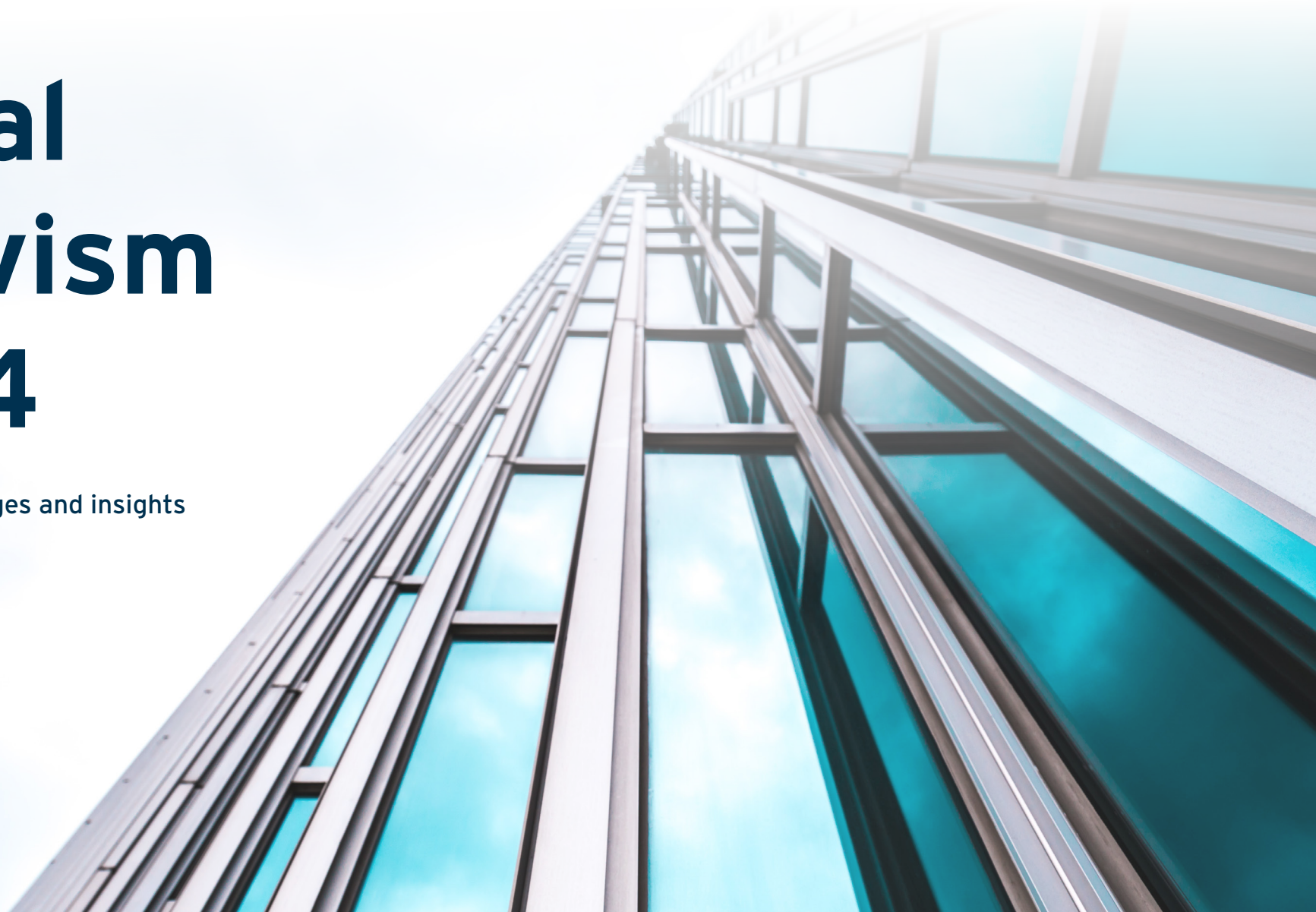




Global Activism 2024

Key metrics, challenges and insights





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During the past year, shareholder activism has evolved significantly, reshaping corporate strategies, governance and stakeholder engagement.

Activists play a pivotal role in holding companies accountable and driving value, especially as shareholders challenge boardrooms about their environmental, social and governance (ESG) initiatives.

ESG activists are intensifying campaigns that target companies perceived as lagging in their ESG commitments and are pushing businesses to integrate these considerations into their core operations.

During the past few years, we have also seen a rise in some US activists questioning companies' overall ESG approaches. We will have to see how this progresses in light of the recent changes in the US, particularly.

Another notable development is the spread of shareholder activism worldwide, from North America to Europe, Asia and emerging markets. This shift has introduced new regulatory landscapes, cultural nuances and more strategic approaches to campaigns, adding complexity and depth to the activist's toolkit.

This past year also saw a rise in collaborative activism, with institutional investors, hedge funds and retail investors forming alliances to amplify their influence. These coalitions have 'raised the stakes' for corporate boards, requiring them to provide more robust engagement and proactive responses.

This report provides some actionable insights into how shareholder activism, in all its complexities, is shaping the corporate landscape.



Domenic Brancati
Global Chief Operating Officer
Georgeson

Activism in the US & Canada

This section of the report presents a summary of Georgeson's analysis of data provided by Diligent covering campaigns at all publicly-listed US and Canadian companies initiated or concluded in 2024 (excluding campaigns relating to ESG shareholder proposals).

It shows that companies of all sizes experience shareholder activism – both successful and unsuccessful. Large-cap companies had the largest portion of activist campaigns in the US across the different market caps. Small-cap companies were also popular targets for activists in both the US and Canada.

In the US, consumer cyclical companies (also known as consumer discretionary companies) saw the highest volume of activism. In Canada, activists targeted companies in the 'top three' sectors: financial services, technology, and basic materials.

When the universal proxy card (UPC) was introduced in the US in 2022, there was an expectation that activism would increase sharply. The data from 2025 show that this has still not materialized. Instead, the attention of investors and activists continues to remain firmly on the skills of individual directors. Their focus has shifted towards enhancing boardroom dynamics and ensuring that directors bring diverse and valuable expertise to the table. As a result, it is important that companies engage with shareholders and activists about the quality of any directors that are up for board election, including a focus on their qualifications.



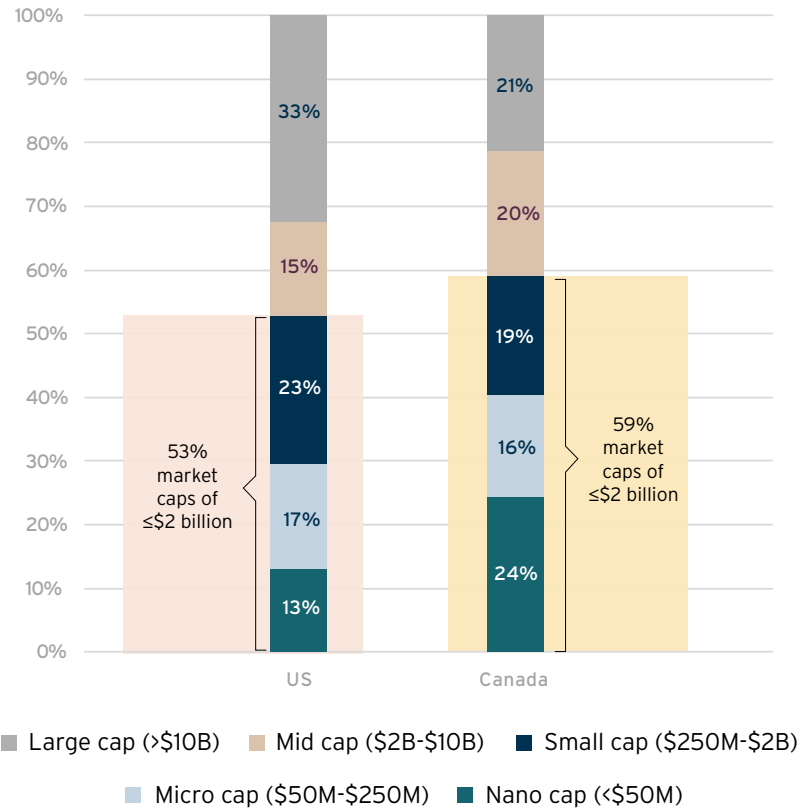
Activism in the US & Canada by market cap

Companies with a market cap of \$2 billion or below (which included of small, micro- and nano-caps) accounted for more than half of activist activity in the US during 2024. Large-cap companies (those with a market cap of \$10 billion or more) received a third of all activist attention.

In Canada, 59% of the activist targets in 2024 are companies with market caps of \$2 billion or below.

While campaigns at large-cap companies may get more media coverage, campaigns at smaller cap companies are more common. Smaller companies are also less likely to have sufficient resources to defend against activists, which can likely lead to a quicker settlement.

Market cap of the target companies in North America

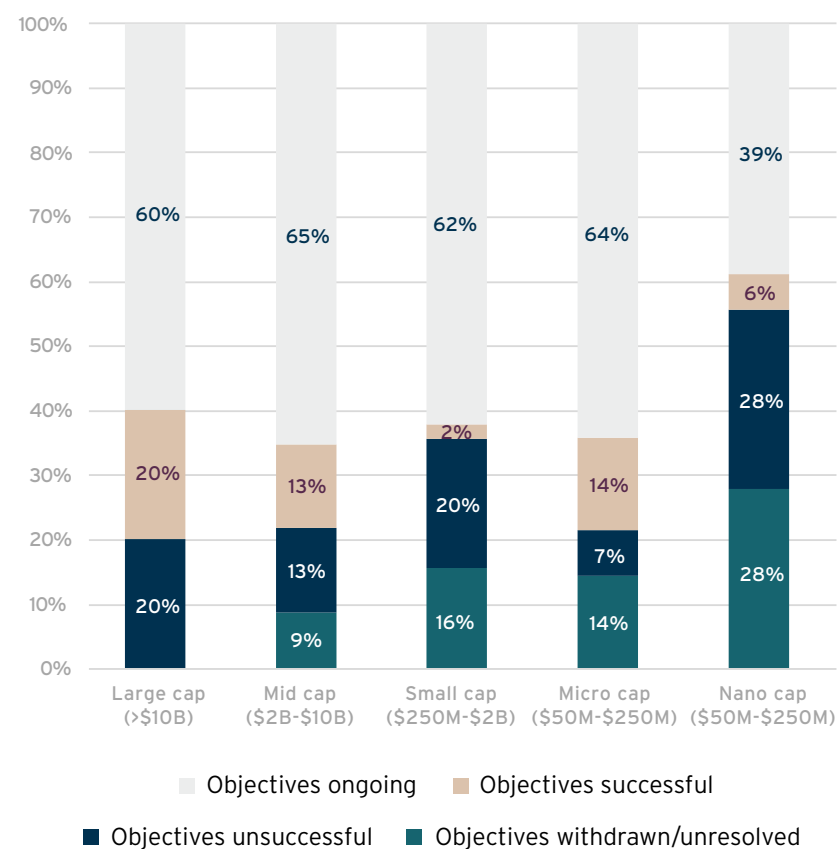


Activist M&A targets by market cap

Activists saw good rates of success in achieving their merger and acquisition (M&A) goals at large-, mid- and micro-cap companies during 2024. Activists succeeded in one out of five M&A demands at large-cap companies.

2025 may prove more conducive for overall M&As as a result of scheduled regulatory changes and in the event of any lowering of interest rates.

