014). In fact, *Firm Size* substantially explains variations in executive pay. It also has a positive and statistically significant association with the adoption of ESG-based compensation (Cohen et al., 2023b), implying that larger firms are more likely to adopt ESG pay criteria. This could reflect the fact that such firms are more visible, hence they are more inclined and pressured to signal their commitment to stakeholders. Similarly, while *Tobin's Q* and *Ind-Adj ROA* have positive and significant coefficients for total and equity-based compensation (Chhaochharia & Grinstein, 2009), they do not have a significant association with the adoption of ESG pay metrics. Other control variables, such as board independence and CEO-Chair(dummy), positively correlate with total and equity-based pay (Bebchuk et al., 2011; Conyon, 2014). Interestingly, the results also indicate that firms with a higher percentage of independent board members are also more likely to adopt ESG-based compensation metrics

4.4. Number of Shareholder Proposals Results

Whereas the disciplining and commitment rationales hypothesise regarding the measures taken by directors to mitigate agency conflicts, protect shareholder value, and signal the firm's commitment to broad stakeholder concerns, the third rationale conjectures that NGO campaigns will prompt *attention and action* by shareholders. Rationale 3 argues that NGO campaigns provide informational cues regarding ESG issues that are either unknown to or overlooked by shareholders; therefore, shareholders are likely to take action upon increased salience and discovery of those issues by filing shareholder resolutions or withdrawing support from management-sponsored proposals.

To test this rationale, I estimate the following equation:

$$Number_Proposal_{i,t} = \beta_0 + \beta_1 \cdot Activism_{i,t} + \beta_2 \cdot Controls_{i,t} + \mu_i + \theta_t + \varepsilon_{i,t} \quad (2)$$

Where *Number_Proposal* is initially defined as the total number of E, S, and G proposals filed by shareholders of firm *i* in a given year *t*. Later, I examine each E, S, and G proposal category separately. Firm controls include *Firm Size*, *Tobin's Q*, *Firm Leverage*, *Industry-Adjusted ROA*, *Cash*, *CAPEX*, *Inst. Ownership*. I initially estimate the equation using a panel with an industry-by-year fixed effect model. For robustness checks, I use firm and year fixed effects.

Table 5 provides strong empirical support for the notion that NGO activism influences shareholders' tendency to engage with their investee firms. In column (1), there is a significantly positive association between the *Activism Dummy* and the total number of ESG proposals (coefficient 0.14, $P < 0.01$), suggesting that, on average, the firms targeted by NGOs are 14%

more likely to receive ESG proposals compared to non-targeted firms. Similarly, in column (5), the coefficient of the log transformation of the total number of NGO campaigns indicates a 31% increase in the number of ESG proposals for a 1% increase in the number of NGO campaigns ($P < 0.01$). Consistent with *attention and action* rationale, the findings reveal that shareholders are attentive to the concerns raised by stakeholders and respond by filing a higher number of SRI resolutions.

Further analysis shows a positive one-to-one correspondence between the issues embedded in NGO campaigns and E, S, and G categories of shareholder proposals. In columns (2), (3), and (4), the coefficients of the dummy variables representing environmental, social, and governance activism by NGOs are all positively significant, indicating a 28% increase in E proposals, a 47% higher likelihood of receiving S proposals, and a 25% increase in G proposals. Similarly, the coefficients in columns (6), (7), and (8) load significantly for the natural logarithm of the number of campaigns in each category. The results indicate a 34, 31, and 35 per cent increase in the number of shareholder proposals in E, S, and G categories, respectively, for a 1 per cent increase in the number of NGO campaigns highlighting environmental, social, and governance issues.

[Insert Table 5 about here]

The robustness checks, presented in Table A5 of the Appendix, demonstrate that the results remain largely robust to a firm and year fixed effects structure, albeit with a different magnitude. However, I do not find a significant association between activism over governance issues and G proposals. While the insignificance could stem from a stricter fixed effect structure and relatively time-invariant nature of NGO activism (particularly when coded as a binary variable) and shareholder resolution, it could also imply a selection on the part of shareholders. First of all, it could suggest that shareholders react to pressure from external stakeholders only when the concerns raised by them are also *externally* material. That is to say, when external stakeholders bring issues *internal* to the organisation (i.e., governance-related problems), shareholders do not respond. Alternatively, it could also be interpreted as indicating that shareholders are already aware of and attuned to the governance issues; therefore, NGO activism does not trigger shareholder activism in this direction. Finally, shareholders may also react differently to various issues, and governance issues are not necessarily deemed irrelevant. Instead, they exhibit their reaction through different means, other than filing governance proposals.

As shown in prior research (e.g., Aggarwal et al., 2024; Azar et al., 2021), larger firms and firms with higher Tobin's Q tend to be targeted more by shareholders. However, the percentage of institutional shareholder ownership is negatively associated with the number of ESG proposals. This could imply that institutional shareholders employ means other than proposals to engage with their investee firms.

4.5. Shareholder Support of Management Proposals

The final set of analysis focuses on the voting outcomes. Based on the *attention and action* rationale (rationale 3), shareholders may also respond to the increased prevalence of ESG issues by withdrawing support from management-sponsored proposals. To test this

proposition, I examine three voting outcomes: overall support, director elections, and pay-related items on firms' proxy statements, and expect weaker shareholder support induced by NGO activism.

Management-backed proposals are particularly relevant for examining shareholder responses to activism induced by external stakeholders. Although management proposals rarely fail, earlier studies document that dissenting vote percentages for these proposals result in changes to the board, management, compensation, and other firm policies (Cai et al., 2009; Fischer et al., 2009; Iliev et al., 2015). Therefore, regardless of the outcomes, they provide a channel for shareholders to “voice” their dissatisfaction and concern, and the level of support they garner from shareholders, particularly in those related to director elections and pay-related issues, leads to material outcomes for managers and corporate governance. For example, shareholder votes in director elections are found to be significantly related to firm performance, director performance, firm governance and voting mechanisms (Cai et al., 2009). In particular, adverse votes in director elections rarely result in director turnover; instead, firms often explicitly address shareholder concerns, leading to dissent votes (Ertimur et al., 2018). However, Aggarwal et al. (2019) show that negative shareholder votes have significant adverse consequences for individual directors. They find that directors who receive less support from shareholders are more likely to leave and less likely to be appointed to committees or other boards. Similarly, the importance of pay-related votes, such as say-on-pay, is discussed and documented in prior research. It is, for instance, shown that say-on-pay is value-enhancing (Cai & Walkling, 2011), and firms respond to adverse votes on say-on-pay by eliminating controversial pay practices and increasing pay-to-performance sensitivity (Ferri & Maber, 2012). Similarly, Correa and Lel (2016) observed a decline in CEO pay growth and improvement in pay-performance sensitivity following the adoption of say-on-pay laws.

To examine the voting outcomes in response to NGO activism, I estimate the following panel model with fixed effects:

$$VOT_Outcomes_{j,i,t} = \beta_0 + \beta_1 \cdot Activism_{i,t} + \beta_2 \cdot Controls_{i,t} + \mu_k \times \theta_t + \varepsilon_{j,i,t} \quad (3)$$

where j indexes the ballot; i is the firm, and t is the year. $VOT_Outcomes$ represents the percentage of “for votes” to the base votes of all items being voted on, director elections and pay-related items.⁸ *Activism* and *Controls* are as in equation (1). $\mu_k \times \theta_t$ capture industry-by-year fixed effects.

Tables 6 exhibit the regression results. The independent variable in columns (1) to (3) of Table 6 is a binary variable indicating whether NGOs target the firm in a given year. In columns (4) to (6), I use the log transformation of NGO activism. As shown in columns (1) to (3), the shareholders of the firms targeted by NGOs tend to deviate from management recommendations. On average, shareholders cast 0.4% ($P < 0.01$) more dissent votes in targeted firms compared to

⁸ For each item on the ballot, the base vote is calculated using one of the three methods following the ISS ESG Voting Analytics data guide. The data vendor provides the base vote for each item as F+A, F+A+AB, or Outstanding/Capital Represe. “F+A” is the aggregation of the total number of for and against votes, where abstain votes are excluded. “F+A+AB” is computed as the aggregation of the total number of for, against, and abstain votes. “Outstanding/Capital Represe” is the total number of shares issued or outstanding that are eligible to vote during the meeting.

non-targeted firms. Moreover, Shareholders provide 0.4% less support to the management-recommended directors of the targeted firms in elections and cast 0.8% more dissent votes in pay-related issues in a given year. Additionally, in columns (4) to (6) *Log. Activism* has a negative and statistically significant coefficient at 1% level for all voting outcomes. The results indicate that a 1% increase in the number of NGO campaigns is associated with a 0.3, 0.2, and 0.4 percentage point increase in votes cast against management recommendations in all votes, director elections, and pay-related votes, respectively.

These findings further corroborate the *attention and action* rationale. That is, NGO activism weighs significantly in shareholders' engagement with their investee firms. In response to campaigns launched by NGOs targeting firms, shareholders tend to file more resolutions and vote against management recommendations in director elections and pay-related items on the proxy statement. However, it is worth noting that the observed effects in Table 6 disappear when a different fixed effect structure is used. Table A6 of the Appendix reports the results of estimating equation (2) using firm and year fixed effects. The coefficients of both binary and log variables capturing NGO activism are insignificant and not different from zero. Although this may raise concerns regarding the robustness of the findings in Table 6, one important issue to highlight is that both the independent variable of interest on the right-hand side of equation (3) (i.e., *Activism*) and the variables capturing shareholder support (i.e., the dependent variable) are relatively invariant over time. In other words, as previously discussed in Section 3.1, a group of firms are regularly targeted by NGOs, whereas many firms are not targeted. Hence, it is likely that the introduction of firm fixed effects captures any existing variation in the data. Therefore, one can cautiously interpret the results in Table 6 as being strong enough to infer support for the third rationale.

[Insert Table 6 about here]

4.6. Testing for Causality

4.6.1. Free Speech Protection and Anti-SLAPP Laws

The relationship between NGO activism and governance outcomes, as well as the shareholder activism examined thus far, may not be causal. For example, shareholders are likely to take action and submit more proposals if their investee firms are criticised for social and environmental violations by stakeholders other than NGOs. Although I control for a host of firm characteristics and performance indicators to mitigate this concern and find support for the rationales delineated in Section 2, there may still be unobserved factors at play that drive the results. Therefore, to investigate whether NGO activism is causally related to governance outcomes and shareholder activism, I employ two exogenous shocks that are potentially relevant to the intensity of NGO activism.

