

The decline of US Shareholder Proposals

One topic set to dominate the upcoming AGM season is shareholder resolution filings in the US. Recent regulatory changes have made it easier for companies to exclude proposals, raising important questions about how issuers will use this new flexibility and what it means for responsible investors, stewardship practices, and efforts to advance corporate governance and sustainability standards.

This PIRC Governance Insights note highlights the significance of shareholder proposals, summarises the recent regulatory developments, and reviews emerging trends since the start of the year. Early analysis suggests a marked decline in proposals reaching the ballot. While the sample size remains limited at this early stage, initial indications point to a reduction of around 25% in the number of proposals making it to the ballot compared with the start of last year.

To provide investors with emerging insights on shareholder proposals, PIRC will be tracking the number of proposals and levels of support over the course of the proxy season and sharing regular updates.

Shareholder proposals and recent regulatory changes

The ability of shareholders to submit resolutions is a fundamental investor right and a cornerstone of corporate governance and accountability. They allow investors to raise issues that management might prefer to avoid, help to identify risks and opportunities, improve accountability and transparency, and ultimately influence corporate norms and practice over time to the benefit of long-term value creation.

Responsible investors rightly place great emphasis on the importance of shareholders being able to exercise their rights, including the ability to file proposals. Curtailing this ability not only weakens shareholder rights but also undermines the influence and effectiveness of responsible investors.

In the US, shareholder resolutions are governed by Rule 14a-8 under the Securities Exchange Act 1934 and administered by the Securities and Exchange Commission (SEC). The SEC made a number of changes during 2025 which have made it easier for companies to exclude shareholder resolutions.

In February, the SEC announced that it will allow companies to exclude more environmental- and social-related proposals from AGM ballots. This regulatory shift reversed previous SEC guidance that made it harder for companies to remove ballots on these issues. Companies therefore now have extra discretion to deny proposals that they deem to be interfering with the ordinary conduct of business or are not relevant to financial performance.

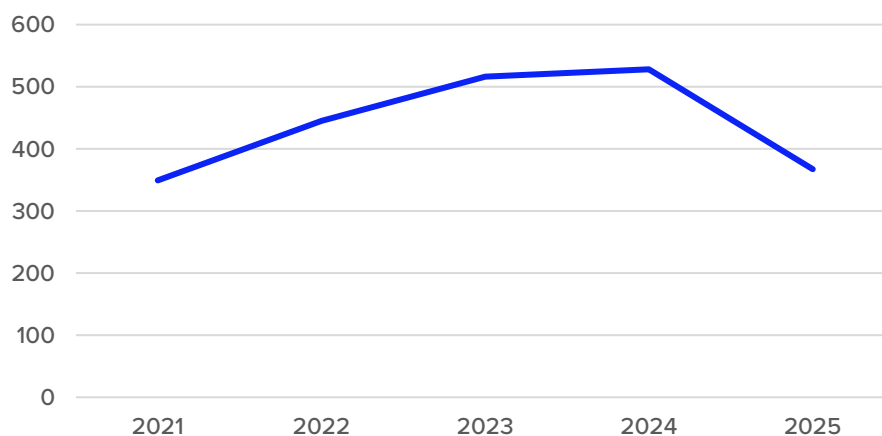
This policy change was followed by a further announcement by the SEC in November when the regulator declared that it would no longer be issuing substantive responses to most no-action requests under Rule 14a-8. Previously, when a company wanted to exclude a shareholder proposal from its proxy materials, it would need to submit a no-action request to SEC staff asking for informal guidance on whether the exclusion of a proposal was justified. The SEC's change means that companies now effectively have the ability to unilaterally exclude shareholder proposals.

These changes have been met with criticism by shareholders and investor groups as a significant setback for corporate governance. Commentators have highlighted how the changes will give companies the power to avoid scrutiny on materially important issues.

Our analysis

SEC rule changes appear to have heralded a sharp decline in the number of shareholder resolutions that made it to the ballot last year. The number of resolutions voted on in companies within the S&P 500 index declined by over 30% in 2025, as highlighted in the graph below. The sudden drop in resolutions followed a trend of increases to the volume of resolutions filed in previous years, suggesting a direct impact of the SEC's announcement in February allowing companies to exclude environmental, social and governance proposals.

