GIBSON DUNN

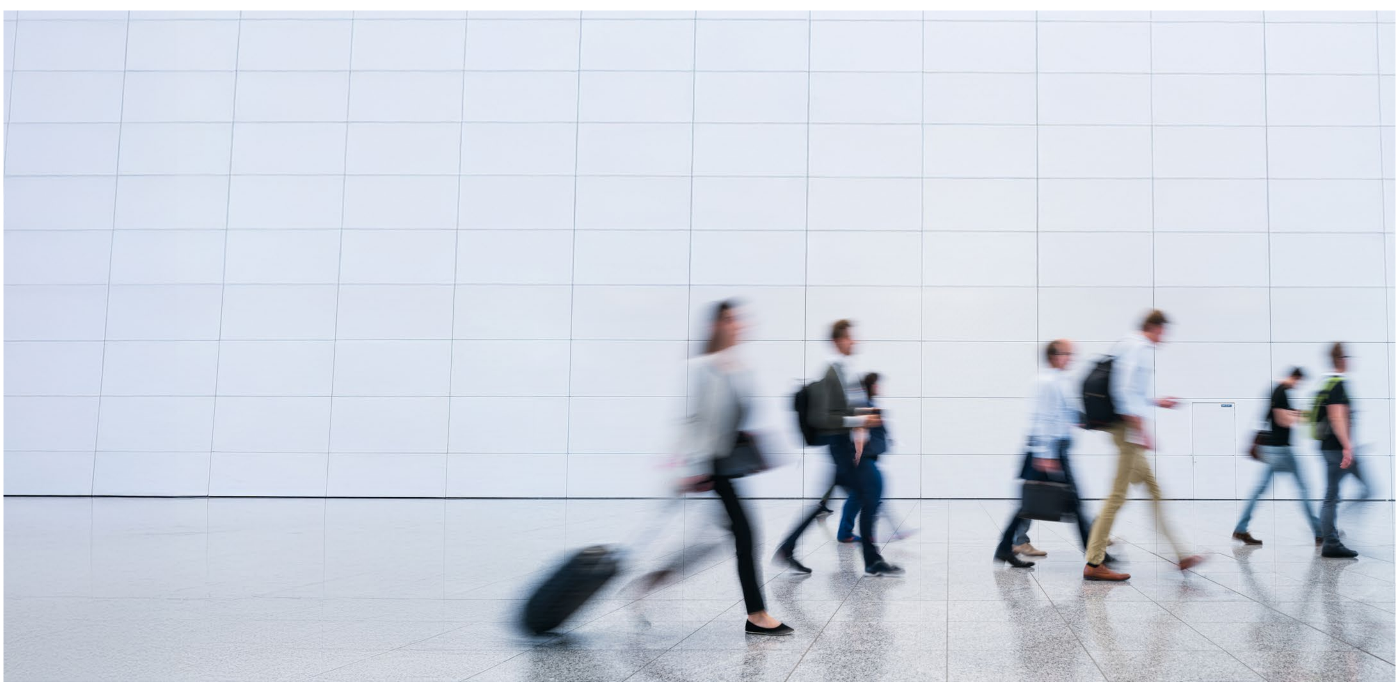
Shareholder Proposal Developments During The 2026 Proxy Season

August 20, 2026

To Our Clients and Friends:

This client alert provides an overview of shareholder proposals submitted to public companies during the 2026 proxy season, including statistics and notable developments from the staff (the "Staff") of the Securities and Exchange Commission (the "SEC") on no-action requests and exclusion notices submitted under Rule 14a-8(j) (together, "exclusion requests"). As discussed below, based on the results of the 2026 proxy season, there are several key takeaways to consider for the coming year:

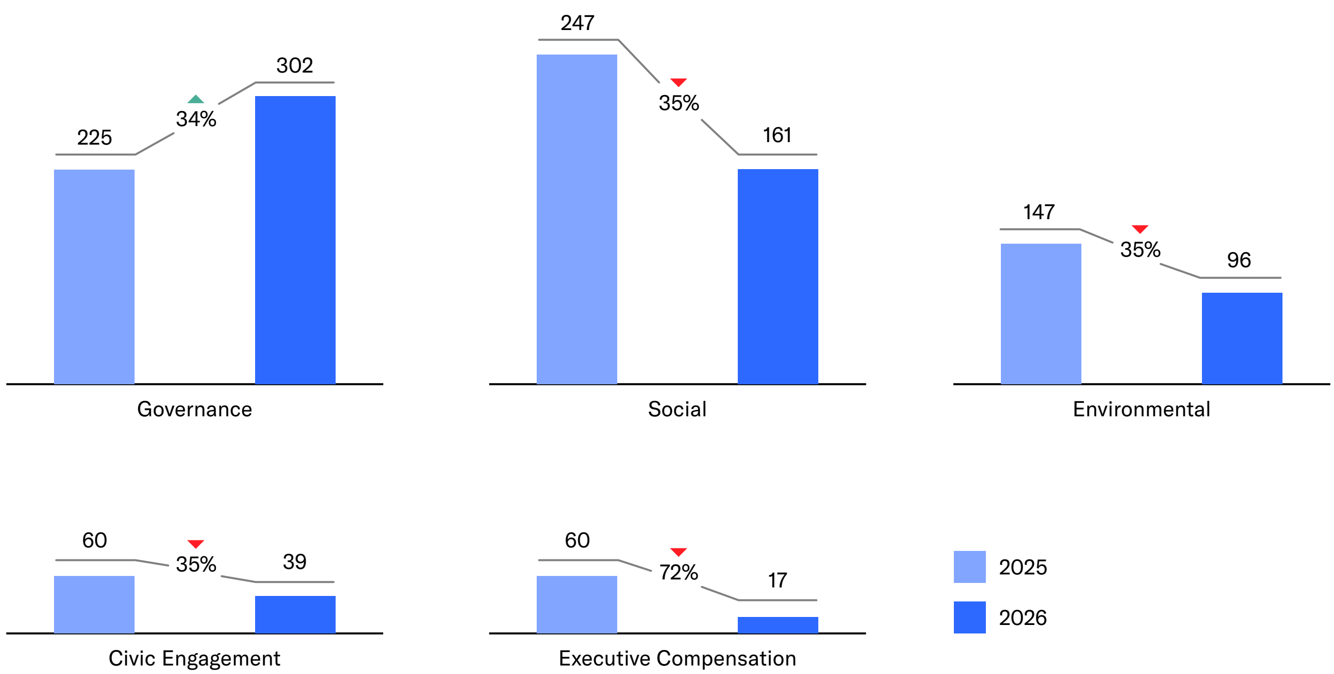
- Shareholder proposal submissions fell for the second consecutive year.
- The decline in submissions was broad-based: governance was the only category to increase year-over-year, while every other category (social, environmental, civic engagement and executive compensation) fell by roughly a third or more.
- The number of exclusion requests dropped sharply under the Staff's new Rule 14a-8(j) notification framework, but the percentage of proposals excluded ticked up slightly.
- Anti-ESG proposals continued to receive low support from shareholders, averaging just 1% support in 2026.
- In November 2025, the Staff significantly revised its role in the Rule 14a-8 shareholder proposal process, ending its practice of issuing substantive responses to the vast majority of no-action requests and introducing a new process for proposal exclusion. Without the Staff actively involved in issuing substantive responses, 2026 saw heightened levels of litigation over excluded shareholder proposals.



Overview of Shareholder Proposals Submitted

640 Shareholders submitted **640 shareholder proposals** during the 2026 proxy season, **down 20% from 802 in 2025**.*

47% Governance proposals represented 47% of all proposals submitted, up from 28% in 2025.