Demand for M&A by market cap of North American target companies





M&A activism by market sector

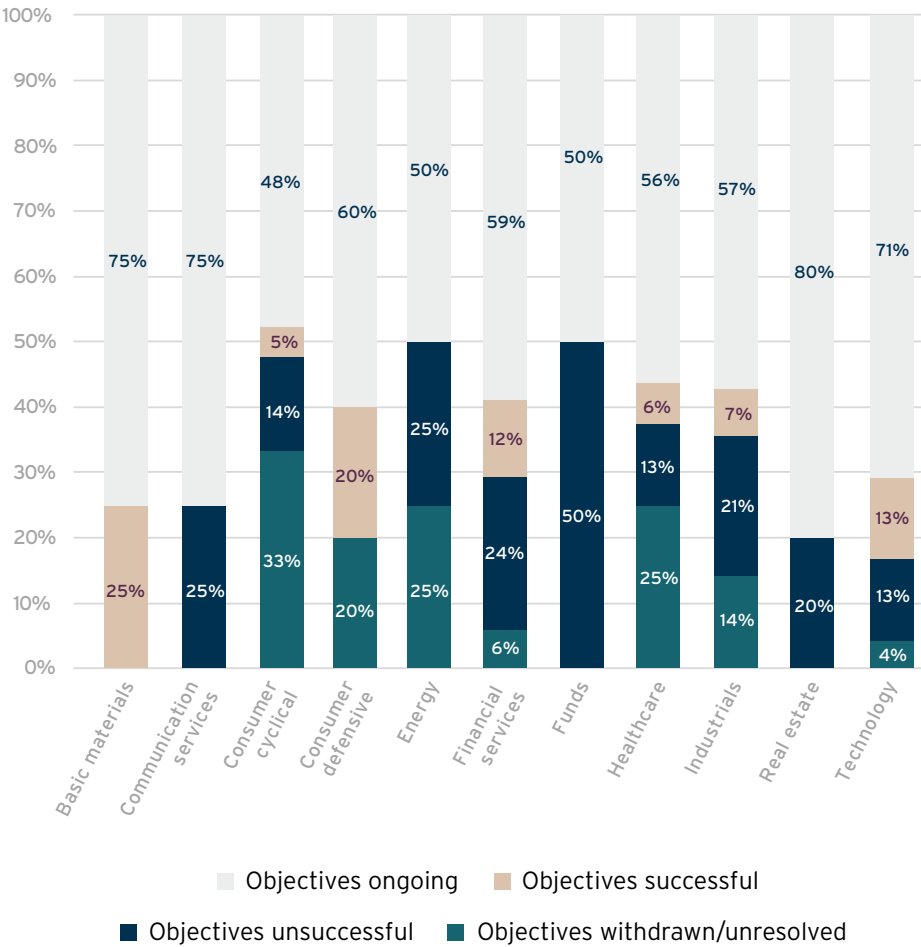
M&A activism was most successful at basic materials companies across North America, with 25% of campaigns concluding successfully in that market during 2024.

50% of campaigns in the funds market concluded unsuccessfully in 2024, followed by energy and communication services, both at 25%.

A significant portion of activist M&A demands were withdrawn or remained unresolved at companies that focused on consumer cyclical (33%), healthcare (25%), energy (25%) and consumer defensive (20%) markets.

It is important to note that there remains a large portion of ongoing campaigns that have not concluded.

Demand for M&A by market sectors in North America

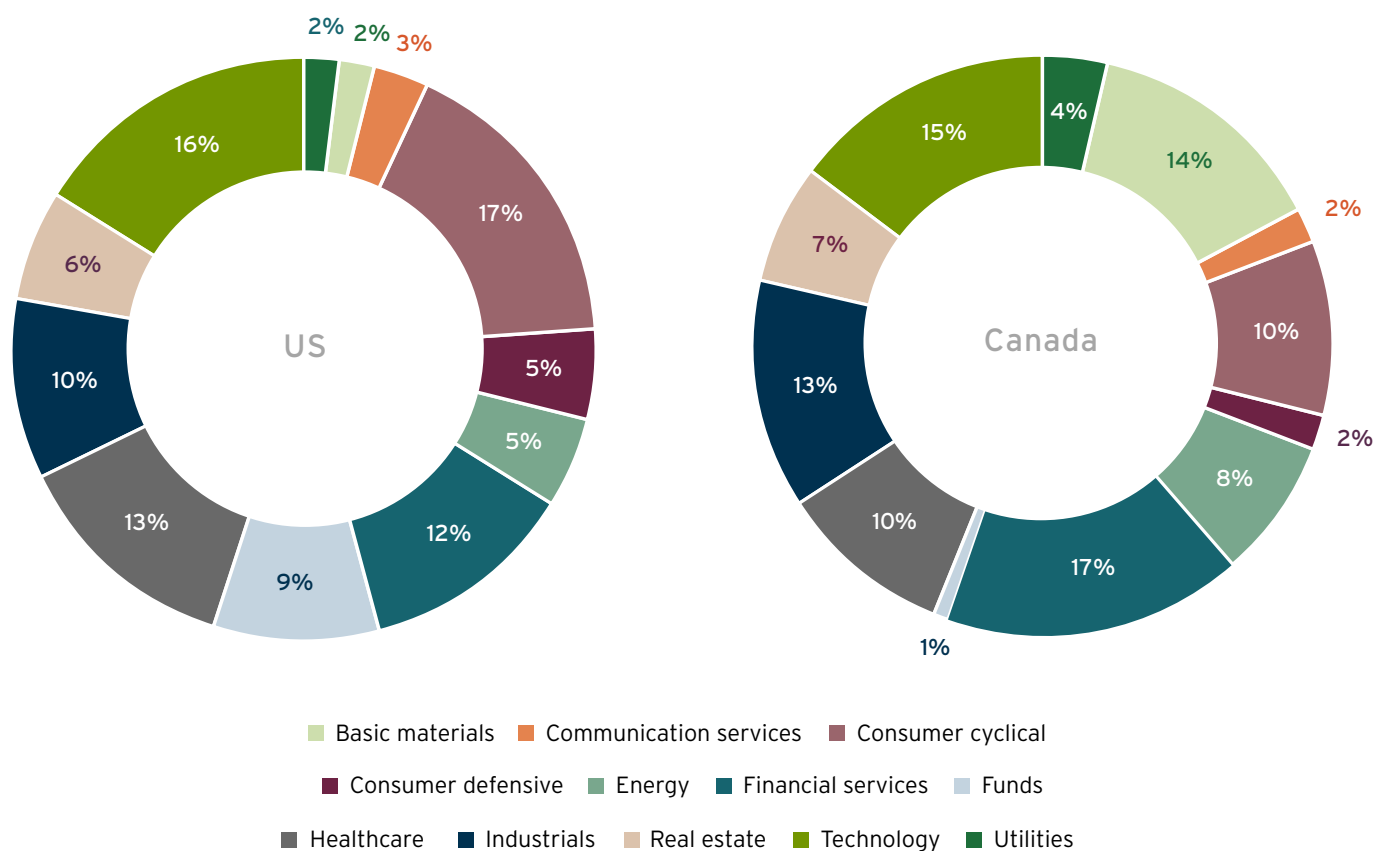


Activism by market sector

In the US, 17% of shareholder activism campaigns took place at consumer cyclical companies, making them the most likely to be a target.

Canada has numerous 'basic materials' companies, such as mining and forestry firms. This sector has the third largest share of activism in the country (14%) after financial services (17%) and technology companies (15%).

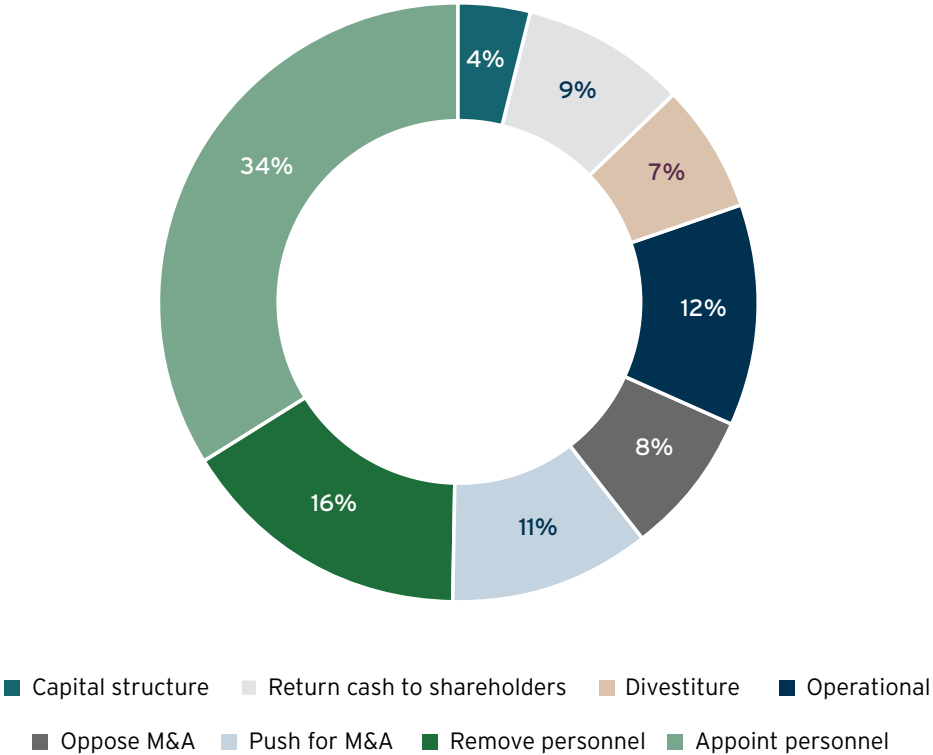
Activism in North America by market sector



Activism campaigns by demand type

Half of activist campaigns in North America were mainly focused on appointing or removing board members or C-suite executives during 2024. M&A or divestitures accounted for 26% of activism campaigns across the continent, with 12% targeting operational issues.

Activism campaigns in North America by demand type

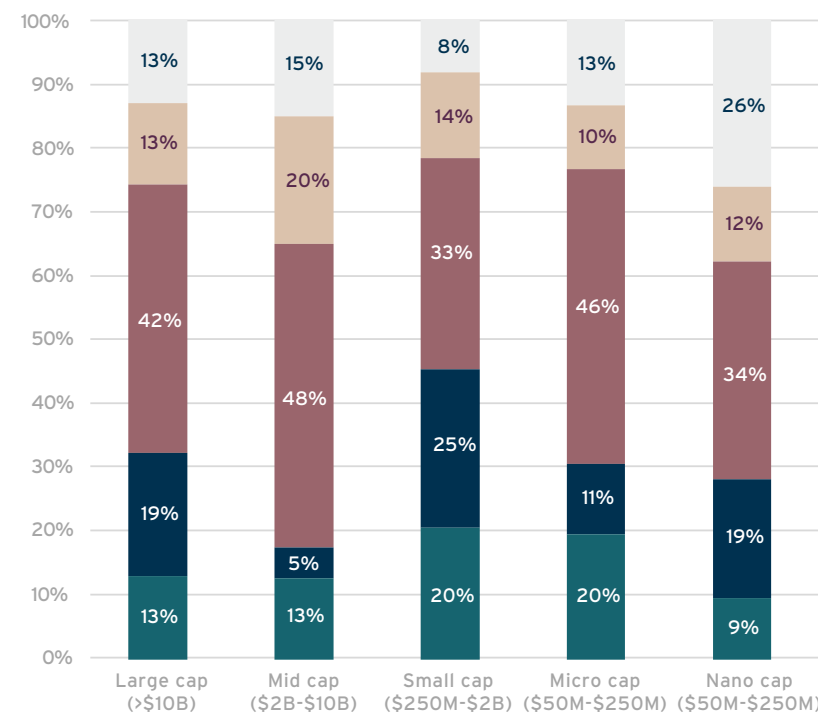


Targeting board seats and executive management

Nearly half of the campaigns seeking board seats or changes to the C-suite were fully or partially successful across North America during 2024.

A third of the campaigns to gain board representation or a change in senior leadership were successful at small-cap companies. Around half (46%) of such attempts were successful at mid-cap companies.

Demand to remove director/senior management in North America by market cap of target companies



■ Objectives ongoing ■ Objectives partially successful ■ Objectives successful
 ■ Objectives unsuccessful ■ Objectives withdrawn/unresolved

Activism in the UK & Europe

This section of the report presents a summary of Georgeson's analysis of data provided by Diligent covering campaigns at all publicly listed UK and European companies initiated or concluded in 2024. Unlike the North American analysis, this included campaigns with an exclusive ESG focus.

UK-based companies continue to be primary targets for both domestic and international activists because of the market's maturity as well as the ease with which international investors can understand the language and local dynamics.

Georgeson has observed a divergence in European jurisdictions: some are developing frameworks that make it easier for activists to initiate campaigns, while others have established regulations that enable issuers to defend campaigns more robustly.

Activists in Europe typically target director seats on boards, viewing this as the most direct way to exert influence and enact change. Other demands focus on changes that activists believe are necessary, such as improving operational efficiency or amending remuneration and governance practices.

Looking ahead to 2025, Georgeson will pay particular attention to how activists leverage underused legal mechanisms to enact change in local jurisdictions. In countries with strong economic growth, companies with weaker-than-average performance may attract more activist attention. In contrast, issuers in countries with weakening economic outlooks may see less focus from activists. Some European governments may pay greater attention to changes in company registers or shareholders as they become more focused on national security concerns.



