

**No pressure, No diamonds:  
The role of shareholder activism on CSR transparency**

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**Abstract**

This paper investigates whether shareholders' pressures for improved CSR transparency lead to a change in corporate disclosure policies, and in particular in the extensiveness of CSR information. Multiple factors intervene to render managers' reaction to shareholder proposals uncertain: by regulation, proposals are not binding managers to act; proposals may be perceived as interference in daily business activities; industry spillover effects may occur. Therefore, it is not obvious which effect – if any – these proposals will have on corporate disclosure. Through the lens of social movement theory, we conceptualize how shareholder activism draws on several mechanisms to challenge corporate activities and bring transformation in corporate practice. We analyze the content of 2,089 CSR-related shareholders proposals filed during the period 2006-2012 and separately identify proposals that specifically request improved CSR transparency from proposals demanding other CSR related initiatives. Using propensity score matching to reduce the bias of confounding variables and choosing our control group from the pool of firms that are targeted by CSR proposals and thus under similar, although not identical, pressure, we show that proposals specifically demanding CSR transparency lead to increased CSR disclosure. Overall, our study contributes to the literature by examining an underexplored accounting outcome of activism: CSR transparency.