Strategic Lawsuits Against Public Participation (SLAPPs) are civil lawsuits frequently filed against individuals, news agencies, journalists, and NGOs who oppose or expose corporate actions related to issues of public interest (e.g., environmental or consumer protection violations) (Shapiro, 2010; Tu & Stump, 2020). Large corporations have often exploited SLAPPs, albeit on frivolous and meritless grounds, to silence their opposition (Barker, 1992). Given that plaintiffs have historically been unable to win in more than 70% the cases (Pring, 1989; Shapiro, 2010), it is argued that the primary motive of a SLAPP suit is to generate a “chilling effect” and

intimidation, and to impose significant financial and non-financial burdens on critics, thereby deterring current or future public participation (Rowe, 2009; Shapiro, 2010; Tu & Stump, 2020). Indeed, whether successful or not in the courtroom, SLAPPs are considered a threat to fundamental democratic rights and have become a common tool to intimidate, silence, and tie up the resources of individuals and NGOs for an extended period (Hurley & Shogren, 1997; Pring & Canan, 1996), thereby deterring public debate of corporate conduct.

Beginning in the 1980s, several states started enacting anti-SLAPP laws that enable individuals and organisations to protect themselves from the risks and financial costs associated with SLAPP suits and defamation cases (Greenberg & Keating, 2022; Norman, 2010). They prevent the use of “courts, and threats of lawsuits to intimidate people who exercise their First Amendment rights” (RCFP, 2025). For instance, in 2017, Energy Transfer, a US-based energy company, sued Greenpeace in federal court over the protests targeting the Dakota Access pipeline. After years of legal battle, juries in North Dakota courts ruled that the defendant had to pay \$660 million in damages to the North Dakota oil pipeline (Chu & Smyth, 2025a, 2025b). Yet, under Arkansas' anti-SLAPP statute, the court in Arkansas dismissed Energy Transfer's claims against BankTrack, another environmental non-profit organisation that had participated in the protests (McCambridge, 2018).

Consistent with the assumption of the central importance of these laws to deter meritless SLAPPS, Lee et al. (2025) show that the adoption of anti-SLAPP laws is associated with a lower likelihood of stock price crash risk, accounting fraud, and increased dissemination of negative news by firms, because of increased freedom of stakeholders to criticise firms. Several other studies also provide evidence of the relevance of freedom of speech protection to corporate outcomes (e.g., Giles & Murphy, 2016; Griffin et al., 2023; Guernsey et al., 2025). Yet, anti-SLAPPs are more relevant from the stakeholders' point of view, especially NGOs. The safeguards and protections offered by anti-SLAPP statutes, such as early dismissal of meritless lawsuits, would encourage NGOs to report and expose corporate misconduct publicly. Therefore, the staggered passage of anti-SLAPP statutes provides a context for identifying an exogenous variation in exposure of firms to NGO campaigns.

Currently, 38 states and the District of Columbia have an anti-SLAPP law. Furthermore, in recent years, several states have undertaken amendments and extensions to strengthen their anti-SLAPP laws. Table A7 illustrates the enactment or amendment of anti-SLAPP laws by state and year. By using information on firms' headquarters, I determine whether a firm is affected by the passage of the anti-SLAPP law during my sample period, 2011-2023.

I employ a stacked (cohort-matched) difference-in-difference (DiD) approach (Cengiz et al., 2019; Gormley & Matsa, 2011) to examine governance outcomes and shareholder activism in response to NGO campaigns in firms affected and unaffected by anti-SLAPP laws. Following previous studies, I construct a cohort of affected and unaffected firms for each year of anti-SLAPP enactment or amendment. I limit the measurement window of each cohort to two years preceding and the two years following the enactment or amendment of an anti-SLAPP law. The regression specification for the stacked DiD design is as follows:

$$Firm_Outcomes_{i,t,c} = \beta_0 + \beta_1 \cdot Post_Activism_{i,t,c} + \beta_2 \cdot Controls_{i,t,c} + \mu_{i,c} + \theta_{t,c} + \varepsilon_{i,c,t} \quad (3)$$

where *Firm_Outcomes* is one of several dependent variables of interest for firm i in year t and cohort c . The coefficient of interest is β_1 that captures the effect of *Post_Activism* defined as $Post \times Activism$. *Post* is an indicator that equals 1 for firm i in cohort c and year t , in the state that enacts or amends an anti-SLAPP statute. *Activism* is a binary variable indicating whether NGOs target the firm. *Controls* is a vector of firm-level control variables as employed in equations (1) and (2). $\mu_{i,c}$ is the firm-cohort fixed effects to control for fixed differences between firms and $\theta_{t,c}$ is the year-cohort fixed-effects to control for time trends. Utilising firm-cohort and year-cohort fixed effects is more conservative than including simple firm and year fixed effects, and accounts for any heterogeneities between anti-SLAPP law cohorts (Gormley & Matsa, 2011). The standard errors are clustered at the firm level.

Table 7 presents the results. In the first and second columns, the coefficient on the *Post x Activism Dummy* is positive and significant, regardless of the event window, supporting a causal effect of NGO activism on CEO forced Turnover. Accordingly, NGO activism increases the likelihood of a forced turnover by 3.5 to 5.5 percentage points. Similarly, columns (2) and (3) provide support for the impact of NGO activism on executive pay. However, the effect is only significant in a two-year event window with a magnitude of 2.5%. This suggests that NGO campaigns targeting firms have an adverse consequence on individual CEOs, resulting in reduced pay. These results support the *disciplining and alignment* rationale, indicating that NGO activism is causally related to forced CEO turnover and reduced executive compensation.

Conversely, in columns (5) to (12), the coefficient of *Post x Activism Dummy* is only significant for shareholder support pay-related votes, with a magnitude ranging from 1.5% to 2.2% more votes against management recommendations in firms targeted by NGOs after the enactment of anti-SLAPP laws. The coefficients are marginally significant for equity-based compensation, ESG proposals and the percentage of shareholder support in director elections. Indicating that the impact of NGO activism on equity-based compensation, shareholder activism via submission of proposals, and voting against directors may not be causal.

While these results suggest causality for the *disciplining and alignment* impact of NGO campaigns targeting firms, they do not provide compelling evidence of a causal *commitment and signalling* effect that predicted a reduction in equity-based compensation. There is also limited evidence regarding the impact of attention and action. However, the results could be driven by firm-cohort fixed effects or the particular nature of the implemented shock. It should also be noted that while *Activism Dummy* captures any form of activism, specific outcomes may be triggered only by a certain type of activism. Hence, it may be reasonable to conclude after implementing a different exogenous shock and measure of activism.

[Insert Table 7 about here]

4.6.2. Environmental Risk Salience: Natural Disasters

As a second exogenous shock to NGO activism, particularly in the environmental dimension, I utilise the staggered strike of natural disasters in the United States. There are specific characteristics associated with natural disasters that make them a plausible exogenous source of variation in environmental activism by NGOs. For example, natural disasters, however temporary, increase the perceived risk of future environmental disasters, even though the

probability of such disasters remains constant (Alok et al., 2020; Bourveau & Law, 2021; Dessaint & Matray, 2017). Additionally, the occurrence of natural disasters is exogenous to the firm and managerial characteristics (Dessaint & Matray, 2017), as well as the probability of NGO activism. They inflict significant financial damage and claim human lives, making them salient events not just for firms, but also for the entire region and sometimes the country. Accordingly, it would be reasonable to expect natural disasters to redirect and amplify the public's and NGOs' attention to environmental issues and heighten scrutiny of firms' environmental externalities, albeit for a limited period.

Several empirical studies in economics and finance have documented the significant impact of natural disasters on the behaviour of managers, firms, analysts, and directors. For example, fund managers within and closer to regions affected by major disasters tend to underweight disaster zone stocks compared to fund managers located in distant regions (Alok et al., 2020). Similarly, analysts affected by hurricanes hitting their regions issue less optimistic forecasts for non-affected firms in other regions (Bourveau & Law, 2021). It is also documented that managers increase firm cash holdings and express more concerns about hurricane risks in corporate 10-Ks and 10-Qs filings in response to hurricanes (Dessaint & Matray, 2017). Additionally, firms tend to increase their ESG disclosure and transparency when the neighbouring countries where they are headquartered are hit by natural disasters (Huang et al., 2022). Also, firm directors who personally experience natural disasters are more likely to become affiliated with non-profit organisations, and their companies exhibit significantly lower levels of scope 1 and 2 emission intensities (Kim et al., 2025).

In line with prior studies, I utilise the Spatial Hazard Events and Losses Database for the United States (SHELDUS v23), maintained by the Center for Emergency Management and Homeland Security. SHELDUS covers information on the date of disaster occurrence, the affected location (county and state), and the direct losses caused by the event (property and crop losses, injuries, and fatalities). Specifically, following Huang et al. (2022), I examine five major natural disasters (i.e., droughts, floods, heatwaves, hurricanes (including tropical storms), and wildfires) that result in fatalities. Three hundred seventy-eight natural disasters have hit various states in my sample period of 2011-2023. I employ a stacked difference-in-difference model, specified in equation (3), and compare governance outcomes and shareholder activism in response to NGO campaigns in firms headquartered in disaster-hit states (the treatment group) with those located in other states (the control group). However, unlike equation 3, Activism is defined as a binary variable indicating whether the firm is targeted by NGOs over environmental concerns.

The results are reported in Table 8. On the one hand, the coefficient of the interaction term is positive and insignificant for forced turnover (columns (1) and (2)). However, it is worth noting that the treatment is defined as being the target of NGO campaigns over environmental issues. As previously shown in Table 3, NGO campaigns over environmental issues have the weakest impact on forced CEO turnover. On the other hand, as previously documented, the coefficient of *Post x Environmental Activism Dummy* is negative and statistically significant at the 1% level for total executive pay in column (4) and a two-year event window. The magnitude is 3.1%, which is stronger than post-anti-SLAPP NGO activism in Table 7 (2.5%). Therefore, these results provide a relatively strong basis for interpreting the association between NGO activism

and governance outcomes, capturing decipling and alignment initiatives by directors, as causal.