Shareholder activism in key European jurisdictions

40% of activist campaigns in Europe targeted UK companies during 2024, mostly likely owing to its regulatory framework and diverse shareholder structures. The UK market's transparency, robust corporate governance standards and flexible legal environment provide an attractive landscape for activist investors compared to other European markets.

Germany continues to be a highly active market for activism, with its companies being the target of 18% of activist campaigns during 2024. The German market's 'counter-motions' mechanism, which allows shareholders to put up an opposing proposal against an existing management proposal with comparatively few hurdles, is the main reason for the high volume of shareholder activism in Germany.

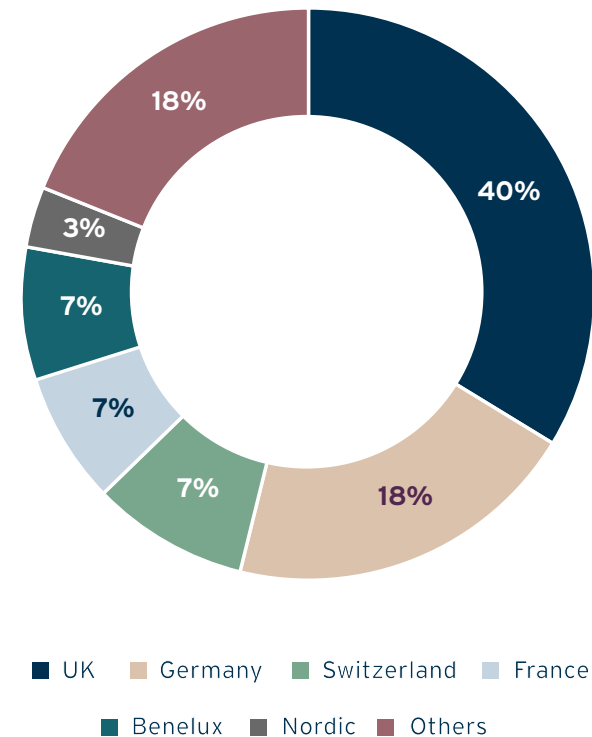
Switzerland experienced 7% of activist investment targets in Europe during 2024. However, the figures may be influenced by the fact that multiple shareholders have targeted a single company with different campaigns.

France has been a significant activist target during the past decade. However, it experienced a quieter 2024 owing to a strong post-Covid market performance and high company valuations, representing 7% of activist investment campaigns in Europe during the course of the year.

The Benelux region again experienced limited shareholder activism as a result of its distinct market structures and legal frameworks, which create significant barriers to activist campaigns. It accounted for 7% of activist investment targets in Europe during 2024.

The Nordic region has a unique corporate landscape characterized by large controlling shareholders, which has traditionally discouraged widespread activist interventions. In 2024, the region experienced 3% of activist campaigns in Europe.

Jurisdictions of target companies in Europe

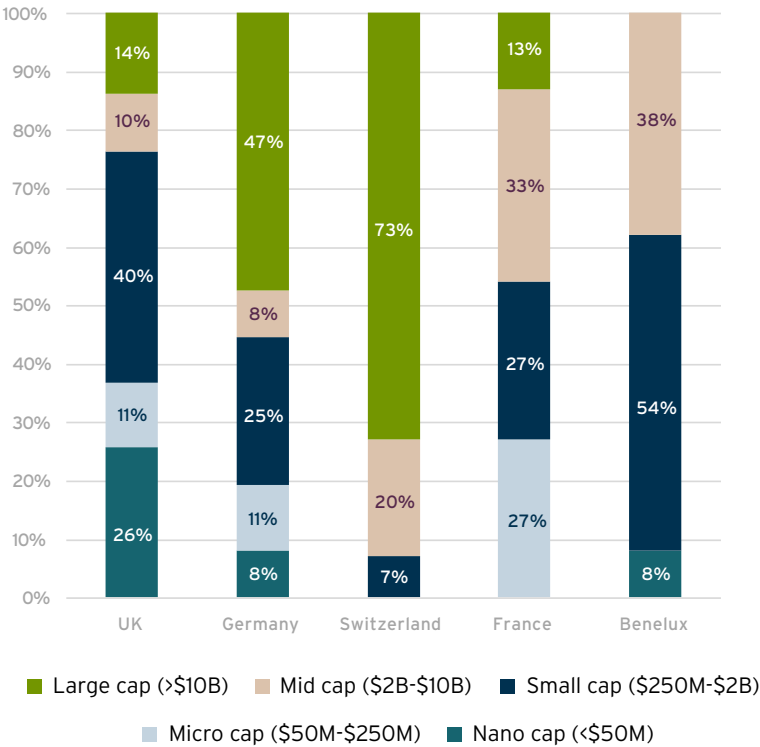


Market cap & sector breakdown

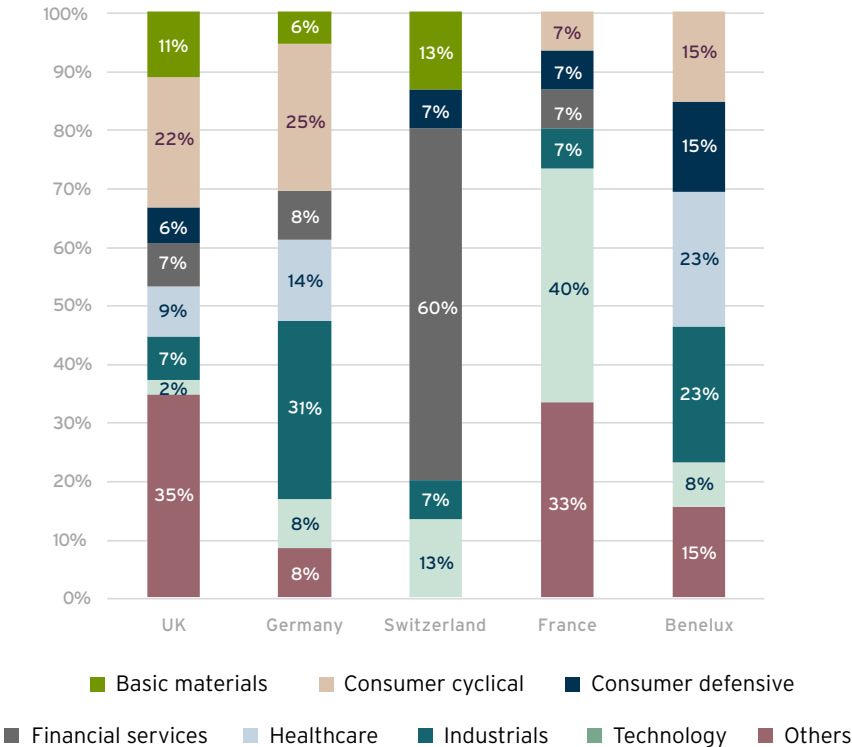
European companies with larger market caps tend to be more prominent targets than their equivalents in other regions, with primary activists and institutional investors more likely to drive campaigns rather than individual shareholders.

Activists target different industry sectors in various countries based on local issues, regulatory environments, economic impact, cultural factors and global trends. As a result, the focus varies widely for each jurisdiction.

Market cap of targeted companies in Europe



Sectors of targeted companies in Europe

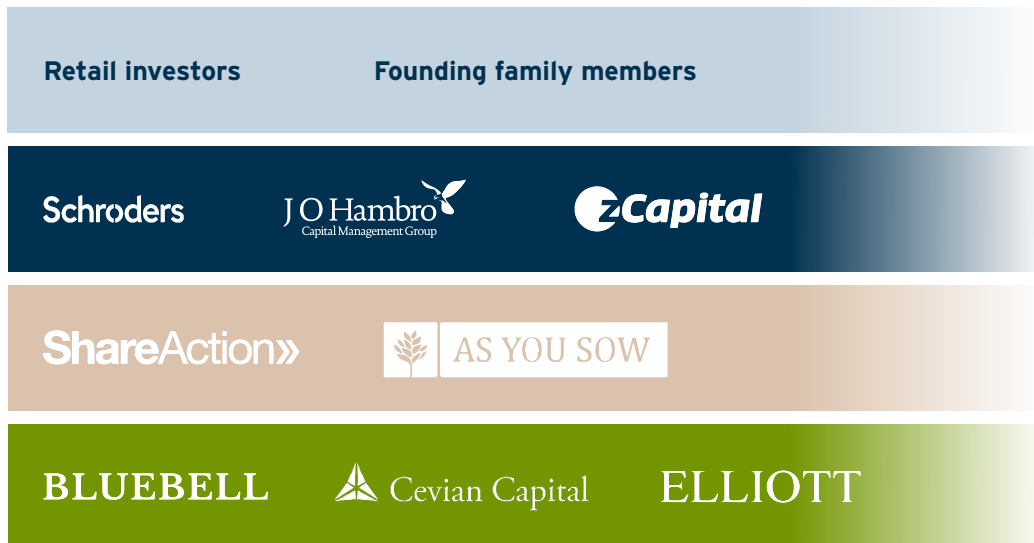


Types of activities

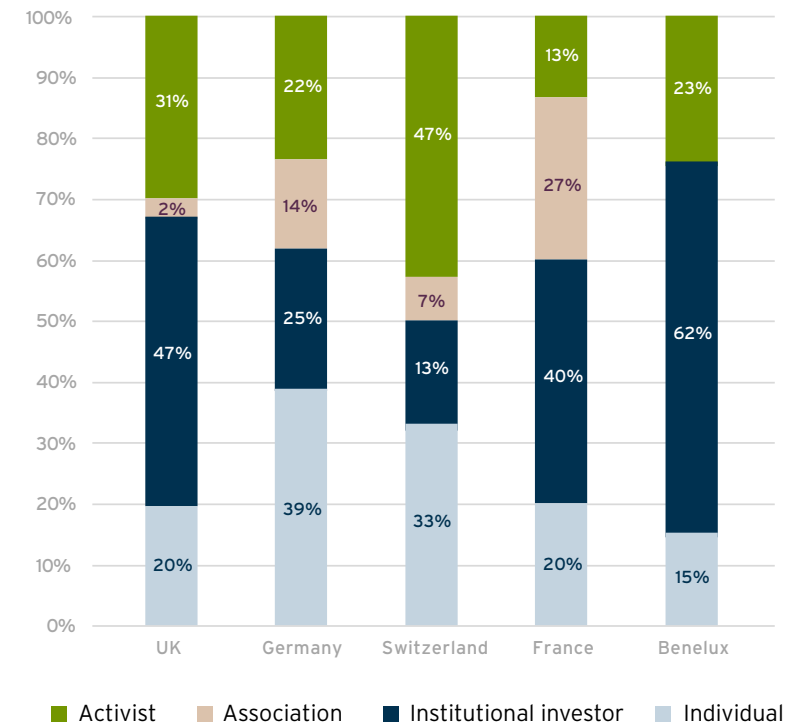
Shareholder behavior in Europe

Institutional investors, especially in the UK, have increasingly demonstrated a willingness to publicly voice their concerns and advocate for shareholder value. This represents a significant shift in market dynamics, with 'long-only' investors – who typically hold substantial positions in companies and have historically been less vocal – becoming more active on corporate governance matters.

The challenging economic environment of the last few years has led traditional activists, such as hedge funds, to adopt more cautious approaches to activism. Rather than launching independent campaigns, they often align themselves with public opposition to transactions or resolutions set out by long-only institutional investors. The collective action of traditional activists and some institutional investors has increased shareholder value in some cases.



Types of activists in Europe



Engagement trends

European companies have shifted from confrontation to dialogue in their approach to activist engagement. Firms in countries such as France and the UK now regularly conduct shareholder identification analyses to anticipate potential activist threats.

Companies also maintain governance roadshows, including meetings with investors who may have activist tendencies. Many companies have dedicated teams on standby to strategize how best to engage with activists. This type of preparation has successfully led to further discussions and negotiations between companies and activists, avoiding the kind of major, public campaigns seen in the past.

