

# **Do corporate governance analysts matter?**

## **Evidence from the expansion of governance analyst coverage**

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### **Compliance with Data Policy for the Journal of Accounting Research**

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1. *A description of which author(s) handled the data and conducted the analyses.*

In this single-authored paper, I handled the data and conducted all analyses by myself.

2. *A detailed description of how the raw data were obtained or generated, including data sources, the date(s) on which data were downloaded or obtained, and the instrument used to generate the data (e.g., for surveys or experiments). We recommend that more than one author is able to vouch for the stated source of the raw data.*

Raw data were obtained from *five* different commercial database providers, from consulting companies on a proprietary base (please see Appendix A in the paper for detailed information on variable level), and from hand collection. The complete data management and analyses were conducted in *Stata*.

- (1) *IBES* database from Thomson Reuters for financial analyst data (lastly downloaded: 11/19/2014).
- (2) *ASSET4* database from Thomson Reuters for governance data (lastly downloaded: 11/29/2014).
- (3) *DATASTREAM* database from Thomson Reuters for financial, stock market, and accounting data (lastly downloaded: 03/22/2015).
- (4) *WORLDSCOPE* database from Thomson Reuters for accounting data (lastly downloaded: 11/29/2014).
- (5) *TRAA* (Thomson Reuters Advanced Analytics) database from Thomson Reuters for ownership data (lastly downloaded: 03/17/2015).
- (6) *RMG* (RiskMetrics Group) provided me with ISS governance coverage data on a proprietary basis (obtained in June 2008). I have submitted the data agreement file (that stipulates the non-disclosure terms of the ISS data) to the editorial office (NL\_NDA\_June2008).

- (7) ISS (Institutional Shareholder Services) provided me with ISS proxy voting coverage data on a proprietary basis (obtained in February 2014). I have submitted the data agreement file (that stipulates the non-disclosure terms of the ISS data) to the editorial office (NL\_NDA\_Feb2014).
  - (8) FTSE Russell (client service) provided me with ISS/FTSE stock index membership data on a proprietary basis (obtained in March 2017). I have submitted my email correspondence with Emilienne Ronzier-Joly (client services associate at FTSE Russell) to the editorial office.
  - (9) Governance data are hand collected from annual reports (for further details, see online appendix D of the manuscript).
3. *If the data are obtained from an organization on a proprietary basis, the authors should privately provide the editors with contact information for a representative of the organization who can confirm data were obtained by the authors. The editors would not make this information publicly available. The authors should also provide information to the editors about the data sharing agreement with the organization (e.g., non-disclosure agreement, any restrictions imposed by the organization on the authors with respect to publishing certain results).*

The ISS/RMG datasets (see #2.6 and #2.7 above) and the ISS/FTSE dataset (see #2.8 above) are subject to strict confidentiality requirements. I provided the editorial office with a copy of the Non-Disclosure Agreement (NDA) with ISS/RMG and with the detailed E-Mail correspondence with FTSE Russell.

4. *A complete description of the steps necessary to collect and process the data used in the final analyses reported in the paper. For experimental papers, we require information about subject eligibility and/or selection, as well as any exclusion criteria.*

I describe my data in Section 3 of the manuscript and provide further details on variable construction in Appendix A of the manuscript. For further details, see #2 above and my Stata do-file “[NL\\_code](#)”.

5. *Prior to final acceptance of the paper, the computer program used to convert the raw data into the dataset used in the analysis plus a brief description that enables other researchers to use this program. Instead of the program, researchers can provide a detailed step-by-step description that enables other researchers to arrive at the same dataset used in the analysis. The purpose of this requirement is to facilitate replication and to help other researchers understand in detail how the sample was formed, including the treatment of outliers, Winsorization, truncation, etc. This programming is in most circumstances not proprietary. However, we recognize that some parts of the data generation process may indeed be proprietary or otherwise cannot be made publicly available. In such cases, the authors should inform the editors upon submission, so that the editors can consider an exemption from this requirement.*

I used Stata to convert the raw data and perform all analyses. The Stata do-file “[NL\\_code](#)” uses all nine datasets (see #2 above) as inputs and provides a detailed step-by-step description that enables other researchers to arrive at the same dataset used in my study. In addition, the Stata data file “[NL\\_identifiers](#)” provides the firm IDs (ISIN) of the final sample.

6. *Data and programs should be maintained by at least one author (usually the corresponding author) for at least six years, consistent with National Science Foundation guidelines.*

I will maintain all data and programs for at least six years.