Turning to equity-based compensation in columns (5) and (6), the results indicate a reduced equity-based compensation for executives of the firms that are targeted for environmental issues after major natural disasters. The magnitude ranges between 9 and 13 percentage points depending on the event window considered. This result is particularly important, as it suggests that the negative effect of NGO activism on equity-based compensation posited by the *commitment and signalling* rationales is causal.

Additionally, the coefficient of interest loads significantly on the number of E proposals filed by shareholders, regardless of the event window. The results suggest that firms targeted by NGOs over environmental issues following a shock that increases environmental risk perception receive 4.5% and 5% more E proposals in the first and the second year after the shock, respectively. These results also support my previous argument that the outcomes in Tables 7 and 8 are sensitive to the type of shocks and the definition of the treatment. Moreover, although the results on the percentage of shareholder support in director elections remain insignificant, shareholder support in pay-related votes is significantly influenced by NGO activism in the years following natural disasters. These findings further corroborate earlier observations that NGO activism drives shareholder activism, which is the central argument posited by the *attention and action* rationale. They also imply that the relationship between NGO activism and shareholder activism is causal.

[Insert Table 8 about here]

5. Conclusion

Does NGO activism, which raises ESG concerns associated with firm practices, have governance outcomes? Do directors and shareholders alike take any actions in response to such activism? In this study, I shed light on the role and value of targeted activism by NGOs in corporate governance. Using novel data on NGO campaigns targeting firms, I find that NGO activism against firms is associated with a higher likelihood of CEO forced turnover, lower executive pay, and an increased probability of adopting ESG pay metrics. Additionally, NGO campaigns appear to trigger shareholder activism by filing a higher number of resolutions and withdrawing support from management-sponsored proposals in proxy voting. Employing the staggered adoption of anti-SLAPP laws and the strike of natural disasters as two exogenous sources of variation in NGO activism, I find causal evidence that the NGO activism leads to these corporate outcomes.

The study contributes to several strands of research in finance and governance. Firstly, the study reveals a novel determinant of CEO dismissal and executive compensation. Second, it highlights how targeting firms for ESG issues can facilitate the integration of broader stakeholder concerns into corporate governance through the adoption of ESG compensation metrics and a reduction in equity-based compensation. The findings also suggest a favourable outcome of NGO activism for shareholders by incentivising managers to address ESG issues. Finally, while earlier research has considered shareholders as the “primary stakeholders” and focused on

shareholder activism, the results suggest that such activism could be induced by “secondary or external stakeholders”.

However, while the study closes essential gaps in the literature, it only examines confrontations between NGOs and businesses. Prior studies and anecdotal evidence (e.g., Atkins et al., 2023; Hoepner & Li, 2021; Odziemkowska & Dorobantu, 2021) suggest that the business-NGO relationship could involve collaborations. Collaborative relationships involve different dynamics that can generate outcomes dissimilar to those of an adversarial one, which calls for future research to examine the real and financial consequences of collaborative engagements between firms and NGOs.

My findings have broader policy and practical implications. NGOs often possess the necessary resources and expertise to gather information about corporate practices and can induce changes in practices and the governance mechanisms of firms. Hence, empowering NGOs and other non-profit activists could provide a reliable solution to the costly and challenging task of monitoring and holding corporations accountable for their environmental and social externalities. In this regard, further regulatory initiatives, similar to anti-SLAPPs, could facilitate NGO activism and protect NGOs from silencing tactics employed by large corporations. Furthermore, NGO campaigns have consequential ramifications for corporate leadership and can spur shareholder action against them. These personal costs and threats to managers provide incentives to develop a better understanding of the concerns raised by NGOs and formulate strategies to preempt conflicts and confrontations.

A more indirect implication concerns the NGOs’ contribution to stakeholder capitalism and sustainable development. Given the depth and breadth of their impact, NGOs can play a pivotal role in the transition of the business landscape to stakeholder-oriented governance, known as stakeholder capitalism, by advocating for the rights of heterogeneous stakeholder groups. With their influence over corporate governance mechanisms, NGOs can put significant pressure on corporations to internalise environmental and social externalities and embed stakeholder interests in their decision-making processes. This also marks a potential venue for NGOs to contribute to the achievement of sustainable development goals (SDGs). SDGs require substantial input from the private sector and market participants. By pressuring firms, signalling and exposing their misconduct, and imposing both financial and non-financial costs, NGO activism can continually nudge firms to shift toward sustainable production and practices.

6. References

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Figure 1. NGO campaigns targeting firms over time

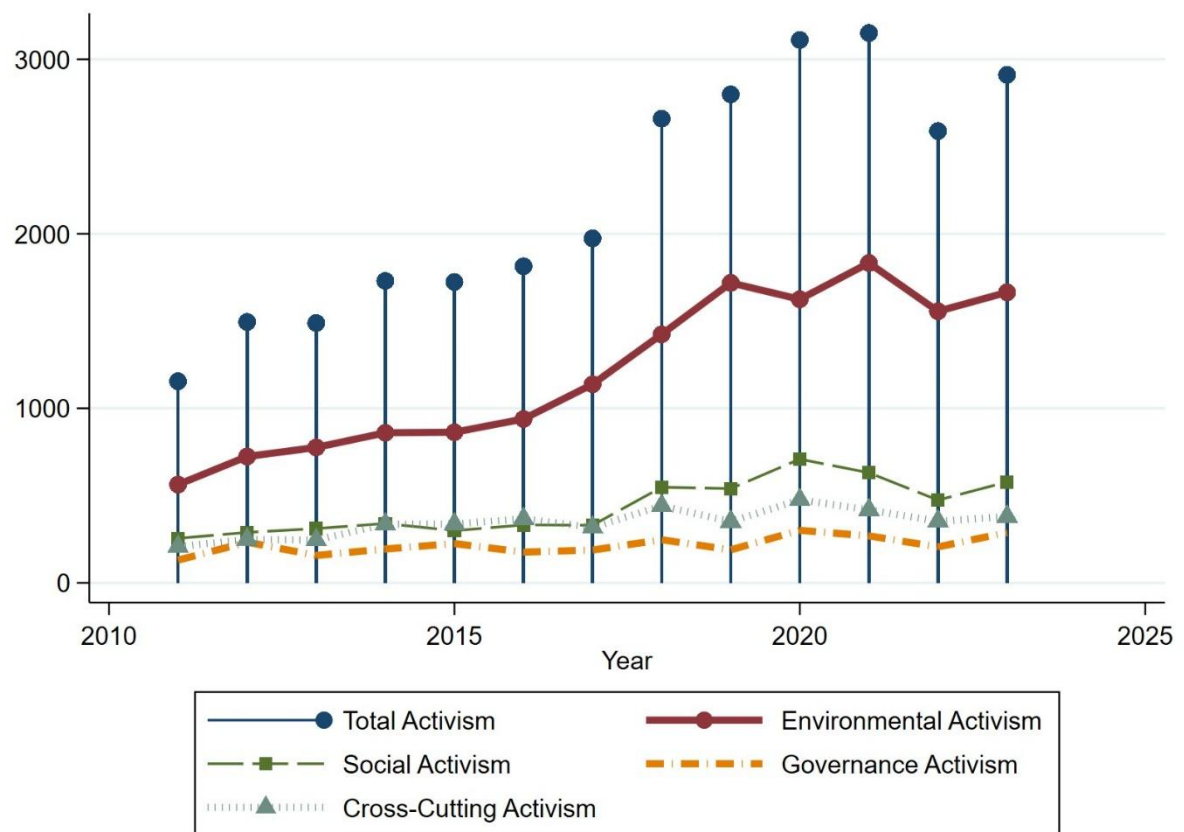


Figure 2. Percentage of Environmental, Social, Governance, and Cross-Cutting campaign categories comprising the total number of campaigns

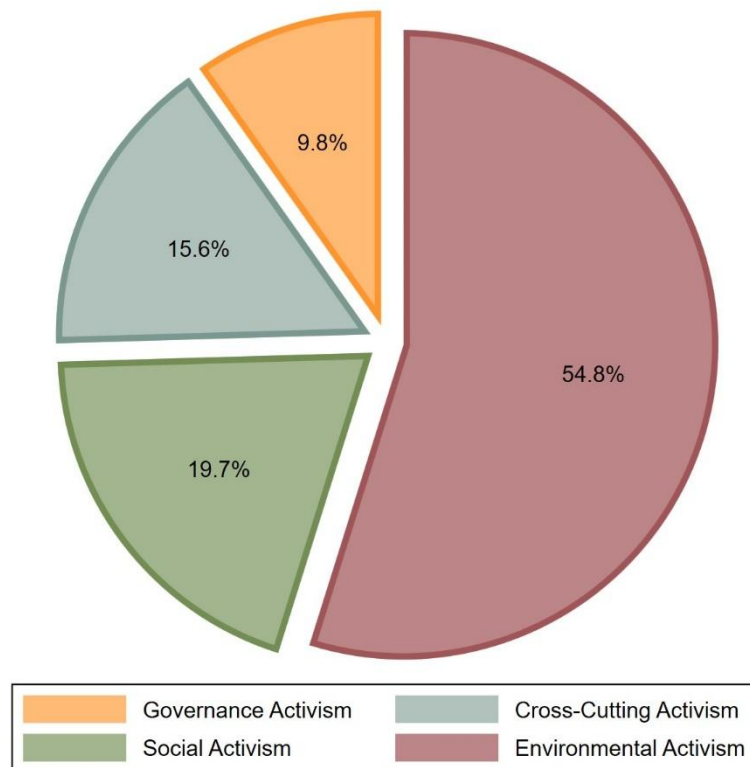


Table 1. Top 20 Target Firms and Industries by NGOs

Panel A: Top 20 Target Firms by Number and Percentage of Campaigns

Rank	Firm	#	%	Rank	Firm	#	%
1	Exxon Mobil Corp	1220	4.3%	11	JPMorgan Chase & Co	525	1.8%
2	Coca-Cola Co (The)	1051	3.7%	12	Apple Inc	509	1.8%
3	Walmart Inc	967	3.4%	13	YUM Brands Inc	484	1.7%
4	Chevron Corp	881	3.1%	14	Kinder Morgan Inc.	447	1.6%
5	Amazon.com Inc	857	3.0%	15	Citigroup Inc	400	1.4%
6	McDonald's Corp	764	2.7%	16	General Mills Inc.	384	1.3%
7	PepsiCo Inc	748	2.6%	17	Kellanova	380	1.3%
8	Meta Platforms Inc	684	2.4%	18	Bank of America Corp	370	1.3%
9	Alphabet Inc	658	2.3%	19	Conocophillips	324	1.1%
10	Procter & Gamble Co (The)	545	1.9%	20	Microsoft Corp	321	1.1%
Total:						43.8%	

