2026 U.S. Proxy Season Review

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Overview

The 2026 proxy season concluded with highly favorable voting outcomes for U.S. public companies on multiple fronts, including director elections, executive compensation and shareholder proposals. Even the thorniest issue confronting issuers—the SEC's suspension of its traditional no-action process—did not produce the level of disruption that many had expected. Engagement efforts paid off, proxy advisor influence is subsiding and the outlook ahead looks promising.

Moving forward, the SEC has released an ambitious Spring 2026 rulemaking agenda with three dozen items slated for proposed rules, primarily in October.[1] The agenda reflects the Commission's goals under Chair Paul Atkins of revitalizing U.S. public markets and returning the SEC to its core mission of protecting investors, facilitating capital formation, and maintaining fair, orderly and efficient markets. Although several projects are already in progress with public comment periods at or near completion, most proposals, including potential amendments to Rule 14a-8, will not be finalized prior to next year's annual meetings. In view of this, many of the trends that emerged this proxy season will likely carry over to 2027:

- **Absence of SEC no-action guidance:** The SEC's pre-season decision to largely bow out of the no-action process introduced considerable uncertainty into the handling of this year's shareholder proposal omissions. Ultimately, companies were judicious in their exclusion determinations and the rate of omissions (22%) remained generally consistent with last year's. Fallout was minimal. Serious investor and proxy advisory backlash against directors failed to materialize and bolder proponent pressure tactics, including litigation, yielded mixed outcomes. With its holistic review of Rule 14a-8 tabled until October, the SEC is likely to extend its no-action pullback for another proxy season.
- **Shareholder proposal volume shrinks substantially:** Companies faced the lowest volume of shareholder proposals in over 10 years due to a 32% drop in those on environmental and social (E&S) topics. The decline was more acute—44%--when excluding E&S resolutions from conservative groups, which increased somewhat from 2025 and typically have an anti-environmental, social and governance (ESG) orientation. The scale-back is unlikely to reverse due to waning interest from institutional investors and anti-ESG pressures from federal and state regulators and lawmakers.
- **E&S support stabilizes:** After a four-year weakening trend, average support for E&S resolutions leveled off at 10%--or 15.2% excluding those from conservatives—due in part to less prescriptive versions of common proposals and fewer new topics introduced. Unlike last year when five resolutions—all on political spending—scored majority votes, only 11 E&S proposals attained more than 30% support with the highest vote (47.1.%) on a greenhouse gas (GHS) reporting request.

[1] See the SEC's Spring 2026 Regulatory Flexibility Agenda at: https://www.reginfo.gov/public/do/eAgendaMain?operation=OPERATION_GET_AGENCY_RULE_LIST&currentPub=true&agencyCode&showStage=active&agencyCd=3235.

- **Steep decline in majority votes:** Governance proposals continued to hold their ground in both volume and in attracting the highest levels of support. However, the majority vote count was down considerably from 2025 because of the predominance of independent chair resolutions which rarely receive majority approval due to their inflexible approach to board leadership. Only 30 resolutions secured majority support, which primarily addressed traditional governance and compensation measures raised by prolific filer John Chevedden. The season's standout, with two majority votes, was a new initiative by The Accountability Board (TAB) to limit the issuance of blank check preferred stock.
- **Executive compensation support strengthens:** Support for executive compensation plans reached its highest level in five years, reflecting investor sentiment of overall pay and performance alignment, underpinned by strong market performance. Say-on-pay (SOP) votes averaged 91.4% while the rate of failures and low (less than 70%) support dipped to 0.9% and 5.3%, respectively. Institutional Shareholder Services (ISS) issued fewer adverse recommendations (12.1%) though its influence over pay vote outcomes continues to decline.
- **On the move… to Texas:** Texas was the most popular destination this year for companies looking to change their place of incorporation, but it came with significant pushback from some shareholders and proxy advisory firms over last year's enactment of corporate-friendly laws which, among other things, allow Texas companies to restrict who can submit shareholder proposals or file derivative lawsuits. Nearly all of the redomestication proposals passed, including two of the biggest—Exxon Mobil and Dell Technologies. For the near term, migrations to Texas will likely remain confined to companies with a nexus to the state or high insider ownership.

This report examines some of the predominant themes, voting results and trends at all U.S. public company annual meetings during the first half of 2026. Note that shareholder proposal votes are based on "for" and "against" votes and exclude abstentions. Shareholder proposal submissions are mid-year estimates based on SEC filings, proponent websites and media reports. ISS recommendations are derived from ISS Voting Analytics.

Shareholder Proposal Voting Trends

Governance	**2026 (through June 30)**	**2025**	**2024**
Number filed	352	336	319
Number voted	221	204	175
Average support	33.6%	39.6%	42.0%
Average support excluding conservative proposals**	35.4%	39.9%	43.1%
Majority votes	29	50	50
Compensation	**2026**	**2025**	**2024**
Number filed	31	73	106
Number voted	14	55	79
Average support	14.9%	15.9%	17.3%
Average support excluding conservative proposals***	22.5%	17.6%	17.9%
Majority votes	1	0	0
E&S	**2026**	**2025**	**2024**
Number filed	331	489	610
Number voted	153	239	382
Average support	10.0%	11.1%	15.7%
Average support excluding conservative proposals	15.2%	14.8%	19.7%
Majority votes	0	5	3
TOTAL filed	714	898	1,035
TOTAL voted	388	498	636
TOTAL majority votes*	30	55	53

** Of the 2026 majority votes, eight governance proposals were not opposed by the board.*
Of the 2025 majority votes, 24 governance proposals were not opposed by the board.
Of the 2024 majority votes, 15 governance proposals were not opposed by the board.

