From a drop in shareholder proposals to renewed activism: Shaping your 2026 engagement with this year's proxy season data

Ann Bowering, CEO of Issuer Services at Computershare North America, and Meighan McGowan, Head of Business Development at Georgeson Advisory, part of the Computershare Group, discuss key findings from the 2025 proxy season — and how to harness this year's trends going forward.

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Authors:

Ann Bowering
CEO, Issuer Services, Computershare North America

Meighan McGowan
Head of Business Development, Georgeson Advisory

Almost 150 fewer shareholder proposals submitted. A 40% rise in successful 'no action' relief decisions. A one-third reduction to the number of social proposals submitted. The data from Georgeson's 2025 Early Proxy Season Review shows a shift taking place in the US proxy space.

"Investor engagement continues to become more complex," says Ann Bowering, CEO of Issuer Services at Computershare North America. "Market volatility, macroeconomic uncertainty and geopolitical tension have increased investor scrutiny, with a particular focus on governance, capital allocation and risk mitigation. Regulatory developments, particularly around ESG disclosures, are prompting issuers to refine their messaging and ensure alignment between board priorities and shareholder expectations, while a renewed focus on pass-through voting at the SEC shines a spotlight on the shift to giving fund investors a greater say in the voting process."

The 2025 proxy season has been a busy one and Meighan McGowan, Head of Business Development at Georgeson Advisory, part of the Computershare Group, says the data (taking in AGM data from July 1, 2024 to May 16, 2025) paints a picture of contrast — and positivity.

"As the corporate governance landscape continues to evolve, with changes at the SEC and other government regulatory groups, this can present challenges for companies, investors and advisors — but there are also opportunities," she says. "The early indicators from the 2025 proxy season suggest a more favorable environment for issuers compared to recent years."

This positivity falls into three key themes, she notes: "Companies are seeing fewer shareholder proposals, which is signaling a potential shift in investor engagement strategies; the SEC granted a higher number of no-action requests, providing issuers with more flexibility in managing shareholder proposals; and then, thirdly, director elections and say-on-pay proposals continue to receive record-breaking levels of shareholder support."

Georgeson's 2025 Early Proxy Season Review offers detailed insights into the trends and changes we have seen this past proxy season (with data to May 16, 2025). Some of the headline findings include:

- Almost a quarter (23%) of all proposals at Russell 3000 companies — a total of 197 as of May 16, 2025 — received 'no action' relief, surpassing the proportional 14% of all submissions during the previous year's full proxy season
- Total shareholder proposals declined for the first time in five years: 852 proposal submissions were made as of May 16, a reduction of 148 from 1,000 submissions identified during the full 2024 proxy season and representing a 15% drop
- Some 40 out of 139 environmentally focused proposals went to a vote this season, but none passed
- Social proposal submissions dropped by one third this season
- Diversity-related submissions are less than half the volume (13 as of May 16, 2025) than during the last two proxy years
- Anti-ESG submissions hit a record high of 131, up 14% from 2024 and nearly 40% since 2023, though average support remains in the low single digits
- ISS recommended against 8.9% of say-on-pay votes — up from 6.4% in 2024. Still, executive management saw record-high shareholder support for their company's say-on-pay proposals with an average of 95.6%
- Activists won 75% of contested slots in 2025, up 10% on 2024, as activists shifted away from a full board focus to individual candidates
- Management proposals to shift a company's incorporation away from Delaware to another state jumped from three during the 2024 proxy year to 13 as of May 16
- Just 10 proponents filed 67% (567 out of 852) of all proposals in the research period

Investor engagements and 13D-G filings

Even as the season overall suggests more company-friendly trends, some notable challenges have surfaced.

McGowan points to the change in rules around the SEC's update to **Compliance and Disclosure Interpretations (C&DIs) for Schedules 13D and 13G**, which has significant implications for the subject matter of a shareholder's engagement with an issuer and the context in which the engagement occurs.