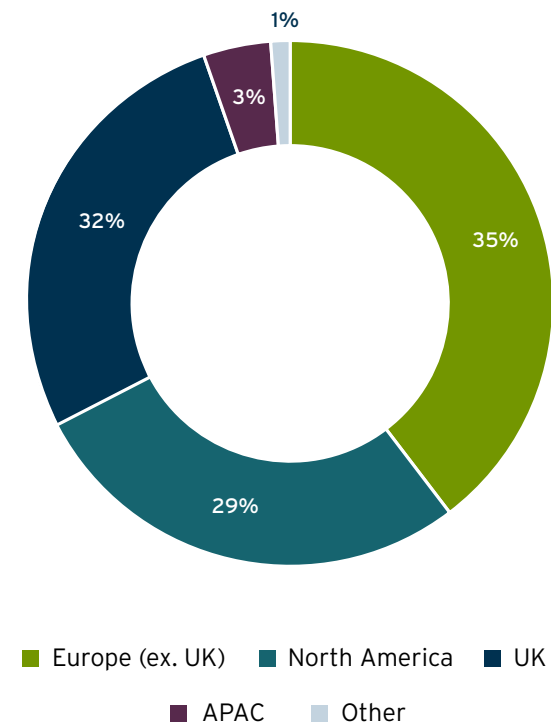
Activist demands have also become more focused and reasonable over time, reflecting the willingness of companies to engage with investors and activists more often. The preference for private discussions over public campaigns has been particularly evident in 2024, with many potential conflicts resolved through direct engagement rather than escalating to public confrontations. A significant portion of UK activism now occurs through private negotiations rather than public confrontations. This 'constructivist' approach represents a more collaborative, rather than confrontational, model. As a result, public disputes represented only a fraction of total activist activity.

Value creation role

Companies are beginning to recognize that, through the right channels, activist investors can offer guidance on governance matters, assist companies in improving financial performance, and offer strategic insights along with market perspectives.

The traditional negative perception of activists is gradually giving way to a more nuanced understanding of their role in corporate governance and value creation.

Country of origin of activists targeting European companies

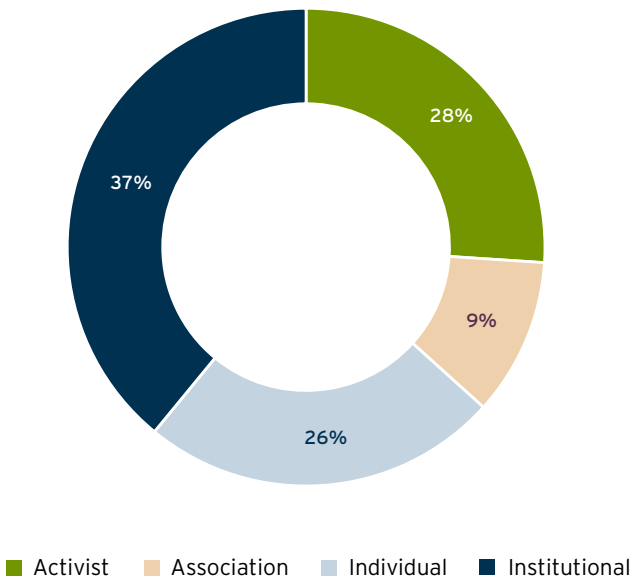


Demands raised by activist types

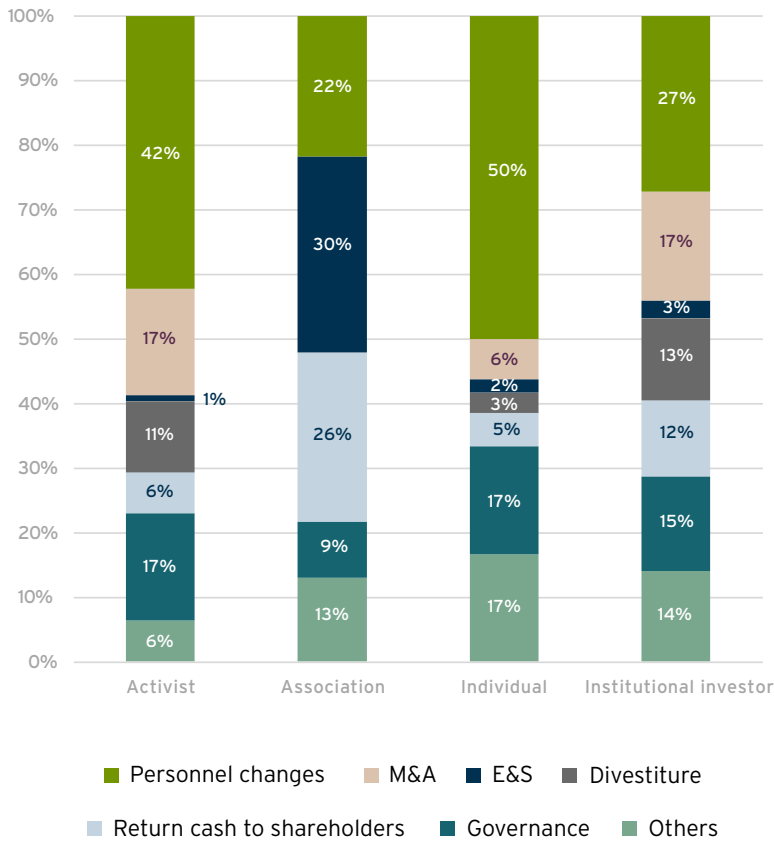
In Europe, institutional investors play a more prominent role in activities that could be classified as activism than in other regions. However, they rarely run typical activist campaigns. Instead, these investors publicly express disagreements on a variety of issues, typically using established financial media outlets.

In some jurisdictions, institutional shareholders frequently put forward ESG-related proposals, which often receive management support at the AGM.

Volume of demands made by activist types in Europe



Focus of different activist types in Europe

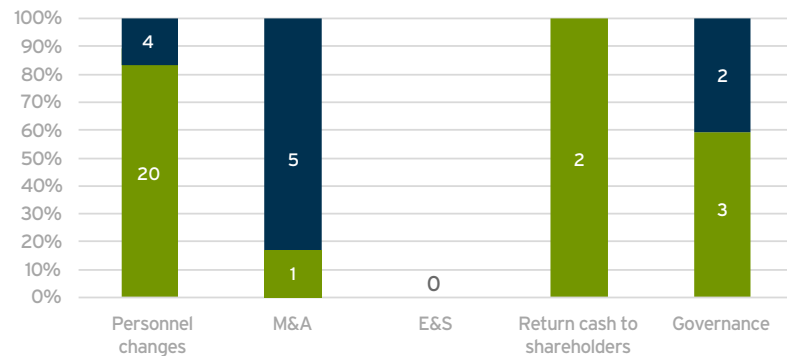


Success of activist types in Europe

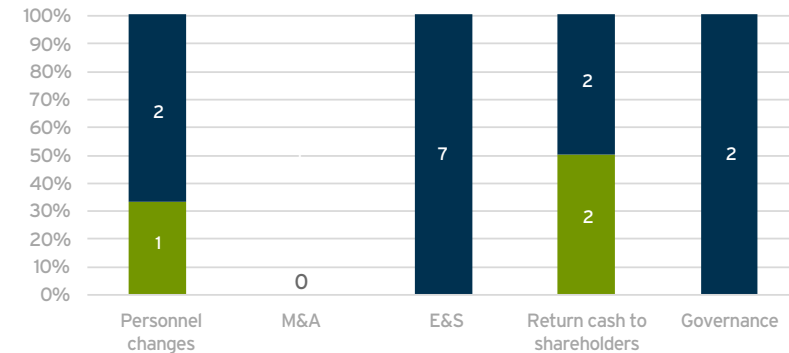
Primary activists, such as hedge funds, ran highly effective campaigns focused on direct elections to remove one or more current board members during 2024. These campaigns often succeeded in securing at least one board seat.

Individual investors also achieved some notable personnel changes. This typically involved having a significant minority position or receiving company support.

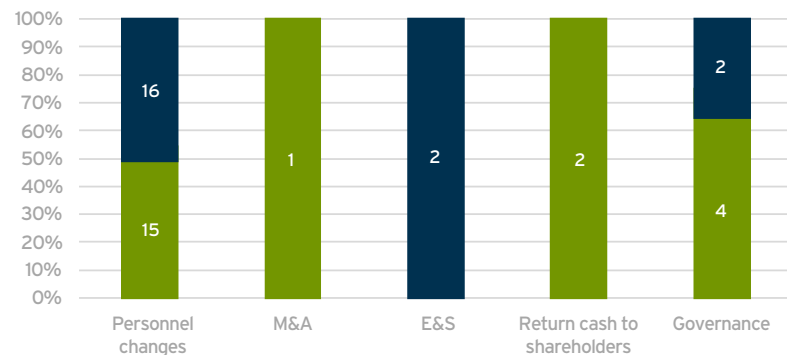
Success of primary activists' campaigns in Europe



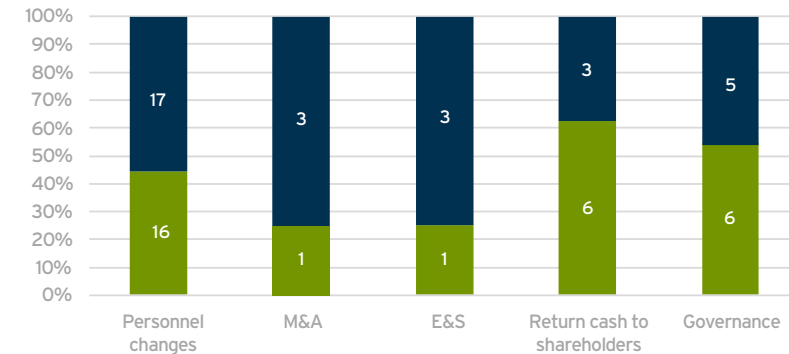
Success of associations' campaigns in Europe



Success of individual investors' campaigns in Europe



Success of institutional investors' campaigns in Europe



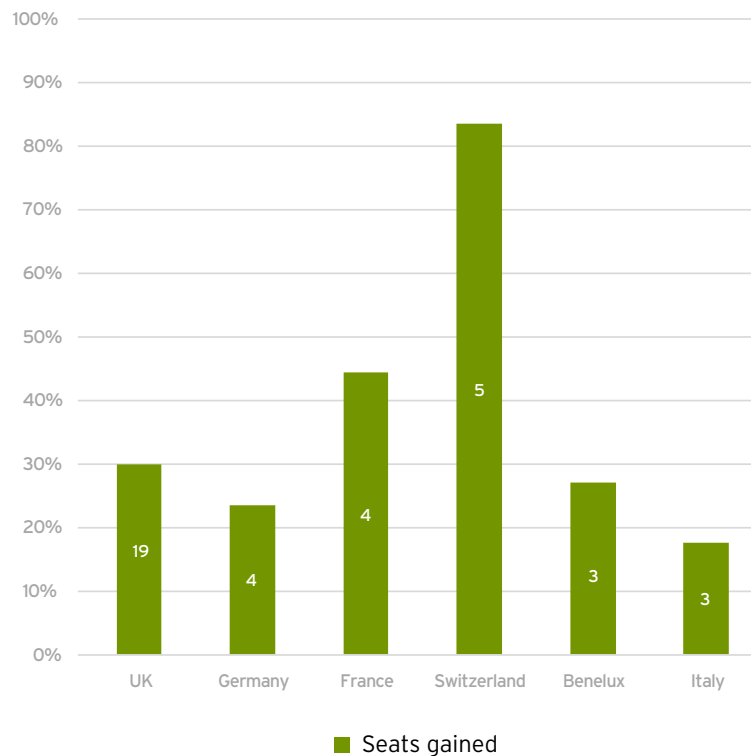
■ Number of successful campaigns ■ Number of unsuccessful campaigns

Board seats gained

In the six major European jurisdictions (see graph) that regularly see investor activism, activists won around 30% of seats they pursued, either through proxy fights or direct settlements with the companies.

However, in some of the smaller jurisdictions, the figures can vary significantly year-to-year, as a few successful campaigns can disproportionately affect the outcome.

Board seats gained in different jurisdictions in Europe



Activism in Switzerland: an example



In January 2024, SoftwareOne rejected a CHF 3bn offer from Bain Capital to take the company private. Daniel von Stockar, along with other founders of the company (collectively owning a 29% stake), announced that they had asked the company to convene a general meeting to propose the removal of the entire board of directors – except Daniel von Stockar – and the election of four other candidates.

A few weeks before the meeting, SoftwareOne proposed a slate that included members of the shareholder group as well as members of the existing board of directors. However, with an almost 30% stake and support from major shareholders, the candidates proposed by the founders received between 64% and 87% shareholder support and were elected to the board.