Panel B: Top 20 Target Industries by Number and Percentage of Campaigns

Fama French 48 Ind.				Fama French 48 Ind.			
Rank	Classification	#	%	Rank	Classification	#	%
1	Retail	3980	13.9%	11	Consumer Goods	920	3.2%
2	Petroleum and Natural Gas	3172	11.1%	12	Beer & Liquor	848	3.0%
3	Restaraunts, Hotels, Motels	2315	8.1%	13	Trading	712	2.5%
4	Utilities	2187	7.6%	14	Electronic Equipment	708	2.5%
5	Business Services	2079	7.3%	15	Transportation	624	2.2%
6	Banking	1950	6.8%	16	Chemicals	538	1.9%
7	Food Products	1854	6.5%	17	Communication	536	1.9%
8	Pharmaceutical Products	1204	4.2%	18	Automobiles and Trucks	497	1.7%
9	Candy & Soda	1076	3.8%	19	Insurance	363	1.3%
10	Apparel	1000	3.5%	20	Computers	248	0.9%
Total:						93.7%	

Figure 3. NGO Activism by Industry

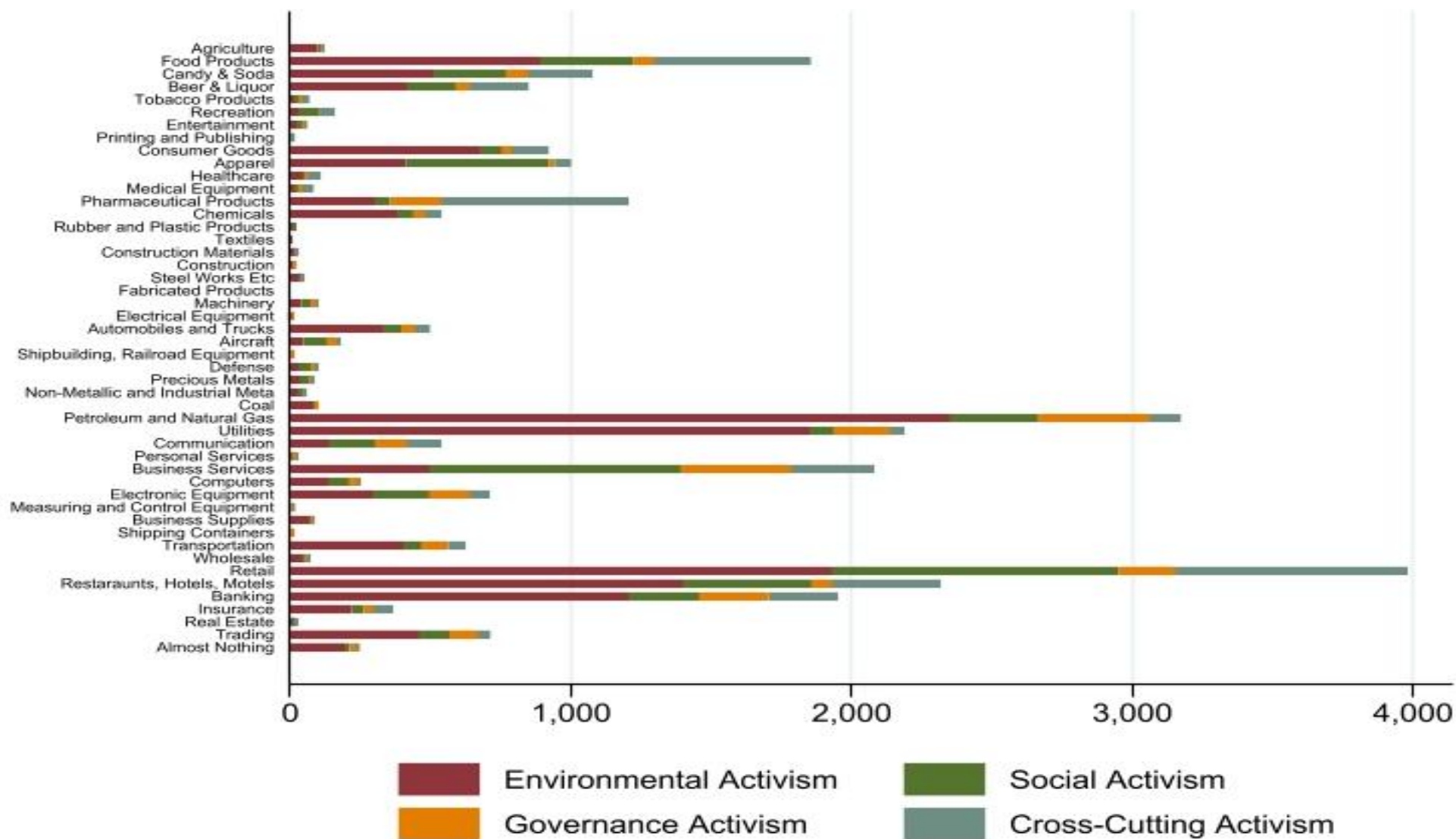


Table 2. Summary Statistics

Variables	Mean	SD	P25	Median	P75
<i>Forced Turnover(60)</i>	0.033	[0.178]	0	0	0
<i>Forced Turnover(58)</i>	0.025	[0.158]	0	0	0
<i>Forced Turnover(56)</i>	0.024	[0.153]	0	0	0
<i>Ln(total compensation)</i>	7.621	[0.839]	7.089	7.65	8.176
<i>Equity-Based Compensation</i>	5.853	[2.235]	5.269	6.456	7.277
<i>ESG-Linked Comp.(dummy)</i>	0.224	[0.417]	0	0	0
<i>ESG-Linked Comp.(score)</i>	25.108	[39.553]	0	0	80.44
<i>E&S Proposals</i>	1.029	[1.538]	0	1	1
<i>E Proposals</i>	0.334	[0.792]	0	0	0
<i>S Proposals</i>	0.649	[1.137]	0	0	1
<i>G Proposals</i>	1.086	[1.141]	0	1	1
<i>% Support Overall</i>	0.944	[0.093]	0.940	0.978	0.992
<i>% Support Director Election</i>	0.950	[0.080]	0.946	0.979	0.992
<i>% Support Say-on-Pay</i>	0.823	[0.206]	0.785	0.898	0.964
<i>Activism Dummy</i>	0.207	[0.405]	0	0	0
<i>Log. Activism</i>	0.018	[0.199]	0	0	0
<i>Number of Campaigns</i>	1.133	[6.403]	0	0	0
<i>Environmental Activism</i>	0.407	[2.126]	0	0	0
<i>Social Activism</i>	0.025	[0.487]	0	0	0
<i>Governance Activism</i>	0.116	[0.806]	0	0	0
<i>Cross-Cutting Activism</i>	0.177	[1.331]	0	0	0
<i>Activism Sentiment</i>	-0.120	[0.449]	0	0	0
<i>Activism Prominence</i>	2.230	[0.735]	1.889	2	2.667
<i>NGO Power</i>	0.213	[0.558]	0	0	0
<i>Firm Size</i>	8.177	[1.727]	6.989	8.099	9.302
<i>Tobin's Q</i>	2.055	[1.758]	1.133	1.512	2.275
<i>Firm Leverage</i>	0.283	[0.237]	0.095	0.257	0.413
<i>Industry-Adj ROA</i>	0.000	[0.111]	-0.03	0.000	0.037
<i>Cash</i>	0.140	[0.160]	0.029	0.082	0.188
<i>CAPEX</i>	0.036	[0.049]	0.007	0.023	0.047
<i>Inst. Ownership</i>	0.498	[0.311]	0.288	0.359	1
<i>Equity-Based Pay</i>	0.924	[0.266]	1	1	1
<i>Outsider</i>	0.060	[0.237]	0	0	0
<i>Board Size</i>	2.225	[0.254]	2.079	2.197	2.398
<i>Board Independence</i>	0.857	[0.146]	0.827	0.886	0.927
<i>CEO-Chair(dummy)</i>	0.405	[0.491]	0	0	1

Table 3. NGO Activism and Forced CEO Turnover

This table presents the regression results for NGO activism and the ESG categories of NGO reports targeting firms on forced CEO turnover. The regression model is a panel with fixed effects. The independent variables in columns 1 and 3 are binary variables indicating whether NGO campaigns target a firm in a given year and the ESG issues raised by the NGOs. Columns 2 and 4 use the natural logarithm of the number of campaigns and the respective activism categories. All columns present the regression results of the analysis with firm- and year-fixed effects. In all regression models, a set of control variables, including firm characteristics from CRSP, CEO-related controls from Execucomp, and board characteristics from Boardex, is included. The list and definitions of the variables used are provided in the Appendix. Additionally, the t-statistics reported in brackets are calculated using robust standard errors clustered at the firm level. *, **, and *** denote significance levels at the 10%, 5%, and 1% respectively.

