AN EARLY LOOK AT THE 2025

PROXY SEASON

CERTAINTY | INGENUITY | ADVANTAGE

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CONTENTS

INTRO & EXECUTIVE SUMMARY

INTRODUCTION

During the latter part of 2024, companies began operating in a more favorable regulatory and investor environment. One of the reasons for this shift was updated guidance from the Securities and Exchange Commission (SEC) and other regulatory bodies.

Early trends from the 2025 proxy season show a decrease in shareholder proposal submissions to Russell 3000 (R3000) companies. At the same time, we have also seen a sharp rise in companies filing 'no action' relief requests and a sizeable portion with relief granted by the SEC.

As a result of these combined changes, companies likely felt more confident pushing back on shareholder demands, including on environmental and social issues. Many investors also indicated satisfaction with board performance and executive management saw record-high support for their companies' Say on Pay proposals.

In this report, Georgeson gathered and analyzed 2025 partial year-to-date (YTD) proxy results (July 1, 2024, to May 16, 2025) from R3000 companies and compared proxy data from previous years.

Prior season data in this report reflects proxy data from the full annual general meeting (AGM) season (July 1 to June 30 of the following year) of R3000 companies unless otherwise indicated.

Please note that the report interchanges the term 'year' with 'proxy season' unless stated otherwise.

EXECUTIVE SUMMARY

CORPORATE GOVERNANCE

SAY ON PAY

±**91.4%** in favor – 2025

±**91.3%** in favor – 2024

Average shareholder support for Say on Pay (SOP) at R3000 companies has increased during the 2025 proxy season YTD, with approximately 91.4% of votes cast in favor (excluding abstentions), compared to 91.3% shareholder support during the 2024 proxy season.

We have also observed a marked increase in the number of management proposals seeking to move company incorporations from Delaware to alternative jurisdictions. Such proposals more than quadrupled from three last year to 13 this year.

CONTESTED SITUATIONS

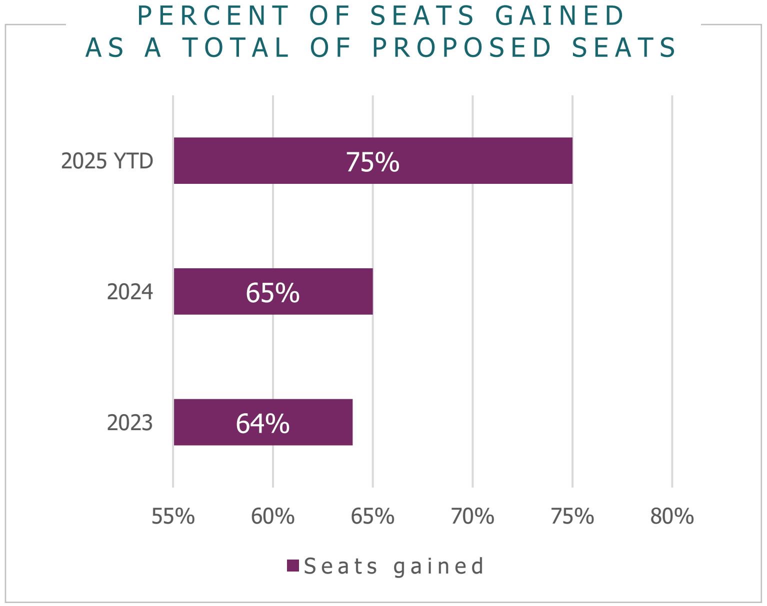
2025 marks the third year since the Universal Proxy Card ("UPC") rule came into effect on September 1, 2022. Unlike the previous two years, fewer director nominees were proposed by activists so far this year, but those that were proposed saw a higher success rate: 75% (92 out of 123) of seats were won by activists so far in 2025 compared with 65% (118 out of 181) in 2024 for activists.

DIRECTOR ELECTION

2025 **95.6%**

2024 **94.8%**

Director election shareholder support at US companies continues to be strong, **averaging 95.6% for the 2025** proxy season YTD, **slightly higher** than the average support of 94.8% for the full 2024 proxy season.



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EXECUTIVE SUMMARY

SHAREHOLDER PROPOSAL

852 proposals identified to date

2025 **saw a significant decline in proposals**, falling below the 2022 levels observed.

-15%

The number of proposals is a nearly **15% decline** from the 1,000 proposals identified in the 2024 season.

A decline in environmental & social proposals, along with an increase in anti-ESG proposals contributed most to the volume changes.

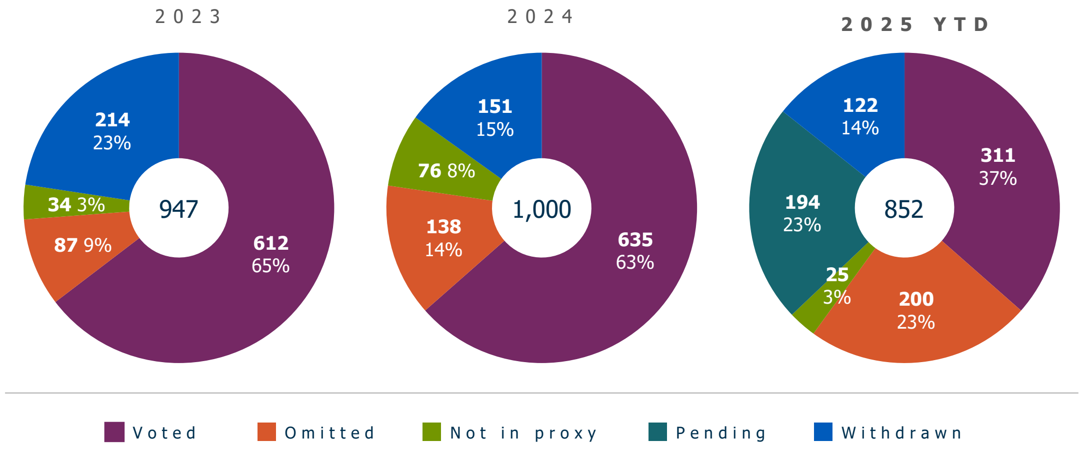
As of May 16, 2025, 37% (311 out of 852) of shareholder proposals have already gone to a vote, while 23% (194 out of 852) are still pending. Of those that went to a vote during the current proxy season, 35 of the 37 that passed were governance-related proposals.

This year, we added a new section examining 'no action' relief submissions trends. One of the most notable trends during the 2025 proxy season so far has been the increased number of **'no action' relief granted by the SEC**. 'No action' relief was granted for 23% of all submitted proposals (197 out of 852) during the 2025 proxy season, compared to 14% (141 out of 1,000) for last year.

TRENDS IN VOLUME CHANGES

	2023	2024	2025 YTD	Change in volume
Environmental	**180**	**173**	**139**	▼ 20%
Social	**354**	**335**	**225**	▼ 33%
Governance	**319**	**377**	**357**	▼ 5%
Anti-ESG	**94**	**115**	**131**	▲ 14%

SHAREHOLDER PROPOSAL ACTIVITY BY YEAR



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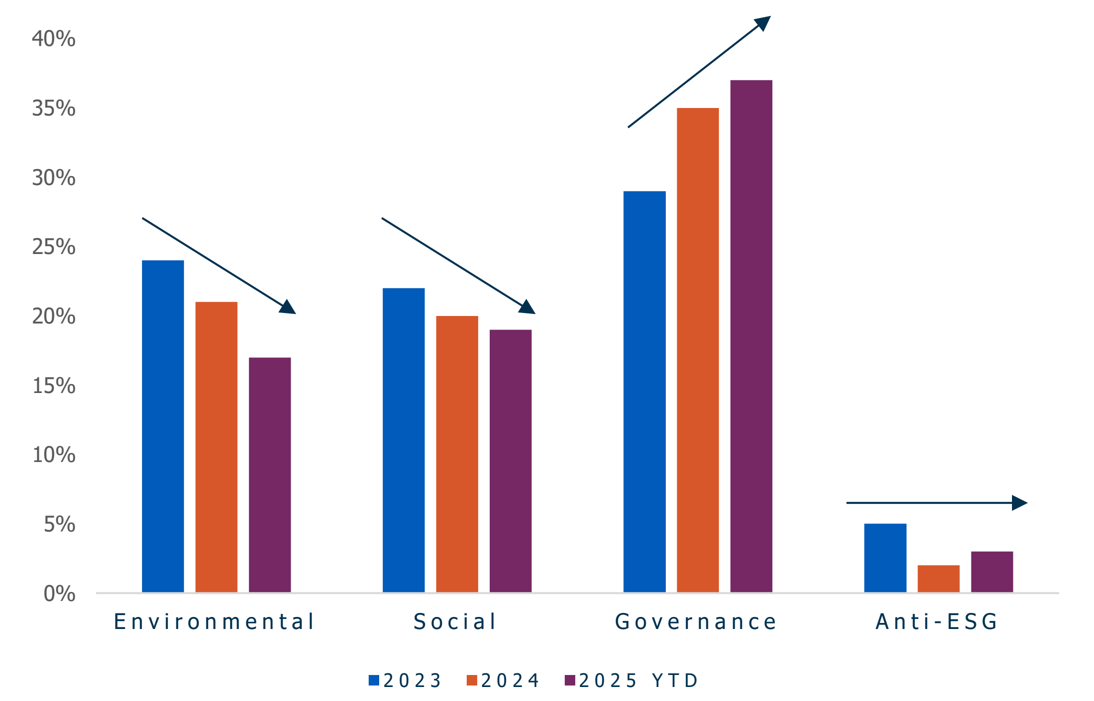
EXECUTIVE SUMMARY

SHAREHOLDER PROPOSAL

Average shareholder support in 2025 stayed fairly consistent with the previous year. Support for **environmental and social proposals** continued its **decline for the third consecutive year**, but rose for governance-related submissions. Support for anti-ESG proposals saw a slight increase, but remained in the low single digits.

During the 2025 proxy season YTD, **none of the 47 environmental proposals passed**, while two out of 98 social proposals and 35 out of 166 governance proposals passed. **Passage rates for ESG proposals in the 2025 season remain consistent with the year before.**

CHANGE IN AVERAGE SUPPORT



PASSAGE RATE FOR ESG PROPOSALS

	Environmental	Social	Governance
Number voted	47	98	166
Number passed	0	2	35
Passage Rate	0.0%	2%	21%

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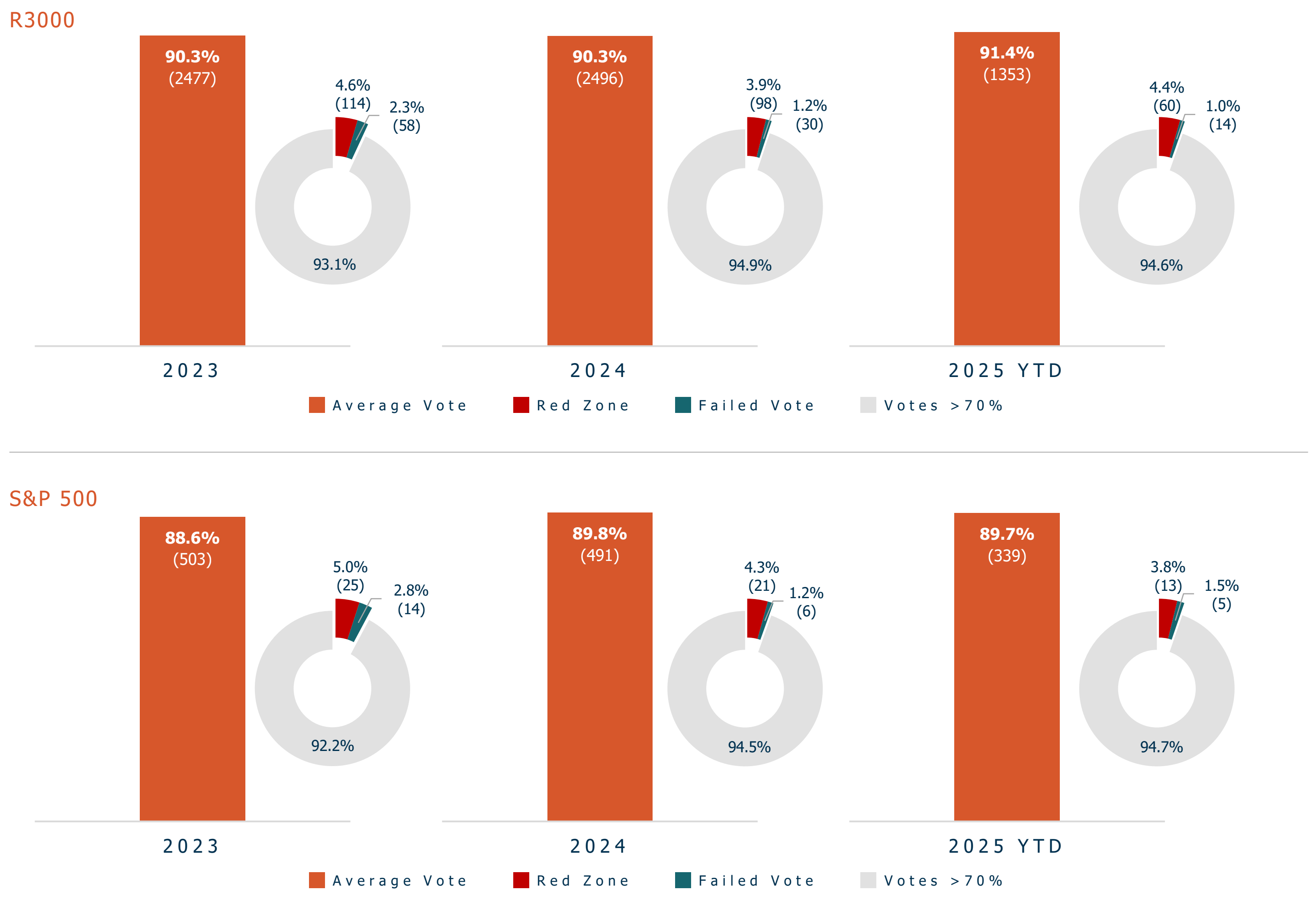
CORPORATE GOVERNANCE

SAY ON PAY

SAY ON PAY SUPPORT 2023 - 2025 YTD



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CORPORATE GOVERNANCE

SAY ON PAY

SIMILAR LEVELS OF SUPPORT AS IN 2024

Say on Pay (SOP) vote results for the 2025 proxy season YTD have seen similar support to the year before for R3000 companies: approximately 91.4% of votes cast in favor (excluding abstentions) of the voluntary disclosure, compared to 91.3% in proxy year 2024.

S&P 500 companies have garnered slightly lower support compared to R3000 companies, with approximately 89.7% of votes cast in favor YTD, down slightly from the proxy year 2024 when they received about 89.8% favorable support.

14 R3000 companies have failed to receive majority support for their SOP proposals so far in the 2025 season: 11 of the failed votes occurred since January 1, 2025.

Five companies — Simon Property Group, Molina Healthcare, Viatris, Otis and Conagra Brands — of the 14 that failed to receive majority support are also listed on the S&P 500.

As of May 16, 2025, 4.4% of SOP among R3000 companies this proxy season were in the "red zone," defined as receiving between 50% and 70% shareholder support. The red zone serves as an early warning to companies and executives that they are somehow misaligned with their shareholders.

By comparison, 3.8% of S&P 500 companies so far have results falling within the red zone.

CHANGES TO PROXY ADVISOR RECOMMENDATIONS

This season, ISS has issued more negative recommendations at R3000 companies, recommending 'against' 8.9% of all voted proposals from January 1 to May 16, 2025, compared to 6.4% during the same period in 2024. In 2025, negative vote recommendations from ISS may have reduced shareholder support by as much as 28% at affected companies — mirroring the impact in 2024.