- **Governance Proposals:** Independent board chair proposals replaced special meeting standards as the most common governance proposal, representing 33% of these proposals with 99 submitted, up from 32 proposals in 2025.
- **Social Proposals:** The largest subcategory of social proposals was nondiscrimination and diversity-related proposals, representing 33% of all social proposals, with 53 submitted in 2026, as compared to 112 in 2025. Of note, anti-ESG proposals made up 66% of nondiscrimination and diversity-related proposals (compared to 58% in 2025).
- **Environmental Proposals:** The largest subcategory of environmental proposals, representing 39% of these proposals, continued to be climate change proposals, with 37 submitted in 2026 (down substantially from 80 in 2025 and 126 in 2024).
- **Civic Engagement Proposals:** Lobbying spending proposals were down significantly, with seven in 2026 and 37 in 2025. Political contributions proposals were relatively flat at 22 in 2026, as compared to 21 proposals in 2025. The number of political spending congruence proposals rose to 10 from two in 2025.
- **Executive Compensation Proposals:** The largest subcategory of executive compensation proposals continued to be those requesting that boards seek shareholder approval of certain severance agreements, representing 47% of these proposals, down from 50% in 2025.

*Data on proposals submitted is primarily derived from Institutional Shareholder Services ("ISS") publications and databases, and may not include proposals delivered to a company and subsequently withdrawn without any public disclosure.

Most Popular Shareholder Proposals Submitted to Public Companies

2026	2025
Independent board chair (15%)	Nondiscrimination & diversity (14%)
Special meeting (9%)	Climate change (10%)
Nondiscrimination & diversity (8%)	Special meeting (9%)
Action by written consent (8%)	Simple majority vote (5%)
Climate change (6%)	Lobbying payments and policy (5%)

- Three of the five most popular proposal topics during the 2026 proxy season were the same as those in the 2025 proxy season.
- The concentration of the top five most popular topics rose slightly from 43% of all proposals submitted in 2025 to 46% of all proposals submitted in 2026.
- This level of concentration is still below that of the 2022 proxy season, but a slight increase from the 2023 proxy season,* as proponents continue to submit proposals across a broad spectrum of topics.

*The concentration of the top five most popular topics was 49% in 2022 and 45% in 2023.

Overview of Shareholder Proposal Outcomes

The 2026 proxy season saw both new and continued trends in proposal outcomes that emerged in the 2025 proxy season

- the percentage of proposals voted on increased (61% in 2026 compared to 55% in 2025);
- overall support for proposals that went to a vote was relatively flat (23.8% in 2026 compared to 23.1% in 2025);
- the percentage of proposals excluded for failing to satisfy Rule 14a-8 increased slightly (26% in 2026 compared to 25% in 2025); and
- the percentage of proposals withdrawn decreased (7% in 2026 compared to 13% in 2025).

Shareholder Proposal Outcomes*

	2026	2025
Total number of proposals submitted	640	802
Excluded pursuant to exclusion request	26% (166)	25% (201)
Withdrawn by the proponent	7% (46)	13% (106)
Voted on	61% (388)	55% (439)

Withdrawal data for the 2026 proxy season may understate or overstate actual outcomes due to changes in the Rule 14a-8(j) process. For example, some companies negotiated withdrawals but never formally withdrew their exclusion requests. Accordingly, withdrawal statistics for 2026 may not be directly comparable to prior proxy seasons.

Data for the 2026 proxy season refers to exclusion requests submitted under the Rule 14a-8(j) notification process announced in the Staff's November 2025 statement, while data for prior proxy seasons refers to traditional no-action requests. For 2026, this number includes proposals for which companies obtained no-objection responses from the Staff but ultimately included the proposal in their proxy materials after proponents filed suit challenging the exclusion. Year-over-year comparisons should be viewed in light of this change in process.

*Statistics on proposal outcomes exclude proposals that the ISS database reported as having been submitted but that were not in the proxy or were not voted on for other reasons (e.g., due to a proposal being withdrawn but not publicized as such or the failure of the proponent to present the proposal at the meeting). Outcomes also exclude proposals that were to be voted on after July 1. As a result, in each year, percentages may not add up to 100%. ISS reported that 22 proposals (representing 3% of the proposals submitted during the 2026 proxy season) remained pending as of July 1, 2026, and 21 proposals (representing 3% of the proposals submitted during the 2025 proxy season) remained pending as of July 1, 2025.

Voting Results

- Shareholder proposals voted on during the 2026 proxy season averaged support of 23.8%, relatively flat compared to average support of 23.1% in 2025.
- Notably, consistent with 2025, average support was depressed in part due to the voting results for anti-ESG proposals, which received average support of 1.0%.
- Excluding the 54 anti-ESG proposals that were voted on, average support across all proposals during the 2026 proxy season was 27.5%, compared to 26.5% in 2025.

Environmental Proposals

Average support was relatively flat at 11.7%, up from 10.8% in 2025.

This was driven in part by the voting results for 12 anti-ESG environmental proposals that were voted on in 2026, which averaged 1.4% support. Excluding those proposals results in average support for environmental proposals of 15.5%.

Social Proposals

Average support decreased to 5.6% in 2026, down from 7.6% in 2025.

This decrease appears to be largely driven by the voting results on the 42 anti-ESG social proposals that were voted on, which garnered average support of only 0.9%. Excluding those proposals, average support for social proposals was 9.4% on 53 proposals.

Governance Proposals

While average support decreased in 2026, corporate governance proposals continued to receive relatively high levels of support, averaging 34.4% support in 2026 and 40.9% support in 2025.

Voting Results

Top Five Shareholder Proposals by Voting Results

- The table to the right shows the five shareholder proposal topics voted on at least three times that received the highest average support in 2026.
- Compared to 2025, proposals requesting the adoption of the ability to act by written consent and removal of dual-class voting were new to the top five list for 2026.

Top Five Shareholder Proposals by Voting Results*

Proposal	2026	2025
Declassify board of directors	82.7% (8)	78.9% (13)
Simple majority vote (i.e., eliminate supermajority voting)	56.4% (14)	73.3% (29)
Shareholder special meeting standards	40.2% (48)	32.7% (62)
Ability to act by written consent	36.2% (38)	29.6% (7)
Unequal (dual-class) voting	29.4% (7)	23.0% (3)

*The numbers in the parentheticals indicate the number of times these proposals were voted on.

Majority-Supported Proposals

- As of July 1, 2026, 29 proposals (5% of the proposals submitted and 7% of the proposals voted on) received majority support, as compared with 50 proposals (6% of the proposals submitted and 11% of the proposals voted on) that had received majority support as of July 1, 2025.
- Governance proposals have consistently ranked among the highest number of majority-supported proposals, and in 2026 they accounted for 90% of these proposals (compared to 88% in 2025).

Proposals that Received Majority Support

Proposal	2026	2025
Declassify board of directors	8	11
Simple majority vote (i.e., eliminate supermajority voting)	7	23
Shareholder special meeting standards	5	9
Ability to act by written consent	3	1
Shareholder approval of blank check preferred shares	2	0
Majority vote to elect directors	2	0
Majority vote to remove directors	1	0
Shareholder approval of severance agreements	1	0
Report on political contributions	0	5
Repeal any bylaw provision adopted by the board without shareholder approval	0	1

A New Process for the 2026 Proxy Season

The Staff Statement

- On November 17, 2025, the Staff released a statement entitled "Statement Regarding the Division of Corporation Finance's Role in the Exchange Act Rule 14a-8 Process for the Current Proxy Season" (the "Staff Statement") announcing a significant departure from the Rule 14a-8 no-action request process.
- The Staff Statement indicated that for the 2026 proxy season (October 1, 2025 – September 30, 2026), the Staff would no longer respond to no-action requests or express a view on companies' bases for excluding proposals — with one exception:
  - Arguments under Rule 14a-8(i)(1), which the Staff would continue to review pending sufficient guidance on precatory proposals under Delaware law
- The change applied both to pending requests and to all exclusion requests submitted thereafter.