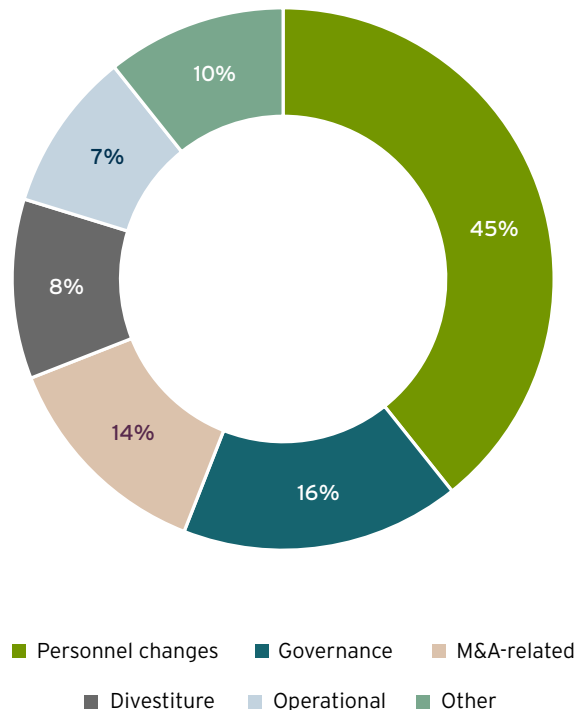
UNITED KINGDOM

Key market trends

Most activist campaigns in the UK focus on personnel changes facilitated by the annual re-election of board members.

In M&A situations, the UK's 'City Code Rule 8.3 disclosure regime' requires the mandatory disclosure of all shareholders who have 1% or more of issued share capital during an offer period. The rule also provides clear insight into the shareholder base. As a result, activist hedge funds can easily engage shareholders during a proxy fight.

Types of demands raised in the UK



UK activism: still Europe's most prominent activist landscape

Regulatory framework

The UK maintains a favorable disclosure regime for activist investors, requiring only a 5% ownership threshold to propose resolutions. This relatively low threshold facilitates position building for activists. The market also benefits from enhanced transparency through Section 793 and Section 116 rules, which provide detailed visibility into shareholder registers. Additionally, TR-1 disclosures further strengthen the transparency of shareholder positions.

Corporate governance structure

UK companies typically implement a two-tier management structure, comprising a board of directors alongside executive positions such as the CEO and CFO. A distinctive feature of UK corporate governance is the general separation of chair and CEO roles, contrasting with practices in some other jurisdictions. While activists cannot directly nominate the chair, they retain the right to nominate and propose directors to the board.

Activism advisors

The UK market features robust monitoring systems, with multiple advisors and corporate brokers maintaining oversight of shareholder registers and flagging unusual disclosure patterns. Many banks offer specialised services enabling activists to build positions discretely.

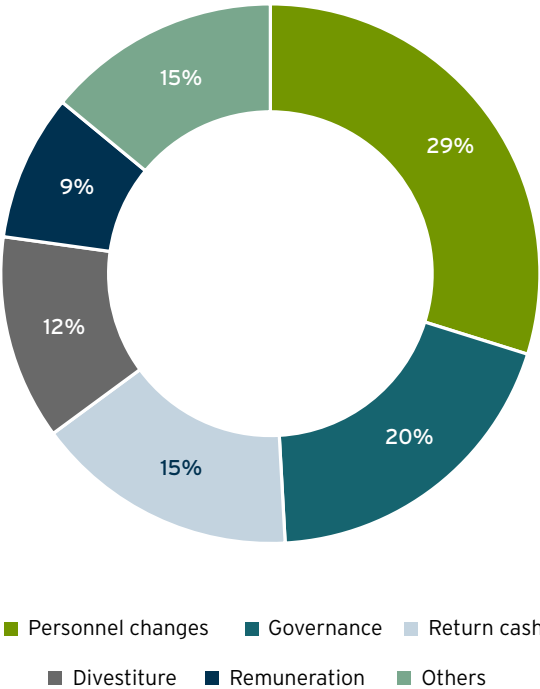
GERMANY

Key market trends

Governance demands are notably higher in Germany than in the other six major European jurisdictions. Activists often incorporate these demands into broader campaigns, highlighting governance practices that may be improved and illustrating areas where the board could perform better.

Interestingly, M&A-related activism was minimal in Germany during 2024, compared to other markets. However, several activist campaigns have targeted companies with the goal of spinning off existing business units.

Types of demands raised in Germany



Primary activists blocking squeeze-outs

During the past few years, more hedge funds have been increasing their positions at German companies that are undergoing acquisitions to prevent other shareholders from executing a squeeze-out, which typically forces minority shareholders to sell their shares whilst majority shareholders gain full ownership. This type of activism doesn't require a public campaign and is often implemented within a short period of time. Companies and shareholders are increasingly aware of hedge funds purchasing a significant minority stake to block the full takeover.

Greater exposure through the virtual AGM format

Germany's recent regulatory changes allow issuers to hold virtual AGMs. Activists can use these platforms to spread their message beyond the traditional institutional investor community by sharing their thoughts and concerns during a meeting's public comment period.

Will counter-motions become a new avenue for activists?

Every shareholder is entitled to submit counter-motions in Germany, and the targeted companies must publish counter-motions ahead of an AGM if they receive them in time. Counter-motions are mainly used by retail shareholders but also increasingly by activists to challenge management decisions or push for change. The activist must gain sufficient support from shareholders and proxy advisors to be effective.

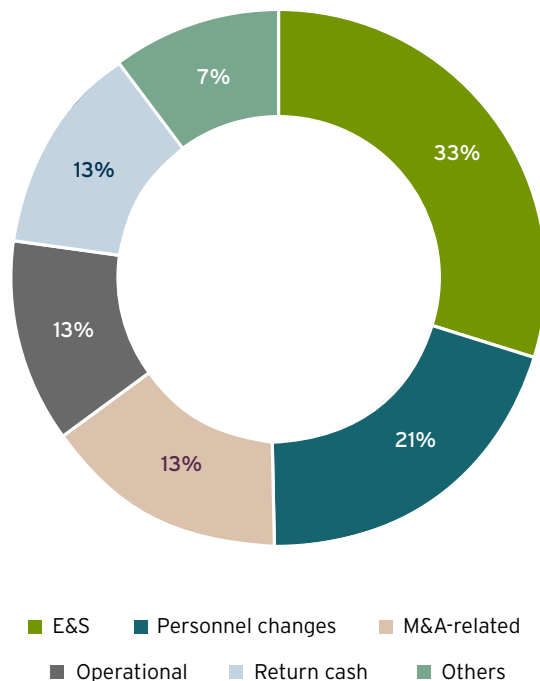
SWITZERLAND

Key market trends

Activist demands in Switzerland are spread across more categories of demand than in other European jurisdictions. Notably, there are also more environmental and social (E&S)-related demands in Switzerland than in other European countries, but the majority of these come from a few investors targeting specific companies.

It is important to note that activist campaigns are tracked according to where the company is headquartered. Several large companies are headquartered in Switzerland but are listed on foreign exchanges. As a result, data relating to the country include some activist campaigns aimed at foreign companies headquartered there.

Types of demands raised in Switzerland



Lower hurdle for shareholder proposals

The revised Swiss Stock Corporation Law took effect on 1 January 2023, aiming to simplify procedures relating to share capital and equity distributions whilst enhancing flexibility and protecting the interests of minority shareholders. Notably, the law lowered the thresholds needed to call a general meeting (from 10% to 5% of issued shares). It also lowered the portion of shares required to put an item on the agenda: from 10% of shares with a nominal value of CHF 1 million to 0.5%.

Additionally, the law mandates that independent proxies keep voting instructions confidential even from the company, reducing issuers' insight into shareholder voting intentions before the general meeting.

Removal of voting right caps

In 2024, zCapital's shareholder proposal that the Swiss insurer Bâloise remove voting right caps sparked renewed interest in how many shares can be voted at a general meeting. Whilst many companies have voluntarily amended their Articles of Incorporation to remove existing voting rights caps during the past few years, a significant minority of companies still have them.

Since most investors and proxy advisors support the 'one share, one vote' principle, the removal of voting rights caps is likely to gain broad support from the investor community. This change could also attract greater interest from activists, who could gain more influence.

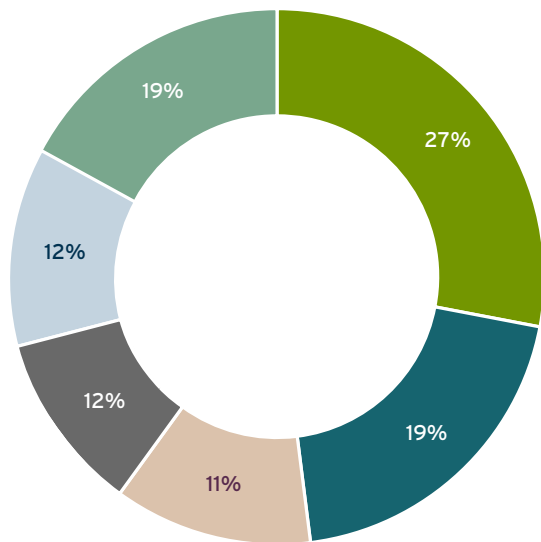
FRANCE

Key market trends

The absence of large domestic pension funds in France has created a unique ownership structure in the country. Approximately two-thirds of company shares are held by foreign investors, primarily US and UK institutional investors, who typically have less protectionist attitudes. Less than 25% of issued share capital owned by major domestic shareholders, include Caisse des Depots, Amundi, Credit Mutuel and BNP. As a result, activists have been active in the French market for the past few years, with some prominent activist fights making it into the media.

French companies' strong post-Covid performance and current high valuations have, however, reduced some of the traditional entry points for activists, who typically target undervalued companies. Additionally, companies' increased preparedness and experience handling activist approaches have contributed to a relatively quiet period for French activism in 2024.

Types of demands raised in France



■ Personnel changes ■ Governance ■ M&A-related
■ Divestiture ■ Return cash ■ Others

Campaigns

Activism in France typically occurs in two main forms. The first is AGM-related activism, which often focuses on governance and ESG issues, and tends to be resolved through private discussions before meetings rather than evolving into proxy fights.

The second type centers on M&A transactions, particularly attempts to block squeeze-outs to secure higher prices. Notable campaigns include the likes of Amber Capital's action against Lagardère and Bluebell's campaign against Danone in recent years.

Legal defence frameworks

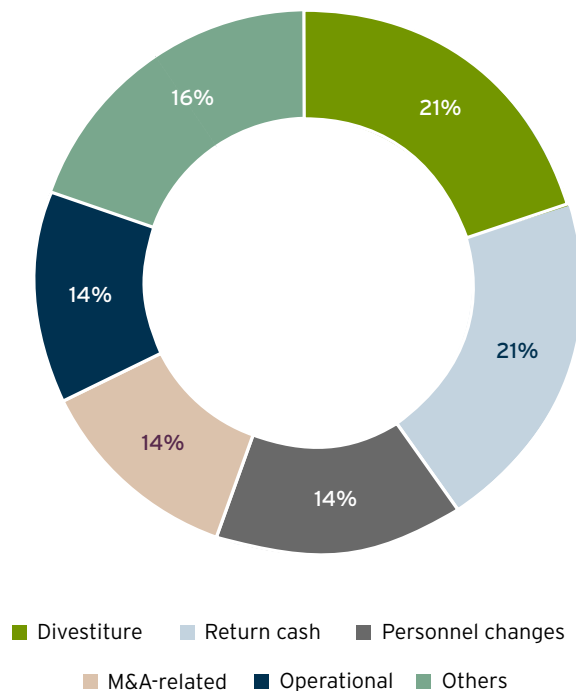
The French market has some distinct characteristics that influence activist dynamics. Many French companies feature double voting rights for registered shares held for two or more years, typically by family owners or government-related holdings. This unique structure can affect activist strategies and outcomes. Other solutions include exploring mechanisms such as share capital issuance and lowering thresholds for declaration of holdings below the legal 5% limit through shareholder votes.

NETHERLANDS

Key market trends

The Dutch market doesn't often experience activism because of its structural barriers. Elliott's campaign against NN Group during 2020 was the last major effort, leaving the market quiet until 2024's Buckley Capital launched its campaign against Basic-Fit.