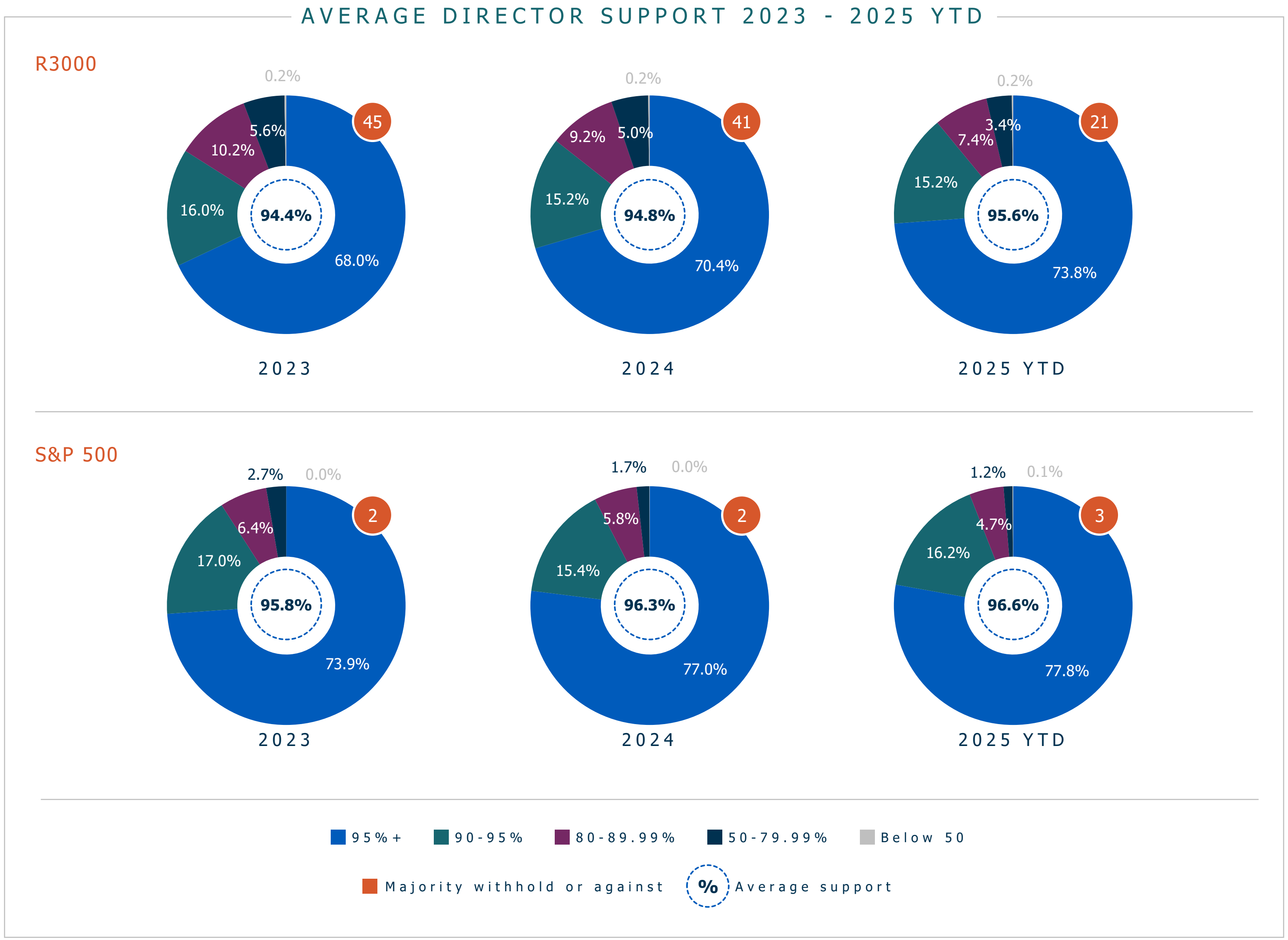
ISS had also recommended 'against' a similar percentage of S&P 500 companies during the same period, with 8.1% of SOP proposals receiving negative recommendations, compared to 6.3% in the same period in 2024. Such recommendations from ISS likely lowered shareholder support at S&P 500 companies to 27% in 2025 compared to 31% during the same period in the year before.

ISS has placed greater emphasis on disclosure and the structure of long-term equity awards, as noted in the proxy advisor's 2025 compensation FAQs. When ISS identifies a quantitative misalignment between pay and performance, the proxy advisor often recommends against the SOP proposal, particularly when companies fail to disclose forward-looking goals clearly, provide insufficient details on closing-cycle vesting results, or implement overly complex performance equity structures.

ISS often issues negative recommendations in response to unusually large pay packages, including maximum vesting opportunity, granted to continuing CEOs or newly-hired CEOs.

CORPORATE GOVERNANCE

DIRECTOR ELECTIONS



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CORPORATE GOVERNANCE

DIRECTOR ELECTIONS

CONTINUED STRONG SUPPORT FOR DIRECTOR ELECTIONS

Director election support at R3000 companies continues to be strong. The average support for proxy year 2025 YTD (95.6%) is slightly higher than the average support for the full 2024 proxy year (94.8%).

As of May 16, 2025, 21 director nominees failed to receive at least 50% shareholder support. Only three of the directors were from S&P 500 companies. Seven were not elected owing to the existence of a majority vote standard at their companies. The remaining 14 directors were elected under plurality vote standards.

From January 1 through May 16, 2025, average shareholder support for director elections for R3000 companies reached an average support of 95.9%, a slight uptick (95.7%) from the same period in 2024. The proportion of directors receiving less than 90% shareholder support has declined year-over-year.

Between January 1 and May 16, 2025, 9.6% of directors received less than 90% support, compared to 10.2% during the same period in 2024. Directors at S&P 500 companies — who generally receive stronger backing — have averaged 96.6% support for the proxy year 2025 YTD, compared to 96.3% for the full 2024 proxy year.

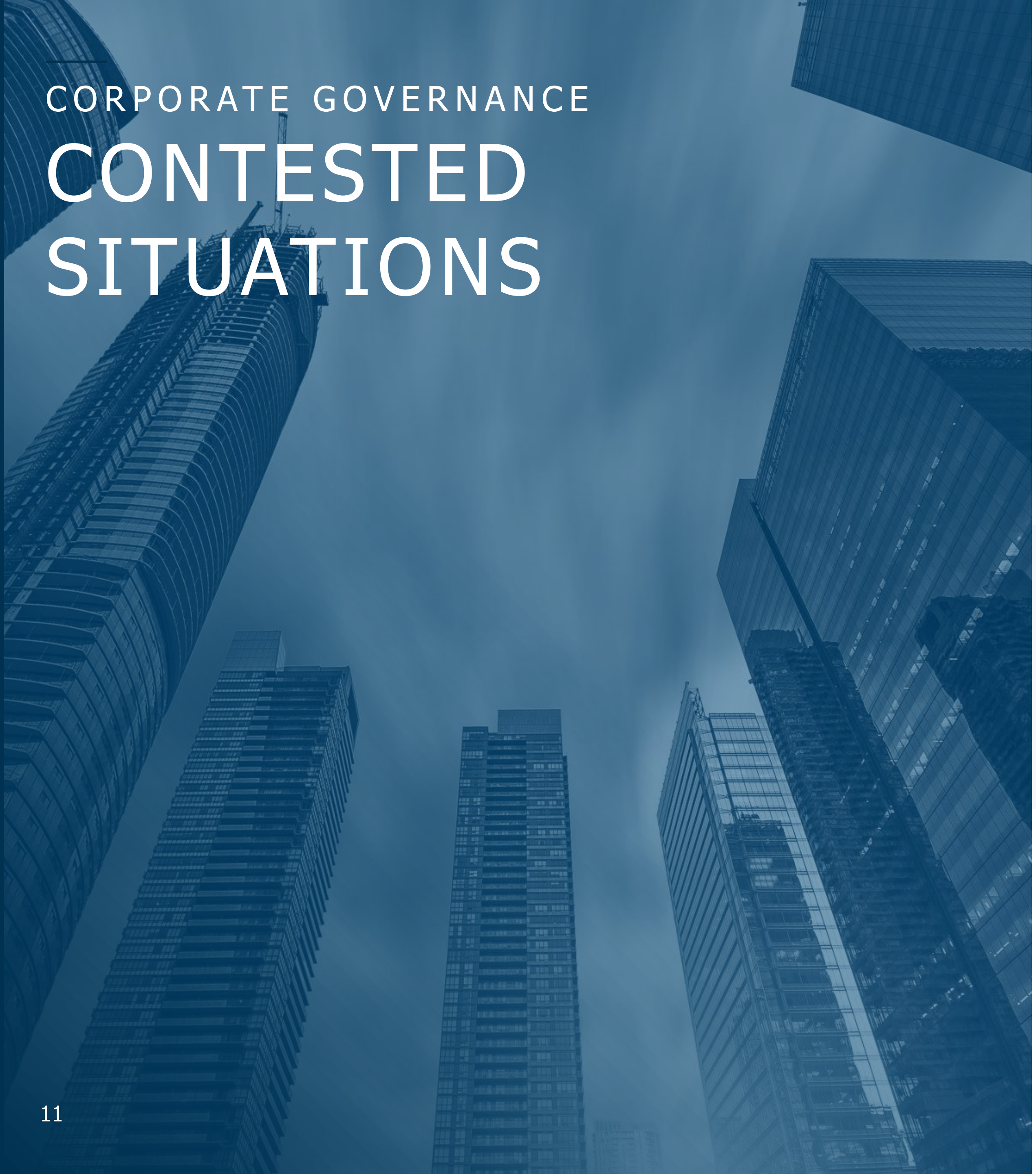
Three companies in the R3000 saw multiple directors fall below majority support: Ingles Market, Inc. (two directors), Braemar Hotels & Resorts, Inc. (four directors) and Mitek Systems, Inc. (four directors). Three directors at separate S&P 500 companies — A.O. Smith Corporation, Ralph Lauren Corporation and Enphase Energy Inc. — have received a majority ‘withhold’ vote, which is when shareholders withhold 50% of their vote from a specific director election instead of voting for an alternative candidate, to express their dissatisfaction.

POLICY CHANGES ON BOARD DIVERSITY

In 2025, many proxy advisors and large institutional investors significantly revised their board diversity policies. ISS paused its consideration of gender and ethnic diversity when making director election vote recommendations. In contrast, Glass Lewis continues to factor in board diversity in its recommendations but now offers alternative recommendations for investors who prefer not to consider gender or underrepresented community diversity in their voting decisions.

Some institutional investors have softened their diversity policies by replacing gender or race references with broader terms such as ‘diverse experiences/perspectives/skillsets’ or removing required diversity thresholds, including those that mandate ‘30% of gender or racially/ethnically diverse individuals on the board’.

While such changes may slightly increase support for some directors, the overall impact is most likely limited, as most companies have already met prior diversity requirements. However, in response to updated investor guidance, some companies reduced their diversity disclosures, prompting Glass Lewis to issue negative voting recommendations.



CORPORATE GOVERNANCE

CONTESTED SITUATIONS

Since the adoption of the Universal Proxy Card (UPC) in September 2022, activist shareholders have nominated more director candidates and secured a greater share of board seats. Under UPC, investors can "mix and match" their votes across competing slates, enhancing their ability to select candidates they believe can best represent shareholder interests — regardless of who nominated them.

We observed that UPC significantly contributed to **an increase in settlements** during the 2024 proxy season, where issuers and activists reached agreements that often included standstill provisions or board seats awarded to the activist. The number of settlements that took place as a result of UPC also rose during the 2023 and 2024 proxy years.

The number of board **seats proposed by activists this year is trending lower** than the previous proxy seasons. However, the success rate so far in 2025 for activists winning board seats has increased to **75%** (92 out of 123), compared to **65%** (118 out of 181) during the full 2024 proxy season.

CORPORATE GOVERNANCE

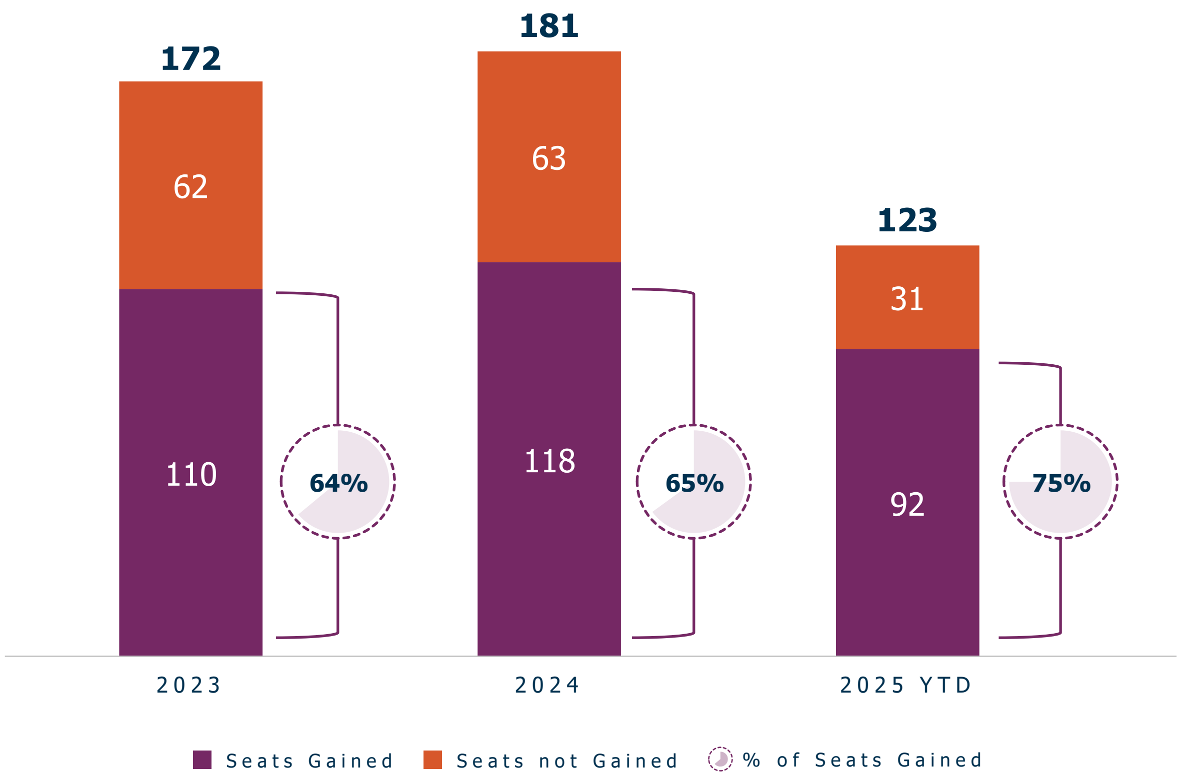
CONTESTED SITUATIONS

FROM QUANTITY TO QUALITY

The decline in the number of settlements so far in 2025 is notable, with only 54 recorded through May 16, 2025, compared to 78 during the full 2024 season. Indeed, this marks the first time settlements have fallen below the level seen since 2023, the first full year under the new proxy rule.

Although activists are pursuing fewer board seats, they are winning a greater percentage so far this proxy season. This shift suggests a more strategic use of UPC by activists to gain board seats. They appear to be moving away from the 'flood the zone' tactic of nominating large slates and toward smaller, more targeted campaigns focused on high-quality candidates.

SEATS PROPOSED VS SEATS GAINED



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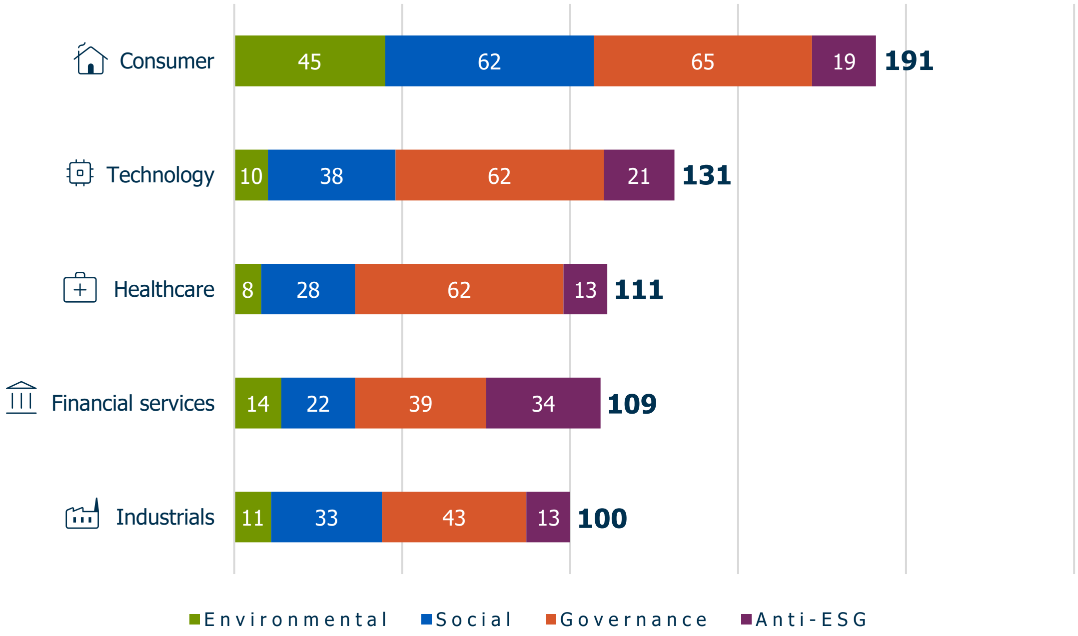
SHAREHOLDER PROPOSALS

OVERALL TRENDS

As of May 16, 2025, we observed 76 subtypes of proposals across environmental, social and governance (ESG) submissions, inclusive of anti-ESG proposals. **56% of all submitted proposals fell within 15 specific subtypes.**

PROPOSAL SPLIT PER SECTOR

Five sectors, consumer cyclical, technology, healthcare, financial services and industrials, account for 75% of all proposals (642 out of 852), which is consistent with the past three years.