Number of shareholder resolutions filed in the S&P 500

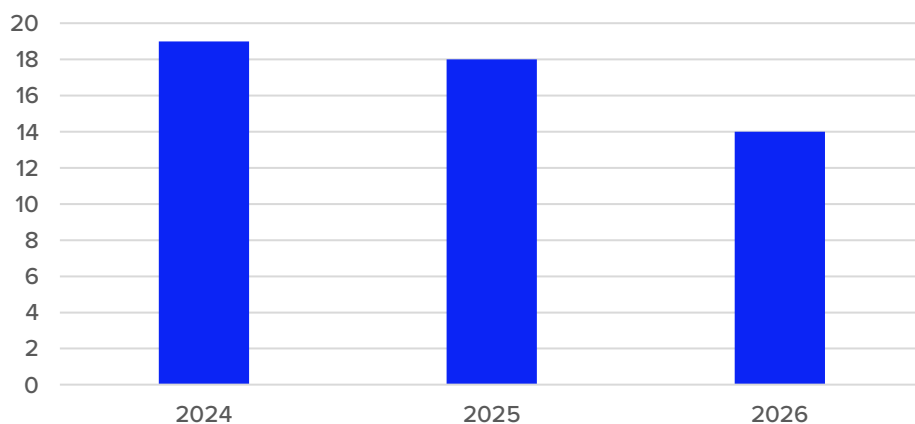


The decline in shareholder resolutions is predicted to accelerate further in 2026 as a result of the SEC’s announcement late in 2025 on no-action requests. Analysis of the data for January and February shows there were 19 and 18 shareholder resolutions in the S&P 500 in 2024 and 2025 (see graph below). In 2026, we have seen this reduced to 14 resolutions.

In absolute terms, this does not seem severe, but represents a reduction of almost a quarter. It is also important to note that January and February are typically quiet months with respect to the number of AGMs (and therefore the number of resolutions filed).

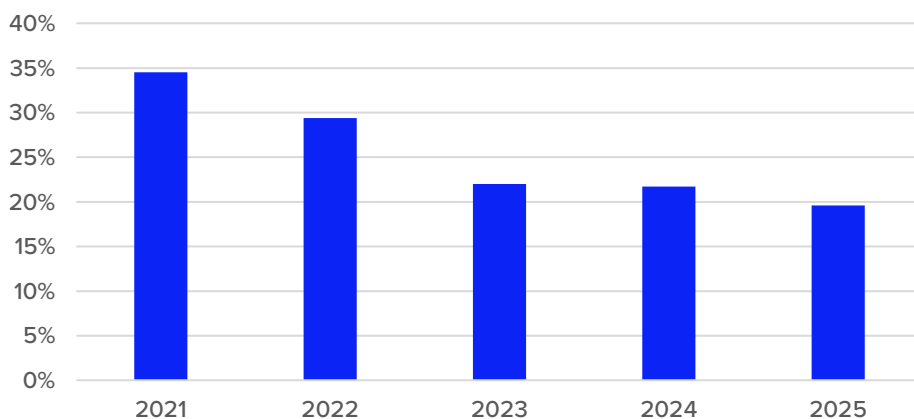
This decline at the start of 2026 is likely to have captured the February 2025 rule change. The later rule change may take more time to become evident, with there still being a requirement for issuers to notify the SEC and proponent of the company’s intent to exclude a proposal 80 days before filing their definitive proxy statement. It may therefore be too early to say with confidence that there will be further declines over 2026, but the trends do not augur well.

Shareholder proposals receiving a vote during January and February - S&P 500



In addition to the decline in number of resolutions, we have also witnessed a steady decline in average levels of support for shareholder proposals over the last five years. From a high of 35% in 2021, support has declined successively to fall to 20% in 2025 (see below).

Average support for shareholder resolutions in the S&P 500



The decline in levels of support could be attributed to various factors, including changing investor priorities, political polarisation around certain topics, or strategic voting by large asset managers. Moreover, a reduction in the number of proposals did not reverse the trend of declining support. As such, it could indicate that further reductions in the number of proposals will not result in more support as investors focus on specific key votes.

Regardless of the reasoning, the decline in support is concerning for responsible investors. Lower levels of support could lead to weaker signalling powers for investors whereby proposals lose a degree of perceived credibility, enabling management to more easily argue that an issue lacks consensus and therefore their need to take action. Similarly, it could also result in a narrowing of shareholder voice as the range of issues covered declines.

A major concern for active owners is that it could have damaging consequences for corporate behaviour. For instance, it may result in a shift in attitudes where boards are increasingly predisposed to resist investor efforts on engagement and become increasingly isolated from shareholder perspectives on risks and opportunities.

Conclusion

The evidence shows there has been a marked decline in both the number of shareholder resolutions and in the support they typically receive. This trend could be set to continue as we approach the 2026 proxy season as recent market, regulatory and corporate dynamics are negatively impacting the quantum and support of these resolutions.

Shareholder proposals are a vital investor tool and have played a significant role in driving positive change at companies. Given the prominence of these trends and the implications for responsible investors, PIRC has updated its policies and will be making voting recommendations where it deems an issuer to have unjustifiably excluded a shareholder proposal.

Over the coming months, the likely scale and impact of the SEC's most recent rule change will become clearer. As such, PIRC Governance Insights will be tracking shareholder proposals throughout the proxy season and providing regular updates to investors.

Author

Jack Marshall

Head of Policy, PIRC

jack.marshall@pirc.co.uk

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