Types of demands raised in the Netherlands



Regulatory framework

The Netherlands operates under a stakeholder model (balancing the interests of all parties, such as employees, customers and suppliers) rather than a shareholder-focused system¹. The Enterprise Chamber (a specialized court division handling corporate disputes and governance issues) has established that companies retain sole responsibility for strategy, limiting shareholder influence on companies' decision-making.

Other protective mechanisms include the Stichting structure (a Dutch legal entity with limited liability, i.e., a foundation). It serves as a defense against hostile takeovers, allowing the issuance of 50% + 1 share for a two-year period, typically issued to the Stichting, heavily diluting the hostile party. Additionally, the government requires prior approval for investments in critical industries, adding another layer of protection against hostile takeover campaigns, which has prompted many issuers to move their legal headquarters to the Netherlands. Currently, there is no indication of reducing market protections, suggesting these barriers will likely persist.

ESG

While traditional activism faces significant barriers, ESG-focused campaigns, particularly those led by non-governmental organizations (NGOs), have been more successful in influencing corporate behavior. Two notable examples are ING's decision to stop accepting new oil industry clients and the Shell court case², though the long-term impacts of these decisions on corporate practices remain uncertain.

¹ Shareholders holding at least 10% can call for an Extraordinary General Meeting, whilst shareholders with a 1% equity stake can only add resolutions to the agenda, but such demands may be rejected.

² ING faces climate lawsuit by Dutch non-profit behind landmark Shell case - [Milieudefensie v. ING Bank](#).

SPAIN

Key market trends

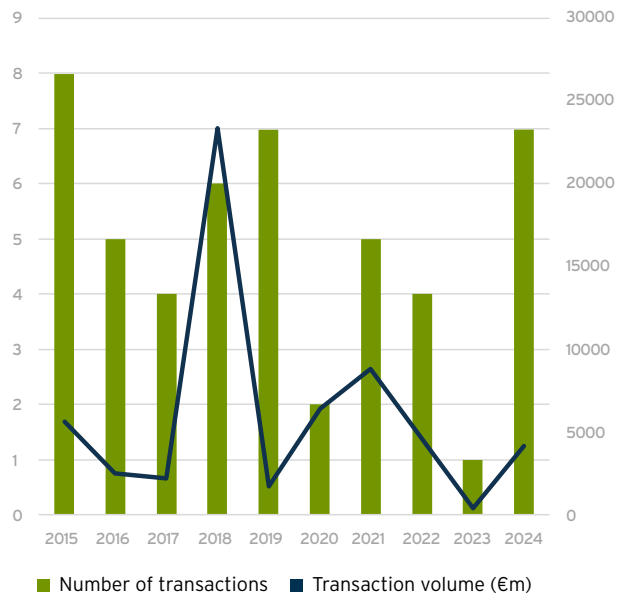
Market structure

Nearly half of Ibex 35 companies index operate with free float levels below 50% - with some having ownership concentrated in the hands of a single entity with a significant stake. Owing to these ownership structures limiting traditional activist opportunities, activist investors in Spain tend to focus more heavily on M&A situations.

Regulatory framework

Regulatory considerations play a role in limiting activist involvement. Spain has specific restrictions on foreign investment through the Real Decreto 571/2023, which places caps on foreign entity participation in Spanish companies. Particular attention is placed on sensitive industries such as energy, technology and defense.

Takeovers in Spain over the past 10 years



During recent years, several significant events have unfolded in the Spanish market:

- › In early 2024, hedge fund Gotham City Research launched a campaign against Grifols, releasing three reports alleging financial misstatements. The company responded with legal actions, which ultimately attracted a tender offer from Brookfield. Subsequently, three funds – Mason Capital, Flat Footed and Sachem Head Management – joined forces to advocate for changes to Grifols' Board of Directors, aiming to improve corporate governance.
- › In 2024, a coalition of minority shareholders in Distribuidora Internacional de Alimentación (DIA) raised concerns about the company's undervaluation and the board's lack of transparency. Their primary goal was to push for improvements in board expertise.
- › The approach TCI Fund has maintained an active stance in both public and private activist campaigns. In 2023, it successfully secured a board seat at Cellnex. The fund had also been prominent in ESG engagements, particularly championing 'Say on Climate' proposals at companies such as Ferrovial and Aena, where it holds significant positions.
- › Another relevant example of shareholders' opposition to the board was at the AGM of Unicaja Banco in 2023, where shareholders rejected the new management model implemented by Manuel Menendez (former CEO of Liberbank and CEO of Unicaja Banco since the merger), by voting against the two independent directors appointed by the board the year before. Both re-elections were rejected, with 54.5% and 53.5% shareholders voting 'against'.

NORDICS

Key market trends

Emerging activism

Investor activism is evolving and increasing in Nordic countries. Most activist activities have centered around M&A situations, particularly contested tender offers. However, there is a rise in Nordic investors and pension funds building larger positions in listed companies. Firms such as Cevian Capital, headquartered in Stockholm, are adopting activist strategies inspired by US players.

Key trends

Many activist efforts occur privately, with a strong preference for settlements and agreements over public confrontations, making full-scale proxy fights rare in the region. Most Nordic-based activists generally prefer a more collaborative and constructive approach to active ownership, aligning with this regional preference for private negotiations. However, some firms have shown a willingness to escalate an issue if it proves necessary. Foreign activists have also intervened in Nordic M&A deals. A notable example is Elliott Management's involvement in the high-profile Swedish Match takeover bid where the activist firm employed 'bumpitrag³' tactics by strategically blocking the offeror from reaching the 90% squeeze-out level to gain a higher sale price. The tactic was successful, with the deal concluding in November 2022.

Challenges and opportunities

The presence of large controlling shareholders in many Nordic companies has traditionally limited the influence of minority shareholders, but this is slowly changing as minority investors become more assertive and increase their shareholdings.

Conclusion

While shareholder activism in the Nordic region remains less prevalent compared to other markets, recent trends suggest a growing appetite for active ownership and engagement. The unique characteristics of the Nordic corporate landscape continue to shape the nature of activist interventions, favoring behind-the-scenes negotiations and constructive approaches over confrontational tactics.



In 2022, Cevian Capital built a 7.9% stake in the Swedish bearing and seal manufacturing company SKF. Cevian pointed out that it saw the market value of SKF being disconnected from its "very strong core business".

In September 2024, SKF announced that it intended to split off its less profitable automotive business, while retaining its higher-margin industrial division. In October 2024, SKF announced that it will sell off its ring and seal operation as part of its strategic review of its aerospace business.



In its notice for its 2024 AGM meeting, DSV included a shareholder proposal put forward by AkademikerPension and LD Fonde. The proposal asked the company to broaden its reporting on human rights risks. As a result of DSV supporting the proposal, it received 98.6% of shareholder support at the AGM.

³ 'Bumpitrag' Is the New M&A Play as Deal Making Surges - [Barron's](#)

Other notable market trends

Italy

Italy is undergoing changes to its shareholder structure, with the average stake of the largest shareholder rising to 49.1% in 2023 (2012: 45.1%)⁴, which is mainly driven by mid-cap companies and below. In blue-chip firms, the average holding of the largest shareholders decreased to 29.4% in 2023 (2012: 34.5%).

There was a rise in two types of shareholder activism that typically attracted media attention:

- › **Italian entrepreneurs seeking greater control of a company.**
An activist launched a campaign to gain control of the board at Generali. The activist was not successful.
- › **Traditional activists seeking board control**, for example, when:
 - › Greenwood investors secured minority seats on Leonardo's board⁵.
 - › London-based hedge fund Covalis Capital attempted to obtain majority control of the board at state-controlled utility Enel.
 - › Activists Merlyn Partner and Bluebell attempted to obtain a majority of Telecom Italia's board seats, including those of the chair and CEO.

A new system introduced by the 'Legge Capitali' Italian law allows a company's outgoing board of directors to present a list of candidates for the next term. Under this legislation, at least two-thirds of directors must approve the candidate list. Additional issuer-related amendments are expected to be finalized in January 2025.

Belgium

Belgium's market structure presents its own challenges for activist investors, primarily due to multiple family-controlled companies. Despite these limitations, the market has seen some notable activist activity, particularly the Solvay-Bluebell campaign that resulted in the company's split. The requirement for a 10% shareholding to hold an Extraordinary General Meeting (EGM), combined with concentrated family ownership, continues to limit activist opportunities.

M&A landscape

The current M&A environment has remained quiet during an uncertain economic climate. Companies making strategic M&A buying decisions are also primarily acting as buyers in most deals. Strategic buyers frequently offer higher premiums than private equity buyers because they recognize potential synergies from the acquisition. This trend has resulted in fewer activist challenges to deals, as the naturally higher premiums leave less room for value enhancement arguments.

Activism in Asia Pacific (APAC)

The APAC region has become a hotbed of shareholder activism, spurred by regulatory reforms and competition for foreign institutional capital.

The economic powerhouses of Japan and South Korea saw a marked uptick in shareholder activism during 2023 and 2024, driven by:

- > Regulatory reforms to improve transparency
- > Foreign institutional capital
- > Unwinding of historical governance and disclosure practices

Now the second-largest activist market globally, Japan's campaigns involve key US and European-based activist firms joining forces with domestic activist managers or ESG-focused activists targeting energy and finance companies.

Korea's unique governance issues have made activist campaigns – often aimed at reducing the gap between net asset value (NAV) and share price or ending poor governance or cash allocation – more common and stricter regulations have sought the same ends.

Australia has seen a notable decline in traditional shareholder proposals at company AGMs but an increase in investors resisting key management-sponsored proposals, particularly in relation to remuneration and director elections.

Company-specific activism in other major regional markets, including Hong Kong and Singapore, has been relatively subdued, though some have implemented policy reforms to improve shareholder rights and transparency.

New mandatory climate disclosures have become law in many jurisdictions across the APAC region, many taking effect in 2024 or 2025. Further mandatory disclosures on other sustainability issues are likely, giving another potential avenue for engagement and activism campaigns on ESG-related issues.

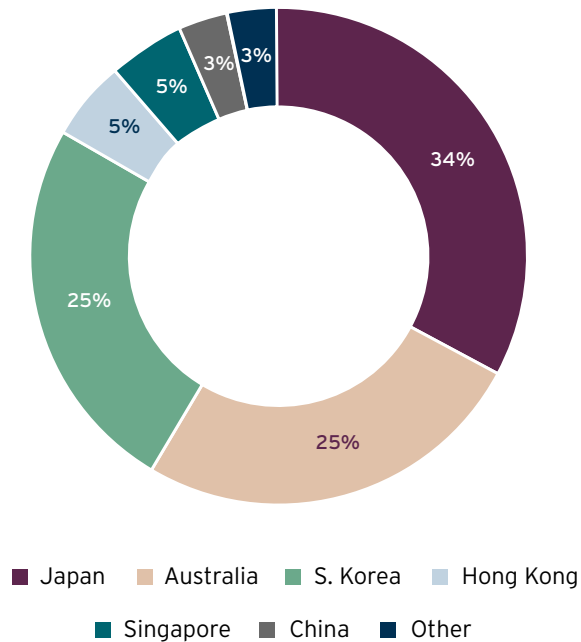


Country breakdown

In terms of absolute number of campaigns, Asia has seen more activism than Europe, primarily driven by traditional activists in Japan following changed governance rules.

Georgeson expects to see sustained activity in the APAC region as family ownership in companies remains a major driver for activism.

Jurisdictions of target companies in APAC



Activism in the APAC market

Overview

Shareholder activism in the APAC region has grown significantly in recent years, with Japan and Korea leading market activity. Both markets have experienced distinct patterns in ownership changes and activist involvement during the last year. Activity in Australia has been consistently mature owing to Australian companies' alignment with Anglo-American governance thresholds.

Taiwan shows moderate activist activity. Hong Kong and Singapore see less activism due to their ownership structures, which limit opportunities.