The largest 500 US-listed companies received 76% (650 out of 852) of all proposals filed.

SHAREHOLDER PROPOSALS

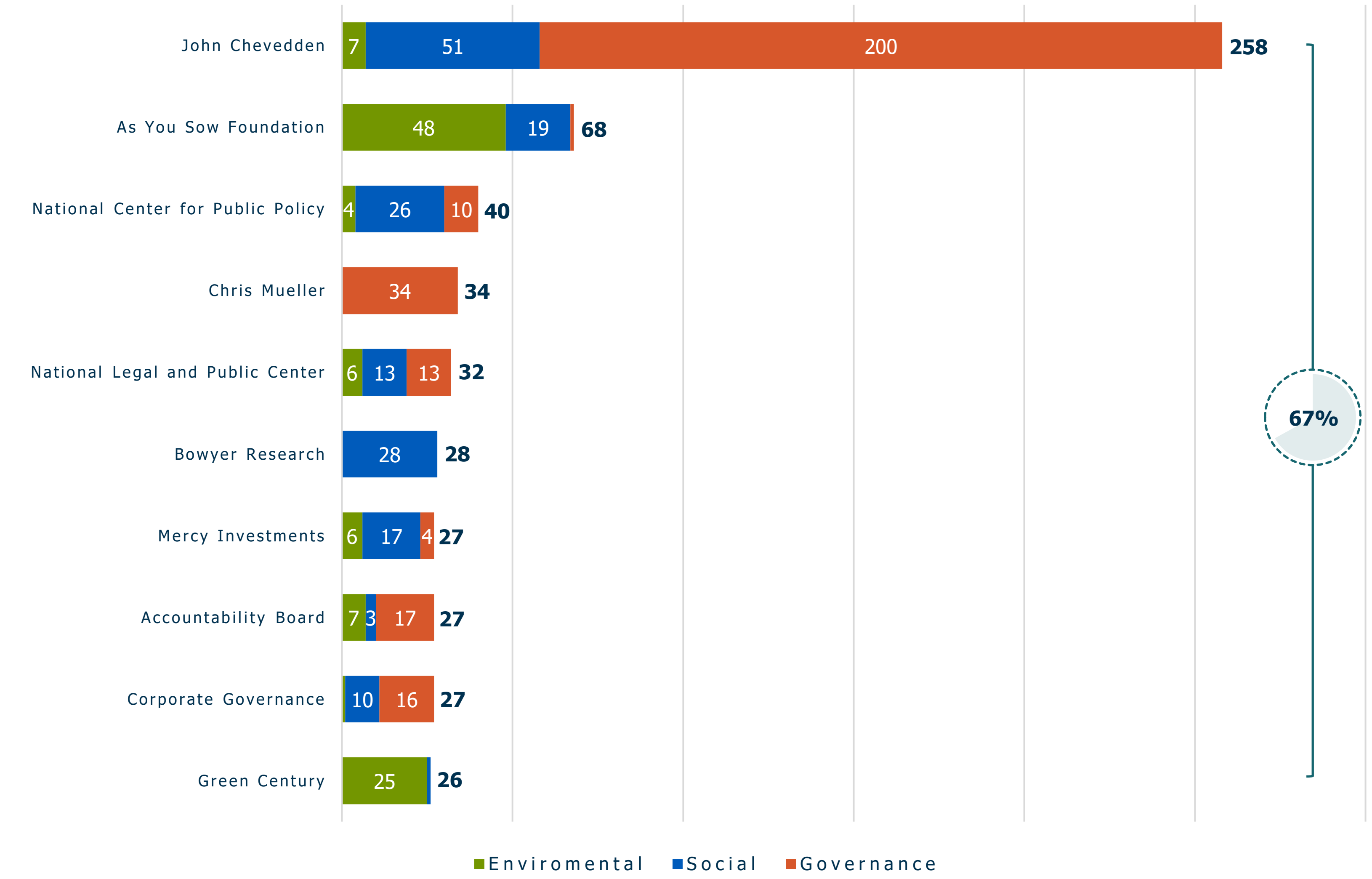
OVERALL TRENDS

ACTIVE PROPONENTS

As in previous years, a significant majority, or 67% of proposals (567 out of 852), were filed by 10 proponents.

One notable trend this season is the sharp decline in submissions from several historically-active filers. There has also been a steady rise in anti-ESG proponents in the past two years. We have also **observed a 138% increase (13 in 2023 to 31 in 2025) in the number of submissions from anti-ESG proponents**, most of whom are individual shareholders filing multiple proposals. These shifts have contributed to the decline in the volume of environmental and social proposals and an increase in anti-ESG proposal submissions.

2025 TOP PROPONENTS PROPOSAL COUNT



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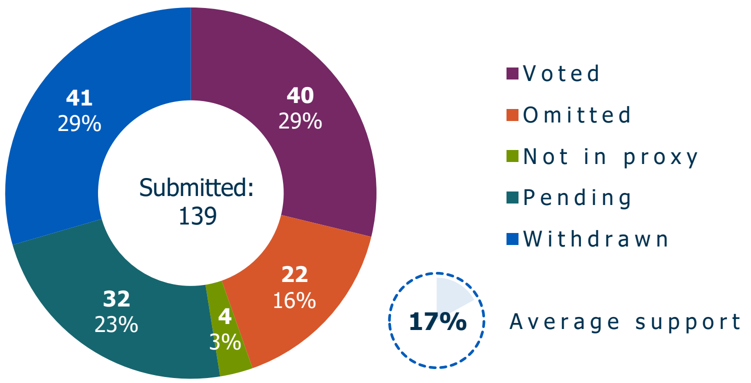
SHAREHOLDER PROPOSALS

ENVIRONMENTAL

ENVIRONMENTAL PROPOSAL STATUS YTD 2025

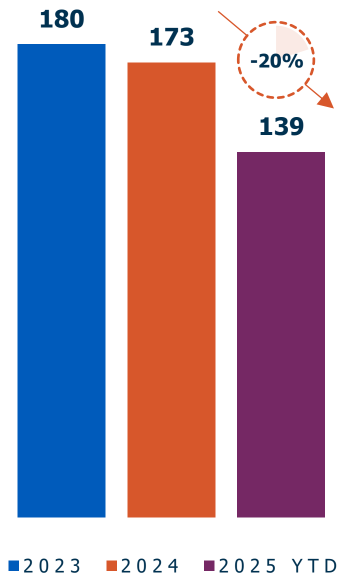


Environmental topics remain a consistent area of focus among shareholder-sponsored proposals in the 2025 proxy season despite a year-over-year decrease in total submission volumes.

A total of 139 environmental proposals have been submitted YTD in 2025 (excluding 15 anti-ESG proposals focused on environmental issues), representing a 20% drop thus far when compared to 173 for the full 2024 proxy season. Despite the decline in environmentally-focused proposals, the share of total proposals remains largely unchanged: environmental proposals represent 16% of all submissions this season so far compared to 17% during the full 2024 proxy season.

Overall, the steady level of relative submissions each year suggests that, despite broader shifts in ESG priorities, shareholders continue to view environmental issues as a key area of concern.

ENVIRONMENTAL PROPOSALS SUBMITTED



SHAREHOLDER PROPOSALS

ENVIRONMENTAL

PROPOSALS STATUS

Of the environmental proposals submitted this year, only 29% (40) have gone to a vote so far, with none receiving majority support. This marks a sharp decline from the 36% (62) of proposals that received a vote by this point last season and continues a multi-year trend of falling support and passage rates for environmental proposals.

ENVIRONMENTAL PROPOSALS WITH MAJORITY SUPPORT YOY

	2023	2024	2025 YTD
Number voted	86	83	40
Number passed	4	2	0
Passage Rate	4.7%	2.4%	0.0%

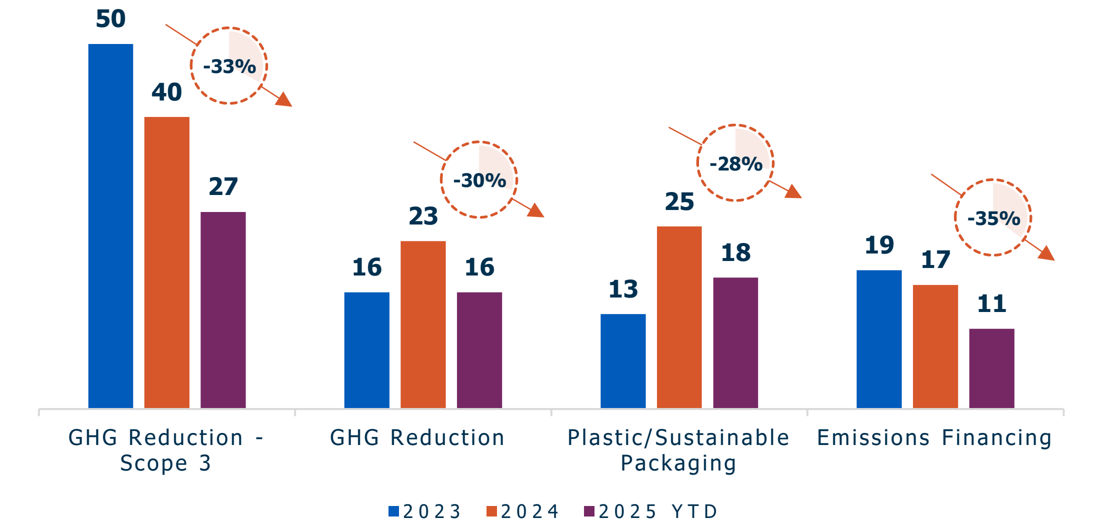
So far this season, 41 environmental proposals (29% of the 138 submitted) have been withdrawn. This is consistent with the downward trend in withdrawal rates observed in recent years: 28% for 2024 and 42% for 2023. The similarities between 2024 and 2025 may indicate a new baseline forming, as issuers appear less inclined to negotiate with proponents amid softening shareholder support, opting instead to let more proposals proceed to a vote.

PROPOSALS STATUS

As in past proxy seasons, the most frequently submitted environmental proposals in 2025 are focused on greenhouse gas (GHG) reduction, including Scope 3, plastic/sustainable packaging and emissions financing. However, such submissions have declined overall annually, along with biodiversity-related proposals, the latter of which have decreased from 13 to eight. **This overall decline in proposal submissions focused on environmental issues coincides with the broader reduction in proxy season activity during the 2025 season.** Despite the decrease, such topics continue to dominate proposal submission rankings, suggesting sustained proponent interest.

In contrast, biodiversity proposal submissions decreased this year (eight as of May 16, 2025 as compared to 13 last season). As some investors softened their guidelines on environmental issues this year, we observed a lower number of such proposal subtypes. The prior year's submissions were likely driven by heightened attention following the recommendations released by the Taskforce on Nature-related Financial Disclosures (TNFD).

SUBMISSION TOTALS FOR TOP PROPOSAL TYPES BY YEAR



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SHAREHOLDER PROPOSALS

ENVIRONMENTAL

TOP 10 ENVIRONMENTAL PROPOSALS SUBMISSIONS BY TYPE

RANK	TYPE	2025 YTD VOLUME	YoY VOLUME CHANGE
1	**GHG Reduction – Scope 3**	**27**	**-13**
2	**Plastic / Sustainable Packaging**	**18**	**-7**
3	**GHG Reduction**	**16**	**-7**
4	Emissions Financing	11	-6
5	Climate Change – Lobbying	8	-5
6	Waste	8	n/a
7	Biodiversity	8	-5
8	Plant-Based Alternatives/Healthy Eating	8	-1
9	Climate Change – Risk/Opportunity	7	-3
10	Climate Change – Report	6	-3

44% of **139**

84% of **139**

As in prior years, As You Sow continues to be the most active filer of environmental proposals. This year, the non-governmental organization (NGO) is again leading the pack with the most environmental proposal submissions (48 out of 139) thus far. Green Century was the second largest filer by volume with 26 social proposals submitted.

WASTE-RELATED PROPOSALS

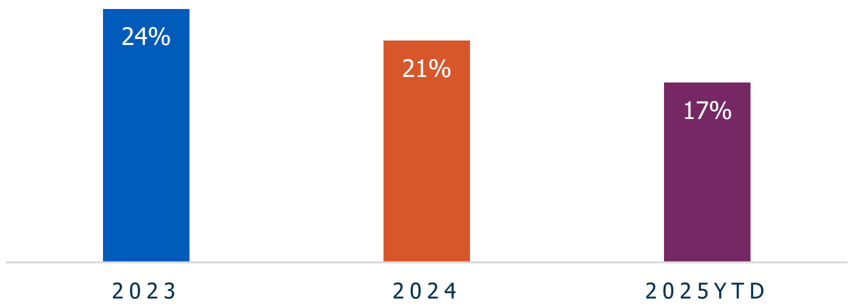
Waste-related proposals saw a noteworthy increase during the 2025 proxy season, with eight submitted so far. The Accountability Board submitted the majority (five) of these proposals, all of which were related to food waste. The remaining proposal submissions focused on cigarette waste (two proposals) and recycling (one proposal). As of May 16, 2025, two waste-related proposals went to a vote: cigarette waste at Walgreens Boots Alliance (with 7% support) and food waste at Coca-Cola (with 13% support).

VOTED PROPOSALS

Average support for environmental proposals has continued to decline annually: 17% average shareholder support so far in 2025, compared to 21% from the full 2024 proxy season.

As a result, fewer environmental proposals pass every proxy season. 29% (40 of 139) of environmental proposal submissions have gone to a vote so far this year, but none passed.

AVERAGE SUPPORT FOR ENVIRONMENTAL PROPOSALS



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SHAREHOLDER PROPOSALS

ENVIRONMENTAL

PASSING ENVIRONMENTAL PROPOSALS

The highest supported environmental proposals of the season included:

40% support

A plastic/sustainable packaging proposal related to reporting efforts on reducing the use of plastic packaging at General Mills, which received 40% shareholder support - the highest overall.

38% support

A GHG reduction proposal at Cracker Barrel (without mention of Scope 3), which received 38% shareholder support.

35% support

A water reduction proposal at Constellation Brands, which received 35% shareholder support (the only water-focused proposal to go to a vote).

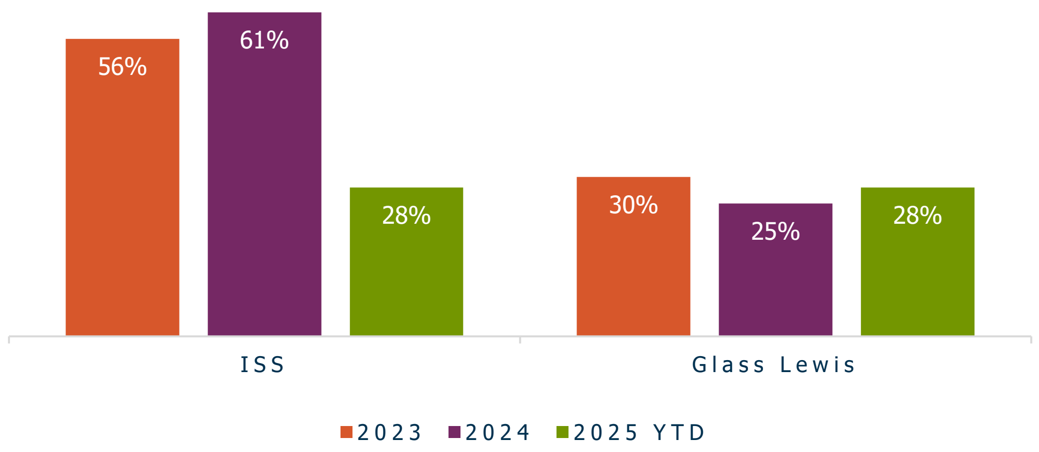
All three proposals received 'for' recommendations from both ISS and Glass Lewis, reinforcing the fact that proposals with clear, narrow asks and that align with proxy advisors' guidelines will likely receive the strongest shareholder backing.

PROXY ADVISOR INFLUENCE

Proxy advisors ISS and Glass Lewis provided divergent vote recommendations this year, reflecting each advisor's evolving policies around ESG. Glass Lewis has slightly increased its support for environmental proposals, while ISS has largely decreased its support for such proposals.

Glass Lewis' stronger emphasis on ESG stewardship may be a result of the advisor's larger international clientele base, whereas ISS seems more focused on alignment with US-specific market standards.