***Governance proposals by conservatives in 2026 included cumulative voting and independent chair. In 2025, these included independent chair and Bitcoin diversification. In 2024, these included independent chair, outside board seats, Bitcoin diversification and waiver of the business judgment rule.*

****Compensation proposals by conservatives in all three years called for delinking executive pay from ESG metrics.*

Shareholder Proposal Omissions

The most significant event shaping this year's proxy season was the SEC's decision last November to largely suspend its no-action process, leaving it up to companies to make their own exclusion determinations based on the provisions of Rule 14a-8, past guidance, and/or judicial opinions.

Despite some initial consternation, companies showed restraint in their omission decisions, excluding a comparable proportion of total submissions (22%) as in 2025 (24%). Indeed, several firms, such as Goldman Sachs Group and Huntington Ingalls Industries, chose to include shareholder proposals in their proxy statements that they felt could have been properly excluded. Some proponents also reported that companies were more open to negotiating withdrawals. Noting these points, SEC Chair Atkins said in a recent speech that staff intermediation in shareholder proposal disputes was unnecessary, suggesting that the Commission will maintain its policy of disengagement for another proxy season.[2]

Omission Trends

Over half of this season's omissions (57%) were governance proposals, of which more than one-third (35%) were cited for procedural deficiencies, such as submission timeliness or proof of stock ownership. Many were sponsored by John Chevedden whose sheer profusion of filings—over 260 this year—clearly led to some carelessness.

Nearly half (42%) of the excluded E&S resolutions were regarded by companies as ordinary business and in many cases micromanagement. E&S proposals submitted by pro- and anti-ESG activists were omitted at approximately the same rate—18% and 19%, respectively.

[2] See Atkins' remarks at https://www.sec.gov/newsroom/speeches-statements/atkins-remarks-society-corporate-governance-07-09-2026-remarks-society-corporate-governance-conference.

Omission Trends: 2026 (as of June 30) – 2025

2026	Number Filed	Number Omitted	Percent Omitted	Substantially Implemented	Ordinary Business	Economic Relevance	Procedural Defect	Other or Multiple
Governance	352	89	25%	17	2		31	39
Compensation	31	7	23%	2	1		3	1
E&S	331	60	18%	5	25	1	6	23
TOTAL	**714**	**156**	**22%**	**24**	**28**	**1**	**40**	**63**

2025	Number Filed*	Number Omitted	Percent Omitted	Substantially Implemented	Ordinary Business	Economic Relevance	Procedural Defect	Other or Multiple
Governance	336	100	30%	18	13	0	63	6
Compensation	73	13	18%	2	3	0	7	1
E&S	489	103	21%	7	73	4	10	9
TOTAL	**898**	**216**	**24%**	**27**	**89**	**4**	**79**	**16**

** Based on SEC filings, proponent websites and media reports.*

Minimal Director Fallout

Investors and proxy advisors showed little objection to companies' omission decisions, evidenced by their overwhelming support for directors, even in the face of organized "vote no" campaigns.

Chevedden urged votes against 20 governance committee chairs for excluding his proposals, though six were not even standing for election this year due to a classified board.[3] All of the targeted directors were backed by ISS and all but six attained votes of over 90%. A "vote no" campaign by Trillium Asset Management similarly created little stir at Stifel Financial, whose governance committee members received over 92% support.

Amazon.com, which receives an average of 20 shareholder proposals annually, purged seven of the 13 slated for this year. In response, the SOC Investment Group coordinated protest votes against three current and one former member of the company's nominating and corporate governance committee, specifically for omitting new resolutions on immigration, responsible artificial intelligence (AI), and unionization rights without meaningful engagement with the proponents. Votes against the flagged directors, who were endorsed by ISS, ranged from 90% to 94%.

According to ISS, median director support for Russell 3000 governance committee chairs was 94.1% in 2026, well below the median support for other board leadership roles (board chair, lead director and other committee chairs) and for directors overall (98%).[4] However, this is in line with recent-year trends and reflects other governance concerns, such as the presence of a classified board or unequal voting stock rather than the exclusion of shareholder proposals.

Stronger Tactics Deployed

Several proponents doubled down on their efforts to pressure companies to include their proposals in their proxy materials. All of the challenges pertained to E&S proposals being excluded as ordinary business or in one case--an animal welfare proposal at PepsiCo--technical deficiencies.

Trillium threatened BJ's Wholesale Club with a "zero slate" proxy contest under Rule 14a-4, which would have included submitting and soliciting support for not only its GHG resolution, but additional "good corporate governance" proposals as well. The company acquiesced and kept the GHG measure on the ballot.

[3] The Interfaith Center on Corporate Responsibility (ICCR) and As You Sow posted members' and allies' "vote no" campaigns on their websites at https://www.iccr.org/vote-your-proxies-see-2026s-proxy-memos-and-exempt-solicitations/ and https://proxyopenexchange.org/.

[4] See ISS's report at https://corpgov.law.harvard.edu/2026/07/13/proxy-season-2026-director-support-board-independence/.

Six other proponents resorted to litigation. Three companies settled early on by agreeing to put the resolutions on their ballots (AT&T and PepsiCo) or to make the requested disclosures (Axon Enterprise on political contributions). Federal courts reached different opinions on the other three. The Massachusetts District Court granted the New York State Common Retirement Fund (NYSCRF) injunctive relief in its suit against BJ's Wholesale Club, compelling the company to include its deforestation risk proposal in the proxy statement. The D.C. District Court denied injunctive relief to As You Sow and Fonds des Missions, concluding that Chubb and UnitedHealth Group could exclude their respective resolutions, which dealt with subrogation claims against fossil fuel companies and the impact of acquisitions on the healthcare system. As You Sow has refiled its proposal at Chubb for 2027.