Corporate governance rules

Key developments include:

- > Mandatory sustainability reporting in multiple markets
- > Required climate disclosures in Australia, Hong Kong, and Japan
- > Australia's two-strike rule on executive pay (requiring board re-election after two years of 25%+ votes against compensation)

ESG-focus by institutional investors:

- > Improved ESG disclosure
- > Clear climate strategies
- > Net-zero targets

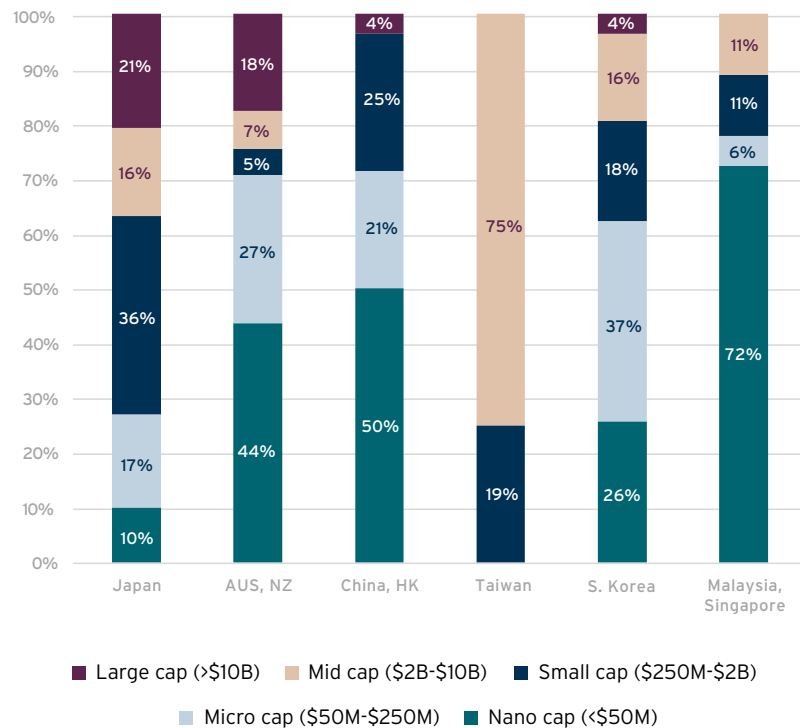
Activists can leverage ESG-related matters as part of their campaign and the story they intend to tell fellow shareholders.

Market cap & sector breakdown

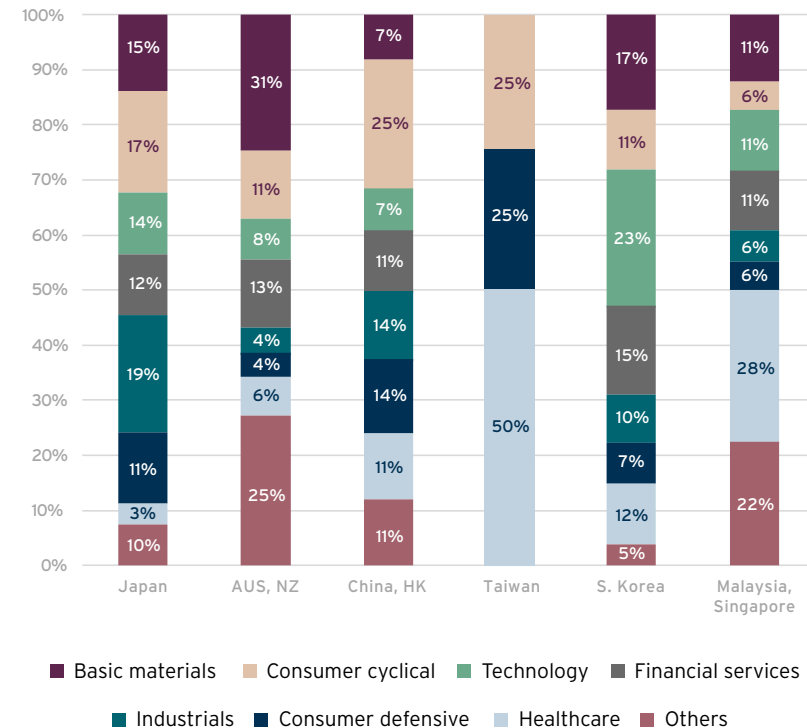
Companies with lower market caps saw the most amount of shareholder activism across the majority of APAC jurisdictions, with activity against larger companies remaining largely muted.

Activists targeted different companies in different jurisdictions in differing ways, for example, shareholders targeted energy companies in Australia and consumer cyclical firms in China and Hong Kong.

Market cap of targeted companies in APAC



Sectors of targeted companies in APAC



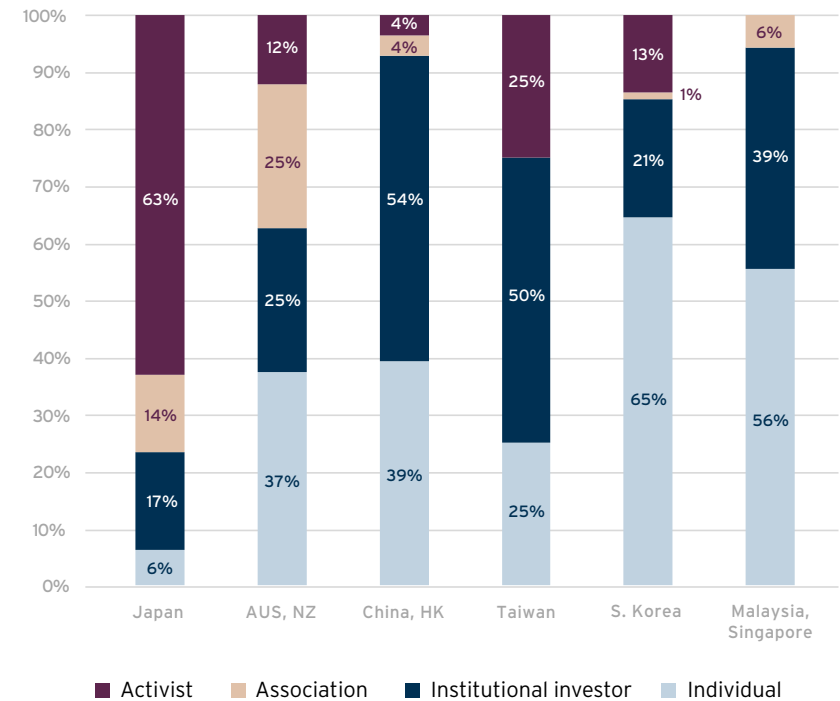
Types of activities

Primary activists in Japan typically shift away from companies that have founder involvement.

There is some degree of correlation between the type of activists and the targets' market cap. For example, there are more campaigns by primary activists at large- and mid-cap companies.



Types of activists in APAC



Engagement trends

Investor engagement trends vary across APAC countries, reflecting each market's diverse governance environment and corporate cultures.

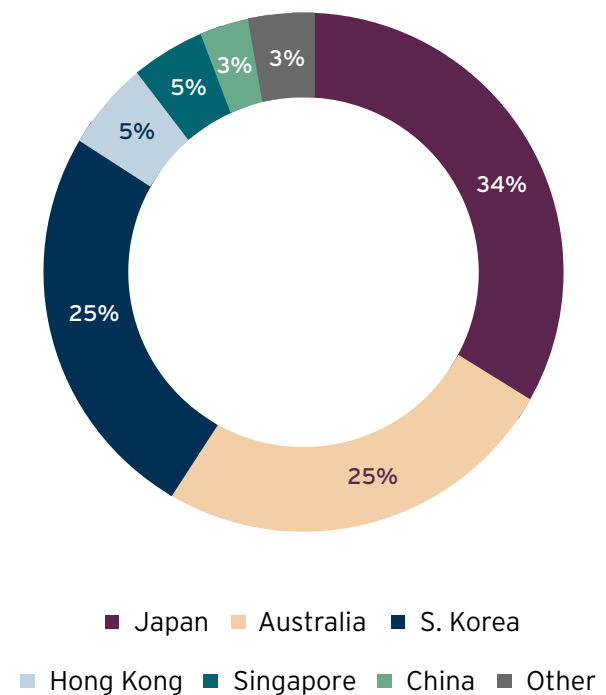
In Japan, the Tokyo Stock Exchange's recent guidance on good governance practices has led to increased global activism campaigns targeting companies perceived to be lagging behind these standards. The increase in such campaigns has heightened shareholder engagement and scrutiny. For example, the country's energy and banking sectors have faced intense campaigns from environmentally focused NGOs and investors.

Similar to Europe, many major issuers in Australia are starting to realize the benefits of working with activist investors behind the scenes to resolve issues and lessen the likelihood of public confrontations. The current trend of activists focusing more on issues of financial materiality and long-term performance has enabled many Australian companies to identify common ground and seek mutually acceptable solutions away from the public gaze. This may partly explain why the Australian market saw a decrease in the number of shareholder proposals during the 2024 AGM season compared to previous years.

In Korea, listed companies have been attracting overseas investors who typically have higher governance expectations than local investors. However, many companies are slow to change some of their long-established governance practices and other structures. As a result, engagement remains somewhat limited with investors and companies typically resolving issues following public confrontations and AGM votes.

As activists typically become more active in a region, we will likely see markets evolving in response. This is especially the case when engagement with global investors becomes critical to attracting global capital.

Country of origin of activists targeting APAC companies

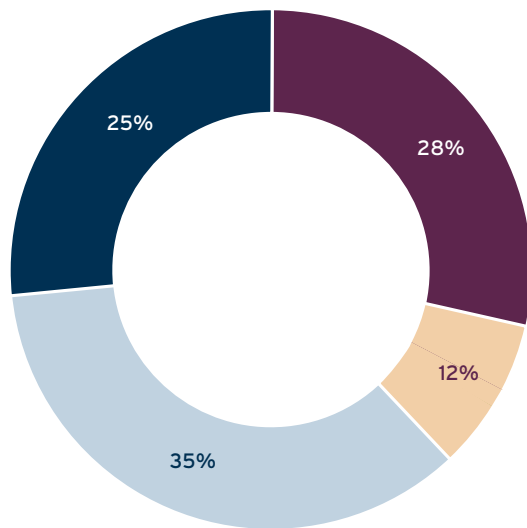


Demands raised by shareholder types

Campaigns run by individuals and institutional investors in the APAC region tend to focus on personnel changes. A significant number of campaigns combined demands for additions to the board with removals of existing directors, for example.

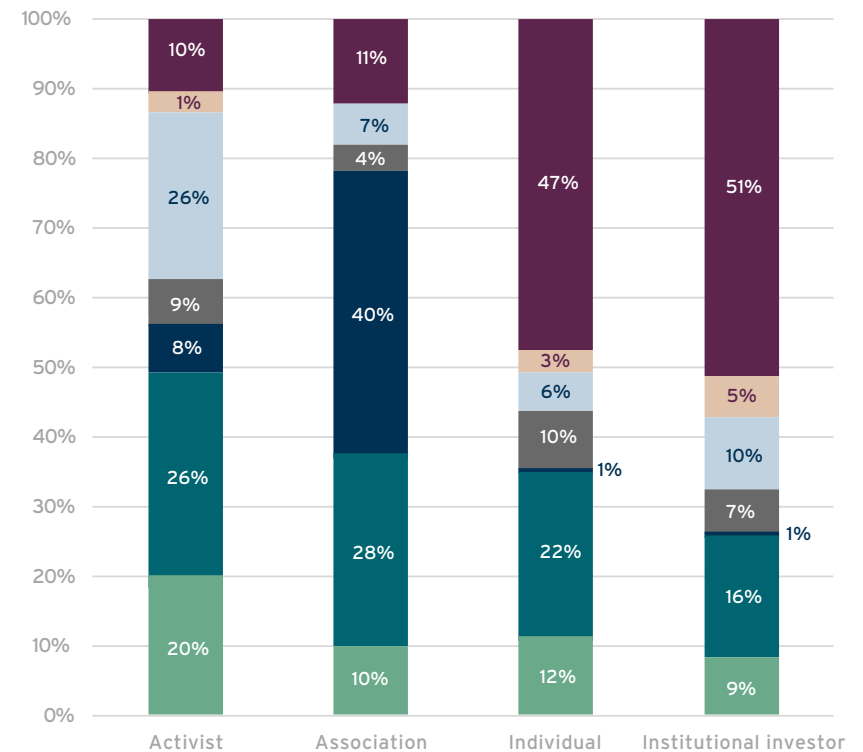
There was a significant volume of campaigns involving governance changes, likely driven by a broader shift towards more mature governance standards in many APAC countries.