GLASS LEWIS AND ISS 'FOR' % OUT OF ENVIRONMENTAL PROPOSALS VOTED



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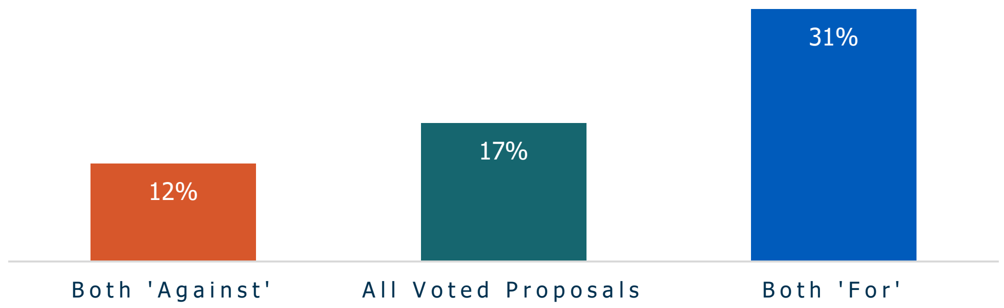
SHAREHOLDER PROPOSALS

ENVIRONMENTAL

Overall, environmental proposals have garnered 17% average shareholder support so far during the 2025 proxy season. Notably, **average support almost doubles (31%) for those that received 'for' recommendations from both proxy advisors ISS and Glass Lewis**. The types of proposals that received a 'for' recommendation from both proxy advisors are: GHG reduction (3), plastics/sustainable packaging (2), water (1) and sustainable agriculture (1)

In contrast, proposals that received 'against' recommendations from both advisors averaged 12% support, indicating the influence of proxy advisors on voting outcomes. Proposals that received an 'against' recommendation from both covered: emissions financing (5), climate risk/opportunity (4), biodiversity (2), GHG reduction including Scope 3 (6), plastic/sustainable packaging (3), waste (2), climate reporting (1) climate lobbying (1) and other (1).

AVERAGE SUPPORT, VOTED ENVIRONMENTAL PROPOSALS



There **were eight proposals focused on environmental issues this season with split recommendations between ISS and Glass Lewis.** The proposals received 18% average shareholder support: slightly above the overall average (17%), but well below the support seen when both advisors make a 'for' recommendation (31%).

As in previous years, any divergence between proxy advisors' recommendations appears to dampen shareholder support, with proposals lacking unified backing receiving less investor endorsement. However, so far this year, only 20% of environmental proposals (eight out of 40) received divergent recommendations from the proxy advisors – significantly lower than last year's 45%.

Notably, the subtypes that received 'split recommendations' in 2025 include several GHG reduction proposals (six out of eight, with four mentioning Scope 3), as well as proposals related to climate lobbying and climate risk/opportunity disclosure.

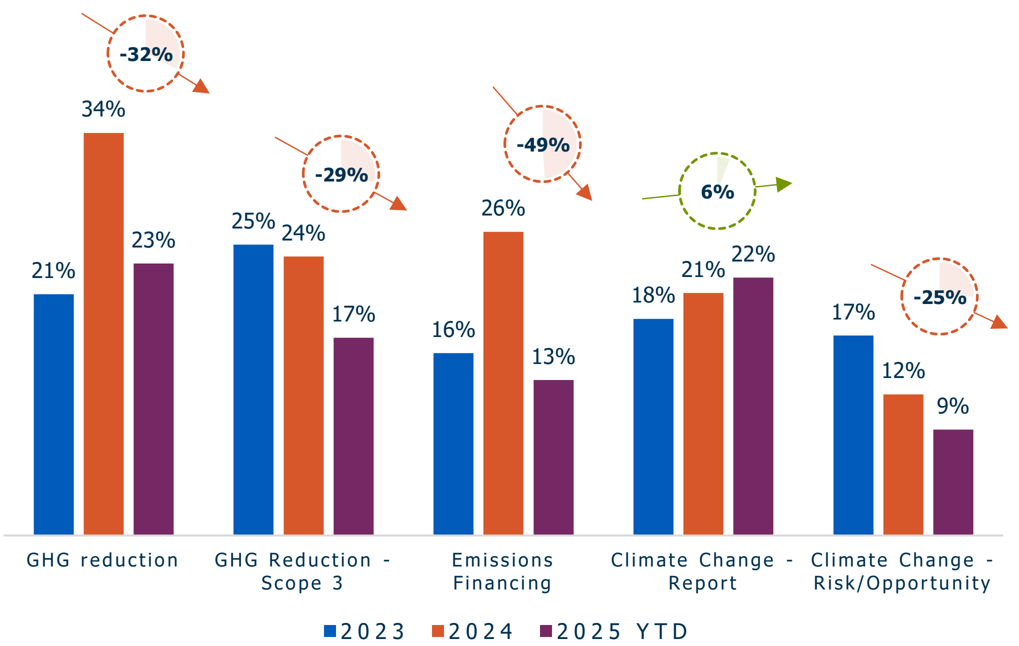
SHAREHOLDER PROPOSALS

ENVIRONMENTAL

GHG EMISSIONS PROPOSALS

GHG-related proposals continue to dominate the environmental landscape in the 2025 proxy season so far, consistent with the past few years. These proposals cover a range of climate-related topics, such as emissions reduction, emissions financing and climate risk/opportunity reporting.

AVERAGE SUPPORT FOR GHG EMISSIONS RELATED PROPOSALS

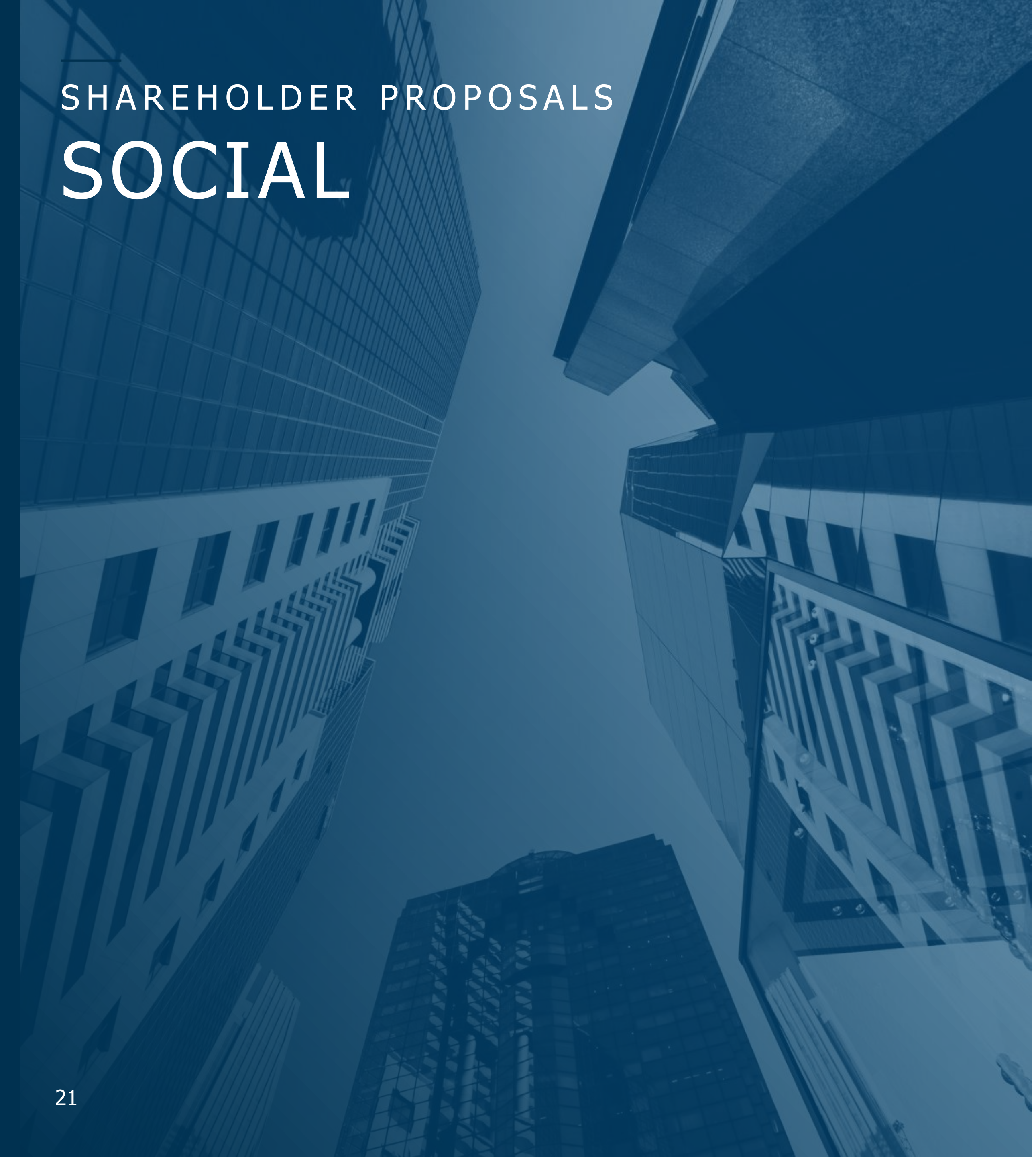


So far, **43 GHG-reduction proposals** have been submitted during the 2025 proxy season to-date: **27 included Scope 3 or value chain emissions, while 16 mentioned neither.**

As observed in prior proxy seasons, proposals that do not explicitly call for Scope 3 emissions — the indirect GHG emissions that occur through the supply chain or partners — tend to receive higher average support. Proposals that do not mention Scope 3 have an average of 23% in shareholder support so far this season, compared to those that do include the term (which average 17% in shareholder support). The shareholder support differential, while narrower than in previous years, suggests that investors are more cautious towards what they may consider to be overreaching or more prescriptive proposals.

The most **strongly-supported GHG-related proposal this season – which focused on emissions reduction without referencing Scope 3** – received 38% shareholder support at Cracker Barrel: among the highest shareholder support outcomes across all environmental proposals so far this season.

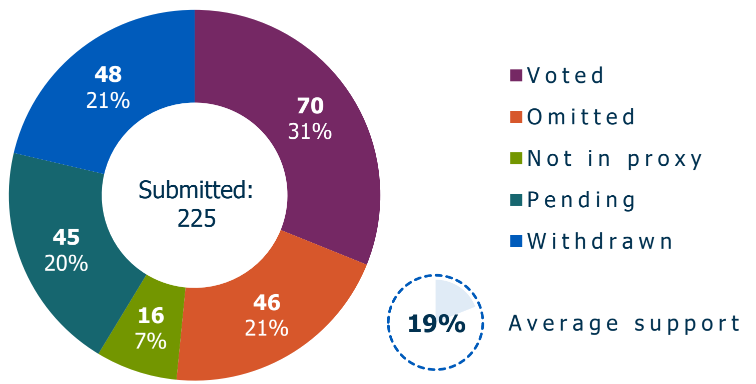
As a result of new or updated regulatory disclosure requirements, such as the California climate bills or the EU's Corporate Sustainability Reporting Directive, many companies are now or will soon be required to report on their climate-related activities. As such, climate disclosures, including climate change reporting and climate risks/opportunities disclosures subtypes, fell by nearly a third, from 19 proposals submitted during the 2024 season to 13 during the partial 2025 season.



SHAREHOLDER PROPOSALS

SOCIAL

SOCIAL PROPOSAL STATUS YTD 2025



There have been 225 social proposals submitted as of May 16, 2025, accounting for 26% of all submissions during the 2025 season so far. 70 social proposals have been voted on to date, and two have passed (both political contributions proposals).

SOCIAL PROPOSALS WITH MAJORITY SUPPORT YOY

	2023	2024	2025 YTD
Number voted	207	219	70
Number passed	5	1	2
Passage Rate	2.4%	0.5%	2.9%

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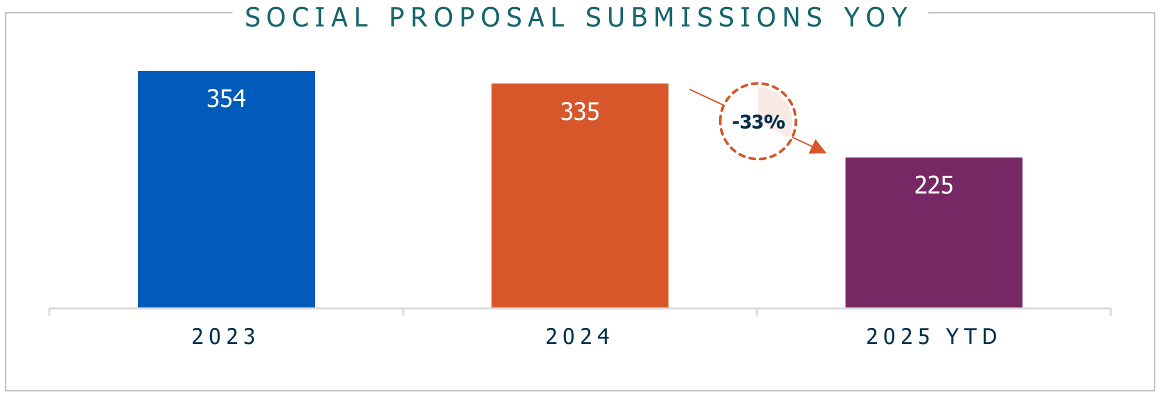
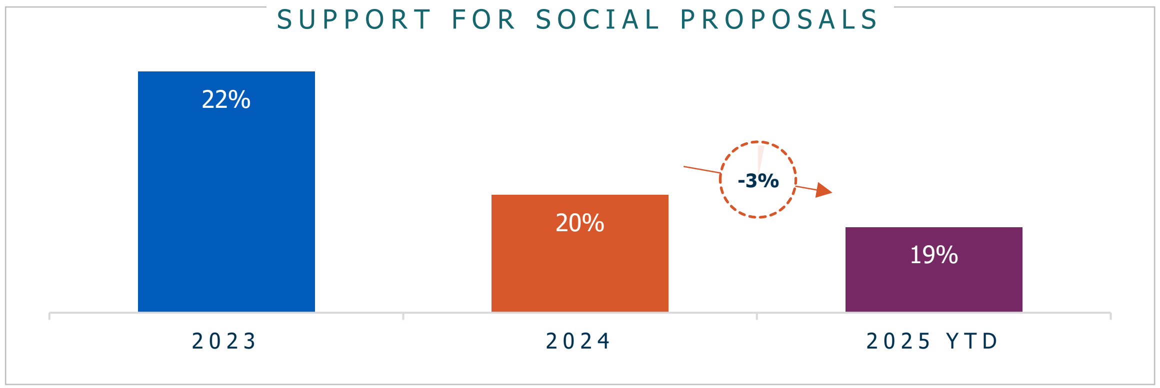
SHAREHOLDER PROPOSALS

SOCIAL

Submissions of social proposals are down by 33% compared to the 2024 proxy season (225 in 2025 YTD compared to 335 during the 2024 proxy season).



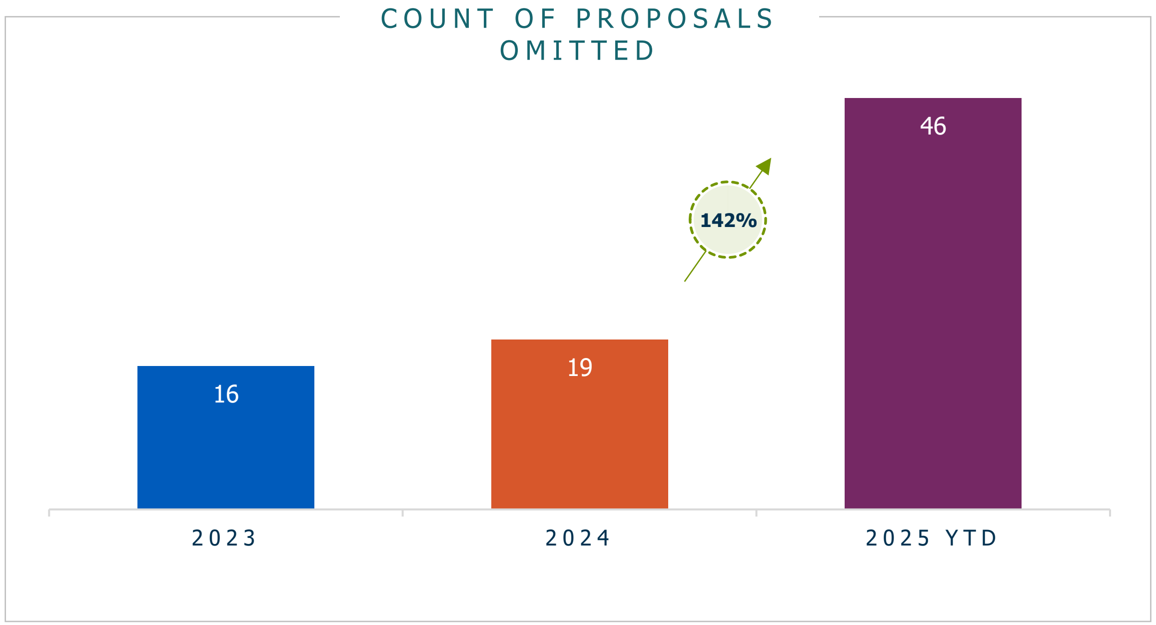
Support for social proposals has again slightly declined — from nearly 20% average support in 2024 to 19% (YTD) in 2025 — following the same trend we saw between the 2023 and 2024 seasons.