The New 14a-8(j) Notification Framework

- Companies must still notify the SEC and proponents no later than 80 calendar days before filing their definitive proxy materials. The notice (referred to herein as an "exclusion notice") is informational only and must include:
  - The reasons for exclusion, a copy of the proposal, and an explanation for the exclusion, citing the most recent applicable authority where possible
  - A supporting opinion of counsel where the basis rests on state or foreign law
- If companies provided an "unqualified representation" that they had a "reasonable basis" to exclude the proposal, the Staff would respond stating that it would not object to the exclusion of the shareholder proposal from the company's proxy materials.
- If companies did not include the "reasonable basis" representation, the Staff uploaded the letter to its website under the heading "Rule 14a-8(j) Notifications With No Division Response Forthcoming" and noted that it did not intend to respond to the exclusion notice unless the company supplemented its notice with the "reasonable basis" representation.

159

Exclusion notices submitted following the Staff Statement

32

Traditional no-action requests were filed prior to the Staff Statement being released, 11 of which were supplemented following the Staff Statement

Shareholder Proposal Exclusion Requests Summary

179 Exclusion requests submitted during the 2026 proxy season, down 53% from 378 submitted in 2025

26% Exclusion rate, up slightly from the 25% exclusion rate in 2025

Gibson Dunn remains a market leader for handling shareholder proposals and related exclusion requests, having filed over 20% of all shareholder proposal exclusion requests each proxy season in recent years.

- The number of exclusion requests in the 2026 proxy season fell significantly when compared to no-action requests submitted in prior seasons, down 53% compared to no-action requests submitted in 2025 and 33% compared to 2024.

Exclusion Request Statistics*

	2026	2025	2024
Exclusion requests submitted	179	378	269
Submission rate**	28%	47%	29%
Exclusion requests withdrawn	13 (7%)	75 (20%)	57 (21%)
Pending exclusion requests (as of July 1)	0	13	4
Staff Responses†	166	290	208
Exclusion requests granted / no-objection or no-view provided	166 (100%)	201 (69%)	142 (68%)
Exclusion requests denied	N/A	89 (31%)	66 (32%)

* Several companies either submitted (i) no-action requests to the Staff prior to the Staff Statement that were not later supplemented with an exclusion notice, or (ii) exclusion notices where no Staff view was provided. Of the exclusion notices for which no Staff view was provided, there were 12 no-action requests submitted prior to the Staff Statement where the no-action request was not supplemented with an exclusion notice and the proposal was either included in the company's proxy materials or later withdrawn by the proponent. Those no-action requests have been omitted from both the numerators and denominators used to calculate the percentages in this table.

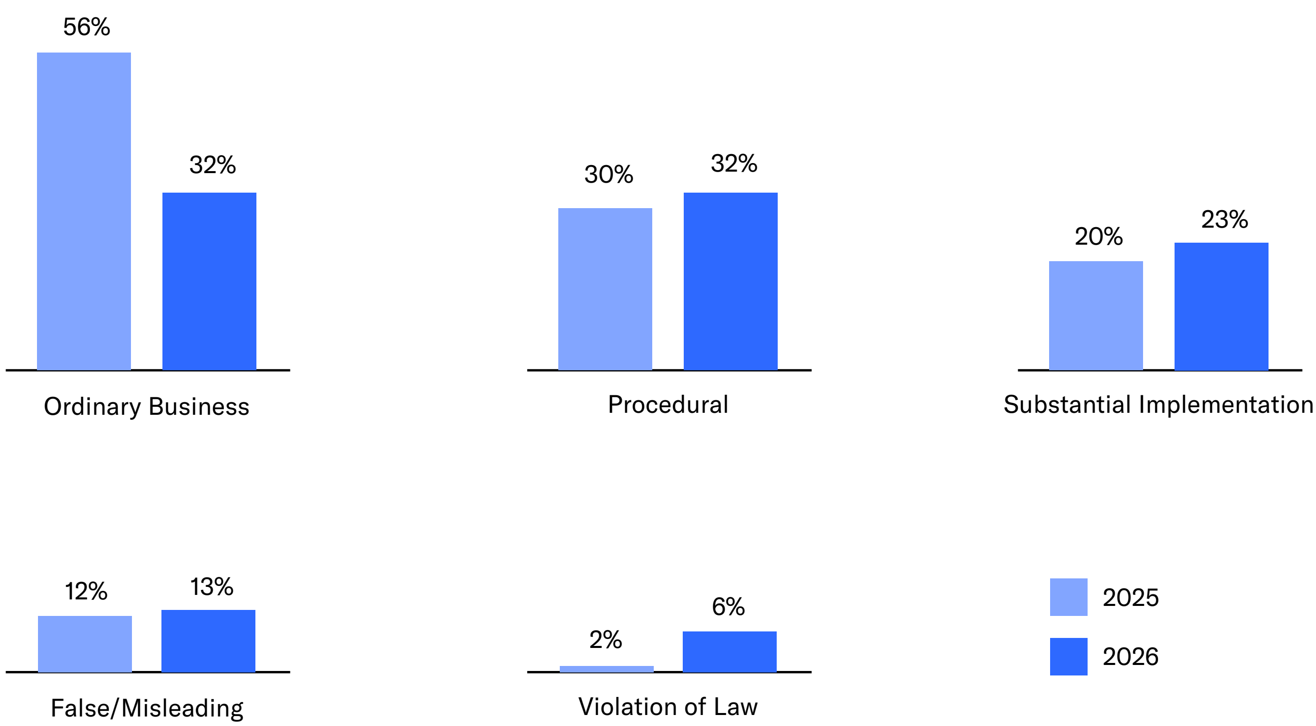
**Submission rates are calculated by dividing the number of exclusion requests submitted to the Staff by the total number of proposals reported to have been submitted to companies.

†For 2026, reflects Staff "no-objection" responses and exclusion requests for which no Staff view was provided. In certain limited instances in 2026, proposals for which companies received a no-objection response were ultimately included in the companies' proxy materials either as a result of litigation challenges to the exclusion or further negotiation with the proponents. Those proposals are nonetheless included here because companies obtained no-objection responses for their exclusion. Because the Staff did not deny any no-action requests or object to any exclusion notices, the table does not reflect any denials for 2026. For 2026, the percentage is calculated by dividing the number of no-objection responses and exclusion requests where no Staff view was provided, by the number of Staff responses. For 2025 and 2024, percentages of exclusion requests granted and denied are calculated, respectively, by dividing the number of exclusion requests granted and the number denied, each by the number of Staff responses.

Most Common Exclusion Request Arguments

- Consistent with 2024 and 2025, ordinary business and substantial implementation were the most argued substantive grounds for exclusion in the 2026 proxy season.
- In fact, the top four most common arguments for exclusion were the same in 2026 as they were in 2025 and 2024.