Volume of demands made by activist types in APAC



■ Activist ■ Association ■ Individual ■ Institutional

Focus of different activist types in APAC



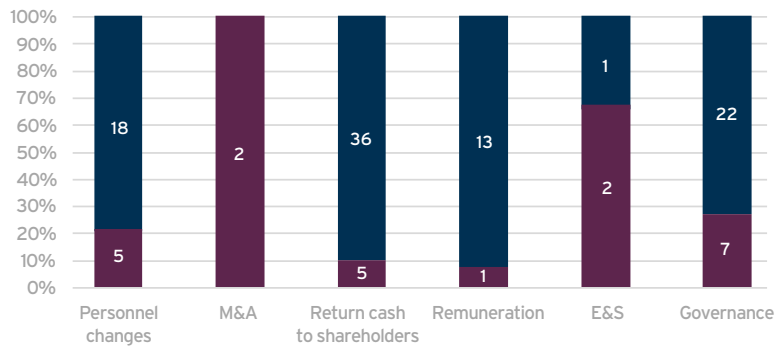
■ Personnel changes ■ M&A ■ Return cash to shareholders
 ■ Remuneration ■ E&S ■ Governance ■ Others

Success of activist types in APAC

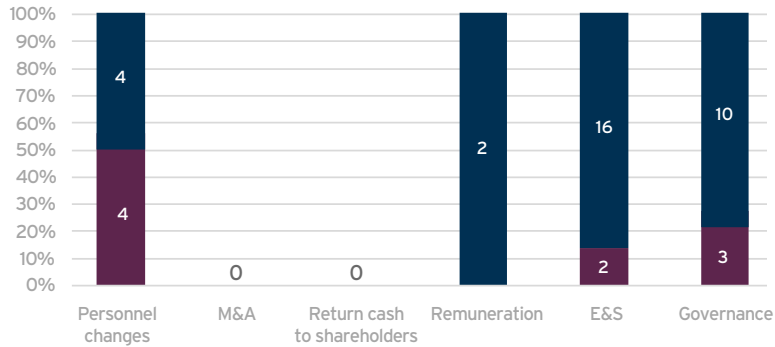
Across all activist groups, campaigns focused on personnel changes tend to be comparatively more successful than campaigns involving other demands.

The reason behind this is that shareholders have more direct influence over personnel changes, while capital, remuneration, and E&S-focused decisions tend to take place 'downstream' from the board of directors.

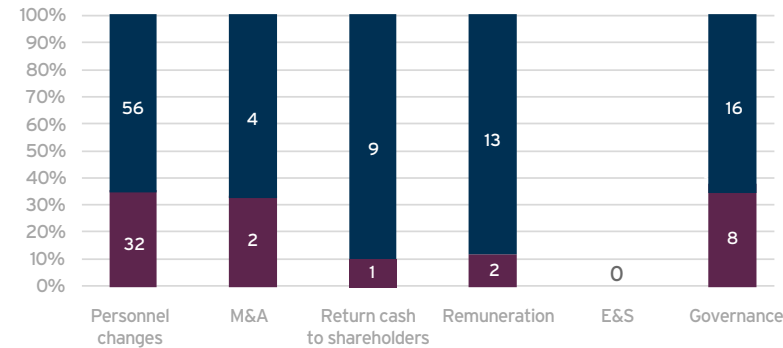
Success of primary activists' campaigns in APAC



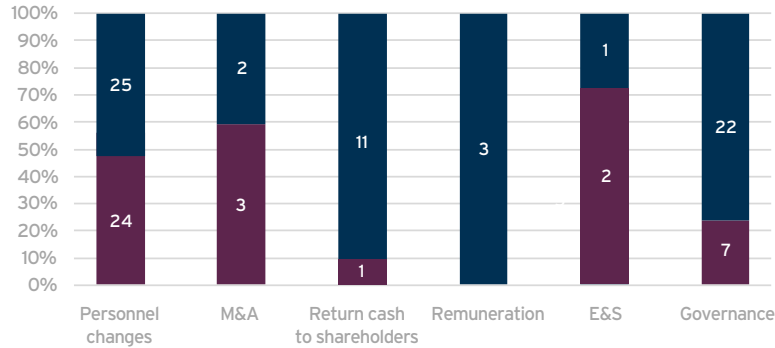
Success of associations' campaigns in APAC



Success of individual investors' campaigns in APAC



Success of institutional investors' campaigns in APAC

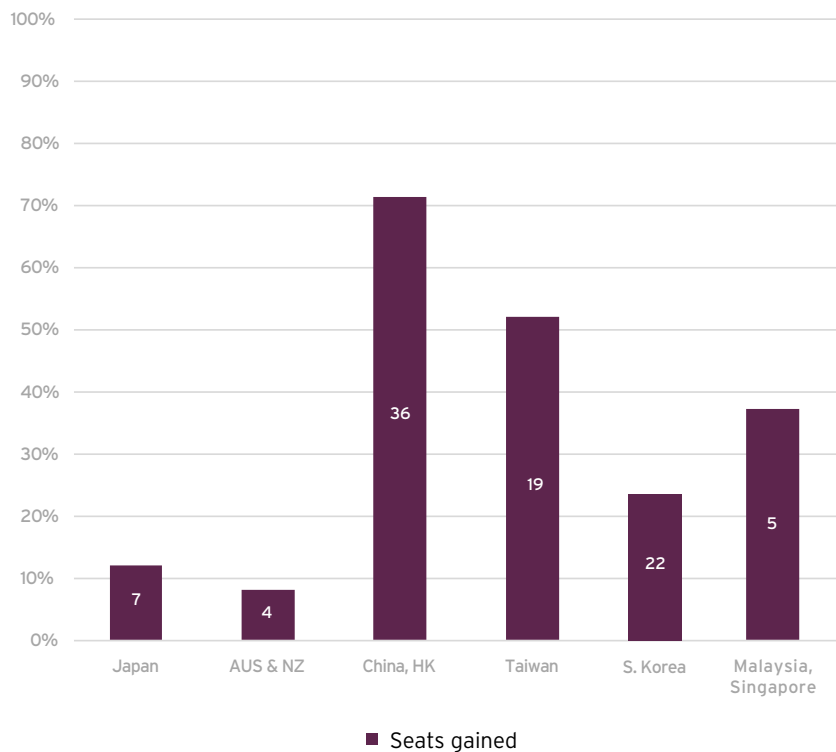


Board seats gained

Shareholder activists in APAC often propose a higher number of candidates for the board compared to North American and European markets.

Activists increase their chances of winning a board seat by proposing more candidates, even if only a portion of the nominees are elected.

Board seats gained in different jurisdictions in APAC



Why are the seats gained in China, Hong Kong and Taiwan higher than in the other APAC jurisdictions?

The high amount of seats gained in China, Hong Kong and Taiwan are driven by a handful of campaigns in which the dissidents' campaigns at South Manganese Investment, Giordano International and China E-Wallet Payment Group netted them all the seats they sought to gain.

South Manganese Investment: HKSCC Nominees Limited (29% stake) proposed the removal of the Chair and Vice President, as well as nominated its own nominees.

Giordano International: HKSCC Nominees Limited (24% stake) proposed the removal of the Director and CEO, and the appointment of four new Board Directors.

China E-Wallet Payment: Poon Chun Yin (19% stake) proposed the removal of three Directors and the appointment of four new Directors (including Poon Chun Yin himself).

Key market trends

Japan

Japan now ranks as the second most active market for shareholder activism globally after the United States. The market is shifting from traditional family ownership to broader shareholder bases, attracting both local and international activists.

Japanese companies have improved their engagement with international investors and hedge funds. More firms are willing to speak to investors in English, which has been supported by a shift in strong governance practices in line with Tokyo Stock Exchange requirements. These changes aim to attract global investment and strengthen overall corporate governance practices.

Board structure reforms are ongoing and aim to adopt shorter board tenures (moving to nine-year limits), more independent directors and broader candidate selection.

Local activist investors are now also becoming more prominent, working alongside international funds. Companies have also become more careful about monitoring their shareholder base to track potential activist positions.

Korea

Korea continues to see strong activist activity and frequent proxy contests. While family ownership remains common, the market is moving toward more professional activist campaigns.

The biggest shifts can be observed from an increasing amount of founder-related shareholders selling their stakes; however, founding family- and current/former director-led campaigns remain the biggest driver of campaigns.

With founder-related shareholders decreasing their stakes and increasing the free float, an opening is gradually emerging for primary activists to effect change at investee companies.

While this opening has been exploited by a handful of international investors, the vast majority of primary activists and institutional investors are domestic, as a result of a higher familiarity of local market norms.

Australia

Changes in Australia's climate-related proposals have been interesting to observe, especially considering the difficulty in passing shareholder resolutions under the regulatory structure.

Though prominent a few years ago, climate-related shareholder proposals have become more muted as companies voluntarily adopted Say-on-Climate proposals, reducing climate-focused NGOs submissions.

A shift was also noted in areas of diversity and inclusion, culture and biodiversity. These topics, which have had a lower profile with issuers to date, have been gaining traction.

Notably, associations such as Market Forces and the Australasian Centre for Corporate Responsibility (ACCR) have expanded to target issuers, particularly in Japan, targeting banks and utilities, and often in partnership with other NGOs and investors. Such campaigns appear to be a logical extension from their efforts in Australia, since Japanese companies finance and consume Australian fossil fuel commodities.

Considerations for 2025

Continuous shareholder engagement: Companies can engage continuously with key shareholders throughout the year to pre-empt any concerns and build rapport. If there is an activist situation, key shareholders may be more inclined to support management.

Shareholder identifications: Companies that frequently deploy shareholder identification programs to monitor changes, such as significant increases in broker positions within a short amount of time can identify any potential risk for activism early or create a strategic plan for shareholder engagement.

Investor roadshows and industry conferences: Activists often engage informally with issuers at different events before they build a larger position and launch a campaign. Companies can track this type of informal engagement to gauge the situation and prepare themselves accordingly.

Build a defense team: When companies detect activism, they can assemble a defense team, including proxy solicitors as well as financial, legal and PR advisors. This can help companies plan scenarios more efficiently and prepare for any campaign.



US Investor Voting Report



Australian AGM Review



Global Institutional Investor Survey

Glossary

Annual general meetings (AGMs) are yearly gatherings of a company's interested shareholders, where the directors of the company present an annual report, including the company's performance and strategy. Shareholders can ask questions, obtain information about the company and also vote on current issues such as director elections, dividend payments and other topics.

The **annual general meeting (AGM)** season starts on 1 July and ends on 30 June the following year, according to Georgeson's definition.

Consumer cyclical companies are also known as consumer discretionary companies. This includes automotive, entertainment, retail and restaurant companies. These businesses are highly influenced by cyclical consumer spending patterns.

ESG stands for environmental, social and governance. ESG investing refers to a set of standards that socially conscious investors use to screen investments.

DACH is a region in Central Europe that includes three countries: German (D), Austria (A) and Switzerland (CH).

Primary activists are investors or proponents actively advocating for change at a company and who also aim to influence other investors to support such changes to amplify their impact and prompt the company's management to take action.

This report was produced by Georgeson and is intended for general information purposes only. It contains evidence-based information (see Methodology explanation). Statements are based on survey responses as well as current information and expectations and are subject to risks and uncertainties, including market conditions and other factors outside of Georgeson's control. The statements are intended to capture trend data and do not account for specific events at individual companies. The report is not intended to and does not constitute advice of any kind. Specific advice should be sought about your individual circumstances before any action is taken.



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For more information, visit www.georgeson.com

US

William P. Fiske
Head of M&A and Contested Situations
Bfiske@georgeson.com

Kilian Moote
US Head of ESG Advisory
Kilian.Moote@georgeson.com

Authors and contributors

Christian Papp, Account Manager DACH

Martino Zappino, Account Manager DACH

David Farkas, Head of Shareholder Intelligence, US

Paul Murphy, Head of ESG, APAC

Europe

Domenic Brancati
Head of UK & Nordics
Domenic.Brancati@georgeson.com

Lorenzo Casale
Head of Italy
Lorenzo.Casale@georgeson.com

Ivana Cvjetkovic
Head of Benelux
Ivana.Cvjetkovic@georgeson.com

Matthias Nau
Head of DACH
Matthias.Nau@georgeson.com

Carlos Saez Gallego
Head of Spain
C.Saez@georgeson.com

Matthieu Simon-Blavier
Head of France
Msb@georgeson.com

Global management team

Cas Sydorowitz
Global CEO
Cas.Sydorowitz@georgeson.com

Domenic Brancati
Global COO
Domenic.Brancati@georgeson.com

Asia Pacific

Scott Hudson
Managing Director, Australia & New Zealand
Scott.Hudson@georgeson.com

Paul Murphy
Head of ESG, APAC
Paul.Murphy@georgeson.com