OMITTED PROPOSALS

Even at this point in the season, **more social proposals (20% of submissions YTD) have been omitted in 2025 compared to only 6% of social proposal submissions omitted in previous years**, which is likely a result of the changes implemented in the SEC's Staff Legal Bulletin No. 14M , and which is discussed in more detail in the 'no action' section of this report.

Looking at absolute values, 46 social proposals have already been omitted this season compared to 19 total social proposal omissions in the 2024 season. Most 'no action' relief was provided owing to Rule 14a-8(i)(7) or the "ordinary business" exclusion, which permits a company to exclude a proposal that "deals with a matter relating to the company's ordinary business operations."



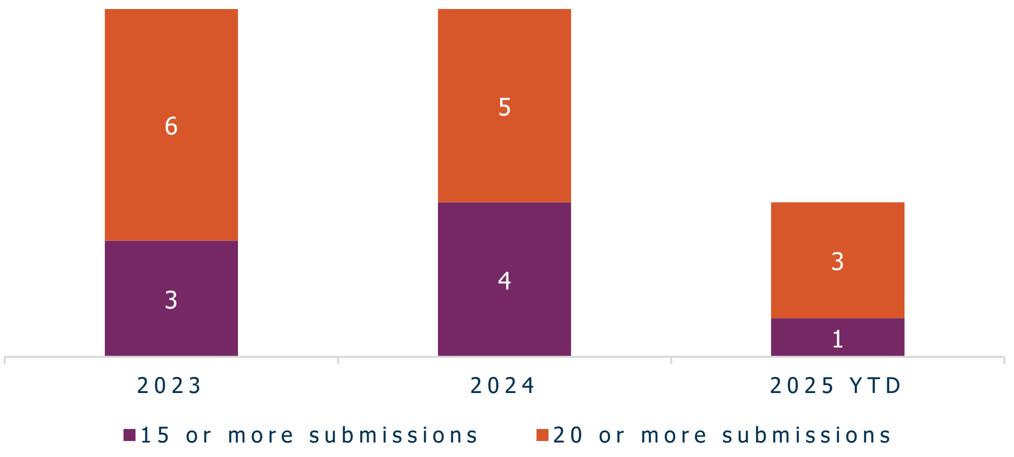
SHAREHOLDER PROPOSALS

SOCIAL

PROPOSAL SUBTYPES WITH HIGH SUBMISSION VOLUME

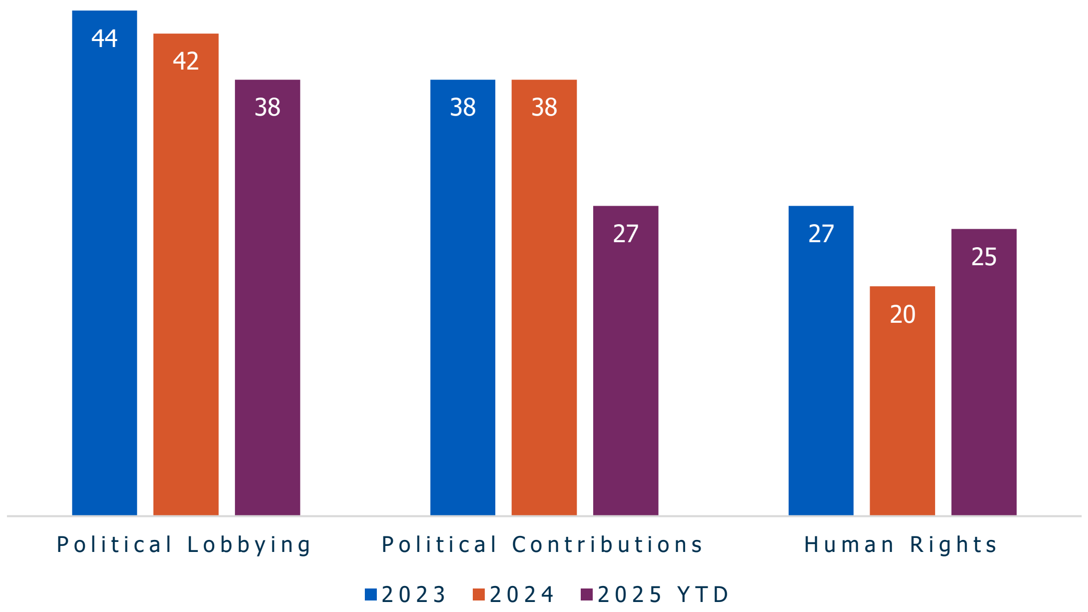
During previous proxy seasons, more subtypes had high submission volumes, compared to the 2025 proxy season. So far this proxy season, there have been fewer proposals as well as a shift in how submissions are distributed across subtypes. Noticeably, there was a consolidation of proposal submission subtypes, leading to high volumes across fewer subtypes than in previous years. During both the 2023 and 2024 proxy seasons, there were nine proposal subtypes with 15 or more proposals submitted, but in 2025, there were only four subtypes with 15 or more proposals submitted. Additionally, there were six and five subtypes, respectively, with 20 or more submissions in 2023 and 2024. Whereas in 2025, there were only three subtypes with 20 or more submissions. Though there are still at least a few submissions for the same subtypes as in previous years, there were not very many new or novel subtypes of social proposals this year. The above data suggest proponents are either focusing more on a smaller number of topics or have moved away from submissions on a few key topics.

COUNT OF PROPOSAL SUBTYPES WITH HIGH SUBMISSION VOLUME



The highest volume (65) of social proposals submitted related to political lobbying (38 proposals) and political contributions (27 proposals), which, combined, were still lower by about 19% compared to the 2024 season (80 proposals) and 21% lower than the 2023 season (82 proposals). There also continues to be a relatively high volume of human rights proposals submitted (25 in 2025, 20 in 2024 and 27 in 2023).

SOCIAL PROPOSALS WITH HIGHEST VOLUME OF SUBMISSIONS



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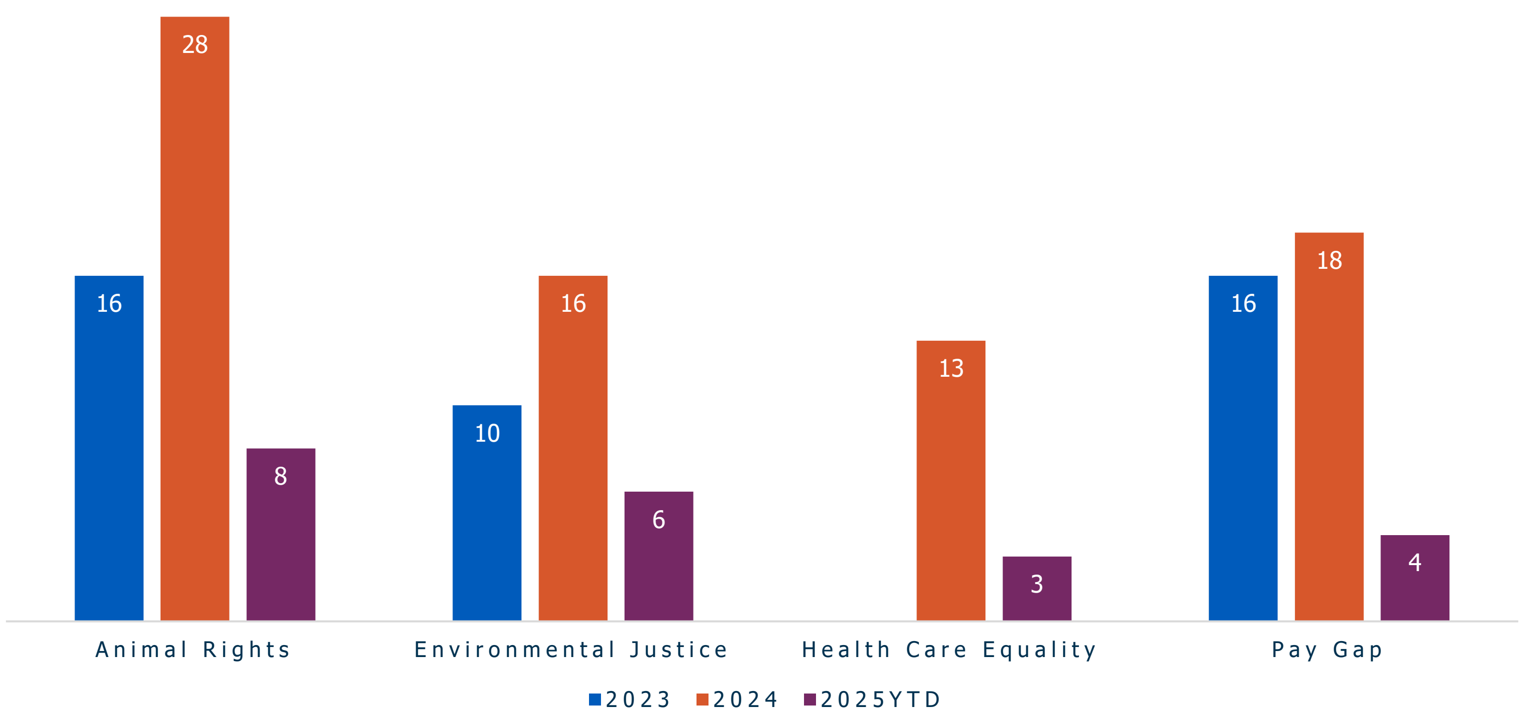
SHAREHOLDER PROPOSALS

SOCIAL

There was also a large drop in submissions of animal rights (eight), environmental justice (six), pay gap (four) and health care equality (three) proposals, which may be related to shifts in specific proponent focus.

PROPOSALS WITH LESS SUBMISSIONS IN 2025 SEASON



Pension funds and organized labor groups continue to submit a significant number of shareholder proposals as well, primarily in categories related to workers, such as freedom of association, as well as health and safety, but also on topics like DEI, political lobbying and human rights.

Proponent John Chevedden submitted more than twice as many social proposals as any other proponent. The majority of these proposals focused on political lobbying and political contributions, driving up the overall volume of these two subtypes for social proposals overall this season.

SHAREHOLDER PROPOSALS

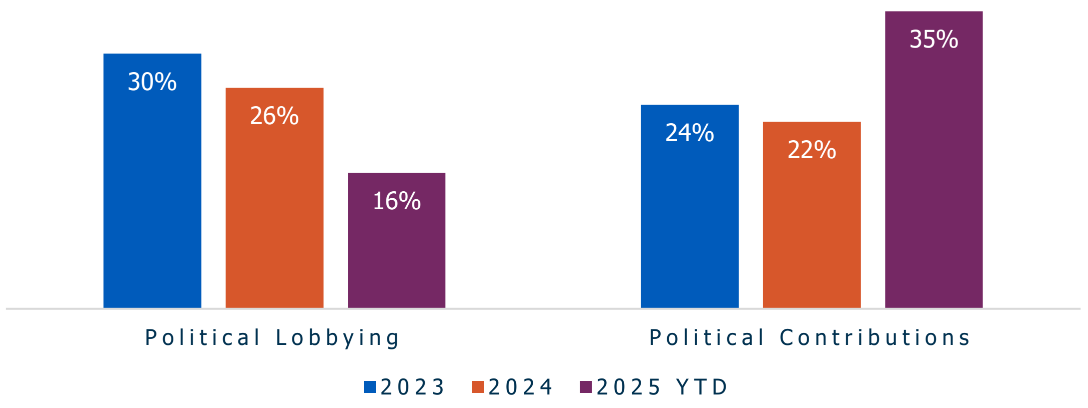
SOCIAL

VOTED PROPOSALS

So far this season, 70 social proposals went to a vote, about half as many as by this same time in previous seasons.

However, support for political contributions proposals has increased, with 35% shareholder support on average so far this season, compared to 22% support during the 2024 season. Interestingly, support for political lobbying proposals has dropped by nearly half, from 26% support in the 2024 season to 16% support in 2025 YTD. It is important to note that only 13 political contributions proposals and six political lobbying proposals went to a vote during the 2025 proxy season so far. By comparison, 30 political contribution proposals and 29 political lobbying proposals were voted during the 2024 season.

CHANGES IN AVERAGE SUPPORT FOR POLITICAL PROPOSALS



SHAREHOLDER PROPOSALS

SOCIAL

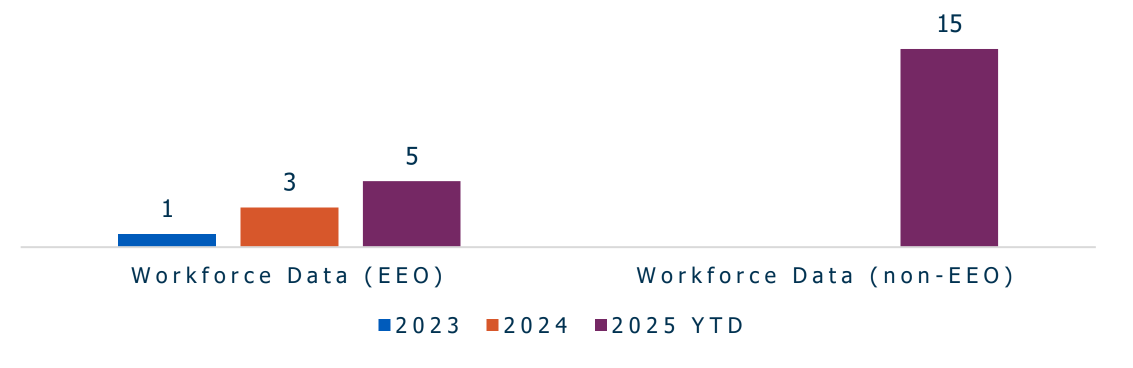
DIVERSITY RELATED PROPOSALS

Based on early season results, proponents appear to continue a shift away from the kinds of diversity-related proposals we saw peak in 2022. The number of DEI-related proposals (13 submitted YTD) dropped significantly, with less than half the volume of submissions compared to the last two years (31 submitted in 2024 and 37 submitted in 2023). This is especially notable after the two previous proxy seasons, where DEI was the third most common proposal type. Additionally, support for DEI-related proposals has dropped to single digits, but it is difficult to directly compare support to last year, given that we are viewing early and partial voting data for the 2025 season. In the 2024 season, 13 proposals received an average of 24% support. By comparison, the partial 2025 season has seen only three proposals voted, with average support dropping to just 8%.

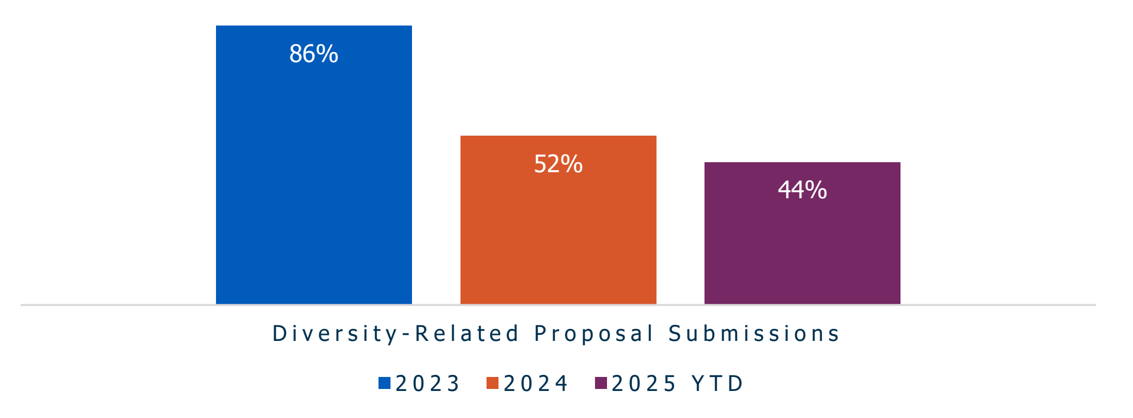
Other proposals related to diversity — including board diversity, civil rights audits, inclusive hiring, racial equity audits, as well as racial equality and justice —also saw an overall decrease in volume, with the exception of workforce demographics data requests.

