ISSUE BRIEF

2025 Proxy Season Review: Fewer Proposals Amidst Greater Scrutiny

February 2026

The 2025 U.S. proxy season marked a turn from prior years' rising proposals, with the number of shareholder proposals filed at Russell 3000 companies decreasing for the first time in recent years. After peak activity in 2024, shareholder proposal volume declined in 2025, especially across environmental, social, and human capital topics. The proxy season reflected a more complex regulatory and political backdrop for environmental, social and governance issues. New SEC guidance increased companies' ability to exclude certain proposals[1], which resulted in fewer proposals reaching a vote. While headline voting results remained broadly stable, the season highlighted a shift in how shareholders deploy proposals, cast votes, and engage with issuers.

Key Observations:

- Proposal volumes declined, especially across environmental, social, and human capital topics.
- Governance proposals remained resilient, with sustained support for board structure and shareholder rights.
- Support for environmental and social proposals continued to decrease, with very few achieving majority backing.
- Engagement practices evolved, reflecting regulatory changes and a more cautious position among large investors.

Shareholder Proposals Volume and Outcomes

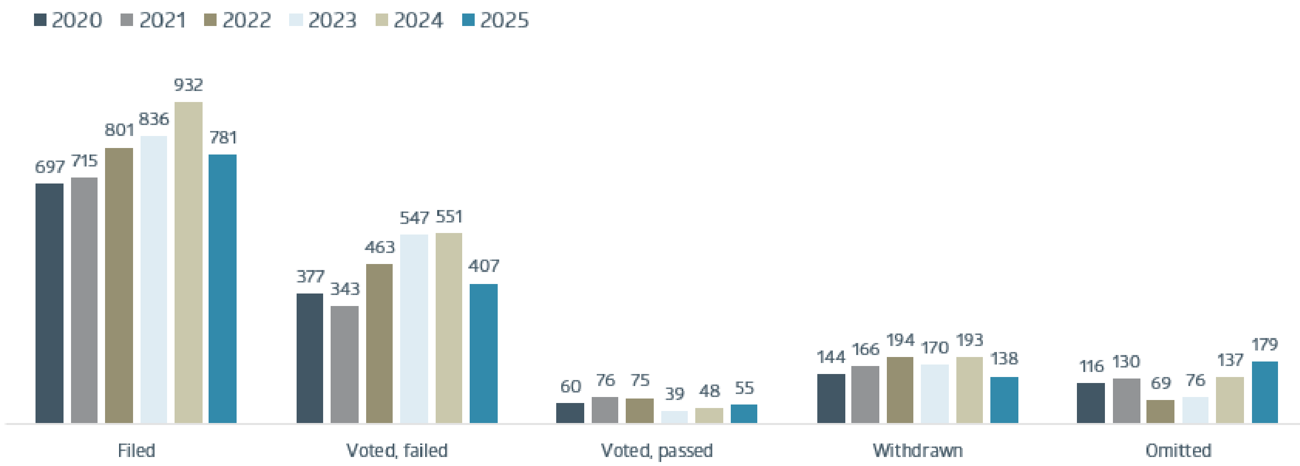
Following a record 2024, the Russell 3000 saw a notable decline of shareholder proposal submissions in 2025, about 16% lower than the prior year[2]. The decrease was led by environmental, social, and human capital proposals, which saw filings fall by more than 20% compared to 2024. The number of governance proposals, by contrast, remained steady. The proportion of shareholder proposals reaching a vote also decreased from roughly 64% in 2024 to 59% in 2025[3].

Recent SEC policy changes made it easier for companies to keep certain shareholder proposals off the ballot. The 2025 proxy season saw a record number of SEC no-action requests, resulting in increased omitted proposals. The vote pass rate did increase modestly to 7% in 2025 from 5% in 2024[4]. The cumulative effect is a landscape in which there are fewer proposals overall and a slightly higher success rate for the minority that meet investors' evolving expectations.

Figure 1

Despite fewer filings, more proposals were omitted in 2025

Shareholder proposals filed, voted, withdrawn, and omitted, 2020-2025 (Russell 3000)