Most Common Arguments for Exclusion



- **Ordinary Business:** Rule 14a-8(i)(7): Proposals relating to the company's ordinary business and that micromanage the company
- **Procedural:** Procedural arguments include defects related to share ownership, number of proposals, proposal word limit, missed deadlines, statements regarding availability to meet, written documentation for proposal by proxy, procedural and eligibility deficiencies and attendance at meetings
- **Substantial Implementation:** Rule 14a-8(i)(10): If the company has already substantially implemented the proposal
- **False/Misleading:** Rule 14a-8(i)(3): Proposals or supporting statements that are contrary to any of the SEC's proxy rules, including Rule 14a-9, which prohibits materially false or misleading statements in proxy soliciting materials
- **Violation of Law:** Rule 14a-8(i)(2): If the proposal would, if implemented, cause the company to violate any state, federal, or foreign law to which it is subject

Top Proposals Challenged in 2026

	Submitted	Withdrawn	No-View	No-Objection
Independent board chair	27	1 (4%)	0 (0%)	26 (96%)
Simple majority vote	16	0 (0%)	2 (13%)	14 (88%)
Written consent	11	0 (0%)	0 (0%)	11 (100%)
Policies and procedures for campaign contributions	10	1 (10%)	1 (10%)	8 (80%)

Top Proposals Challenged

- **Independent Board Chair:** The 27 exclusion requests related to independent board chair proposals made the following arguments: duplication (9), violation of law (6), false/misleading (5), procedural (4), substantial implementation (2), ordinary business (1), lack of authority to implement the proposal (1), and resubmission (1). Twenty-six exclusion requests received a no-objection response from the Staff and one exclusion request (a no-action request) was withdrawn.
- **Simple Majority Vote:** The 16 exclusion requests related to simple majority vote proposals made the following arguments: substantial implementation (11), procedural (4), false/misleading (1), and conflict with company proposal (1). Fourteen exclusion requests received no-objection responses from the Staff, and no Staff view was provided on two exclusion requests (one no-action request and one exclusion notice that did not include the required representation). Of the companies that submitted an exclusion request where no Staff view was provided, both excluded the shareholder proposals.
- **Written Consent:** The 11 exclusion requests related to ability to act by written consent proposals made the following arguments: procedural (6), duplication (1), resubmission (1), violation of law (1), ordinary business (1), and false/misleading (1). Each of the exclusion requests received a no-objection response from the Staff.
- **Policies and Procedures for Campaign Contributions:** The 10 exclusion requests related to policies and procedures for campaign contributions made the following arguments: ordinary business (6), substantial implementation (4), procedural (1), and economic relevance (1). Eight exclusion requests received a no-objection response from the Staff, one exclusion request (a no-action request) was withdrawn, and there was one exclusion notice where no Staff view was provided. The company that submitted the exclusion notice where no Staff view was provided excluded the proposal from its proxy materials.

Key Rule 14a-8 and Exclusion Request Developments

Rule 14a-8 Modernization Rulemaking

- The SEC's Spring 2025 Regulatory Flexibility Agenda ("Reg Flex Agenda") (Sept. 4, 2025) included a proposed rule entitled "Shareholder Proposal Modernization" to update Rule 14a-8 and reduce compliance burdens for registrants — the rule was given an estimated release date of April and was revised in a subsequent Reg Flex Agenda to reflect a target issuance by October 2026.
- Reforming Rule 14a-8 is a stated priority of the SEC and the Trump administration:
  - The November 2025 Staff Statement
  - A December 2025 executive order directed Chairman Atkins to consider revising or rescinding shareholder-proposal rules, including Rule 14a-8
  - The August Staff Statement (see below)
- Together with recent statements from Chairman Atkins, these raise the prospect of major revision — or outright rescission — of Rule 14a-8, which would present a significant transition in corporate governance of publicly traded companies.

Rule 14a-8(i)(1): Precatory Proposals & Delaware Law

- In an Oct. 9, 2025 speech, Chairman Atkins signaled the SEC would be willing to allow Delaware companies to exclude precatory (non-binding) proposals under Rule 14a-8(i)(1) as "not a proper subject" for shareholder action under state law.
- Chairman Atkins suggested that the Staff would defer to an opinion of Delaware counsel on that question as it pertains to Delaware law.
- Chairman Atkins indicated that such an argument "should prevail," and that he had "high confidence" the Staff would honor that position.
- The stakes are high — the vast majority of Rule 14a-8 proposals are precatory.
- Even so, no company sought exclusion on this basis during the 2026 proxy season.

Proxy Advisor Policy Shifts

- In response to the Staff Statement, ISS and Glass Lewis revised their voting policies regarding how they treat companies that exclude proposals from their proxy materials without SEC no-action relief.
- ISS revised its Procedures & Policies Frequently Asked Questions to affirm that it views shareholders' ability to include properly presented and legally-compliant shareholder proposals in a company's proxy materials as "a fundamental right of share ownership" and expects companies to "clearly explain" their rationale for exclusion, including why relevant precedent does or does not apply.
  - A failure to make a "clear and compelling" case may be treated as a governance failure — ISS may take action ranging from highlighting the exclusion in its report to, in rare cases, recommending votes against directors, committee members, or the entire board.
  - Ultimately, ISS did not recommend against any director on account of a company excluding a shareholder proposal.
- Glass Lewis removed its historic policy on exclusions where the SEC stated no view in its 2026 Benchmark Voting Policy, while stating its support for shareholders' right to submit proposals and reaffirming that shareholders should be given the right to vote on "matters of material importance."

August Staff Statement on the Rule 14a-8 Process

- On August 14, 2026, the Staff released an updated statement on its role in the Rule 14a-8 process (the "August Staff Statement"), announcing that the Staff will not respond to Rule 14a-8 no-action requests entirely, including no-action requests under Rule 14a-8(i)(1).
- The August Staff Statement explained that this change was implemented to allow the Staff to "focus . . . resources on the review of Securities Act and Exchange Act filings, including those reviews that are statutorily required, for the protection of investors and facilitation of capital formation" and made "in light of the extensive body of guidance from the SEC and the staff available to both companies and proponents on Rule 14a-8."
- In addition, the Staff will not issue "no objection" letters in response to a company's submission.

Shareholder Proposal Litigation

With the Staff no longer actively involved in issuing substantive responses to no-action requests, the 2026 proxy season saw heightened levels of litigation over proposals excluded through the new 14a-8(j) notification process. Six companies faced lawsuits from proponents challenging their exclusions — three settled after receipt of the complaint (agreeing to include the proposal in their proxy materials or provide the requested disclosure), while three argued in support of the exclusions in court and received a judgment on the proponents' injunction requests:

Chubb Limited

Preliminary injunction denied

Proponent: As You Sow

Court: U.S. District Court, D.D.C.

Proposal Topic: Subrogation claims for climate-related losses

Ruling (Mar. 31, 2026): The court denied As You Sow's motion for a preliminary injunction, finding it had not demonstrated that it was entitled to emergency injunctive relief

Outcome: Excluded from Chubb's 2026 proxy materials

UnitedHealth Group

Injunctions denied

Proponent: Fonds des Missions

Court: U.S. District Court, D.D.C.

Proposal Topic: Consumer impacts of the company's acquisition and vertical integration strategies

Ruling (Apr. 15, 2026): The court denied Fonds des Missions' motions for preliminary and permanent injunctions, finding it had not "met its burden of showing a likelihood of success on the merits"

Outcome: Excluded from UnitedHealth's 2026 proxy materials

BJ's Wholesale Club Holdings

Preliminary injunction granted

Proponent: N.Y. State Comptroller Thomas DiNapoli, for N.Y. State Common Retirement Fund (the "Fund")

Court: U.S. District Court, D. Mass.

Proposal Topic: Deforestation risks

Ruling (Apr. 22, 2026): The court granted the Fund's motion for injunctive relief

Outcome: Included in BJ's 2026 proxy; the Fund later withdrew the proposal, and it was not voted on. The ruling's practical effect was therefore limited, and it remains only a preliminary-injunction decision addressing a single proposal and record, in which certain potentially significant arguments were not fully developed

The three settlements involved **AT&T Inc., Axon Enterprise, Inc., and PepsiCo, Inc.** — PepsiCo and AT&T agreed to include the proposals in their proxy materials, and Axon agreed to make certain political-spending disclosures over five years in exchange for the proponent not resubmitting political-spending proposals during that period.