The outcome of the retained proposals suggests that, for the most part, the escalation tactics paid off. Trillium and NYSCRF withdrew their resolutions at BJ's Wholesale Club prior to the annual meeting, likely reaching agreements with the company after ISS recommended in favor of the measures. The People for the Ethical Treatment of Animals' (PETA) resolution at PepsiCo drew a mere 8.8% in favorable votes, albeit in line with other animal rights proposals. The New York City Retirement Systems' (NYCRS) EEO-1 reporting proposal at AT&T earned a respectable 28.7% support—even higher than a comparable resolution at Fastenal (23%) that was not opposed by the board.

Governance and Compensation Proposals

Governance proposals continued to dominate the shareholder proposal landscape with the number of filings (352) slightly higher than in 2025 (336). Compensation-related submissions, on the other hand, plunged to 31 from last year's 73 due to the absence of clawback resolutions and a scale-back in those on severance pay.

As in past years, most of this undertaking was by corporate gadfly John Chevedden, who accounted for two-thirds of the governance proposals and 42% of those on compensation matters. However, other proponents have been increasingly shifting from E&S to the governance space, often competing for the same targets, which resulted in 10 duplication omissions this year, primarily of independent chair proposals. These included the conservative-leaning National Legal and Policy Center (NLPC), which boosted its governance filings to 20, and TAB, which sponsored 31.

Majority Vote Count Down

Core governance and compensation topics continued to draw the highest levels of support among shareholder proposals, but produced only 30 majority votes, a steep decline from last year's 50 (plus an additional five on political spending). This was due in large part to the preponderance of independent chair resolutions (102 filed), which rarely receive majority approval because of their rigid approach to board leadership.[5]

Companies also skirted majority votes by presenting counterproposals, which increasingly took the form of advisory resolutions. Nineteen companies with no special meeting rights or high eligibility requirements deflected low-threshold (10% or 15%) shareholder proposals with competing management proposals, typically at a 25% ownership level. While most were charter amendments, eight were advisory-only to gauge shareholders' preferences between ownership thresholds, which overwhelmingly favored management's.

In a similar fashion, CrowdStrike Holdings omitted a shareholder proposal to adopt a simple majority vote as conflicting with its management resolution, which simply asked shareholders to ratify its current supermajority provisions. In this case the feedback was resoundingly negative with only 14.2% support.

[5] According to a Conference Board study, 42% of S&P 500 firms and 34% of Russell 3000 firms had a combined chair/CEO in 2025. In addition, 79% of S&P 500 companies and 71% of Russell 3000 companies disclosed policies giving the board flexibility to separate or combine the roles depending on circumstances. See https://higherlogicdownload.s3.amazonaws.com/GOVERNANCEPROFESSIONALS/5d47927b-105a-4bc7-9aef-821536f3505b/UploadedImages/TCB-CEO-chair-leadership-when-and-why-boards-combine-or-separate-the-roles.pdf.

Greater Attention to Dual-Class Stock

Shareholders expanded their focus on multi-class stock structures, filing 20 resolutions including several new variations. Calls for recapitalization plans were supplemented this year with several requests from NYCRS to implement sunset provisions of seven years or less. The measure received a disappointing 6.6% at Airbnb—well below the 33.2% average support level for the recapitalization proposals. NIKE omitted the resolution on the basis that it could not be implemented because the main holder of its supervoting stock would not agree to it.

TAB also introduced a new proposal designed to preempt the creation of unequal voting shares by requiring shareholder approval to issue blank check preferred stock, other than for ordinary business purposes and without an intent to change voting power by assigning it disproportionate voting rights. The resolution received majority approval at both targets (Bloomin' Brands and Wendy's), making it a likely candidate for future submissions. TAB filed an additional blank check stock proposal at ConAgra Brands, which it withdrew after being challenged by the company for constituting a second submission by the proponent for 2026.

The remaining resolutions asked dual-class stock companies to disaggregate their vote reporting to allow the unaffiliated shareholders to better assess board responsiveness to their concerns. Investor interest in this idea showed some improvement since it was introduced two years ago with support averaging 17.3%. In July, Rep. Sean Casten (D-Ill.) introduced legislation—"The Multi-Class Stock Company Voting Transparency Act"--that would amend the Securities Exchange Act of 1934 to require companies with two or more classes of stock to provide vote tallies that break down the results by class.[6]

Settling on "Right to Cure"

James McRitchie filed about 17 proposals on a variety of governance topics and settled 11, in many cases by pressing companies to agree to adopt "right to cure" protections. Such provisions prevent shareholders from being disqualified from nominating directors because of defects in their nomination notices without sufficient opportunity to correct them. Last year, McRitchie filed five "right to cure" proposals, which were withdrawn due to agreements other than at ServiceNow where the measure received only 3% support and was opposed by the proxy advisors.

McRitchie also successfully urged Arlo Technologies to adopt a proxy access bylaw with more lenient terms than the market standard. It permits group aggregations of up to 40 shareholders, rather than 20, though not matching the unlimited number called for in his proposal.

[6] See Casten's press release at https://casten.house.gov/media/press-releases/casten-introduces-bill-to-increase-transparency-for-proxy-voting-support-shareholder-rights.

Revived Initiatives Falter

In addition to boosting its share of independent chair resolutions, NLPC relaunched proposals calling for the adoption of cumulative voting as an alternative mechanism to address insular boards and promote diverse viewpoints among directors. Last seen on proxy ballots in 2019, companies and investors largely abandoned this concept in favor of majority voting and proxy access as preferable measures to ensure board accountability. Moreover, as highlighted by the targeted firms, cumulative voting could result in "special interest" directors elected by a small minority of shareholders disproportionate to their economic stake. Shareholders concurred, giving the resolutions only a sparse 3% in average support.

After a one-year hiatus, Chevedden also revisited the treatment of holdover directors who fail to receive majority support in an uncontested election. This year's iteration sought a revamp of resignation policies to require a failed director to leave the board within nine months. Because this denies boards the ability to consider the facts and circumstances surrounding the vote, shareholders voted down the proposals with 14.8% in average support. This is in line with the 2024 votes (14% on average) when the proposals sought an assurance that a failed director not be renominated to the board.