Dependent Variable Independent Variables	Forced Turnover			
	(1)	(2)	(3)	(4)
<i>Activism Dummy</i>	0.109*** [14.153]			
<i>Log. Activism</i>		0.114*** [7.763]		
<i>Environmental Activism Dummy</i>			0.014** [2.090]	
<i>Social Activism Dummy</i>			0.190*** [16.209]	
<i>Governance Activism Dummy</i>			0.037*** [3.592]	
<i>Log. Environmental Activism</i>				0.014** [2.561]
<i>Log. Social Activism</i>				0.121*** [5.374]
<i>Log. Governance Activism</i>				0.034*** [3.428]
<i>Firm Size</i>	0.004 [1.071]	0.004 [1.388]	0.004 [1.106]	0.004 [1.259]
<i>Tobin's Q</i>	-0.004*** [-2.988]	-0.002** [-2.087]	-0.003*** [-2.908]	-0.002** [-2.194]
<i>Firm Leverage</i>	0.029** [1.965]	0.016 [1.213]	0.029** [1.980]	0.018 [1.408]
<i>Industry-Adj ROA</i>	-0.088*** [-3.525]	-0.055*** [-2.880]	-0.071*** [-3.013]	-0.054*** [-2.817]
<i>CAPEX</i>	-0.042 [-0.768]	0.014 [0.369]	-0.026 [-0.492]	0.01 [0.262]
<i>Cash</i>	-0.011 [-0.568]	-0.005 [-0.289]	-0.013 [-0.693]	-0.003 [-0.193]
<i>Inst. Ownership</i>	0.000 [0.016]	0.005 [0.772]	0.000 [-0.037]	0.005 [0.764]

<i>Equity-Based Pay</i>	0.008	-0.002	0.005	-0.002
	[1.338]	[-0.492]	[0.893]	[-0.396]
<i>Outsider</i>	0.019	0.019	0.014	0.019
	[1.337]	[1.645]	[1.020]	[1.592]
<i>Board size</i>	0.009	0.023**	0.016	0.022**
	[0.674]	[2.227]	[1.182]	[2.108]
<i>Board Independence</i>	0.059*	0.024	0.048	0.028
	[1.913]	[0.939]	[1.614]	[1.119]
<i>CEO-Chair(dummy)</i>	-0.017***	-0.007*	-0.004	-0.009**
	[-3.333]	[-1.773]	[-0.894]	[-2.382]
<i>Constant</i>	-0.103**	-0.094***	-0.102***	-0.097***
	[-2.512]	[-2.945]	[-2.603]	[-2.993]
Observations	18,592	17,469	18,592	17,469
R-squared	0.166	0.171	0.204	0.154
Firm Fixed	YES	YES	YES	YES
Year Fixed	YES	YES	YES	YES

Table 4. NGO Activism and Executive Compensation Outcomes

This table presents the regression results for NGO campaigns targeting firms on executive compensation outcomes. The regression model is a panel with fixed effects. The dependent variable in columns (1)-(2) is the natural logarithm of total executive pay, whereas columns (3)-(4) present the regression results for equity-based compensation. Columns (5) and (6) represent the regression results of NGO campaigns on a binary variable indicating implementation of ESG-linked compensation, whereas columns (7) and (8) represent the score of ESG-linked compensation obtained from LSEG workspace. All models in columns (1)-(4) employ firm- and year- fixed effects. Columns (5) to (8) use industry by year fixed effects. In all regression models, a set of control variables including firm characteristics from CRSP, CEO-related controls from Execucomp, and board characteristics from Boardex is included. The definitions of the variables used are provided in the Appendix. Additionally, the t-statistics reported in brackets are calculated using robust standard errors clustered at the firm level. *, **, and *** denote significance levels at the 10%, 5%, and 1% respectively.

Dependent Variable	Ln(Total Comp.)		Equity-Based Comp.		ESG-Linked Comp. (dummy)		ESG-Linked Comp. (score)	
Independent Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>Activism Dummy</i>	-0.008 [-0.802]		-0.145*** [-4.343]		0.060*** [4.903]		5.189*** [4.832]	
<i>Log. Activism</i>		-0.031** [-1.964]		-0.120*** [-3.132]		0.046*** [2.872]		4.021*** [2.807]
<i>Firm Size</i>	0.367*** [23.508]	0.366*** [22.901]	0.720*** [12.477]	0.724*** [12.122]	0.067*** [13.898]	0.073*** [14.748]	5.772*** [13.654]	6.317*** [14.476]
<i>Tobin's Q</i>	0.047*** [8.102]	0.047*** [9.930]	0.040** [2.426]	0.038** [2.204]	0.001 [0.277]	0.000 [0.124]	0.043 [0.155]	-0.001 [-0.004]
<i>Firm Leverage</i>	- 0.119*** [-2.623]	-0.107** [-2.393]	0.096 [0.481]	0.124 [0.608]	-0.001 [-0.020]	-0.004 [-0.159]	0.148 [0.067]	-0.141 [-0.063]
<i>Industry-Adj ROA</i>	0.172*** [2.671]	0.187*** [2.656]	0.210 [0.961]	0.216 [0.910]	0.029 [0.847]	0.037 [1.019]	2.610 [0.873]	3.273 [1.027]
<i>CAPEX</i>	0.322* [1.821]	0.380** [2.149]	1.136 [1.601]	0.91 [1.263]	-0.058 [-0.393]	-0.044 [-0.287]	-3.075 [-0.241]	-1.832 [-0.139]
<i>Cash</i>	0.032	0.035	-0.238	-0.231	0.043	0.056	3.775	4.923

	[0.481]	[0.513]	[-0.960]	[-0.921]	[1.041]	[1.300]	[1.031]	[1.297]
<i>Inst. Ownership</i>	0.017	-0.006	0.269**	0.230**	-0.025	-0.038*	-2.241	-3.278*
	[0.566]	[-0.187]	[2.481]	[1.998]	[-1.119]	[-1.676]	[-1.136]	[-1.663]
<i>Board Size</i>	0.065*	0.060*	-0.052	-0.055	0.044*	0.046*	3.847*	4.006*
	[1.882]	[1.708]	[-0.337]	[-0.344]	[1.742]	[1.759]	[1.725]	[1.752]
<i>Board Independence</i>	0.200**	0.185**	1.943***	1.985***	0.094**	0.095**	8.284**	8.413**
	[2.404]	[2.151]	[4.618]	[4.436]	[2.370]	[2.394]	[2.409]	[2.436]
<i>CEO-Chair(dummy)</i>	0.032***	0.038***	-0.029	-0.026	0.019*	0.017	1.700*	1.517
	[2.824]	[3.179]	[-0.555]	[-0.468]	[1.813]	[1.567]	[1.834]	[1.593]
<i>Constant</i>	4.206***	4.238***	-1.811***	-1.883***	-0.528***	-0.565***	-45.549***	-48.926***
	[29.787]	[29.337]	[-3.037]	[-3.065]	[-9.845]	[-10.216]	[-9.697]	[-10.074]
Observations	18,571	17,449	18,592	17,469	18,402	17,296	18,406	17,299
R-squared	0.837	0.842	0.694	0.701	0.255	0.255	0.247	0.248
Firm Fixed	YES	YES	YES	YES	NO	NO	NO	NO
Year Fixed	YES	YES	YES	YES	NO	NO	NO	NO
Industry x Year Fixed	NO	NO	NO	NO	YES	YES	YES	YES

Table 5. NGO Activism and Shareholder Proposals

This table presents the regression results for NGO activism and the ESG categories of NGO reports targeting firms on shareholder proposals. The coefficients are estimated using a Poisson model with fixed effects. The independent variables in all columns are dummy variables indicating whether NGO campaigns target a firm in a given year and the ESG issues raised by the campaigns. All regressions employ industry-by-year fixed effects. In all regression models, a set of control variables is included. The definitions of the variables used are provided in the Appendix. Additionally, the t-statistics reported in brackets are calculated using robust standard errors clustered at the firm level. *, **, and *** denote significance levels at the 10%, 5%, and 1% respectively.

Dependent Variable	ESG Proposals	E proposals	S proposals	G proposals	ESG Proposals	E proposals	S proposals	G proposals
Independent Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>Activism Dummy</i>	0.140*** [3.198]							
<i>Environmental Activism Dummy</i>		0.284*** [2.748]						
<i>Social Activism Dummy</i>			0.472*** [6.522]					
<i>Governance Activism Dummy</i>				0.251*** [5.526]				
<i>Log. Activism</i>					0.317*** [6.549]			
<i>Log. Environmental Activism</i>						0.339*** [6.752]		
<i>Log. Social Activism</i>							0.314*** [7.962]	
<i>Log. Governance Activism</i>								0.350*** [9.386]
<i>Firm Size</i>	0.342*** [13.270]	0.336*** [6.257]	0.483*** [12.899]	0.203*** [9.459]	0.147*** [3.140]	0.177*** [3.914]	0.413*** [11.655]	0.142*** [7.004]
<i>Tobin's Q</i>	0.042***	0.060*	0.071***	0.001	0.042	0.035	0.076***	0.001

	[3.212]	[1.898]	[3.613]	[0.070]	[1.339]	[1.124]	[4.004]	[0.076]
<i>Firm Leverage</i>	-0.196**	0.136	-0.263	-0.269**	0.103	0.117	-0.167	-0.209*
	[-2.274]	[0.926]	[-1.635]	[-2.187]	[0.751]	[0.845]	[-1.025]	[-1.818]
<i>Industry-Adj ROA</i>	0.263	0.364	0.967**	0.024	0.304	0.38	0.871**	0.037
	[1.045]	[0.552]	[2.285]	[0.077]	[0.508]	[0.626]	[2.149]	[0.122]
<i>CAPEX</i>	1.229	1.847	3.017***	-0.533	1.789	2.049*	1.547	-1.144
	[1.589]	[1.496]	[2.843]	[-0.601]	[1.585]	[1.789]	[1.628]	[-1.397]
<i>Cash</i>	0.637***	-0.548	0.672*	0.653***	-0.874*	-0.679	0.309	0.414**
	[2.892]	[-1.019]	[1.942]	[2.875]	[-1.685]	[-1.333]	[0.991]	[1.967]
<i>Inst. Ownership</i>	-0.575***	-0.815*	-0.356	-0.488*	-0.511	-0.49	-0.248	-0.415*
	[-2.968]	[-1.768]	[-1.358]	[-1.910]	[-1.153]	[-1.124]	[-0.926]	[-1.691]
<i>Constant</i>	-2.787***	-4.111***	-5.692***	-1.824***	-2.526***	-2.775***	-4.937***	-1.252***
	[-10.355]	[-6.931]	[-12.820]	[-7.394]	[-4.892]	[-5.393]	[-12.175]	[-5.460]
Observations	3,747	2,963	3,566	3,710	2,963	2,963	3,566	3,710
Industry X Year Fixed	YES	YES	YES	YES	YES	YES	YES	YES

Table 6. NGO Activism and % Shareholder Support

This table presents the regression results for NGO activism and the ESG categories of NGO reports targeting firms, focusing on the percentage of shareholder support for management-sponsored proposals. The coefficients are estimated using a panel model with fixed effects. Whereas the independent variables in all columns (1) to (3) are binary variables indicating whether NGOs target a firm in a given year, the independent variable in columns (4) to (6) is the natural logarithm of the number of NGO campaigns. All regressions include industry-by-year fixed effects. In all regression models, a set of control variables is included. The definitions of the variables used are provided in the Appendix. Additionally, the t-statistics reported in brackets are calculated using robust standard errors clustered at the ballot level. * **and *** denote significance levels at the 10% 5% and 1% respectively.