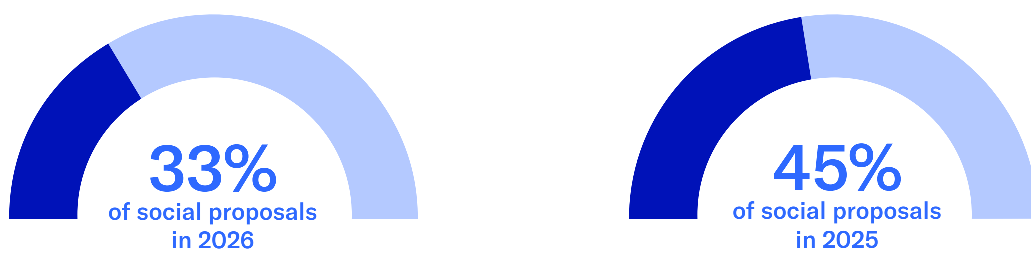
Key Shareholder Proposal Topics During the 2026 Proxy Season

Human Capital and Social Proposals

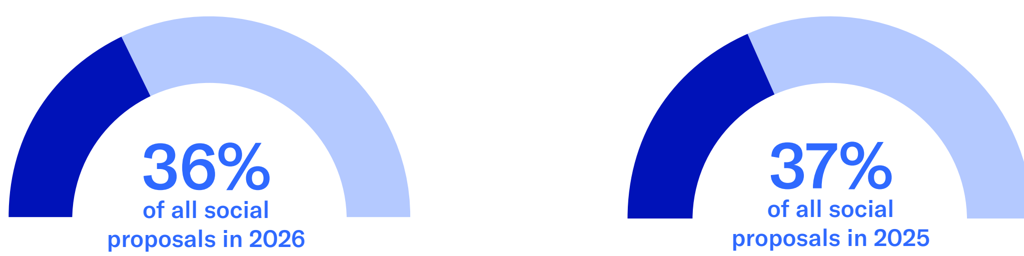
Overview

- Human capital and social proposals were largely focused on civil and human rights and DEI efforts, and this year saw a significant decrease in proposals focused on nondiscrimination and diversity.
- There were declines in proposals focused on DEI data or metrics or reporting on the effectiveness of DEI efforts or programs, unionization and collective bargaining, racial equity, and human rights standards or policies, while there were slight increases in proposals related to artificial intelligence, data privacy, and operations in high-risk countries.

Nondiscrimination and diversity proposals, including traditional ESG and anti-ESG proposals, accounted for approximately:



Anti-ESG social proposals saw a significant decrease in absolute numbers, though the percentage of social proposals remained relatively flat, and accounted for approximately:



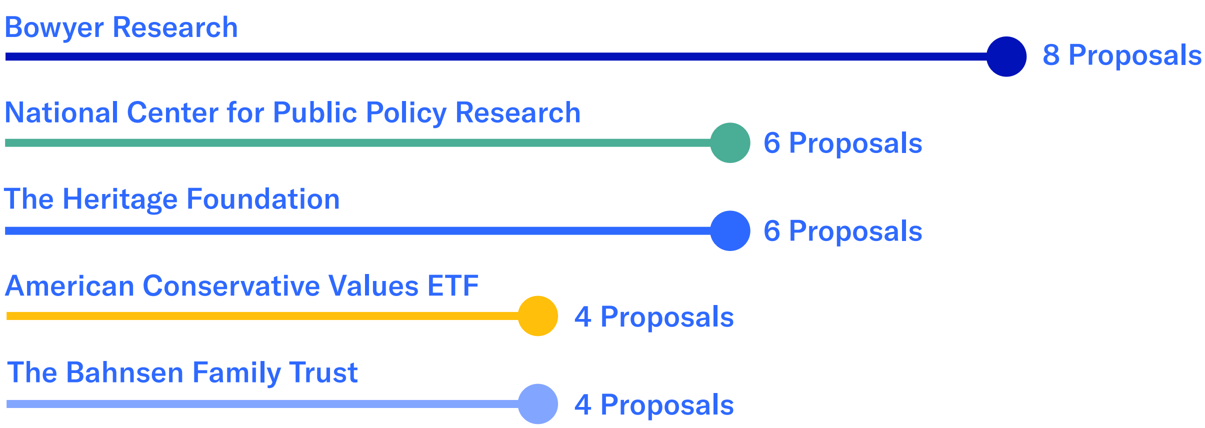
Key Shareholder Proposal Topics During the 2026 Proxy Season

Anti-ESG Nondiscrimination and Diversity Proposals

There were 35 anti-ESG nondiscrimination and diversity proposals in 2026 that requested companies to, among other things:

- report on risks created by DEI efforts;
- report on risks related to discrimination in charitable giving; and
- report on the return on investment of DEI efforts.

Primary Proponents (submitting or co-filing proposals):



The 23 proposals that went to a vote averaged 1.1% support.

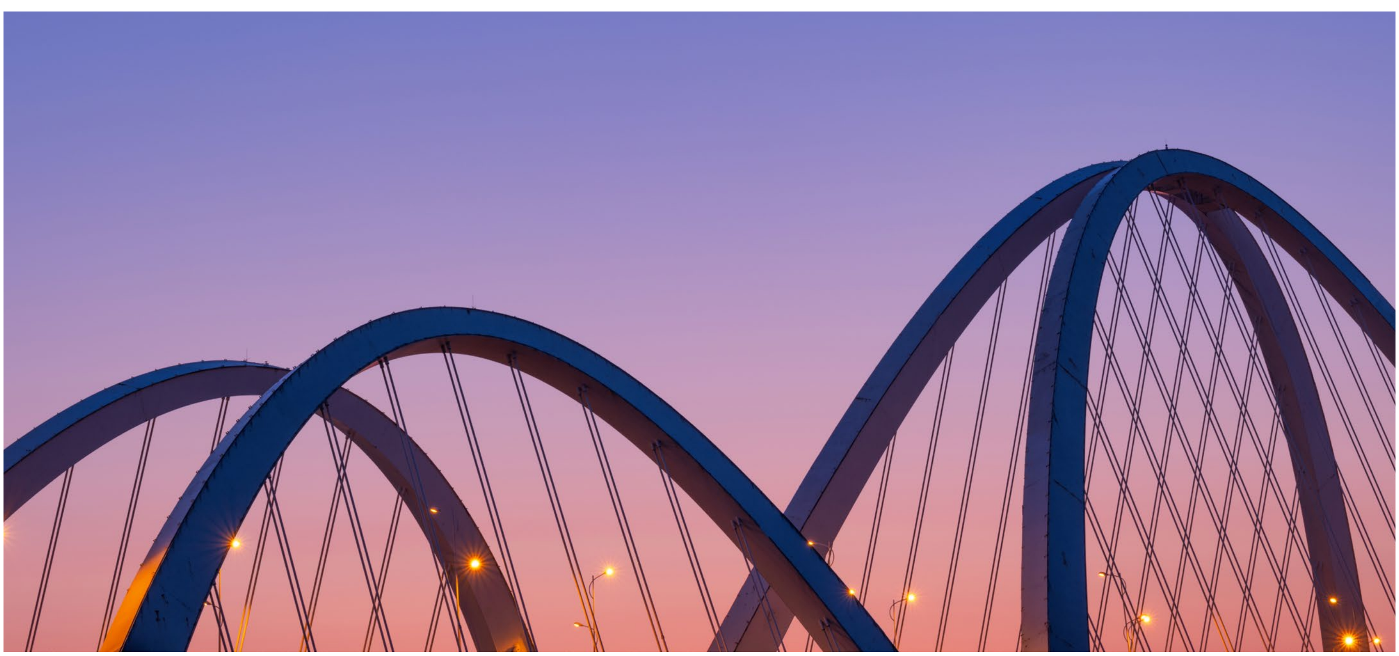
Key Shareholder Proposal Topics During the 2026 Proxy Season

Traditional Nondiscrimination and Diversity Proposals

- There were 18 traditional ESG proposals related to diversity and nondiscrimination, 12 of which requested disclosure of DEI data or metrics or reporting on the effectiveness of DEI efforts or programs (compared to 33 in 2025) and four of which requested racial equity or civil rights audits (compared to nine in 2025). Traditional ESG proposals refer to proposals expressing supportive views on ESG matters.
- As in 2025 and 2024, As You Sow was the primary proponent in 2026 (submitting or co-filing 9 proposals), followed by the Comptroller of the City of New York (four proposals) and Amalgamated Bank (three proposals).
- Of the 18 traditional ESG proposals related to diversity and nondiscrimination:
  - Eight were voted on with an average support of 12.2% (none receiving majority support); and
  - Four were excluded through exclusion notices, which made the following arguments: ordinary business (4) and substantial implementation (2). All four exclusion notices received a no-objection response from the Staff.