Chevedden rekindled several additional proposals that date as far back as 2011. These included a shareholder say on stock repurchases at Flowserve (3.7%) and, of more universal appeal, holding an annual, rather than triennial, say-on-pay (SOP) vote at Meta Platforms (27.1%).

Top Ten Shareholder Proposal Filings: 2026 (as of June 30) - 2025 (full year)

Proposal	Year	Proposal	Year
Independent chairman	102	Special meetings	79
Special meetings	63	Supermajority voting	46
Written consent	53	Direct stock purchase plans*	44
Supermajority voting	35	GHG emissions reduction	41
Political contributions	28	Lobbying disclosure	38
Charitable contributions ? conservative	26	Independent chairman	37
Climate change ? conservative	26	DEI/anti-discrimination report -conservative	37
GHG emissions reduction	23	Declassify board	29
Dual-class stock	21	Severance pay	29
Declassify board	19	Recycling	29

* *These proposals were filed by Chris Mueller and his affiliates regarding companies' direct stock purchase plans offered through their transfer agent, Computershare. All were omitted or withdrawn due to company challenges on ordinary business or procedural defect grounds.*

Key Governance and Compensation Proposal Votes (January – June 2026)

Governance	Number Filed	Number Voted	Average Support	Majority Votes
Declassify board	19	8	82.7%	8
Director removal	3	1	61.8%	1
Majority voting in director elections	3	2	67.9%	2
Director resignation policy	10	6	14.8%	
Proxy access	7	1	29.0%	
Poison pill	2	1	47.8%	
Cumulative voting	7	7	3.0%	
Virtual/hybrid meetings	1	1	34.8%	
Supermajority voting	35	14	56.4%	7
Dual-class stock - recapitalization	6	6	33.2%	
Dual-class stock - vote reporting	8	7	17.3%	
Blank check preferred stock	3	2	54.5%	2
Special meetings	63	48	39.6%	5
Written consent	53	37	36.4%	3
Independent chairman	102	71	23.7%	
Maximize value	5	4	32.0%	1
Stock repurchases	4	1	3.7%	
Compensation	**Number Filed**	**Number Voted**	**Average Support**	**Majority Votes**
Severance pay	9	4	26.9%	1
Retention of equity awards	3	2	30.3%	
ESG pay linkage - liberal	1	1	3.4%	
ESG pay linkage - conservative	10	5	1.2%	

Votes are based on “for” votes as a percentage of “for” and “against” votes.

Executive Compensation

Bolstered by strong market performance, companies saw the highest investor support for their executive compensation programs in five years with SOP votes averaging 91.4%, up from 90.6% during the first half of 2025.

Through June, only 140 companies (5.3%) received less than 70% SOP support, compared to 6.1% of firms in the first half of 2025. Of these, 24 SOP votes failed (0.9%)--well below the 1.3% failure rate during the 2025 proxy season. These included five S&P 500 firms--Aon, Skyworks Solutions, Thermo Fisher Scientific, Warner Bros. Discovery and Welltower—and 13 companies that had prior year rejections. According to compensation consultants, the most common reasons for this year's failures included perceived pay-for-performance (PFP) misalignment, one-time special awards or mega grants, and inadequate responsiveness to previous SOP votes.[7]

ISS influence also continued to recede as investors increasingly rely on their own compensation evaluation frameworks. Companies that faced adverse ISS recommendations (12.1%) received 74% SOP support on average, up from 72.6% in the first half of 2025.

Compensation advisor Aon observed that this year's updates to ISS's and Glass Lewis's PFP methodologies capturing longer evaluation periods (five versus three years) did not materially alter their recommendation patterns. However, this may shift over time.

SOP Vote Trends

All U.S. Public Companies	2026 (through June)	2025 (through June)
Average support	91.4%	90.6%
Average support where ISS opposed	74.0%	72.6%
Failure rate	0.9%	1.3%
Percentage receiving <70% support	5.3%	6.1%
Percentage receiving a negative ISS recommendation	12.1%	12.3%

[7] See Aon's, Mercer's and Semler Brossy's 2026 SOP reports at https://corpgov.law.harvard.edu/2026/07/16/2026-say-on-pay-trends/, https://www.mercer.com/en-us/insights/total-rewards/executive-compensation/companies-see-strong-support-for-executive-pay-programs-june-30/, https://semlerbrossy.com/insights/2026-say-on-pay-reports/ and https://semlerbrossy.com/insights/the-2026-proxy-season-in-progress/. Also see ISS's 2026 review of executive compensation at https://www.iss-corporate.com/resources/blog/u-s-proxy-season-say-on-pay-one-time-awards-and-equity-plan-trends/.

Reincorporations

Over 50 companies announced plans to switch their place of incorporation this year with Texas being the most popular destination (19), followed by Nevada (14) and Delaware (13). Much of the Texas migration was among companies already headquartered in the state but also attracted by corporate-friendly provisions embodied in the Texas Business Organizations Code (TBOC) last year, including greater liability protection for directors and officers and ownership restrictions on derivative claims and shareholder proposals.

Twelve of the Texas migrants, including Dell Technologies, availed themselves of TBOC Section 21.552 and included a provision in their Texas charters requiring a minimum ownership stake—either 1% or 3%--for shareholders to bring derivative suits. Four of the firms—Forward Industries, Spruce Holdings, Weatherford International and ZeroStack--additionally opted into TBOC Section 21.373, which requires shareholders to have an ownership stake of $1 million or 3% of the shares held for at least six months to submit proxy proposals and to solicit at least 67% of the shares. Dell added this provision to its bylaws following shareholder approval of its redomiciliation in June.