Dependent Variable	% Overall	% Director Election	% Pay-Related	% Overall	% Director Election	% Pay-Related
Independent Variables	(1)	(2)	(3)	(4)	(5)	(6)
<i>Activism Dummy</i>	-0.004** [-2.516]	-0.004** [-2.145]	-0.008** [-2.271]			
<i>Log. Activism</i>				-0.003*** [-3.379]	-0.002*** [-2.834]	-0.006*** [-3.004]
<i>Firm Size</i>	0.005*** [10.948]	0.005*** [10.832]	0.002*** [2.594]	0.005*** [10.522]	0.006*** [10.326]	0.003*** [2.814]
<i>Tobin's Q</i>	0.001*** [3.660]	0.001*** [3.120]	0.003*** [3.876]	0.001*** [3.714]	0.001*** [3.169]	0.003*** [3.939]
<i>Firm leverage</i>	-0.002 [-0.869]	-0.002 [-0.599]	-0.006 [-1.061]	-0.003 [-0.882]	-0.002 [-0.608]	-0.006 [-1.078]
<i>Industry-adj ROA</i>	0.004 [1.229]	0.003 [0.651]	0.030*** [4.058]	0.004 [1.214]	0.003 [0.638]	0.030*** [4.059]
<i>CAPEX</i>	0.012 [0.911]	0.016 [1.168]	0.049 [1.621]	0.011 [0.847]	0.016 [1.107]	0.047 [1.556]
<i>Cash</i>	-0.009** [-2.113]	-0.011** [-2.042]	-0.025*** [-2.667]	-0.009** [-2.039]	-0.011** [-1.976]	-0.025*** [-2.597]
<i>Inst. ownership</i>	0.003 [0.449]	-0.007 [-1.109]	0.059*** [4.984]	0.001 [0.210]	-0.009 [-1.266]	0.056*** [4.657]

<i>Board independence</i>	0.026*** [4.680]	0.036*** [5.297]	0.004 [0.381]	0.026*** [4.692]	0.036*** [5.309]	0.004 [0.386]
<i>CEO-Chair(dummy)</i>	-0.006*** [-4.551]	-0.007*** [-4.564]	-0.012*** [-4.210]	-0.006*** [-4.526]	-0.007*** [-4.544]	-0.012*** [-4.188]
<i>Constant</i>	0.888*** [170.278]	0.881*** [140.899]	0.868*** [86.588]	0.887*** [167.997]	0.880*** [139.004]	0.866*** [85.377]
Observations	219,382	156,811	24,896	219,382	156,811	24,896
R-squared	0.043	0.069	0.047	0.043	0.069	0.047
Industry X Year Fixed	YES	YES	YES	YES	YES	YES

Table 7. Post-Anti-SLAPP NGO Activism and Corporate Outcomes

This table presents the regression results for NGO activism and corporate outcomes among firms affected by the staggered passage of anti-SLAPP laws in the United States, compared to non-affected firms. The coefficients are estimated using a stacked difference-in-difference model. The *Post x Activism Dummy* is the interaction term of interest. *Post* equals one if the firm belongs to the cohort of firms in the state where the anti-SLAPP is enacted. *Activism Dummy* is a binary variable that equals one if the firm is targeted by NGOs. The analysis covers event windows of (-1, +1) and (-2, +2) years, indicating one and two years before and after the passage or amendment of anti-SLAPP laws. All regressions include firm-cohort and year-cohort fixed effects. In all regression models, a set of control variables is included. The definitions of the variables used are provided in the Appendix. Additionally, the t-statistics reported in brackets are calculated using robust standard errors clustered at the ballot level. * **and *** denote significance levels at the 10% 5% and 1% respectively.

Dependent Variables Independent Variables/Event Window	Forced Turnover		Ln(Total Comp.)		Equity-Based Comp.		ESG Proposals		% Director Election		% Pay-Related	
	(-1,+1)	(-2,+2)	(-1,+1)	(-2,+2)	(-1,+1)	(-2,+2)	(-1,+1)	(-2,+2)	(-1,+1)	(-2,+2)	(-1,+1)	(-2,+2)
<i>Post x Activism Dummy</i>	0.034***	0.055***	-0.025	-0.024**	-0.139*	-0.093	0.129*	0.089	0.001	-0.001	-0.014*	-0.022***
	[3.214]	[4.348]	[-0.698]	[-2.485]	[-1.796]	[-0.898]	[1.986]	[1.083]	[0.641]	[-1.232]	[-1.879]	[-2.899]
<i>Activism Dummy</i>	0.041	0.061***	0.001	-0.01	-0.091	-0.16	-0.067	0.02	-0.001	0.001	0.013	0.011
	[1.544]	[3.488]	[0.038]	[-0.650]	[-0.683]	[-1.176]	[-0.431]	[0.159]	[-0.253]	[0.789]	[1.521]	[1.400]
<i>Post-Anti-SLAPP</i>	-0.008**	-0.012***	0.005	0.008**	0.042**	0.033	-0.082***	-0.048	0.000	0.000	0.001	0.002*
	[-2.731]	[-3.010]	[0.551]	[2.723]	[2.142]	[1.173]	[-2.822]	[-1.303]	[-0.627]	[0.545]	[1.193]	[1.867]
<i>Firm Size</i>	0.023	0.020	0.366***	0.375***	0.571**	0.632***	0.792*	0.605**	-0.005	-0.008**	-0.031**	-0.009
	[0.703]	[0.976]	[6.847]	[11.650]	[2.070]	[3.457]	[1.911]	[2.263]	[-0.989]	[-2.619]	[-2.691]	[-1.316]
<i>Tobin's Q</i>	0.001	-0.004	0.075***	0.058***	0.063**	0.065**	-0.061	0.062	-0.001	0.000	0.001	0.003**
	[0.433]	[-0.963]	[11.009]	[5.226]	[2.485]	[2.465]	[-0.622]	[1.197]	[-0.487]	[-0.080]	[0.558]	[2.059]
<i>Firm Leverage</i>	0.036	-0.007	-0.301**	-0.104	0.167	-0.076	-0.005	-0.301	0.014	0.003	0.066**	0.044*
	[0.964]	[-0.181]	[-2.580]	[-1.695]	[0.325]	[-0.215]	[-0.014]	[-0.931]	[1.519]	[0.541]	[2.162]	[1.799]
<i>Industry-Adj ROA</i>	-0.054	-0.070*	0.145*	0.196	0.757*	0.910**	0.127	-0.37	-0.009	0.009	0.032	0.002
	[-0.924]	[-1.818]	[1.883]	[1.445]	[1.819]	[2.529]	[0.162]	[-0.635]	[-0.434]	[1.392]	[1.191]	[0.093]
<i>CAPEX</i>	0.101	0.119	0.5	0.278**	0.103	1.724	3.191**	2.477**	0.024	0.059***	0.194*	0.136*
	[0.751]	[1.155]	[1.041]	[2.119]	[0.074]	[1.339]	[2.351]	[2.068]	[0.868]	[3.683]	[1.968]	[1.715]

<i>Cash</i>	-0.104 [-1.570]	-0.051 [-1.686]	0.282 [1.373]	0.082 [0.634]	0.26 [0.408]	0.057 [0.121]	-0.763 [-1.422]	-0.992* [-1.863]	-0.008 [-0.598]	-0.006 [-0.535]	0.073** [2.214]	0.066** [2.089]
<i>Inst. Ownership</i>	-0.002 [-0.151]	0.001 [0.041]	-0.150** [-2.214]	-0.02 [-0.799]	-0.046 [-0.147]	-0.055 [-0.270]	0.265 [0.763]	0.654* [1.963]	-0.01 [-0.714]	-0.014 [-1.381]	0.048 [1.315]	0.036 [1.075]
<i>Board Independence</i>	0.700*** [3.182]	0.387*** [2.808]	0.327 [0.855]	0.053 [0.443]	1.174 [0.728]	3.130** [2.529]			0.075** [2.304]	0.029*** [2.963]	0.036 [0.559]	0.002 [0.043]
<i>CEO- Chair(dummy)</i>	-0.024 [-1.287]	-0.005 [-0.498]	-0.004 [-0.126]	0.006 [0.303]	0.104 [0.925]	-0.008 [-0.095]			0.002 [0.584]	0.001 [0.577]	0.017*** [3.020]	0.01000 [1.479]
<i>Board Size</i>	-0.111 [-1.532]	-0.064 [-1.359]	-0.042 [-0.424]	0.029 [0.543]	-0.519 [-1.361]	-0.574** [-2.439]						
<i>Equity-Based Pay</i>	0.002 [0.273]	0.003 [0.228]										
<i>Outsider</i>	-0.033 [-1.402]	-0.039 [-1.557]										
<i>Constant</i>	-0.547* [-1.737]	-0.346* [-2.014]	4.358*** [8.046]	4.312*** [15.220]	1.247 [0.689]	-0.778 [-0.479]	-5.641 [-1.402]	-4.077 [-1.537]	0.930*** [24.749]	1.002*** [36.797]	1.058*** [8.934]	0.926*** [11.735]
Observations	11,145	15,713	11,127	15,681	11,145	15,713	2,382	3,492	98,973	145,829	14,879	21,889
R-squared	0.342	0.261	0.921	0.878	0.821	0.782	0.818	0.816	0.435	0.35	0.49	0.391
Firm-Cohort	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Year-Cohort	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES

Table 8. Post-Natural Disaster NGO Activism and Corporate Outcomes

This table presents the regression results for NGO activism and corporate outcomes among firms affected by the natural disasters in the United States, compared to non-affected firms. The coefficients are estimated using a stacked difference-in-difference model. The *Post x Environmental Activism Dummy* is the interaction term of interest. *Post* equals one if the firm belongs to the cohort of firms in the state hit by natural disasters. *Environmental Activism Dummy* is a binary variable that equals one if the firm is targeted by NGOs over environmental issues. The analysis covers event windows of (-1, +1) and (-2, +2) years, indicating one and two years before and after the strike of natural disasters. All regressions include firm-cohort and year-cohort fixed effects. In all regression models, a set of control variables is included. The definitions of the variables used are provided in the Appendix. Additionally, the t-statistics reported in brackets are calculated using robust standard errors clustered at the ballot level.