There has been a significant increase in proposals filed requesting workforce demographic data including equal employment opportunity (EEO)-specific (5) and non-EEO (15) data requests.

WORKFORCE DEMOGRAPHICS PROPOSALS



DIVERSITY RELATED PROPOSALS



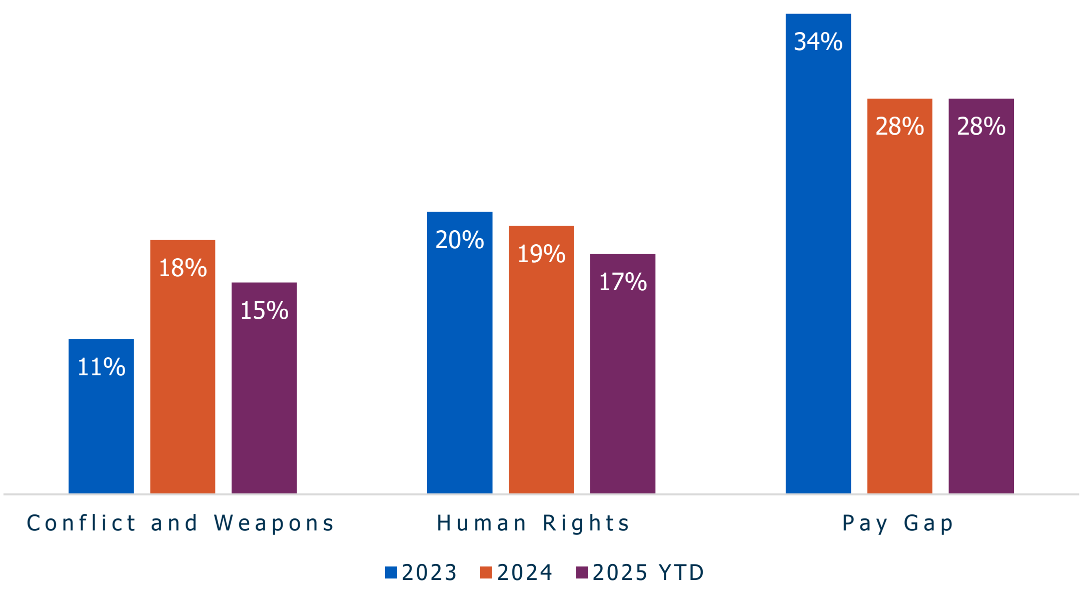
SHAREHOLDER PROPOSALS

SOCIAL

OTHER NOTABLE TRENDS

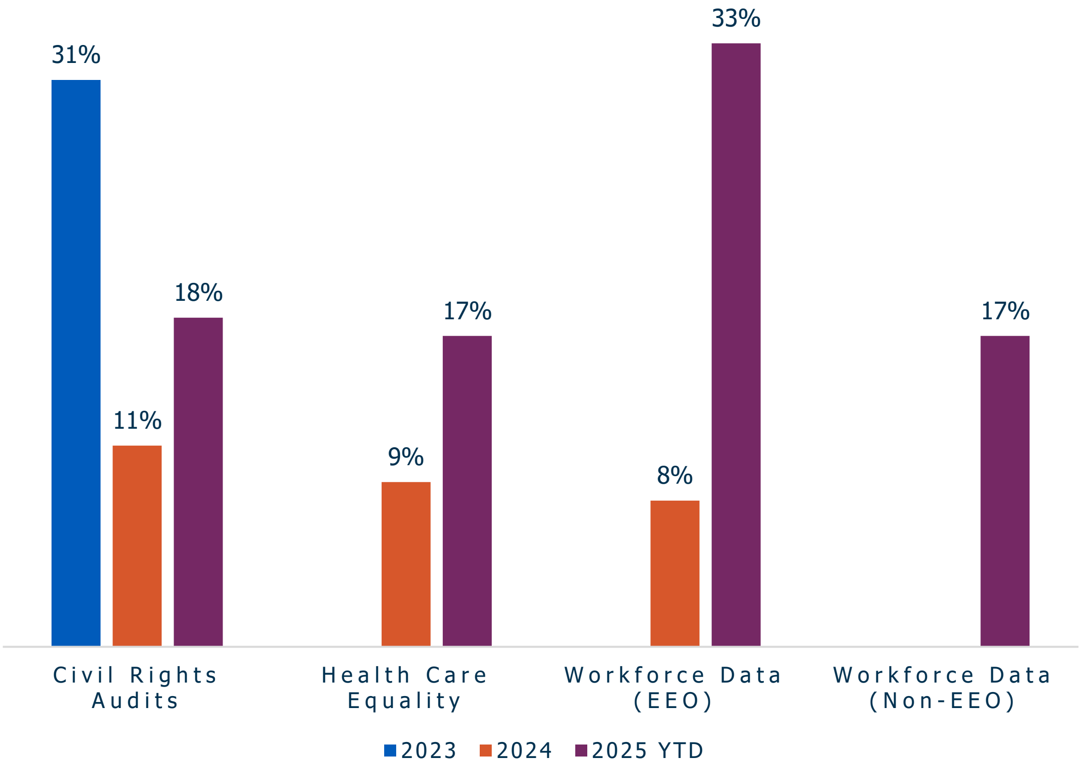
A number of proposals have received relatively consistent support in the 2025 season compared to the previous season. This includes human rights proposals, which consistently receive average support in the high teens to low twenties, pay gap proposals (high twenties) and conflict/weapons-related (mid-teens) proposals.

PROPOSALS WITH CONSISTENT SUPPORT LEVELS



Workforce data and health care equality proposals received higher support in 2025 than in previous seasons.

PROPOSALS WITH INCREASED SUPPORT IN 2025



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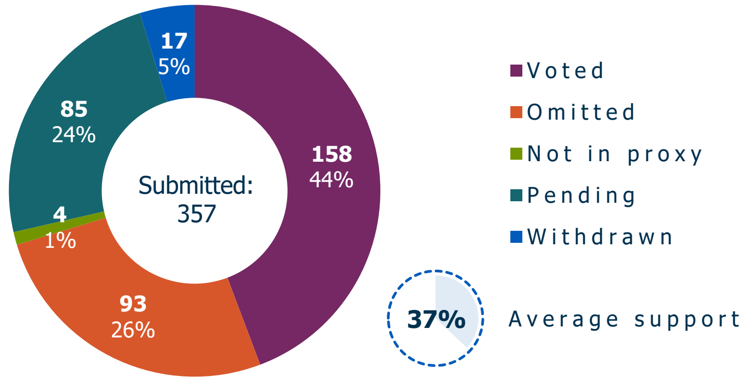
SHAREHOLDER PROPOSALS

GOVERNANCE

GOVERNANCE PROPOSAL STATUS 2025 YTD



GOVERNANCE PROPOSALS WITH MAJORITY SUPPORT YOY

	2023	2024	2025 YTD
Number voted	251	240	158
Number passed	24	50	35
Passage Rate	9.6%	20.8%	22.2%

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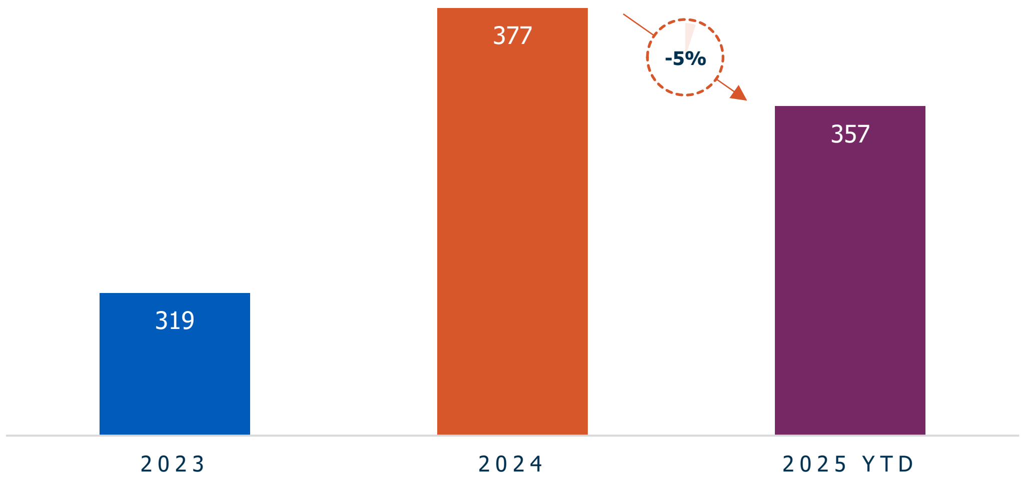
SHAREHOLDER PROPOSALS

GOVERNANCE

GOVERNANCE PROPOSALS SUBMITTED

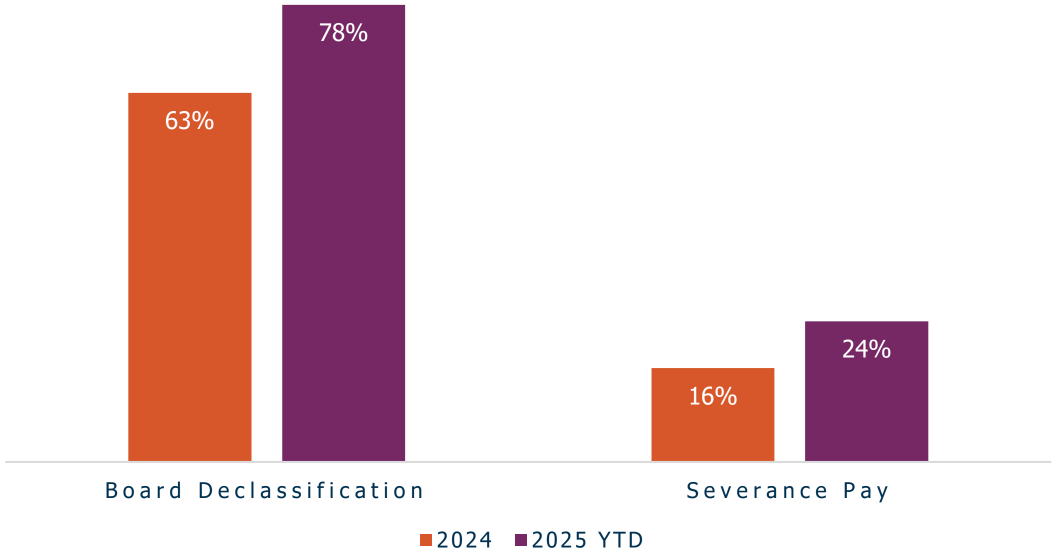


The volume of governance-focused proposals remains strong in 2025, with 357 proposals filed YTD (excluding anti-ESG proposals), an overall steady figure in comparison to the full 2024 proxy year with 377 filed proposals (excluding anti-ESG proposals).

TYPES OF GOVERNANCE-FOCUSED PROPOSALS

Based on the outlook of governance-focused proposals voted to date, there is a notable increase in support for proposals related to two recurring best practice topics: board declassification and severance pay.

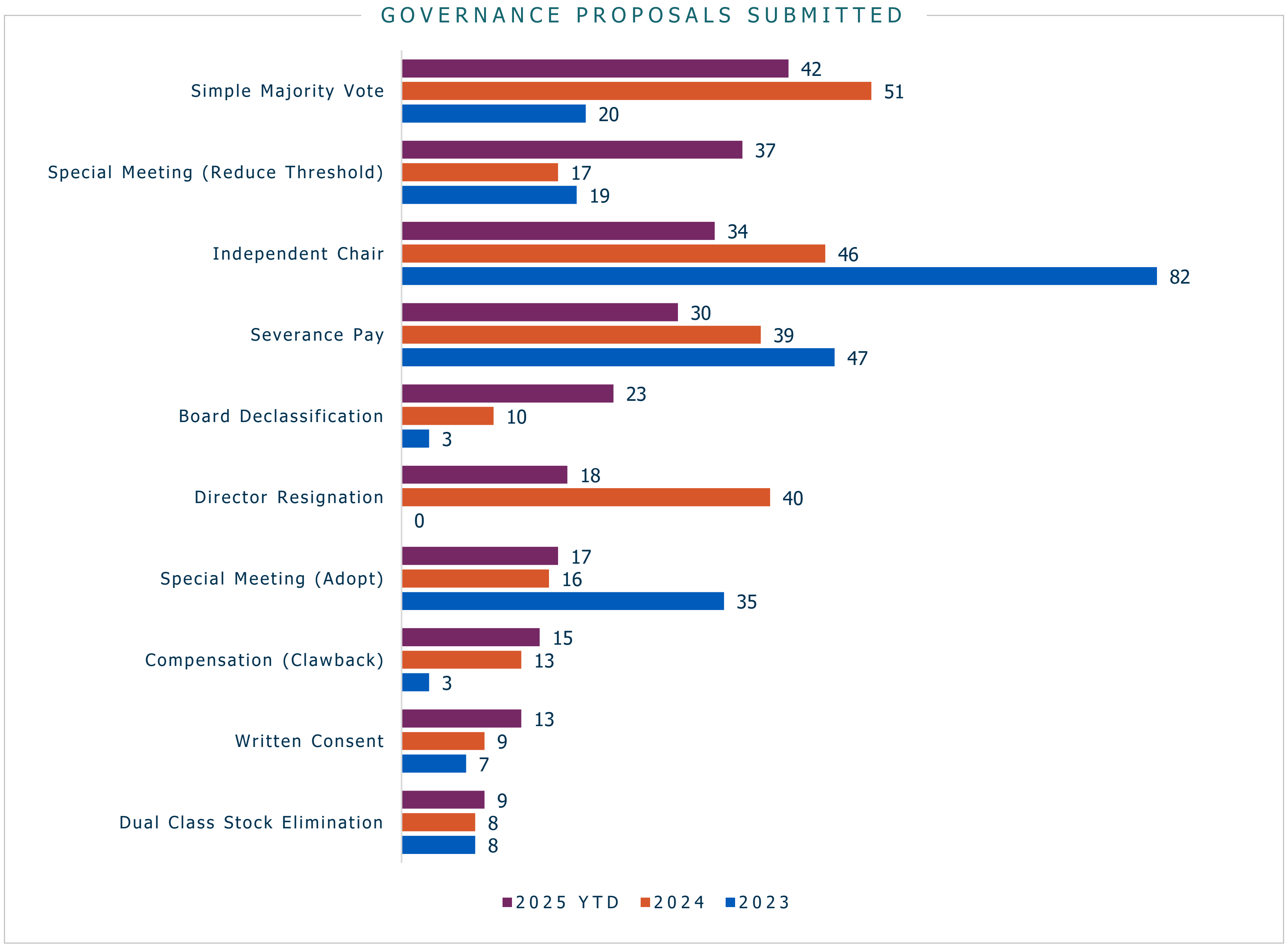
GOVERNANCE PROPOSALS WITH MOST SIGNIFICANT INCREASE IN AVERAGE SHAREHOLDER SUPPORT



SHAREHOLDER PROPOSALS

GOVERNANCE

The topics of board accountability and shareholder rights remain top of mind for shareholders, as evidenced by the various types of governance-focused proposals submitted in 2025 YTD.



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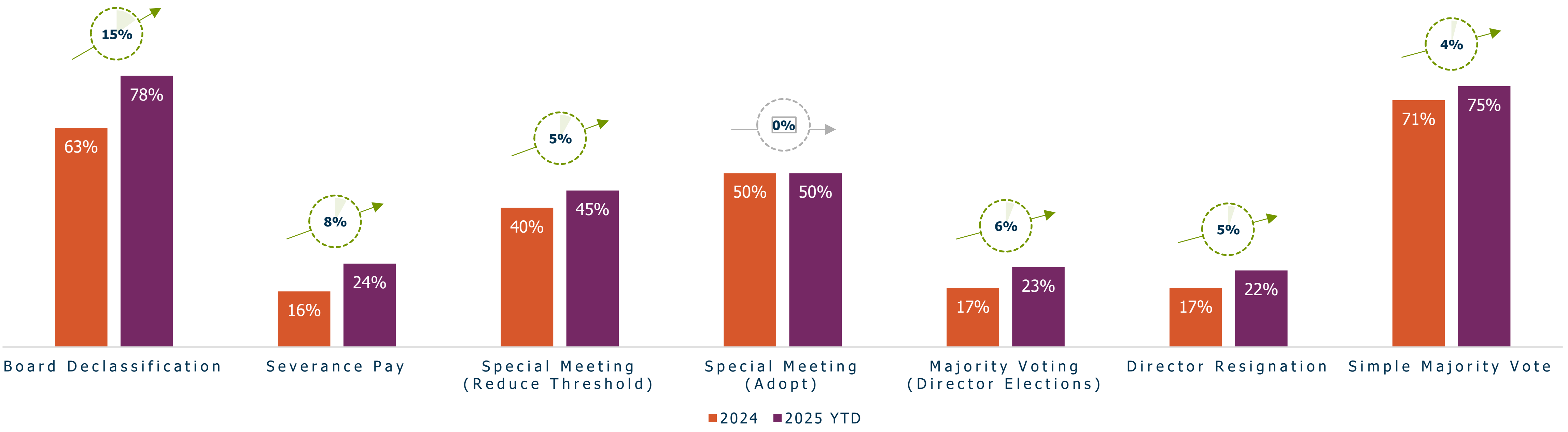
SHAREHOLDER PROPOSALS

GOVERNANCE

VOTED PROPOSALS

Amongst the broader universe of governance-focused proposals submitted, we also noticed an increased level of shareholder support across multiple governance-focused proposals, including most notably: board declassification (+15% from 2024), severance pay (+9% from 2024) and special meeting – reduction of threshold (+8% from 2024).