Nearly all of this year's Texas redomestication proposals passed, in most cases due to sizable insider ownership or a significant shareholder. The exceptions were Archer Aviation and Texas Capital Bancshares, whose redomestication, along with a separate advisory vote on adopting shareholder proposal restrictions, were voted down. Weatherford also failed to obtain the 75% approval required for its move to Texas and, following post-meeting engagements with investors, plans to propose a redomestication to Delaware in September.

Backlash at Exxon

Despite eschewing the more controversial TBOC provisions, Exxon Mobil's redomestication proved to be the most contentious. ISS and Glass Lewis rejected the move, based in part on the speculation that the board *could* limit shareholder rights in the future through unilateral bylaw amendments, which may account for their disapproval of almost every Texas reincorporation since the TBOC was revised.

To that point, a number of Texas companies amended their bylaws last year to include, among other measures, a 3% ownership requirement for derivative suits and, as a result, faced significant opposition to their governance committee chairs in 2026: 57% at Service Corp International, 45% at South Plains Financial, 39% at Southwest Airlines and 32% at Rush Enterprises. Several public pension plans tried to repeal Tesla's provision at its 2025 annual meeting, but their bylaw proposal mustered only 25.1% support due to significant insider holdings. On the other hand, Southwest's desire to prevent "nuisance suits" was borne out when it faced a derivative action from a holder of 100 shares over the airline's elimination of its "Bags Fly Free" policy. A Texas federal court upheld the TBOC provision and dismissed the case because the plaintiff failed to meet the company's ownership threshold.[8]

[8] The U.S. district court's validation of TBOC 21.552 in *Gusinsky v. Reynolds* may encourage other states to adopt similar statutes. In May, Georgia enacted HB 1185, effective July 1, which allows public companies to establish an ownership threshold of up to 1% as a precondition for derivative standing.

Exxon additionally faced criticism for its simultaneous launch of a voluntary retail voting program on the basis that it could lock in a block of support by individual investors who choose to auto-vote in line with the board's recommendations. NYCRS proposed modifying the program to include multiple voting options—an unworkable alternative that received a modest 23.5% support at the annual meeting notwithstanding ISS's endorsement. Ultimately, Exxon's efforts to expand retail voting participation—representing about 3% of the outstanding shares—and the higher 2026 voter turnout (87.8%) contributed to favorable voting outcomes and may encourage other companies to follow suit. Exxon's redomestication proposal received overwhelming (71.2%) support, while a shareholder proposal calling for an independent board chair received the lowest level of support (15.2%) in the 16 years that it had been presented.

More to Come From Texas… and Other States

Building on Exxon's approach to mobilizing retail voting, the Texas Stock Exchange (TXSE) filed a proposed rule amendment with the SEC in late May that would require member broker-dealers to vote uninstructed retail shares in proportion to the instructions they receive from participating shareholders.[9] The proposed rule change—the first for a U.S. exchange—is intended to address the impact of limited retail participation on proxy voting outcomes and to offset the proxy advisory firms' sizable influence on institutional voting.

Exxon observed that the proxy advisors' pattern of opposition to Texas reincorporations suggests a conflict of interest due to their ongoing litigation with the Texas attorney general over SB 2337, which imposes enhanced disclosure requirements on proxy advisors. Although the Texas law was temporarily enjoined last fall, over a dozen other states have been pursuing comparable legislation that, in most cases, would require proxy advisory firms to disclose a written financial analysis when their recommendations go against the board's position.[10] Newly enacted laws in Indiana (HB 1273) and Kansas (SB 375), which were scheduled to take effect July 1, were successfully blocked by ISS and Glass Lewis in federal courts based on First Amendment grounds. A Kentucky law (SB 183) is also facing legal challenges by the proxy advisors.

Because the injunction against the Texas law only applies to ISS and Glass Lewis, as plaintiffs in the lawsuit, other proxy advisory firms have taken steps to comply. As You Sow notified its subscribers last summer that it was temporarily revising its "As You Vote" guidelines to take the broadest form of compliance, namely, to vote with management on all proposals, director nominations and other ballot items of companies headquartered or incorporated in Texas.[11] Egan-Jones also announced this summer that to comply with the Indiana, Kansas and Kentucky laws, it would add disclosures to the bottom of all research reports in which its recommendations disagreed with management's, were not made solely in the interests of shareholders, or varied across different voting policies.

9 See the TXSE's proposed rule amendment at https://www.txse.com/resources/txse-proposed-rule-change-proportional-voting-of-uninstructed-shares.pdf.

10 The states include Arizona, Indiana, Iowa, Kansas, Kentucky, Mississippi, Nebraska, Oklahoma, South Carolina, Tennessee, West Virginia, Wisconsin and Wyoming. See Glass Lewis's comments at https://www.glasslewis.com/article/thirteen-states-work-to-silence-proxy-advisors.

11 See As You Sow's notice regarding its *As You Vote* policy at https://static1.squarespace.com/static/59a706d4f5e-2319b70240ef9/t/68b20191c1d0274c6c9207dd/1756496273988/Notice+Regarding+As+You+Vote+Voting+Policy_Institutional_20250829_Fin.pdf.

E&S Proposals

E&S proposal volume fell to its lowest level in over 10 years with 2026 filings dropping 32% from 2025, or 44% excluding those from conservative ("anti-ESG") investors. Year-over-year, the biggest reductions were among proposals on GHG emissions; recycling; diversity, equity and inclusion (DEI) reporting; and lobbying disclosure. About half of the proposals came to a vote with the proportion of known withdrawals (25%) and exclusions (18%) generally in line with last year (26% and 21%, respectively).

Longstanding activist As You Sow attributed the pullback in filings to last year's change in SEC guidance (Staff Legal Bulletin 14M) and to the growing polarization over ESG. This has led to a shift in proponent tactics from proxy proposals to private engagements with companies.