* **and *** denote significance levels at the 10% 5% and 1% respectively.

Dependent Variables Independent Variables/Event Window	Forced Turnover		Ln(Total Comp.)		Equity-Based Comp.		E Proposals		% Director Election		% Pay-Related	
	(-1,+1)	(-2,+2)	(-1,+1)	(-2,+2)	(-1,+1)	(-2,+2)	(-1,+1)	(-2,+2)	(-1,+1)	(-2,+2)	(-1,+1)	(-2,+2)
<i>Post x Environmental Activism Dummy</i>	0.005 [1.086]	0.004 [1.075]	-0.011 [-0.937]	-0.031*** [-2.752]	-0.090** [-2.133]	-0.128*** [-3.045]	0.045** [2.144]	0.052** [2.478]	0.000 [0.173]	0.000 [0.380]	-0.006** [-2.071]	-0.011*** [-3.348]
<i>Environmental Activism Dummy</i>	0.001 [0.050]	0.001 [0.103]	0.005 [0.297]	0.018 [0.835]	0.128* [1.705]	0.160* [1.786]	-0.027 [-0.859]	-0.041 [-1.297]	0.002 [1.053]	0.002 [1.027]	0.007 [1.198]	0.011* [1.694]
<i>Post Natural Disaster</i>	-0.001 [-1.098]	-0.001 [-1.079]	0.002 [0.962]	0.005*** [2.852]	0.013** [2.180]	0.019*** [2.908]	-0.016** [-2.068]	-0.019** [-2.367]	0.000 [-0.174]	0.000 [-0.385]	0.001* [1.899]	0.001*** [3.127]
<i>Firm Size</i>	0.002 [0.471]	0.000 [-0.020]	0.366*** [17.831]	0.365*** [16.879]	0.710*** [7.779]	0.692*** [6.993]	-0.02 [-0.384]	0.002 [0.029]	-0.004* [-1.881]	-0.004* [-2.002]	-0.004 [-0.797]	-0.004 [-0.737]
<i>Tobin's Q</i>	-0.004*** [-4.395]	-0.003*** [-3.355]	0.049*** [7.527]	0.049*** [6.863]	0.041*** [3.584]	0.050*** [4.174]	-0.003 [-0.310]	-0.006 [-0.495]	0.001 [1.422]	0.001 [1.418]	0.003*** [5.504]	0.003*** [5.886]
<i>Firm Leverage</i>	0.018	0.019	-0.110**	-0.122**	0.124	0.091	0.232	0.303*	0.003	0.003	0.001	0.006

	[1.094]	[0.819]	[-2.598]	[-2.263]	[0.708]	[0.472]	[1.496]	[1.944]	[0.754]	[0.585]	[0.045]	[0.421]
<i>Industry-Adj ROA</i>	-0.069**	-0.060*	0.149*	0.097	0.298	0.234	0.131	0.140	0.011***	0.012***	0.016	0.018*
	[-2.416]	[-1.827]	[1.706]	[0.991]	[1.546]	[1.143]	[0.842]	[0.841]	[2.717]	[2.813]	[1.642]	[1.706]
<i>CAPEX</i>	-0.006	0.014	0.168	0.076	1.750**	1.951*	0.053	0.009	0.046**	0.039	0.152***	0.153***
	[-0.152]	[0.306]	[1.009]	[0.422]	[2.127]	[1.833]	[0.075]	[0.011]	[2.095]	[1.249]	[4.124]	[3.885]
<i>Cash</i>	-0.035	-0.045*	0.051	0.050	0.102	0.274	-0.051	-0.057	0.003	0.004	0.047**	0.046**
	[-1.577]	[-1.867]	[0.627]	[0.583]	[0.413]	[1.155]	[-0.274]	[-0.290]	[0.607]	[0.618]	[2.256]	[2.012]
<i>Inst. Ownership</i>	0.007	0.010	0.039	0.051	0.174	0.186	-0.374	-0.371	-0.013**	-0.014*	0.027	0.026
	[0.433]	[0.454]	[0.876]	[0.980]	[1.661]	[1.521]	[-1.098]	[-0.881]	[-2.033]	[-1.779]	[1.589]	[1.428]
<i>Board Independence</i>	0.069**	0.085**	0.084	0.039	1.131*	0.497			0.048***	0.046***	-0.026	-0.028
	[2.235]	[2.219]	[1.188]	[0.475]	[1.856]	[0.735]			[4.071]	[3.688]	[-0.868]	[-0.812]
<i>CEO-Chair(dummy)</i>	-0.026***	-0.022***	0.035***	0.031**	-0.023	0.002			-0.003*	-0.002	0.006*	0.009*
	[-6.140]	[-4.503]	[2.814]	[2.120]	[-0.310]	[0.035]			[-1.874]	[-1.274]	[1.733]	[1.994]
<i>Board Size</i>	-0.005	-0.005	0.077*	0.069	-0.012	-0.010						
	[-0.327]	[-0.330]	[1.684]	[1.385]	[-0.067]	[-0.056]						
<i>Equity-Based Pay</i>	0.000	-0.002										
	[-0.033]	[-0.239]										
<i>Outsider</i>	0.027**	0.034**										
	[2.115]	[2.138]										
<i>Constant</i>	-0.028	-0.029	4.255***	4.322***	-1.213	-0.582	0.586	0.344	0.943***	0.950***	0.928***	0.927***
	[-0.725]	[-0.578]	[28.176]	[25.578]	[-1.339]	[-0.650]	[1.116]	[0.551]	[47.676]	[44.373]	[20.598]	[18.245]
Observations	25,128	28,693	25,100	28,662	25,128	28,693	5,174	6,200	221,430	259,772	34,189	40,899
R-squared	0.204	0.235	0.866	0.879	0.738	0.764	0.615	0.621	0.364	0.371	0.361	0.366
Firm-Cohort	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Year-Cohort	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES

Appendix

Table A3. NGO Activism and Forced CEO Turnover

This table presents the regression results for NGO activism and the ESG categories of NGO reports targeting firms on forced CEO turnover. The regression model is a logit with fixed effects to account for the binary outcome variable. The independent variables in columns 1 and 3 are dummy variables indicating whether NGO campaigns target a firm in a given year and the ESG issues addressed by the campaigns. Columns 2 and 4 use the natural logarithm of the number of campaigns and the respective activism categories. Columns present the regression results of the analysis with industry and year fixed effects, whereas columns 5-8 employ firm and year fixed effects. In columns (1)-(4), the standard errors are calculated using robust standard errors clustered at the firm level. In all regression models, a set of control variables including firm characteristics from CRS, CEO-related controls from Execucomp, and board characteristics from Boardex is included. The definitions of the variables used can be found in the Appendix. *, **, and *** denote significance levels at the 10%, 5%, and 1% respectively.

Dependent Variable	Forced Turnover							
Independent Variable	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>Activism Dummy</i>	2.590*** [20.909]				2.476*** [17.303]			
<i>Log. Activism</i>		1.286*** [9.982]				1.168*** [6.977]		
<i>Environmental Activism Dummy</i>			0.758*** [4.027]				0.770** [2.240]	
<i>Social Activism Dummy</i>			2.961*** [25.527]				2.582*** [17.579]	
<i>Governance Activism Dummy</i>			0.718*** [3.044]				0.983*** [3.372]	
<i>Log. Environmental Activism</i>				0.381*** [2.764]				0.607*** [3.339]
<i>Log. Social Activism</i>				1.058*** [5.307]				0.908*** [4.283]

<i>Log. Governance Activism</i>				0.462**				0.958***
				[2.031]				[2.997]
<i>Firm Size</i>	-0.278***	-0.015	-0.138***	-0.088	0.485***	0.716***	0.452**	0.725**
	[-6.554]	[-0.254]	[-2.790]	[-1.273]	[3.430]	[2.577]	[2.409]	[2.412]
<i>Tobin's Q</i>	-0.302***	-0.308***	-0.273***	-0.333***	-0.272**	-0.239	-0.205*	-0.241
	[-4.504]	[-3.576]	[-4.358]	[-3.705]	[-2.201]	[-1.172]	[-1.736]	[-1.260]
<i>Firm leverage</i>	0.766***	0.856***	0.806***	1.009***	0.627	0.608	0.482	0.717
	[4.176]	[2.845]	[4.107]	[3.483]	[1.264]	[0.940]	[0.988]	[1.041]
<i>Industry-adj ROA</i>	-1.153***	-1.447***	-1.079**	-1.266**	-1.327*	-2.359**	-1.213**	-2.351**
	[-2.770]	[-2.580]	[-2.557]	[-2.188]	[-1.940]	[-2.304]	[-2.272]	[-2.400]
<i>CAPEX</i>	-1.220	2.415	-0.158	2.301	1.558	4.502	1.942	3.326
	[-0.755]	[1.405]	[-0.113]	[1.302]	[0.549]	[1.336]	[0.802]	[0.837]
<i>Cash</i>	0.433	1.424**	0.640	1.246**	-0.424	0.607	-0.543	0.233
	[1.087]	[2.312]	[1.597]	[2.016]	[-0.671]	[0.430]	[-0.726]	[0.176]
<i>Inst. ownership</i>	0.767***	0.725**	0.653***	0.759**	-0.067	-0.006	-0.022	-0.116
	[3.460]	[2.204]	[2.896]	[2.322]	[-0.196]	[-0.010]	[-0.057]	[-0.224]
<i>Equity-based pay(dummy)</i>	0.281	0.141	0.182	0.202	0.094	-0.088	0.024	-0.039
	[1.132]	[0.417]	[0.714]	[0.596]	[0.249]	[-0.162]	[0.071]	[-0.094]
<i>Outsider</i>	0.166	0.130	0.161	0.052	0.716*	1.352**	0.722	1.116
	[0.691]	[0.392]	[0.681]	[0.147]	[1.784]	[2.495]	[1.629]	[1.533]
<i>Board size</i>	0.499	1.277***	0.559*	1.310***	0.954**	2.014**	1.092**	1.731**
	[1.576]	[3.186]	[1.788]	[3.242]	[2.098]	[2.186]	[2.276]	[2.166]
<i>Board independence</i>	0.797	0.741	0.708	0.897	1.299	1.567	1.09	2.042
	[1.466]	[0.851]	[1.381]	[0.977]	[1.131]	[0.844]	[0.921]	[1.186]
<i>CEO-Chair(dummy)</i>	-1.030***	-0.901***	-0.700***	-0.969***	-0.686***	-0.693**	-0.448*	-0.716**