INCREASED SUPPORT AMONGST BROAD RANGE OF GOVERNANCE-FOCUSED PROPOSALS



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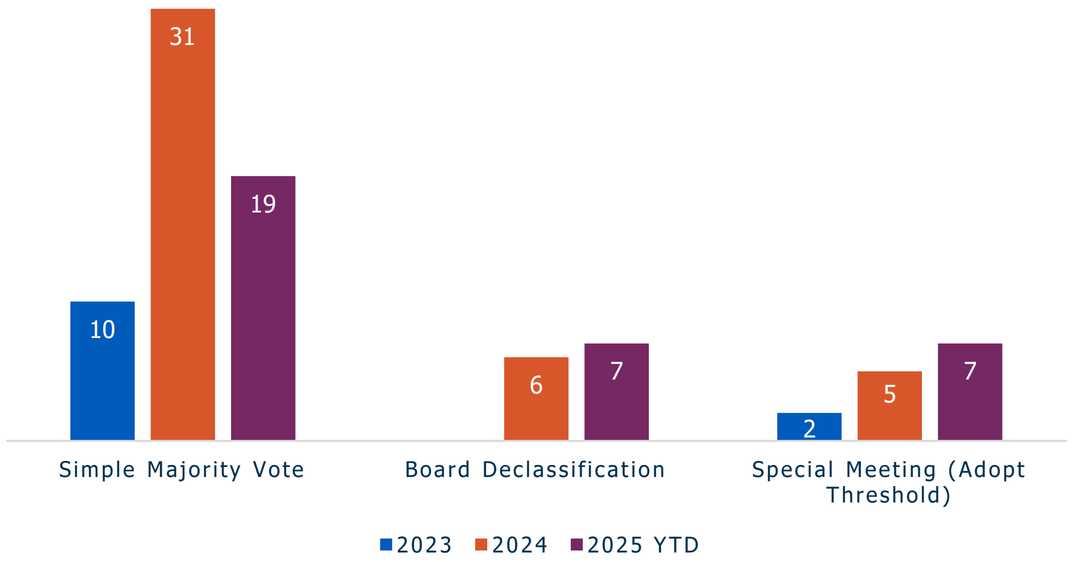
SHAREHOLDER PROPOSALS

GOVERNANCE

While the overall passing rate of governance-focused proposals (i.e. proposals that received majority support) currently remains at 22% in 2025 (similar to the 21% passage rate in 2024), it is **evident that a strong sentiment of support has already resulted in a significant number of proposals passing in 2025 to date**, including: simple majority vote (19 passed to date in 2025 YTD, compared to 31 in 2024 and 10 in 2023), board declassification (seven have passed in 2025 YTD, compared to six in 2024 and none in 2023) and special meeting – adopt (seven have passed in 2025 YTD, compared to five in 2024 and two in 2023).

KEY GOVERNANCE-FOCUSED PROPOSALS PASSED 2025 YTD



SHAREHOLDER PROPOSALS

GOVERNANCE

STEWARDSHIP CHANGES

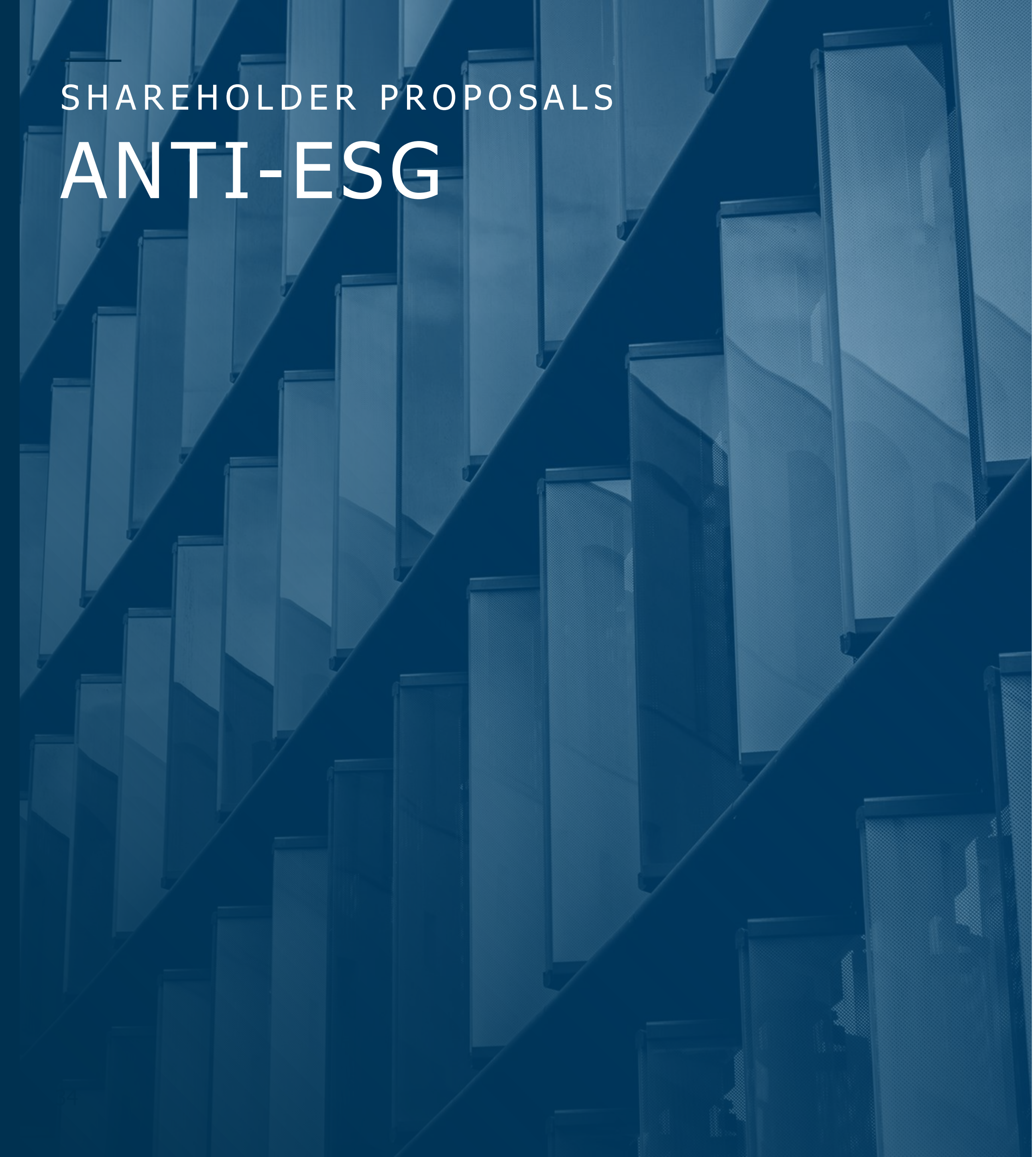
During the last few years, prior shareholder proxy voting and investment stewardship policies had increasingly emphasized board accountability. However, recent updates from several leading institutional investors suggest a shift in direction. Many institutional investors, including BlackRock, Vanguard and State Street Global Advisors, have revised their 2025 policies, softening or removing previously strong language on ESG-related matters. These updates reflect a more generalized approach, particularly as it relates to environmental and social topics such as board diversity and climate risk oversight.

For example, in State Street Global Advisors' 2025 policy update, multiple provisions were revised or removed regarding investor's prior expectations on a range of topics such as board diversity and director time commitment thresholds. Also removed were various references in relation to the investor's intent to vote in opposition of directors, and references to key committees looking at accountability.

The recent trend of large institutional investors adopting a more generalized approach to ESG-related matters likely signals a reassessment of their stewardship strategies.

Several factors may be driving this shift, including changes in the political landscape and the impact of recent updates to SEC guidance for Schedule 13D-G. Under the SEC's revised guidance, investors holding 5% or more of a company's shares are perceived to influence management and are required to file a 13D filing. This change may prompt some institutional investors to reconsider how they engage with portfolio companies.

As a result of the revised SEC guidance on 13D filings, which limits shareholder engagement, some investors may use their voting behavior to highlight the importance of shareholder rights and director accountability. **This shift is reflected in the increased support for governance-focused proposals presented thus far in 2025.**

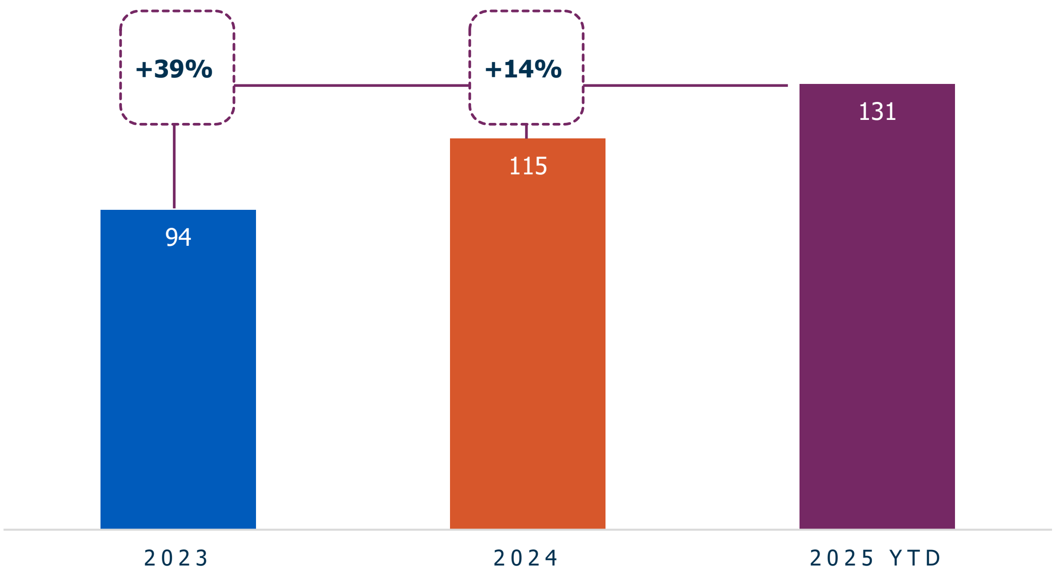


SHAREHOLDER PROPOSALS

ANTI-ESG

During the 2025 season so far, a**nti-ESG proposal submissions have grown by 14% (131 proposals in 2025 YTD),** compared to the full 2024 season (115 proposals) and by 39% compared to the 2023 season (94 proposals). Average shareholder support so far this season is 2.7% for all anti-ESG proposals .

ANTI-ESG PROPOSAL INCREASE



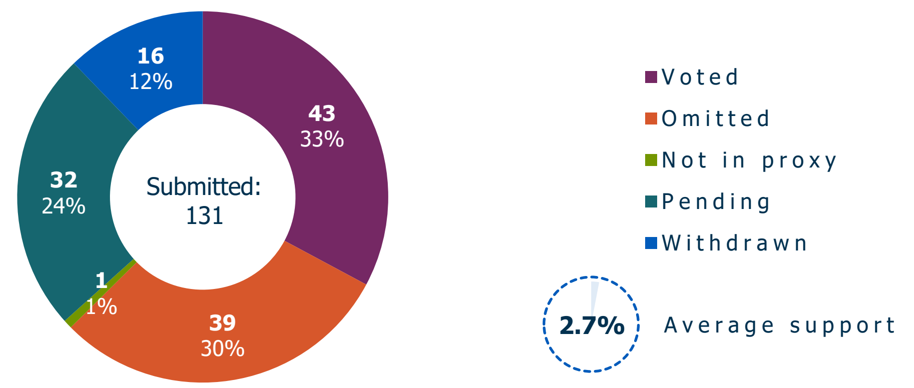
SHAREHOLDER PROPOSALS

ANTI-ESG

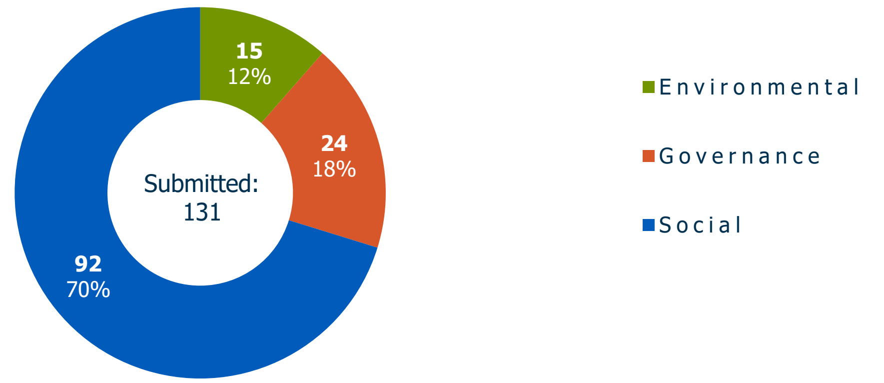
So far this season, 33% (43) of the anti-ESG proposals already went to a vote, compared to 54% (60) at this time last season, and 12% (16) of proposals have already been withdrawn, compared to only 4% (five proposals) at this time last season. 24% (32) of proposals are still pending.

30% (39 proposals) have been omitted this year, the highest number of omissions since the volume of anti-ESG proposals began to increase significantly. This increase in omissions may be a byproduct of the SEC's Staff Legal Bulletin No. 14M (see the 'no action' relief section on page 37 for more information).

ANTI-ESG PROPOSAL STATUS 2025 YTD



ANTI-ESG PROPOSAL TYPES 2025 YTD



SHAREHOLDER PROPOSALS

ANTI-ESG

'ANTI-SOCIAL' PROPOSALS

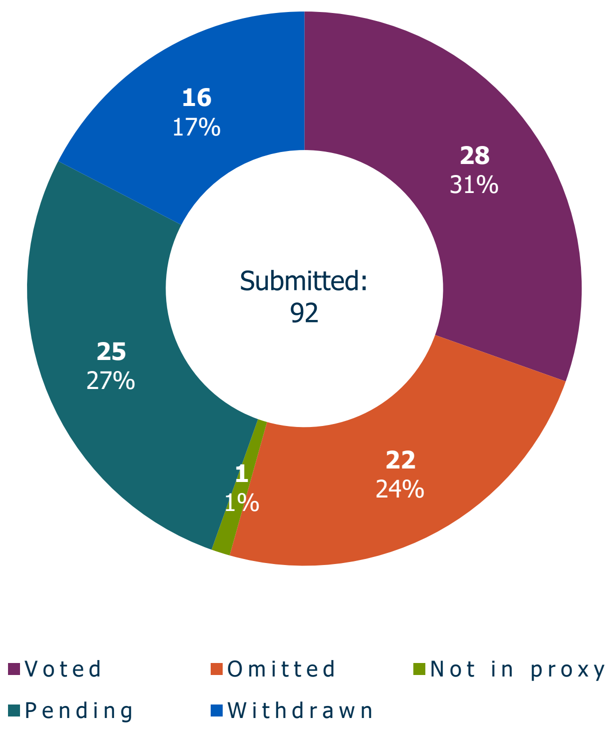
As in previous seasons, approximately 70% (92 of 131) of anti-ESG proposals have been associated with social topics. Governance topics accounted for more than 18% (24 proposals) of anti-ESG proposals and environmental proposals represented approximately 10% (15 proposals).

Over 70% of the social anti-ESG proposals were diversity-related, similar to the 2024 season. However, unlike the previous two proxy seasons, there was a shift away from specific language around civil rights audits this year.

24% (22 proposals) of social proposals focused specifically on discrimination, particularly including charitable giving, risks of affirmative action initiatives as well as discrimination based on religious and political views.

This season, anti-ESG proponents filed six AI-related proposals and seven human rights in technology proposals. Of those that went to a vote, the proposals received higher-than-average support, surpassing the single-digit support typically seen for proposals filed by anti-ESG proponents. The two AI proposals filed by the National Legal and Policy Center received 36% support (Microsoft) and 12% support (Apple). If we remove these two proposals, overall support for anti-ESG proposals drops to only 1.6%.