After steadily declining for four years, average support for E&S proposals leveled off this season at 10%, or 15.2% excluding conservative initiatives, reflecting fewer and more selective filings and less prescriptive versions of common proposals on climate change, diversity and lobbying. Proponents introduced limited new topics, which often fare poorly, while emphasizing those with past success, such as political spending, which achieved five majority votes in 2025 and constituted the largest category of 2026 E&S submissions.

ISS support for E&S proposals also picked up slightly, notwithstanding its 2026 policy change to switch from generally supporting to taking a case-by-case approach to proposals on diversity, climate change/GHG emissions, human rights and political contributions. This year, ISS opposed all of the board and workplace diversity proposals. However, it continued to back almost every political spending resolution, which averaged 31.6% support—higher than all other E&S topics. ISS also supported four of the climate change resolutions voted—versus none in 2025—all of which pertained to GHG emissions and included the highest E&S vote of the season—47.1% at NVR. These were generally less explicit requests, such as to simply disclose GHG emissions or any plans to reduce them. This pattern suggests that ISS's policy revision was meant to reflect its actual recommendation practices rather than a shift in approach.

Artificial Intelligence

The rapid development and deployment of AI systems factored into a number of E&S resolutions reflecting shareholder concerns over consumer data privacy, worker displacement and the environmental and community impacts of data centers.

For a second year, various proponents questioned Big Tech companies on how, or if, they intend to fulfill their GHG emissions reduction goals in view of the massive energy demands of their data center buildouts. The resolutions averaged 10.9% support at Alphabet, Amazon.com and Meta Platforms--essentially unchanged from the 2025 results (10.5%).

Four utilities were similarly targeted by Majority Action, which urged director no-votes for backpedaling on their climate commitments, including expanding fossil gas to power data centers and delaying coal plant retirements. The campaign failed to resonate strongly with ISS or investors, who backed the targeted committee chairs by 89% to 98% of the votes.

Water usage and scarcity arising from AI data center operations also came up in shareholder resolutions for a second year. NorthStar Asset Management's proposal at Digital Realty Trust to report on water-related risks—particularly in drought-prone areas—received 22.5% support, up from 10.4% in 2025. Conservative proponent Inspire Investing expressed similar concerns over Alphabet's water management strategy (1.5% support), which the company addressed in a proxy supplement describing its water stewardship commitments.

In another repeat, NLPC asked Alphabet and Meta Platforms to strengthen user data privacy protections in the development and training of their AI projects to prevent unethical or improper usage. The resolutions won the backing of ISS and received 12.3% and 10.2% support, respectively. At Alphabet, the NLPC resolutions also outperformed variations from left-leaning proponents, which ISS opposed. These included proposals on surveillance and censorship (6%), AI board oversight (3.7%) and AI-generated misinformation (9.3%).

AI also emerged as a key theme in several campaigns by hedge fund activists. Starboard Value and Irenic Capital Management urged TripAdvisor and Snap, respectively, to accelerate the deployment of their AI capabilities to cut costs and improve margins, while Elliott Management sought greater clarity from the London Stock Exchange Group on its AI strategy. Snap announced in April that it would lay off 16% of its full-time staff and ramp up its AI adoption. TripAdvisor reached a settlement with Starboard, granting it four seats on an expanded 10-member board.

DEI Downsized

Pro-DEI proposals have been fading from the landscape following the Trump administration's 2025 executive orders and fraud-based enforcement mechanisms to curb illegal DEI programs at federal contractors and recipients of federal funding. Only a few resolutions came up this year inquiring about the extent of companies' DEI policies and practices, which attracted a slim 6.2% in average support at Coca Cola and Pilgrim's Pride.

Instead, proponents shifted their requests to workforce diversity data, in particular, employee retention rates broken down by demographic groups companies are required to track under applicable federal and state laws. The sponsors—As You Sow and Clean Yield Asset Management—believe employee turnover offers a better perspective of internal culture than static headcounts. However, the resolutions pulled in only 6.7% in average support.

NYCRS singled out two companies—AT&T and Fastenal—for EEO-1 reporting proposals after they stopped sharing this information two years ago. The AT&T resolution, which was the subject of an omission-related lawsuit, received 28.7% support, surpassing the 23% vote at Fastenal which was not opposed by the board. In view of the Equal Employment Opportunity Commission's (EEOC) proposal to eliminate EEO-1 and similar reporting requirements, which has cleared Office of Management and Budget (OMB) review, companies may see more shareholder requests in the future to voluntarily collect and provide workforce demographic data.

Immigration Policy Impact

A new topic of focus this year was the impact of the Trump administration's immigration policies and enforcement on companies' operations, including workforce disruptions and customer backlash over their handling of U.S. Immigration and Customs Enforcement (ICE) activity on company property.

Union coalition the SOC Investment Group, along with various religious orders, called for assessments of potential labor shortages arising from the administration's restrictions on work authorizations for foreign nationals, including termination of the Cuban, Haitian, Nicaraguan and Venezuelan (CHNV) parole program and higher fees for H-1B visas. The resolutions received sparse support at Tyson Foods (2.7%), Walmart (4.3%) and Alphabet (1.8%).

Conservative think-tank the National Center for Public Policy Research (NCPPR) took the opposite view at Meta Platforms, which has faced litigation and civil penalties for allegedly prioritizing H-1B visa holders over American workers. Its request for an anti-American discrimination audit yielded a scant 0.2% in favorable votes.

Separately, the AFL-CIO and Zevin Asset Management raised concerns with customer data privacy from retailers' use of third-party surveillance systems, such as Flock Safety's automated license plate recognition, whose data can be shared with law enforcement agencies such as ICE. The proposals similarly produced low levels of investor support at Home Depot (8.9%) and Lowe's (9.1%).