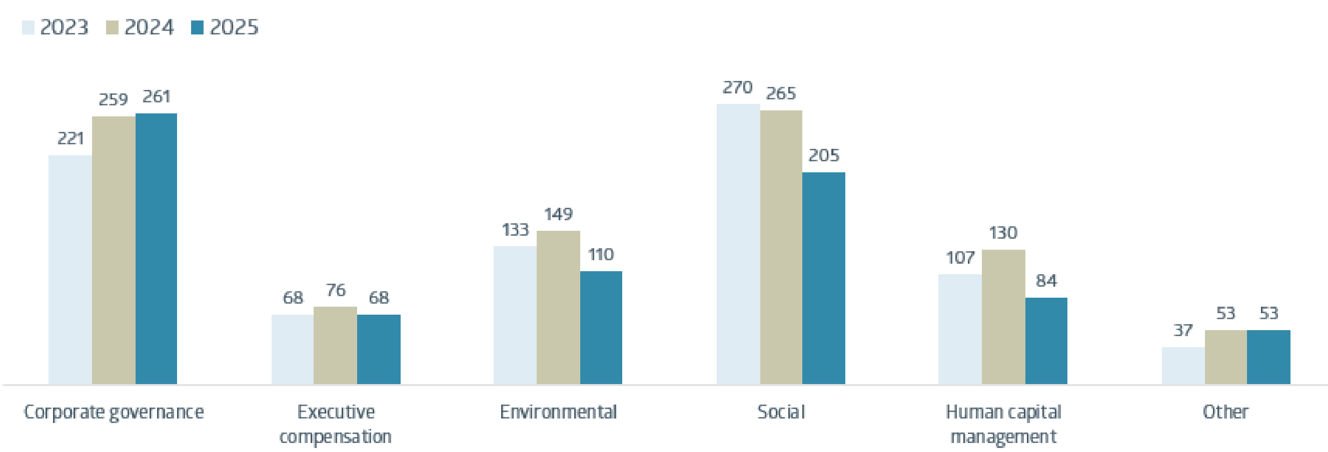


Note: Data for all years reflects the January 1 to June 30 period.
Source: The Conference Board/ESGAUGE, 2025

Figure 2

The decline in proposal volume varied by focus area

Shareholder proposals filed by topic, 2023-2025 (Russell 3000)



Note: Data for all years reflects the January 1 to June 30 period.
Source: The Conference Board/ESGAUGE, 2025

ESG Category Trends

Environmental proposals saw a sharp pullback in both filings and support[5]:

- 110 environmental proposals were filed, down 26% from 149 in 2024.
- Average support fell to 10%, with zero environmental proposals passing in 2025.
- Climate-related proposals remained the dominant environmental topic, encompassing requests such as emissions and climate risk disclosures.

This downward trend continues the trajectory from 2023, when environmental proposals also had a steep decline in support (from 33.3% in 2022 to 23.2% in 2023). The lack of support is no doubt due to the ongoing political headwinds from the federal government pulling out of environmental action and scrutinizing sustainability efforts. Investors likely fear legal backlash for publicly supporting environmental (and social) proposals.

Social and human capital management proposals also saw a significant drop[6]:

- Social proposals dropped 23%, from 265 filings in 2024 to 205 in 2025, and the number voted fell by 40% to 108.
- Despite lower volume, five social proposals passed (up from one in 2024). All five passing proposals were related to political contributions.
- Human capital management proposals experienced the most dramatic decline with filings falling 35% and average support dropping to 9%.

Similar to the environmental category, the political backdrop in the U.S. had a noticeable effect on activity of social and human capital management topics. This comes as no surprise, as the Trump Administration has issued a series of executive orders targeting diversity, equity, and inclusion programs[7].

Unlike environmental and social topics, governance proposals held steady[8]:

- 261 governance proposals were submitted—more than any other category—with average support of 38%, broadly consistent with 2024 levels.
- Most activity focused on expanding shareholder rights (special meeting rights, elimination of supermajority thresholds) and improving board structure (declassification, independent chair).
- Board declassification continued to be one of the most successful topics, with 10 of 20 proposals passing (50%) in 2025, up from 44% in 2024.

The strength in governance filings and overall support signals that many investors continue to view core governance issues as the most direct lever for long-term accountability, and perhaps less intertwined with political polarization.

While the volume of shareholder activity moderated in 2025, the expectations for boards did not. The emerging theme is not less scrutiny, but more selective and targeted scrutiny, placing emphasis on high-quality disclosure, thoughtful engagement, and a demonstrable link between ESG priorities and materiality.

Looking Ahead

Looking ahead to the 2026 proxy season, the regulatory and political environment suggests a more contested and less predictable framework for shareholder proposals and voting outcomes. In mid-November, the SEC announced it will largely step back from responding to company no-action requests under Rule 14a-8, effectively leaving issuers to decide whether to exclude most shareholder proposals without formal staff concurrence. This shift, combined with new state-level restrictions such as recent Texas legislation limiting ESG-related proxy analysis, and a mid-December Executive Order directing federal agencies to scrutinize proxy advisory firms, shareholder proposals, and responsible investment practices, signals a more aggressive posture toward the traditional shareholder proposal process. We are already seeing major institutional investors adjusting their stewardship models: JPMorgan has announced plans to internalize proxy voting rather than rely on proxy advisors[9]; BlackRock's 2026 voting guidelines reflect a move toward greater deference to management, including softened language on director opposition and the removal of explicit diversity and climate-stress-testing metrics[10]. Together, these developments suggest a 2026 proxy season characterized by fewer proposals reaching ballots, greater issuer discretion in proposal exclusion, diminished influence of proxy advisors, and a continued shift by large asset managers toward compliance-oriented stewardship rather than prescriptive governance or ESG-driven voting.

DISCLOSURES

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[1] SEC.gov | Shareholder Proposals: Staff Legal Bulletin No. 14M (CF)

[2] 2025 Proxy Season Review: From Escalation to Recalibration

[3] 2025 Proxy Season Review: From Escalation to Recalibration

[4] 2025 Proxy Season Review: From Escalation to Recalibration

[5] 2025 Proxy Season Review: From Escalation to Recalibration

[6] 2025 Proxy Season Review: From Escalation to Recalibration

[7] Ending Radical And Wasteful Government DEI Programs And Preferencing – The White House

[8] 2025 Proxy Season Review: From Escalation to Recalibration

[9] JPMorgan won't use controversial proxy advisors for shareholder votes

[10] BIS Proxy Voting Guidelines - U.S.