ANTI-ESG SOCIAL PROPOSAL VOTE STATUS



OTHER NOTABLE TRENDS

The National Center for Public Policy and the National and Legal Policy Center continue to be the main proponents for anti-ESG proposals. For the second year in a row, Bowyer Research is the third biggest proponent of anti-ESG proposals. Proposals filed this season is nearly triple (28) compared to last season (10). In addition, there continue to be more individual filers of anti-ESG proposals each year.

Another notable trend this year came from multiple anti-ESG proponents requesting the removal of targets and goals related to ESG topics, including emissions, diversity goals in executive compensation incentives and plastic packaging policies.

PROPONENT	PROPOSAL NAME
National Center for Public Policy Research	Consider Abolishing **DEI** Policies, Programs, Departments, and Goals
National Center for Public Policy Research	Consider Abolishing **DEI** Goals
National Legal and Policy Center	Revisit DEI Goals in Executive Pay Incentives
National Legal and Policy Center	Consider Abolishing **DEI** Goals from Compensation Inducements
National Legal and Policy Center	Consider Eliminating **Non-Carbon Emitting** Generation Goals in Executive Pay Incentives
National Legal and Policy Center	Remove **Emissions** Reduction Targets
National Legal and Policy Center	Remove All **GHG Emissions** Reduction Targets

SHAREHOLDER PROPOSALS

‘NO ACTION’ RELIEF

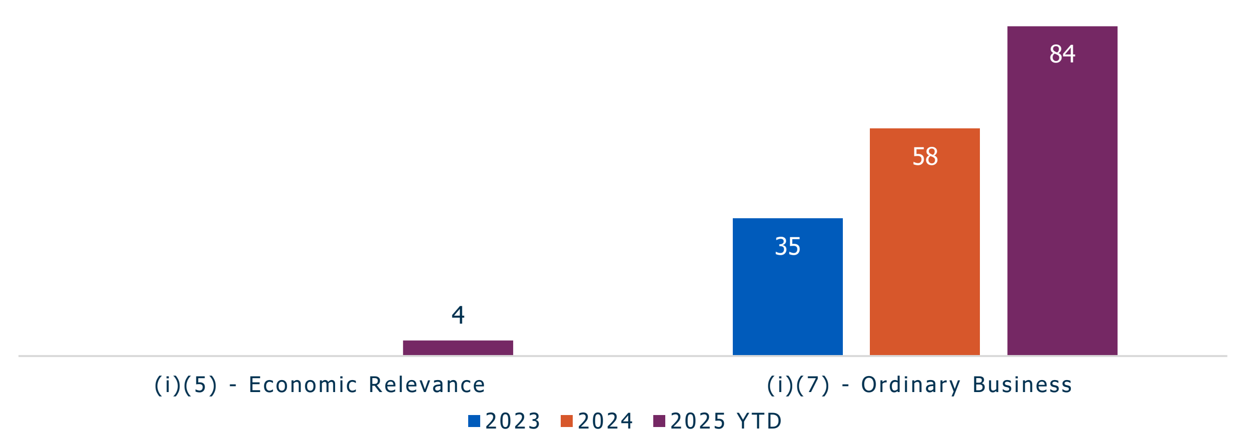
The 2025 proxy season has been marked by an unprecedented wave of ‘no action’ relief requests, potentially driven by regulatory changes introduced **mid-season through Staff Legal Bulletin No. 14M (SLB 14M)** issued on February 12, 2025. The bulletin rolled back several elements of SLB 14M and effectively returned the SEC’s approach to how shareholder proposals were evaluated prior to 2021.

INCREASE IN REQUESTS AND GRANTS

Under SLB 14M, issuers have a stronger basis for exclusion under Rule 14a-8(i)(7) (“ordinary business”) and Rule 14a-8(i)(5) (“economic relevance”) and are no longer required to include a board analysis when filing for relief. While adoption of SLB 14M came partway through the season, it has already influenced shareholder proposal outcomes.

As of May 16, 2025, the SEC has granted 45% more ‘no action’ relief during the 2025 YTD season for the exclusion of shareholder proposals from proxy statements under the ordinary business exception of Rule 14a-8(i)(7). Additionally, there has also been a notable revival of Rule 14a-8(i)(5) — commonly referred to as the “economic relevance” exclusion — with four successful exclusions granted in 2025 YTD compared to none during the 2024 proxy season.

COUNT OF NO-ACTION RELIEF GRANTED ON THE BASES IMPACTED BY SLB-14M



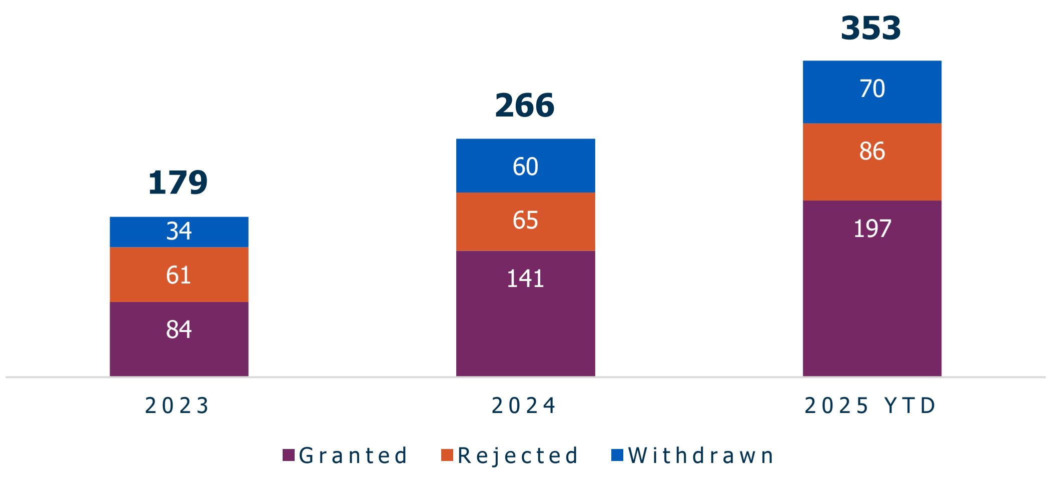
SHAREHOLDER PROPOSALS

‘NO ACTION’ RELIEF

This proxy season, 353 ‘no action’ relief requests have been filed year-to-date: an approximate 33% increase from 2024 (266 requests) and nearly double the number submitted in 2023 (179). The current 2025 season already has the highest volume of ‘no action’ relief granted (197) since the 2022 proxy season.

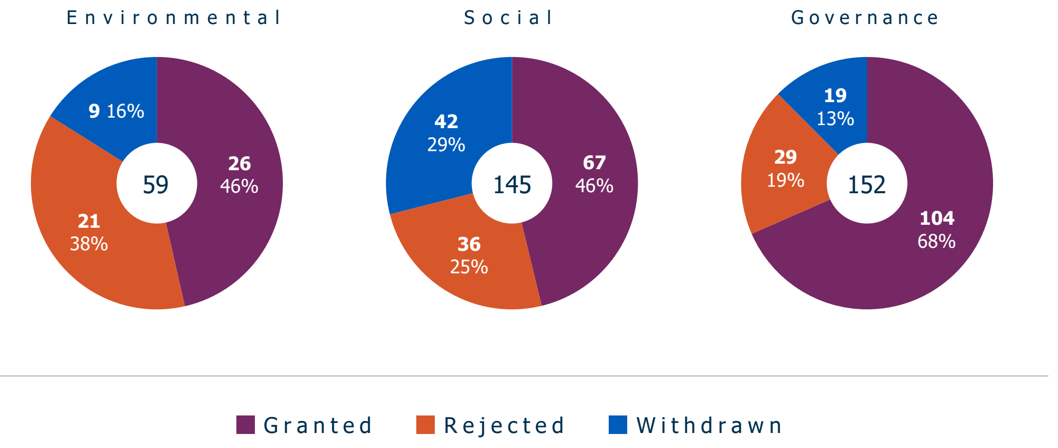
The SEC has granted 197 of those no-action relief requests, the most we have seen since we started keeping detailed records in 2022.

PROPOSALS BY NO-ACTION STATUS



Governance proposals have the highest rate of being granted ‘no action’ relief from the SEC, with 68% (104 out of 152) successfully omitted from proxy materials. In comparison, social and environmental proposals face lower successful exclusion rates, with 46% (67 out of 145) and 46% (26 out of 56), respectively.

BREAKDOWN OF NO ACTION RELIEF SUBMISSIONS



Environmental proposals continue to account for the smallest share of ‘no action’ relief activity at just 36% of all such submissions (56 out of 154 so far), compared to 46% (145 out of 317) for social proposals and 40% (152 out of 381) for governance.

SHAREHOLDER PROPOSALS

'NO ACTION' RELIEF

Anti-ESG proposals represent 15% of all shareholder proposals submitted (131 out of 852) but account for 22% of 'no action' filings (75 out of 353). This suggests that companies are aggressively seeking to remove such proposals from their proxies.

EXCLUSION GROUNDS AND PROPOSAL TYPES

There were 197 granted 'no action' requests so far during the 2025 proxy season. The most frequent reason the SEC granted relief was under the 'ordinary business' exception rule – also known as Rule 14a-8(i)(7) – accounting for 43% (84 exclusions out of 197). SLB 14M is likely the primary driver behind the overall increase in successful challenges, as the policy lowered the requirements needed for filing a relief request.

Failure to meet shareholder ownership requirements — Rule 14a-8(b)(1) — was the second most common reason for relief granted by the SEC, accounting for 22% (44 exclusions out of 197 challenges) so far this proxy season.

Different proposal categories showed varying patterns in how and why they were excluded:

Environmental proposal reasons:
- 'ordinary business': 85% (22 out of 26) granted

Social proposal reasons:
- 'ordinary business' : 63% (42 out of the 67) granted

Governance proposal exclusion reasons varied:
- 'ownership': 38% (39 out of 104) granted
- 'missed deadline':19% (20 out of 104) granted
- 'ordinary business':19% (20 out of 104 granted)

ESG 'NO ACTION' STATUS BY SUBTYPE, TOP GRANTED AND REJECTED

	PROPOSAL SUBCATEGORY	GRANTED	REJECTED
ENVIRONMENTAL	Plant-Based Alternatives / Healthy Eating	8	-
	GHG Reduction	4	3
	Climate Change – Report	3	2
	GHG Reduction – Scope 3	3	2
	Climate Change – Lobbying	2	1
	Emissions Financing	1	6
	Plastic/Sustainable Packaging	-	3
	Climate Change – Risk/Opportunity	-	2
SOCIAL	Political Lobbying	16	1
	DEI	7	11
	Social – Other	6	1
	Freedom of Association	5	-
	Charitable Contributions	3	4
	Human Rights	1	4
	Tobacco Related	-	3
	Health and Safety	3	2
GOVERNANCE	Governance – Other	47	-
	Simple Majority Vote	11	2
	Special Meeting – Adopt	10	1
	Declassify Board	9	-
	Compensation – Clawback	4	6
	Compensation – Metrics – ESG	3	5
	Severance Pay	1	3
	Board Oversight – Social	-	2

CONCLUSION & LOOKING AHEAD

The dynamic corporate governance landscape this proxy season presents ongoing challenges to companies, investors and advisors. Early trends from the current 2025 proxy season indicate a more favorable operating environment for companies when compared to the last few seasons. We are seeing a number of trends this season, including:

- Lower volume of shareholder proposals
- Increased number of 'no action' relief granted by the SEC
- Continued record-breaking support for director elections and Say on Pay

Recent policy changes at the SEC, along with changes among other government regulatory groups, have a broad impact on how companies navigate the current corporate governance and disclosure environment. The market expects that the majority of the five SEC commissioners will likely be corporate-friendly and more business-oriented in their approach. As a result, the next few proxy seasons are likely to be characterized by a regulatory pullback and fewer enforcement actions than the previous federal administration.

While there remain many unknowns in this ever-changing environment, Georgeson will monitor a few key areas during the coming off-season:

REGULATORY IMPACT

- How will institutional investors respond to the 13D-G change during the offseason?
- Will the changes in the new Delaware Law, Senate Bill 21 (SB 21), slow or halt any discussion about reincorporation?
- Will the Congressional proposals to reform capital market and proxy process laws gain momentum?
- What changes will the new SEC Chair propose to policies governing corporate governance?

INVESTOR BEHAVIOR CHANGE

- Will European and US asset managers' approach to stewardship diverge?
- Will asset owners withdraw their investment or mandates in response to institutional investors scaling back with ESG commitments?
- Is there an increase in shareholders or dissident efforts to hold directors accountable through 'vote no' campaigns or proxy contests?
- Are companies providing more voluntary disclosure on their rationale for director election votes?

APPROACH OF PROPONENTS

- Will a corporate pullback on voluntary ESG disclosure satisfy anti-ESG proponents?
- How will the consistent year-over-year decline in shareholder proposal support influence the strategies of proponents?
- Will more directors be targeted for their stance on diversity or ESG-related issues?

CONCLUSION & METHODOLOGY

METHODOLOGY

PERIOD PRESENTED & DATA SOURCES

This report is based on available early proxy voting results from Russell 3000 companies that held annual general meetings between July 1, 2024 and May 16, 2025. All data provided herein are preliminary and may be subject to change as additional information regarding the 2025 proxy season becomes available. Proxy season data for the 2022, 2023 and 2024 AGM seasons are based on the full proxy season voting results from Russell 3000 companies.

Georgeson defines a full proxy season as July 1 to June 30 the following year, unless otherwise noted. For example, the 2023 proxy season data are for the period from July 1, 2022 – June 30, 2023. If we refer to 2023, it can be assumed that this is referring to the 2023 proxy season outlined above unless otherwise specified. As data for all years are based on R3000 Index constituents, such information may include minor inconsistencies compared to previous reports relating to the 2023 and 2024 proxy seasons, owing to changes to index membership over time.

Contested situation data was provided by Diligent Market Intelligence. Shareholder proposal submission data and annual meeting results discussed herein have been provided by ISS Corporate Solutions (ICS) and supplemented by our own research through additional sources, including various proponents' shareholder proposal submission data. Our data represent our best efforts at classifying, confirming and consolidating multiple sources of data into one aggregated dataset. As a result, this data is preliminary and subject to change. Finally, our data also represent our best efforts to capture all relevant measures that went to a vote at R3000 companies from July 1, 2024 to May 16, 2025, representing the 2025 season. In the event that a company's 2025 8-K filing was unavailable at the timeframe in which we wrote our report, we made the determination to exclude such proposals.

CONCLUSION & METHODOLOGY

METHODOLOGY

VOTE OUTCOMES REPORTED

For results reported, we use each company's voting standard, applicable to the analysis of individual proposals, to determine the level of support and whether there was enough shareholder support for the proposal to pass or fail. For purposes of aggregated passage rate trends (such as average support), we have examined votes cast 'for' and 'against' proposals, not considering abstentions.

At the end of the 2025 proxy season, we will revisit all voted proposals from the full season and report final data, inclusive of any 8-K filings that were not available when we wrote this early season review report.

SHAREHOLDER PROPOSAL CATEGORIZATION

We grouped and categorized the shareholder proposals submitted to Russell 3000 companies based on their focus area and subject matter. Where proposals address multiple topics, we have aimed to categorize those based on what we believe to be the primary focus of the proponent through a review of resolved texts and supporting statements.

For purposes of this report, environmental proposals address topics including: biodiversity, chemicals, climate change – lobbying, climate change – report, climate change – risk/opportunity, emissions financing, deforestation, water, GHG reduction, greenwashing, methane, plant-based alternatives/healthy eating, plastic/sustainable packaging, right to repair, stainable agriculture and waste.

Social proposals address a broad set of topics, including AI, board and employee diversity, equity and inclusion matters, workforce demographic data, discrimination and sexual harassment, freedom of association, health care equality and reproductive rights, civil rights and racial equity audits, inclusive hiring, health and safety, toxicity and safety, tobacco-related, mandatory arbitration policies, pay gaps and disparity, pay practices, living wages, operations in conflict zones and/or development of weapons, gun violence, public health and welfare, human rights, employee welfare and workplace matters, animal welfare/rights, just transition, tax transparency, role of business in society, political contributions disclosure and disclosure of lobbying policies and practices.

Governance proposals include proposals addressing topics such as: shareholder special meeting and written consent rights, voting standards, dual class structures, independent board chairs, proxy access, board declassification, director term limits, director resignation policy, executive compensation matters, including proposals concerning compensation linked to ESG topics and shareholder approval of bylaw amendments.

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