Target's executive chair and lead director were also singled out for a "vote no" campaign by SOC, Trillium and Mercy Investment Services over the company's muted response to ICE raids at its Minnesota store locations, as well as its reversal on DEI initiatives. This effort resonated more strongly with investors than the shareholder proposals with the targeted directors receiving 12%-13% in opposition votes.

Key E&S Proposal Votes (January - June 2026)

E&S	Number Filed	Number Voted	Average Support	Majority Votes
GHG emissions reduction	23	13	19.7%	
Financed emissions	7	5	17.4%	
Recycling	9	3	11.9%	
Regenerative agriculture	6	1	8.9%	
Sustainability report	2	1	22.3%	
Board diversity matrix	2	1	13.3%	
Workforce diversity - EEO-1 report	2	2	25.9%	
Workforce diversity ? retention data	7	3	6.7%	
DEI report	6	3	5.8%	
Artificial intelligence*	8	3	4.2%	
Immigration policy impact	6	5	5.4%	
Human rights ? conflict zones	9	5	9.0%	
Human rights policy	7	2	22.9%	
Data privacy	3	3	6.3%	
Global content management	3	2	8.0%	
Unionization rights	3	1	26.9%	
Lobbying disclosure	7	2	26.5%	
Political spending	28	12	31.6%	

Votes are based on "for" votes as a percentage of "for" and "against" votes.
**Excludes a floor proposal at Amazon.com.*

ISS Support for Shareholder Proposals

	ISS Percentage FOR	Excluding Conservative Proposals
Governance		
2026	70%	74%
2025	62%	63%
2024	64%	65%
2023	52%	55%
2022	76%	76%
2021	80%	81%
Compensation		
2026	36%	56%
2025	35%	39%
2024	44%	46%
2023	55%	55%
2022	71%	71%
2021	47%	47%
E&S		
2026	13%	18%
2025	10%	13%
2024	43%	55%
2023	41%	50%
2022	55%	62%
2021	68%	72%

Conservative Proposals

In contrast to proponents on the left, conservative groups were undeterred in their 2026 filings, notwithstanding the historically low support proposals with an anti-ESG orientation receive. This season, they submitted 152 proposals in total—13% more than in 2025—and accounted for over one-third (37%) of all E&S submissions, up from 24% last year.

The higher volume is attributable in part to an uptick in activity by previously marginal players. These included the Heritage Foundation, which reported filing 26 proposals and settling about half, and Inspire Investing, which targeted 38 companies for resolutions, of which nearly two dozen were withdrawn or not filed following successful dialogues and negotiations.

This year's primary focal areas—with about two dozen filings each--included religious discrimination in charitable donations and return on investment (ROI) reporting in regards to companies' sustainability, climate change and DEI commitments. In the compensation space, Heritage additionally filed 10 resolutions on the risks of using non-fiduciary (ESG and DEI) executive compensation metrics.

Although some conservative proposals directly countered pro-ESG versions—such as on immigration risk and plastic recycling policies—others shared common ground on issues such as AI data ethics and online child exploitation. These produced the strongest voting results due to their broader appeal to mainstream institutional investors and in two cases—AI data protection at Alphabet and Meta Platforms—were endorsed by ISS as well.

ROI Audit

NCPPR took a different approach this year to its anti-ESG initiatives by asking companies to justify the financial merits of their DEI and climate change/sustainability commitments through ROI and net present value (NPV) analyses. Several other proponents—NLPC, Bahnsen Family Trust and New Breeze--also raised concerns over the costs versus benefits of companies' net-zero goals and the validity and credibility of the scientific, economic and feasibility assumptions and claims associated with such goals. Taken together, the climate-related proposals averaged 1.4% support while three proposals calling for DEI ROI audits averaged 1% support.

Although company rebuttals were generally evasive about the financial rationale for their ESG activities, NCPPR succeeded in striking settlements with five firms—AT&T, Bristol-Myers Squibb, Chevron, Eli Lilly and PepsiCo--with most agreeing to update their disclosures affirming that their sustainability investments are rooted in rigorous financial analysis, such as ROI or NPV.

NCPPR separately framed a handful of resolutions as binding bylaw amendments to create or designate an existing board committee to oversee the company's sustainability and DEI initiatives, including the extent they have been authorized and maintained on the basis of expected value and ROI calculations. These garnered weaker levels of support—0.9% on average at Coca Cola, Ford Motor and Levi Strauss.

Plastics Recycling

NLPC resumed its 2025 campaign challenging company policies that force suppliers to switch from “virgin” or “single-use” plastics to more recycled content in their products and packaging, which raises costs and increases consumer prices. The resolutions asked Coca Cola, Home Depot and Mondelez International to reevaluate their plastics policies based on objective scientific and economic analysis. They scored 1.1% support on average, down from 1.7% last year.

Ten Republican state attorneys general (AG) have now taken up the matter, issuing warning letters to plastics and packaging advocacy organizations—the U.S. Plastics Pact, Consumer Goods Forum, and GreenBlue Institute’s Sustainable Packaging Coalition—and 80 member companies alleging that coordinated efforts to adopt uniform packaging and recycling targets may constitute anticompetitive collusion under federal and state antitrust and consumer protection laws. In April, this was followed by civil investigative demands to the coalition groups and several member companies, including two of NLPC’s targets—Coca Cola and Mondelez.

This latest effort in the plastics industry builds on previous investigations and enforcement actions by Republican state AGs targeting net-zero alliances in the banking, insurance and asset management sectors, which resulted many participating companies withdrawing from the arrangements and the eventual dissolution or material abandonment of the initiatives.