In the past, an investor owning more than 5% of a company's stock was not necessarily required to file a 13D solely for having an engagement. That has now changed. If an institutional owner with more than 5% of outstanding shares engages with an issuer in a way that pressures the issuer to adopt certain measures or ties support for directors to the adoption of certain provisions, it must disclose its ownership in a Schedule 13D filing. McGowan explains that "under the new guidance, the context of the engagement has become highly relevant" and has had implications for engagement.

The new guidance created 'a momentary pause' in investor-company engagement. "Some managers stopped requesting meetings or engagements as they would have in prior years," says McGowan. "This created an environment where it was really up to the company to set up the engagement and be more proactive."

For those engagements that *did* happen, investors increasingly took the line that while companies can say what they want, investors were not going to talk about how they were going to vote or what companies can do to change that vote. "Some managers were in listen-only mode during proxy season," continues McGowan, "so it really was incumbent on the company to set the agenda for that meeting, that engagement, and make the points they wanted to cover very clear."

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> **Georgeson Advisory**

An activism resurgence

Another key challenge is a renewed enthusiasm from shareholder activists — something Bowering says companies must stay alert to.

"We are seeing activism both increase and evolve across different markets, with what we would describe as a greater sophistication on the campaign side. Today's campaigns are more nuanced, while traditional activists are increasingly being backed by institutional investors who are more comfortable in questioning boards. At the same time, the stigma of being on the activist slate has faded and we are seeing a better class of candidate put up for election."

In the US specifically, the effect of the universal proxy card — now in its third year — is being felt. "Activists are honing their focus," says McGowan. "They are campaigning against fewer directors but winning more often."

At the same time, the uncertainty created by universal proxy cards has fostered an environment in which companies are more willing to settle with activists, to avoid the risks and costs associated with a full-fledged proxy contest. She suggests companies should be more proactive in addressing potential vulnerabilities on their board.

The off season should be viewed as an opportunity to assess the skills and experience of existing board members, and how those are being evaluated outside the company.

"Heading into this proxy season, we saw proxy advisors and some of the largest asset managers being less prescriptive around matters like diversity at the board level," she highlights as an example of this. "We do not know whether this will continue in the off season but it is important to monitor and really keep yourself apprised of what investors are thinking going into the next annual meeting season."

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Referencing the changes in investor attitudes to engagement brought on by the updated CD&Is for 13D-G, McGowan says companies really need to get proactive in their engagement. "Issuers should prepare accordingly. They need to be more involved in setting the agenda for their investor engagements," she says. "Typically, the explanation for vote rationale is included in investor engagements, and while we believe this *will* be the case in off-season engagement this year, we do not yet know if there is going to be as much of a dialogue as in prior years. Until some of these engagements happen, there is that bit of uncertainty."

An eye on 2026

As companies look to both off-season engagement and the 2026 proxy season, McGowan and Bowering agree on the need to keep your message in mind at all times

"Continuing to focus on disclosure that tells the story is key," says McGowan. "As is the case every year, maintaining a strategic, governance-focused shareholder engagement program is really critical to understanding investor and proxy advisory firms' concerns and minimizing opposition at annual meetings."

To do that, companies need to cut through the noise. "There is a lot of change in the shareholder proposal realm and the political environment in which we are operating is different than it was last year," she adds. "Companies need to stay on top of what is going on with their peers and their investors. Every company has different strategic goals so it is important to understand what your investors care about, what they are asking for and to really monitor changes to their voting policies going into next year's proxy season."

All this is tightly linked to today's strategic approach to IR and the value that the function delivers to the board and the C-suite, says Bowering, noting that the CEO, CFO and chair of the non-execs are gaining time and leverage with investors.

"Before they head into a conversation, they need to understand what the perception of that investor is," she says. "They need to be prepared in terms of previous conversations and how the investor has voted at the shareholder meeting. There are different aspects that must come into consideration — and we are seeing our data become a real driving force in preparing IR, management and the board for those conversations."