Human Rights Proposals

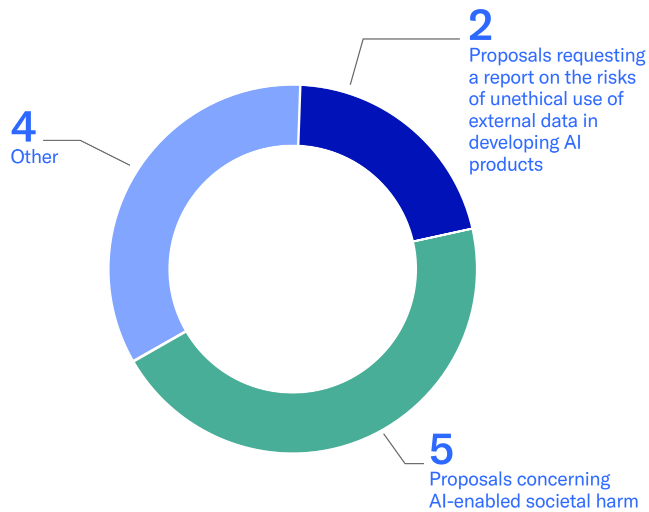
- Human rights proposals were relatively stable in 2026, with 23 shareholder proposals related to human rights submitted in 2026 and 24 submitted in 2025 (including those calling for an assessment of the human rights impacts of certain products or operations).
- The 15 human rights proposals voted on averaged support of 10.1%. Five exclusion notices related to human rights proposals were submitted and made the following arguments: ordinary business (3), procedural (2), resubmission (1), substantial implementation (1), and false/misleading (1). All five exclusion notices received a no-objection response from the Staff.

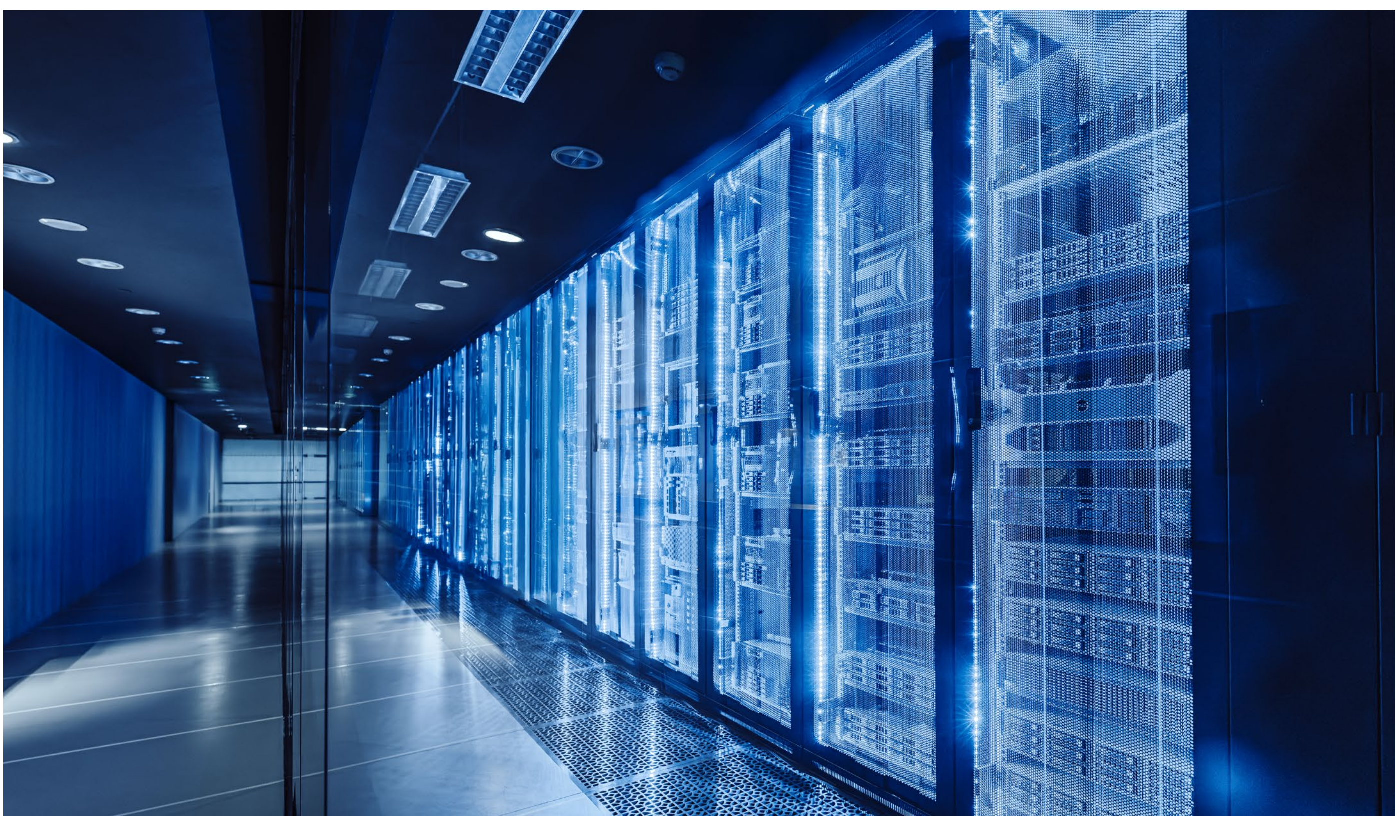


Key Shareholder Proposal Topics During the 2026 Proxy Season

Artificial Intelligence Proposals

- Proposals related to the development and use of AI increased slightly from nine in 2025 to 11 in 2026.
- Notably, ISS recommended votes "for" only two of these AI proposals.
- Six of the AI proposals went to a vote, with average support of 7.9% (none receiving majority support).
- Two exclusion requests (one no-action request and one exclusion notice) related to AI proposals made the following arguments: ordinary business (1), economic relevance (1), and procedural (1). The exclusion notice received a no-objection response from the Staff and the no-action request was withdrawn.





Key Shareholder Proposal Topics During the 2026 Proxy Season

Climate Change and Environmental Proposals

Climate change and environmental proposals took various forms, including proposals requesting:

- adoption or disclosure of GHG emissions reduction targets;
- disclosure of climate transition plans;
- environmental impact on communities; and
- reports on plastic packaging and recyclability.