Politicized Corporate Partnerships

Charitable contributions were one of the most numerous proposal types among conservative groups due in part to a new initiative by the Heritage Foundation aimed at companies’ use of diagnostic tools created by “politicized corporate partners” to vet their non-profit donations or, in other cases, for purposes of debanking or platform content moderation. Heritage specifically called out companies’ reliance on the now discredited Southern Poverty Law Center (SLPC), which has been indicted on federal fraud and money laundering charges. The resolution was withdrawn at Salesforce after the company agreed to end its use of SPLC designations to inform its charitable giving and corporate partnerships. The proposals voted received less than 1% support.

Key Conservative E&S Proposal Votes (January - June 2026)

E&S - Conservative	Number Filed	Number Voted	Average Support	Majority Votes
Charitable contributions	26	10	1.0%	
Risks/costs of climate commitments	26	9	1.4%	
Plastic recycling policy	4	3	1.1%	
Board sustainability/DEI committee	4	3	0.9%	
DEI risk	15	12	1.1%	
Gender dysphoria healthcare	8	5	0.7%	
Human rights ? China risk, conflict zones	4	4	1.9%	
Child exploitation	3	1	8.1%	
Data privacy ? AI data usage oversight	2	2	11.3%	
Censorship	6	4	0.8%	

Votes are based on "for" votes as a percentage of "for" and "against" votes.

Regulatory Outlook: the SEC Agenda

The SEC's newly released Spring 2026 Regulatory Flexibility Agenda lays out an ambitious schedule of rulemaking with two items in the pre-rule stage and 36 items slated for proposed rules, primarily in October. Much of the agenda addresses longstanding corporate wish lists and companies should plan on allocating the necessary time for thoughtful review and comment.

Some projects have already been underway with the proposals released and the public comment periods completed or near completion. As a result, these would be the most likely items to reach finalization prior to the 2027 proxy season:

Semiannual Reporting: The proposed amendments would provide public companies with the option of filing semiannual reports on a new Form 10-S in lieu of quarterly reports on Form 10-Q, giving them greater flexibility to select the interim reporting frequency that best suits their particular circumstances. The shift in reporting requirements has been a priority of the Trump administration to better enable corporate executives to focus on long-term strategy rather than meeting quarterly earnings forecasts.

The SEC received over 80,000 comment letters, of which 99% were opposed to the plan, according to a tracker by Ohio State University Professor Tzachi Zach.[12] One notable exception was a comment letter from nine major pharmaceutical companies which indicated that if the proposal is adopted, some of the signatories would elect semiannual reporting while continuing to furnish voluntary quarterly earnings releases to keep investors informed.[13]

Registered Offering Reform: The proposed amendments would give smaller public companies access to shelf registrations, increasing the number of eligible companies by more than 60%. Newly public companies, irrespective of size, could use shelf registrations immediately after an initial public offering (IPO), giving them quicker access to the public capital markets. The proposal would eliminate the current one-year reporting requirement and $75 million public float threshold for unlimited shelf offerings.

Filer Status Simplification: The proposed rules would streamline the filer status framework by collapsing the current five filing categories into two: large accelerated filers (LAFs) and non-accelerated filers (NAFs). The threshold for LAFs would be raised from $700 million to $2 billion in public float so that approximately 81% of current public companies would qualify as NAFs, exempt from auditor attestation requirements and subject to scaled executive compensation disclosures. The latter includes relief from holding SOP, SOP frequency and golden parachute votes and from providing compensation discussion and analysis (CD&A), pay ratio and pay-versus-performance (PvP) disclosures. All companies, regardless of public float, would be exempt from the LAF category for five years after their IPOs.

[12] See Professor Zach's comment letter tracker at https://tzachizach.github.io/sec-semi-annual-proposal-tracker/.

[13] See the pharmaceutical companies' comment letter at https://www.sec.gov/comments/S7-2026-15/s7202615-947939-2921733.pdf.

Recission of Climate-Related Disclosure Rules: The SEC is proposing a full repeal of its 2024 climate disclosure rules, which would have required public companies to report material climate-related risks, GHG emissions, and climate-related spending. The rules faced legal challenges shortly after adoption and the litigation has been held in abeyance by the Eight Circuit Court of Appeals until the SEC determined whether to rescind, modify or defend the disclosure requirements. The SEC contends that the rules exceed the scope of the agency's statutory authority, are overly burdensome and costly, and are inconsistent with a registrant-specific, materiality-based approach to disclosure.

Other key reforms in the pipeline pertain to executive compensation disclosure requirements (Item 402 of Regulation S-K) and the rationalization of overall disclosure practices. While the contours of these rule proposals are still unknown, the former will likely be informed by feedback from the SEC's June 2025 executive compensation roundtable where participants raised concerns with the complexity, high compliance costs and limited utility of certain requirements, including CD&A, PvP and CEO pay ratio disclosures.

Carried over from the Spring 2025 Unified Agenda is shareholder proposal modernization with a goal of "depoliticizing" annual meetings and restoring their focus to core corporate matters. SEC Chair Atkins has cited misuse of the system by a small minority of shareholders who dominate the process, including special interest groups promoting social and political agendas. He also indicated in a recent speech that the SEC will evaluate Rule 14a-8 in light of the appropriate role of the federal government in regulating shareholder proposals--particularly in relation to state corporate law— and signaled the prospect of the SEC remaining disengaged from resolving disputes between companies and proponents over the inclusion of shareholder proposals in proxy statements.

Remarking on the agenda, Atkins noted the significant progress made during his tenure in returning the agency to its core mission of protecting investors, facilitating capital formation, and maintaining fair, orderly and efficient markets. The proposed reforms are considered essential to reversing the decline of public companies and revitalizing U.S. public markets by anchoring the disclosure regime to materiality and reducing compliance burdens.[14]

[14] See Atkins' comments on the Spring 2026 Regulatory Agenda at https://www.sec.gov/newsroom/speeches-statements/atkins-statement-2026-regulatory-agenda-070726.