

# Appendix

## **Appendix A: Processing fund's information acquisition via EDGAR**

The search traffic data for SEC.gov covers the period from February 2003 through June 2017. EDGAR log file data set includes information on the visitor's Internet Protocol (IP) address, date, timestamp, CIK, and filing document's accession number. The IP address in the dataset is in version 4 (IPv4) format, which defines an IP address as a 32-bit number separated into four 8-bit numbers. A dot separates each 8-bit number, and the number between the dots could be between 0 and 255 ( $2^8 - 1$ ). So, a specific IP address, let us say BlackRock's, looks like 199.253.64.128. However, the last octet of the IP addresses in the EDGAR log files is replaced with alphabets. The replacement is done to preserve the uniqueness of the IP address and not reveal the visitor's full identity. Thus, if Blackrock accesses the SEC.gov website from the IP address, the log file will show an entry 199.253.64.gjs. In essence, the EDGAR log file dataset has a 24-bit (IP3) address for each EDGAR server activity. Fortunately, most fund families register large blocks of IP addresses; for example, BlackRock owns IP addresses ranging from 199.242.6.0 to 199.242.6.255. As such, the IP3 address is a sufficiently precise representative of IPv4 addresses.

Loughran & McDonalds (2017) suggests separating EDGAR requests generated by robots from server requests by regular investors. We classify an IP address as a robot if it requests more than a thousand filings in a day. We remove IP addresses classified as robots for that day. To include only valid EDGAR activities, we follow Drake et al. (2015), and exclude activities not related to governance research. We remove index pages (index.htm), icons (.ico), XML filings (.xml), and filings that are under 500 bytes in size. We also combine views by an IP address if they are less than five minutes apart and for the same filing.

The second part of our dataset is a lookup table from Digital Element, a geolocation data and services firm containing a timestamp of IP addresses (IPv4) and registered organization name as of December 2016. We use regular expressions, such as (\*.blackrock.\*) for BlackRock Financial Management, to get IPv4 associated with fund families. To assign IP3 blocks to fund families, we use a similar procedure as Iliev et al. (2021). If a fund family owns all or a subset of

the IP3 address and no other fund family owns an address from the IP3 block, we attribute it to the fund family. If two or more fund families own a subset of the IP3 block, we assign it to the family that contains the most IP address for the IP3 block. If two fund families own an equal number of IP addresses in an IP3 block, we drop those IP3 blocks. The chances of overestimating views from assigning an entire IP3 block to a fund family if they own a fraction of addresses is low, as it is unlikely for non-financial firms to access filings from SEC.gov.

Next, we look for the validity of IP3 blocks assigned to the fund family. The IP address to the organization name lookup table is a snapshot from December 2016. However, fund families sometimes change their underlying technology infrastructure and, in that process, register for different IP3 blocks. To ensure that we have credible IP3 blocks, we go back quarterly from December 2016 and see what fraction of holdings fund family access through the EDGAR server. We use CRSP mutual fund data to get fund family holdings. If a fund family does not access more than 1% of its holding in two consecutive quarters, we stop including the fund family before the quarter. For example, Cambiar Investors accessed 1.9%, 3.3%, 0.0%, and 0.1% of its holdings in 2015Q4, 2015Q3, 2015Q2, and 2015Q1 respectively. Therefore, we exclude Cambiar Investors from our sample before June 2015.

Subsequently, we match valid IP3 blocks from the organization lookup table with IP3 from EDGAR log files. We identify proxy filings associated with a shareholder meeting (definitive proxy statement) based on the accession number of the filing in log files and SEC's index files. To measure whether a fund family accessed definitive proxy statements before a shareholder meeting, we look at fund family views using a window starting from 30 days before the definitive proxy statement to the shareholder meeting date. Fund family's views, as measured from EDGAR log files, likely under-represents the actual views. As mentioned in Bauguess et al. (2018), the EDGAR log files do not contain any SEC filing requests from EDGAR's FTP site. Moreover, internet service providers cache frequently requested documents for future ease of reference. So, requests for the same content that have been cached may not be captured by the log file.

**Table A1**

## Heterogeneity by ESG Score, Broken Down by Each ESG Component

This table presents coefficients from a proposal-by-institution-level estimation that regresses the share of an institution's funds voting against the ISS recommendation for a given proposal onto measures of how important that company's bonds are in the overall portfolio of the institution. In column 1, the estimation is the same as in Table 4, except that the sample is limited to firms with above-median "Environment" scores, as obtained from Sustain Analytics, while column 2 restricts the sample to firms that have below median scores. Columns 3 and 4 select the sample in a similar way using Sustain Analytics' "Social" score, while Columns 5 and 6 select the sample using its "Governance" score. *t*-statistics are reported in parentheses; standard errors are clustered by fund family; and \*\*\*, \*\*, and \* reflect statistical significance at the 1, 5, and 10% confidence intervals, respectively.