	[-7.643]	[-5.059]	[-5.039]	[-5.461]	[-4.193]	[-2.247]	[-1.944]	[-2.445]
<i>Constant</i>	-4.538***	-7.452***	-5.513***	-7.224***				
	[-5.294]	[-6.893]	[-7.346]	[-6.574]				
Observations	18,403	16,357	18,403	16,357	4,911	2,562	4,911	2,562
Firm Fixed	NO	NO	NO	NO	YES	YES	YES	YES
Year Fixed	YES	YES	YES	YES	YES	YES	YES	YES
Industry Fixed	YES	YES	YES	YES	NO	NO	NO	NO

A5(a)

Dependent Variable	ESG Proposals (1)	E proposals (2)	S proposals (3)	G proposals (4)	ESG Proposals (5)	E proposals (6)	S proposals (7)	G proposals (8)
<i>Activism Dummy</i>	0.024 [0.592]							
<i>Environmental Activism Dummy</i>		0.214** [2.136]						
<i>Social Activism Dummy</i>			0.074 [1.207]					
<i>Governance Activism Dummy</i>				-0.017 [-0.429]				
<i>Log. Activism</i>					0.087*** [2.924]			
<i>Log. Environmental Activism</i>						0.296*** [3.913]		
<i>Log. Social Activism</i>							0.084** [2.002]	
<i>Log. Governance Activism</i>								0.022 [0.562]
<i>Firm Size</i>	0.358*** [4.600]	0.142 [1.009]	0.626*** [6.218]	0.202** [2.250]	0.336*** [4.896]	0.094 [0.660]	0.600*** [6.014]	0.196** [2.235]
<i>Tobin's Q</i>	0.018 [0.946]	-0.005 [-0.103]	0.043 [1.176]	-0.008 [-0.328]	0.018 [1.019]	-0.013 [-0.224]	0.045 [1.299]	-0.008 [-0.335]
<i>Firm Leverage</i>	0.197 [1.473]	0.144 [0.535]	0.453* [1.857]	-0.162 [-0.780]	0.19 [1.426]	0.022 [0.082]	0.482** [1.960]	-0.162 [-0.785]
<i>Industry-adj ROA</i>	0.122 [0.670]	-0.01 [-0.018]	0.175 [0.407]	0.188 [0.778]	0.08 [0.454]	0.104 [0.172]	0.152 [0.350]	0.184 [0.766]
<i>CAPEX</i>	1.602**	1.817	2.504*	1.579	1.634**	2.038	2.514*	1.589

	[2.196]	[1.298]	[1.835]	[1.563]	[2.317]	[1.518]	[1.855]	[1.579]
<i>Cash</i>	-0.068	-0.127	-0.569	0.23	-0.068	0.014	-0.532	0.221
	[-0.266]	[-0.179]	[-1.286]	[0.860]	[-0.277]	[0.020]	[-1.215]	[0.817]
<i>Inst. ownership</i>	0.132	-0.463	0.116	0.351	0.122	-0.517	0.113	0.353
	[0.874]	[-0.862]	[0.355]	[1.455]	[0.830]	[-0.956]	[0.346]	[1.469]
<i>Constant</i>	-3.019***	-1.769	-6.945***	-1.843*	-2.916***	-1.528	-6.730***	-1.809*
	[-3.718]	[-1.135]	[-5.985]	[-1.944]	[-3.934]	[-0.988]	[-5.846]	[-1.932]
Observations	3,537	2,151	2,694	3,306	3,537	2,151	2,694	3,306
Firm Fixed	YES	YES	YES	YES	YES	YES	YES	YES
Year Fixed	YES	YES	YES	YES	YES	YES	YES	YES

A6(a)

Dependent Variable Independent Variables	% Overall (1)	% Director Election (2)	% Pay-Related (3)	% Overall (4)	% Director Election (5)	% Pay-Related (6)
<i>Activism Dummy</i>	-0.001 [-0.637]	-0.001 [-0.515]	0.000 [-0.066]			
<i>Environmental Activism Dummy</i>				0.001 [0.803]	0.001 [1.112]	0.001 [0.297]
<i>Social Activism Dummy</i>				-0.001 [-0.449]	-0.001 [-0.506]	-0.002 [-0.405]
<i>Governance Activism Dummy</i>				-0.002 [-1.339]	-0.001 [-1.086]	-0.005 [-1.167]
<i>Firm Size</i>	-0.003** [-2.008]	-0.004** [-2.430]	-0.004 [-1.371]	-0.003** [-2.006]	-0.004** [-2.429]	-0.004 [-1.361]
<i>Tobin's Q</i>	0.001** [2.417]	0.001* [1.650]	0.003*** [3.561]	0.001** [2.412]	0.001* [1.646]	0.003*** [3.556]
<i>Firm Leverage</i>	-0.001 [-0.406]	0.000 [0.067]	-0.006 [-0.716]	-0.001 [-0.399]	0.000 [0.069]	-0.006 [-0.709]
<i>Industry-Adj ROA</i>	0.006* [1.860]	0.006 [1.592]	0.013* [1.684]	0.005* [1.857]	0.006 [1.589]	0.013* [1.676]
<i>CAPEX</i>	0.056*** [3.650]	0.046*** [2.702]	0.123*** [3.255]	0.056*** [3.646]	0.046*** [2.699]	0.123*** [3.247]
<i>Cash</i>	0.002 [0.429]	0.004 [0.698]	0.021* [1.708]	0.002 [0.436]	0.004 [0.705]	0.021* [1.709]
<i>Inst. Ownership</i>	0.000 [0.021]	-0.008 [-1.219]	0.034** [2.242]	0.000 [0.011]	-0.008 [-1.231]	0.034** [2.244]
<i>Board Independence</i>	0.025** [2.422]	0.040*** [3.323]	-0.040* [-1.827]	0.025** [2.419]	0.040*** [3.320]	-0.040* [-1.823]
<i>CEO-Chair(dummy)</i>	-0.002 [-1.442]	-0.004** [-2.504]	0.004 [1.352]	-0.002 [-1.426]	-0.004** [-2.487]	0.005 [1.361]

<i>Constant</i>	0.943*** [71.148]	0.946*** [61.586]	0.948*** [30.701]	0.943*** [71.129]	0.946*** [61.565]	0.948*** [30.686]
Observations	219,374	156,796	24,785	219,374	156,796	24,785
R-squared	0.195	0.325	0.297	0.195	0.325	0.297
Firm Fixed	YES	YES	YES	YES	YES	YES
Year Fixed	YES	YES	YES	YES	YES	YES

A6(b)

Dependent Variable Independent Variables	% Overall (1)	% Director Election (2)	% Pay-Related (3)	% Overall (4)	% Director Election (5)	% Pay-Related (6)
<i>Log. Activism</i>	-0.001 [-0.897]	0.000 [-0.393]	-0.003 [-0.922]			
<i>Log. Environmental Activism</i>				0.001 [1.008]	0.002 [1.567]	0.002 [0.583]
<i>Log. Social Activism</i>				-0.001 [-1.084]	-0.001 [-0.780]	-0.007 [-1.493]
<i>Log. Governance Activism</i>				-0.001 [-1.121]	-0.001 [-1.018]	-0.006 [-1.406]
<i>Firm Size</i>	-0.003** [-2.015]	-0.004** [-2.434]	-0.004 [-1.375]	-0.003** [-1.995]	-0.003** [-2.405]	-0.004 [-1.351]
<i>Tobin's Q</i>	0.001** [2.414]	0.001* [1.649]	0.003*** [3.560]	0.001** [2.414]	0.001* [1.651]	0.003*** [3.557]
<i>Firm Leverage</i>	-0.001 [-0.393]	0.000 [0.073]	-0.006 [-0.704]	-0.001 [-0.433]	0.000 [0.023]	-0.006 [-0.748]
<i>Industry-Adj ROA</i>	0.006* [1.861]	0.006 [1.592]	0.013* [1.687]	0.005* [1.846]	0.006 [1.577]	0.013* [1.659]
<i>CAPEX</i>	0.056*** [3.642]	0.046*** [2.698]	0.123*** [3.245]	0.056*** [3.643]	0.046*** [2.702]	0.122*** [3.224]
<i>Cash</i>	0.002 [0.426]	0.004 [0.698]	0.021* [1.703]	0.002 [0.439]	0.004 [0.715]	0.021* [1.702]
<i>Inst. Ownership</i>	0.000 [0.024]	-0.008 [-1.218]	0.034** [2.253]	0.000 [0.007]	-0.008 [-1.237]	0.034** [2.242]
<i>Board Independence</i>	0.025** [2.418]	0.040*** [3.321]	-0.040* [-1.827]	0.025** [2.408]	0.040*** [3.314]	-0.040* [-1.840]
<i>CEO-Chair(dummy)</i>	-0.002 [-1.438]	-0.004** [-2.501]	0.004 [1.351]	-0.002 [-1.424]	-0.004** [-2.489]	0.005 [1.381]

<i>Constant</i>	0.943*** [71.112]	0.946*** [61.556]	0.949*** [30.686]	0.943*** [71.016]	0.946*** [61.430]	0.949*** [30.691]
Observations	219,374	156,796	24,785	219,374	156,796	24,785
R-squared	0.195	0.325	0.297	0.195	0.325	0.297
Firm Fixed	YES	YES	YES	YES	YES	YES
Year Fixed	YES	YES	YES	YES	YES	YES

A7

State	Anti-SLAPP Year	State	Anti-SLAPP Year
California	1992	Arkansas	2005
Delaware	1992	Vermont	2005
New York	1992	Arizona	2006
Nevada	1993	Illinois	2007
Massachusetts	1994	District of Columbia	2010
Nebraska	1994	Washington	2010
Maine	1995	Texas	2011
Rhode Island	1995	Oklahoma	2014
Georgia	1996	Kansas	2016
Tennessee	1997	Connecticut	2017
Indiana	1998	Virginia	2017
Louisiana	1999	Colorado	2019
Florida	2000	Kentucky	2021
Pennsylvania	2000	New Jersey	2023
New Mexico	2001	Minnesota	2024
Oregon	2001	Idaho	2025
Utah	2001	Iowa	2025
Hawaii	2002	Montana	2025
Maryland	2004	Ohio	2025
Missouri	2004		