As in 2025, climate change-related proposals were the largest group of environmental proposals in 2026:

39%

Climate change-related proposals represented **39% of all environmental proposals submitted** and 6% of total proposals submitted

37

Shareholders submitted **37 climate change-related proposals** during 2026, **down from 80 in 2025**

11.7%

Climate change and environmental proposals received **average support of 11.7%**, with none receiving majority support

19

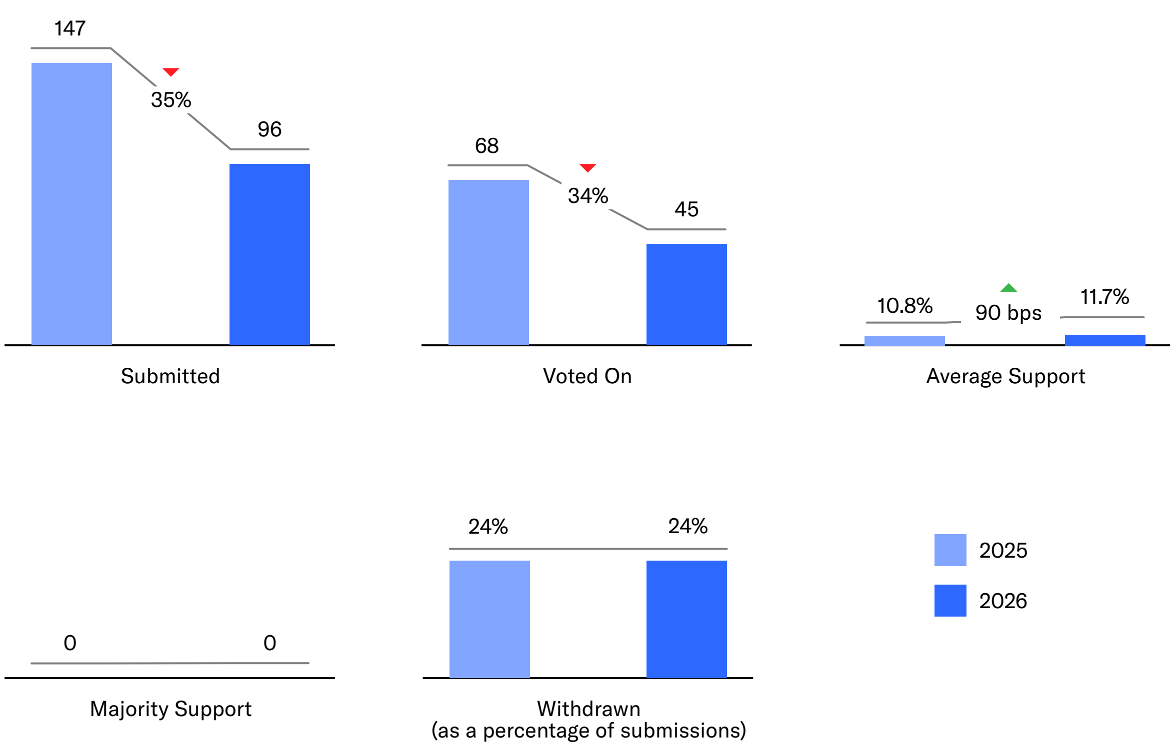
Companies **excluded 19** climate change and environmental proposals in 2026, **down from 27 in 2025**

Key Shareholder Proposal Topics During the 2026 Proxy Season

Climate Change and Environmental Proposals

- Continuing the trend from 2025, average support for these proposals remained low, increasing slightly to 11.7%, but still well below the average support of 19% in 2024.
- After falling dramatically in 2025, ISS support for climate change and environmental proposals remained low in 2026, with ISS only recommending shareholders vote "for" four, or 9%, of such proposals during the 2026 proxy season, a steep decrease from 52% of proposals that ISS supported in 2024.
- No climate change or environmental proposals received majority support as of July 1, 2026.

Climate Change and Environmental Proposal Statistics: 2026 vs. 2025



Key Shareholder Proposal Topics During the 2026 Proxy Season

Proposals Related to GHG Emissions Targets and Climate Transition Plans on the Wane

- Only 28 shareholder proposals requesting a report on, or adoption of, GHG emissions reduction targets or a climate transition plan were submitted in 2026, down from 60 such proposals in 2025 and 87 such proposals in 2024. These included proposals requesting disclosure of policies, strategies and progress made toward achieving those targets.

Primary proponents (submitting or co-filing proposals):

Green Century Capital Management — 9 Proposals

As You Sow — 7 Proposals

5

Five companies excluded climate transition and GHG emissions proposals through exclusion notices, with four receiving a no-objection response and one where no Staff view was provided

18.0%

Seventeen of these proposals had been voted on as of July 1, 2026, and received **average support of 18.0%**, with none garnering majority support

Key Shareholder Proposal Topics During the 2026 Proxy Season

Anti-ESG Environmental Proposals on the Rise

- There were 19 anti-ESG environmental proposals in 2026, up from 12 anti-ESG environmental proposals submitted in 2025.
- Fifteen requested reports on the return on investment or general financial impact of environmental and recycling commitments, three requested reports on the company's plastic packaging or recycling practices, and one requested that the company report on the alignment of a security-related initiative with its climate commitments.

Environmental proposals that were anti-ESG

20% in 2026 vs. **8%** in 2025

Primary Proponents (submitting or co-filing proposals):

National Center for Public Policy Research — 11 Proposals

National Legal and Policy Center — 6 Proposals

8

Companies sought to exclude **eight** anti-ESG proposals (**three** no-action requests (two of which were withdrawn) and **five** exclusion notices), predominantly arguing to exclude under 14a-8(i)(7) (ordinary business or micromanagement)

1.4%

12 anti-ESG environmental proposals had been voted on as of July 1, 2026, and received **average support of 1.4%**, with none garnering majority support

Key Shareholder Proposal Topics During the 2026 Proxy Season

Recycling and Other Environmental Proposals

Recycling Proposals

16

Sixteen proposals were submitted related to recycling, plastic waste, or sustainable packaging, with over half of these proposals submitted or co-filed by As You Sow

11.8%

Five traditional recycling proposals had been voted on as of July 1, 2026, **averaging 11.8% support**, with none receiving majority support

2

Two of these proposals were challenged via exclusion request and both received no-objection relief

4

There were **four** anti-ESG proposals calling for companies to report on their plastic packaging policies, report on their plastic recycling targets, or conduct a return on investment audit of their single-use plastics. As of July 1, 2026, three of the four anti-ESG recycling proposals had been voted on, receiving an **average of 1.1% support**

Other Environmental Proposals

28

There were **28** "other" environmental proposals unrelated to climate change or recycling, with notable subjects including:

- **Deforestation in Supply Chains** — 6 Proposals
- **Regenerative Agriculture Programs** — 6 Proposals
- **Biodiversity Impact Assessments** — 3 Proposals

4

Four of these proposals were excluded through exclusion notices, with three receiving no-objection responses and one exclusion notice withdrawn

13.3%

Eight of these proposals had been voted on as of July 1, 2026, **averaging 13.3% support**, with none receiving majority support

Key Shareholder Proposal Topics During the 2026 Proxy Season

Significant Increase in Governance Proposals

Independent Board Chair

99

Ninety nine independent board chair proposals were submitted in 2026, up from 32 in 2025

24.5%

Seventy one independent board chair proposals had been voted on as of July 1, 2026, **averaging 24.5% support** with no proposals receiving majority support

27

Twenty seven exclusion requests were submitted related to independent board chair proposals, with twenty six receiving no-objection responses from the Staff. One exclusion request, a no-action request submitted prior to the Staff Statement, was withdrawn

Primary Proponents:

John Chevedden — 69 Proposals

National Legal and Policy Center — 13 Proposals

The Accountability Board — 9 Proposals

Written Consent

52

Fifty two shareholder ability to act by written consent proposals were submitted in 2026, up from 12 in 2025

36.2%

Thirty eight shareholder ability to act by written consent proposals had been voted on as of July 1, 2026, **averaging 36.2% support**

3

Three shareholder ability to act by written consent proposals **received majority support**

11

Eleven exclusion requests were submitted related to shareholder ability to act by written consent proposals, with all eleven receiving no-objection responses from the Staff

Primary Proponents:

John Chevedden — 49 Proposals

The Accountability Board — 3 Proposals

Key Shareholder Proposal Topics During the 2026 Proxy Season

Significant Increase in Governance Proposals

Special Meeting Proposals

- Just under half of 2026 special meeting proposals sought to amend existing special meeting rights to lower the stock ownership threshold requirements required by companies to exercise the right to call a special meeting.
- As of July 2026, 54% of Russell 3000 companies and 80% of S&P 500 companies provided shareholders with the ability to call special meetings of shareholders, subject to certain procedural and minimum ownership requirements.