	Dependent variable = <i>Against ISS</i>					
	High E score firms (1)	Low E score firms (2)	High S score firms (3)	Low S score firms (4)	High G score firms (6)	Low G score firms (5)
<i>Bond holdings / TNA</i>	0.00317 (1.42)	0.00640*** (2.61)	0.00451** (2.14)	0.00451* (1.67)	0.00296 (1.47)	0.00577** (2.10)
<i>Equity holdings / TNA</i>	0.0120*** (3.21)	0.0209*** (4.09)	0.0147*** (3.96)	0.0175*** (3.67)	0.0170*** (3.88)	0.0148*** (3.48)
Institution-by-month FE	X	X	X	X	X	X
Proposal FE	X	X	X	X	X	X
p-value of difference in Bor	24.0%		99.9%		27.0%	
<i>N</i>	107,212	107,014	107,294	106,871	103,158	110,837
<i>R</i> <sup>2</sup>	0.611	0.573	0.600	0.581	0.596	0.586

**Table A2****Voting Against ISS for Less-perfunctory Management Proposals**

This table presents coefficients from a proposal-by-institution-level estimation that regresses share of an institution's funds voting against the ISS recommendation for a given proposal onto measures of how important that proposal's company's bonds are in the overall portfolio of the institution. The estimation is the same as in Table 4, except that we now analyze votes on management proposals that are less likely to be perfunctory. Specifically, we analyze management proposals that are contentious (i.e., ISS recommends voting against management) and related to say-on-pay, governance, or mergers and acquisitions. *t*-statistics are reported in parentheses; standard errors are clustered by fund family; and \*\*\*, \*\*, and \* reflect statistical significance at the 1, 5, and 10% confidence intervals, respectively.

	Dependent variable = <i>Against ISS</i>	
	(1)	(2)
<i>Bond holdings / TNA</i>	0.00237* (1.66)	0.00228 (1.63)
<i>Equity holdings / TNA</i>		0.0246*** (7.01)
Institution-by-month FE	X	X
Proposal FE	X	X
<i>N</i>	312,864	312,864
<i>R</i> <sup>2</sup>	0.516	0.516

**Table A3****Voting Against ISS, Using Votes from Equity-Only Funds**

This table presents coefficients from a proposal-by-institution-level estimation that regresses the share of an institution's funds voting against the ISS recommendation for a given proposal onto measures of how important that company's bonds are in the overall portfolio of the institution. The estimation is the same as in Table 4, except that we construct the share of an institution's funds voting against the ISS recommendation using only votes from the institution's equity-only funds. *t*-statistics are reported in parentheses; standard errors are clustered by fund family; and \*\*\*, \*\*, and \* reflect statistical significance at the 1, 5, and 10% confidence intervals, respectively.

	Dependent variable = <i>Against ISS</i>	
	(1)	(2)
<i>Bond holdings / TNA</i>	0.00359* (1.81)	0.00350* (1.78)
<i>Equity holdings / TNA</i>		0.0167*** (4.24)
Institution-by-month FE	X	X
Proposal FE	X	X
<i>N</i>	284,790	284,790
<i>R</i> <sup>2</sup>	0.549	0.549

**Table A4**

## Additional Robustness to Excluding Firms in Financial Distress

This table presents coefficients from a meeting-by-institution-level estimation that regresses an indicator for whether the institution viewed a company's proxy documents via EDGAR prior to a vote onto measures of how important that company is in the overall bond and equity portfolio of the institution. The estimation and sample is the same as in Table 6, column 2, except that the sample is restricted to observations with the data necessary to calculate a firm's distance to default at the time of the meeting, where distance to default is calculated using the approach of Bharath and Shumway (2008). Column 2 further excludes firms where this distance to default measure indicates a firm's default probability is at least 75 percent, which is the threshold used in Keswani, Tran, and Volpin (2021) to flag financially distressed firms. *t*-statistics are reported in parentheses, and the standard errors are clustered by fund family, and \*\*\*, \*\*, and \* reflect statistical significance at the 1, 5, and 10% confidence intervals, respectively.

	Dependent variable = <i>Non-zero EDGAR views</i>	
	(1)	(2)
<i>Bond holdings / TNA</i>	0.00258* (1.96)	0.00251* (1.96)
<i>Equity holdings / TNA</i>	0.00943*** (4.25)	0.00942*** (4.25)
Institution-by-month FE	X	X
Meeting FE	X	X
Sample Excludes Firms in Financial Distress		X
Sample Restricted to Obs. w/ Non-missing Distress Data	X	X
<i>N</i>	943,096	923,830
<i>R</i> <sup>2</sup>	0.343	0.344

**Table A5****Robustness to Lagging Institutional Holdings 6 Months**

This table presents coefficients from a proposal-by-institution-level estimation that regresses the share of an institution's funds voting against the ISS recommendation for a given proposal onto lagged measures of how important that company's bonds are in the overall portfolio of the institution. The estimation is the same as in Table 4, except that the explanatory variables *Bond holdings/TNA* and *Equity holdings/TNA* are lagged six months. *t*-statistics are reported in parentheses; standard errors are clustered by fund family; and \*\*\*, \*\*, and \* reflect statistical significance at the 1, 5, and 10% confidence intervals, respectively.

	Dependent variable = <i>Against ISS</i>	
	(1)	(2)
<i>Bond holdings / TNA [measured 6 months prior to vote]</i>	0.00581*** (2.66)	0.00563*** (2.59)
<i>Equity holdings / TNA [measured 6 months prior to vote]</i>		0.0146*** (4.18)
Institution-by-month FE	X	X
Proposal FE	X	X
<i>N</i>	311,079	311,079
<i>R</i> <sup>2</sup>	0.562	0.562