59

Fifty nine special meeting proposals were submitted in 2026, down from 76 proposals in 2025

31

Proposals that requested companies provide shareholders with a right to call special meetings

28

Proposals that requested companies lower the stock ownership threshold

9

Exclusion requests related to special meeting proposals were submitted, 7 of which received a no-objection response from the Staff and two for which no Staff view was provided

40.2%

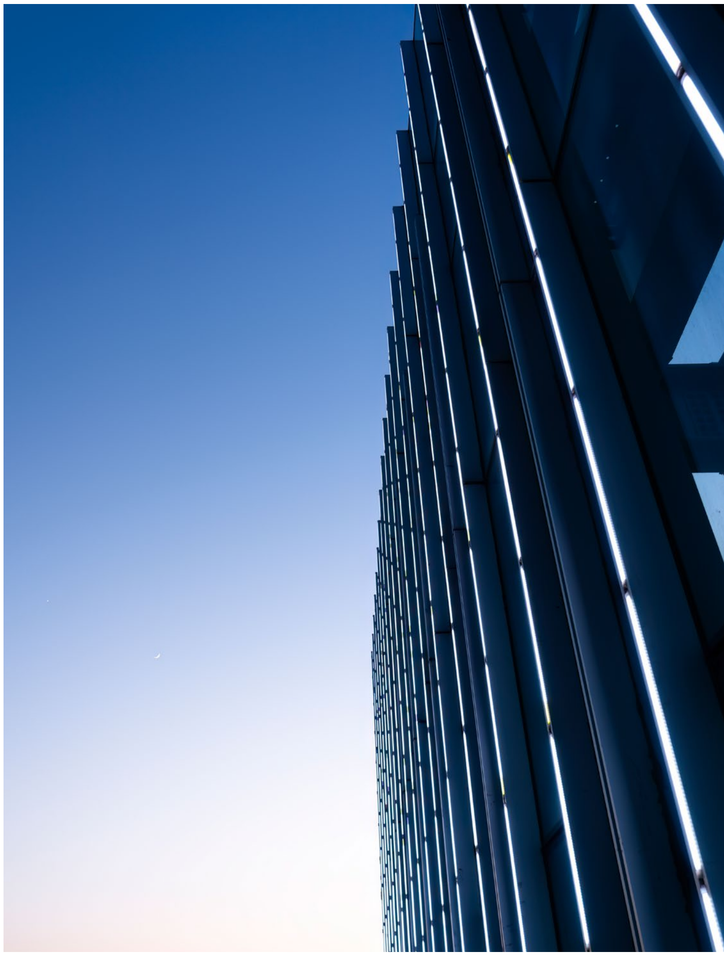
Forty eight proposals voted on as of July 1, 2026 **averaged support of 40.2%**, with the 23 proposals requesting adoption of a new right to call special meetings averaging support of 43.7% and the remaining 25 proposals requesting amendments to existing special meeting rights averaging support of 37.0%

The primary proponents of these proposals were John Chevedden and associates, who filed or co-filed 55 of the 59 proposals

5 proposals requesting companies provide shareholders with a right to call special meetings received majority support

Shareholder Proponent Uses Threat of Multiple Floor Proposals to Discourage Exclusion of 14a-8 Proposal

- With rescission or significant revision of Rule 14a-8 appearing more likely — and the Staff no longer substantively involved in the exclusion process — proponents are evaluating options for submitting proposals outside the traditional Rule 14a-8 framework.
- In March 2026, Trillium Asset Management announced it had "employed an innovative path to a successful negotiation" with BJ's Wholesale. After BJ's Wholesale obtained a no-objection response to its exclusion notice excluding Trillium's 14a-8 proposal related to GHG emissions, Trillium pressed the company for further discussions.
- Trillium indicated that in discussions with the company it made clear that if its proposal were excluded, it would "submit shareholder proposals under the pathway provided for in the company's bylaws and solicit proxies in support of those items" — i.e., submit multiple proposals under BJ's Wholesale's advance notice bylaws and use Rule 14a-4 to solicit proxies. Its other proposals would have included "a GHG emissions proposal and… additional good corporate governance shareholder proposals".
- Trillium did not ultimately submit the additional proposals, but their negotiating strategy's success signals proponents' growing willingness to use creative means to help ensure their proposals are presented to shareholders.



Background on Rule 14a-4

- Historically used mainly in traditional proxy contests involving director nominations.
- However, companies cannot use discretionary voting authority if the shareholder files its own proxy materials and solicits holders of a specified percentage of shares.
- Moreover, under the universal proxy amendments, the SEC amended Rule 14a-4(d) to allow anyone to solicit votes for or against a company's director nominees without the consent of those directors.

Takeaway: Trillium framed the outcome as "demonstrat[ing] that there can be credible and effective alternatives that protect shareholder rights," and as a "clear signal that exclusion in this new SEC regime is not a low-friction default and that investors can respond with credible escalation pathways."

Congressional Leaders Appear to Hit Pause on Legislative Efforts to Reform the Shareholder Proposal Process

Since 2023, there have been several Republican-led efforts to reform the shareholder proposal process through legislation and related initiatives. While these efforts have not produced substantive reforms, the priorities and perspectives advanced through those efforts squarely align with President Trump's December 2025 executive order and recent statements from SEC leaders pointing to the potential for significant changes to Rule 14a-8.

In September 2025, the U.S. House Financial Services Committee held a hearing, "Proxy Power and Proposal Abuse: Reforming Rule 14a-8 to Protect Shareholder Value," assessing "whether the shareholder proposal process …has been co-opted by activist investors who prioritize narrow policy goals over maximizing shareholder value." Four bills targeting Rule 14a-8, among others, were reviewed as part of the hearing:

Performance over Politics Act

Seeks to authorize the exclusion of proposals that "substantially implement, substantially duplicate, or are substantially similar to previously included proposals"

Businesses Over Activists Act

Seeks to bar the SEC from "compelling the discussion of shareholder proposals or proxy or consent solicitation materials," and disclaims the SEC's authority to "preempt state regulation of shareholder proposals or proxy or consent solicitation materials"

Untitled bill — Social Policy

Seeks to provide more flexibility to exclude proposals dealing with social policy matters, without having to consider whether they are "significant" under Title 17 of the Code of Federal Regulations

Untitled bill — "ESP" subject matter

Seeks to give companies more discretion over inclusion of shareholder proposals by permitting exclusion where the "subject matter of the proposal is environmental, social, or political"

Status: The Performance over Politics Act and the Businesses Over Activists Act were previously introduced in the U.S. House of Representatives in 2023, but did not pass before the 118th Congress expired in January 2025. Rep. Andy Biggs (R-AZ) reintroduced the concept as H.R. 52, the Stop Woke Investing Act, in January 2025 — but the House Financial Services Committee has yet to act on it, and the other draft bills from the September hearing have yet to be introduced.

Exempt Solicitation Filings and Revised CFIs

Under Rule 14a-6(g), a person who engages in an exempt solicitation who beneficially owns more than $5 million of the subject securities must file a Notice of Exempt Solicitation via EDGAR (an “Exempt Notice”) setting forth the information specified in Rule 14a-103 and attaching the soliciting material. Exempt Notice filings fell sharply in 2026 after the Staff’s January 23, 2026 revision to Corporation Finance Interpretation (“CFI”) 126.06. Voluntary filings fell from 86% of Exempt Notice filings in 2025 to only 14% in 2026.

Revised CFI 126.06

- The Staff indicated in revised CFI 126.06 that it will now object to the filing of an Exempt Notice by persons who do not beneficially own more than $5 million of the class of subject securities, reasoning that Rule 14a-6(g) exists to give public notice of exempt solicitations by large shareholders, and provides for the filing of only those written soliciting materials “required to be submitted” under Rule 14a-6(g)(1), while most voluntary filings “appear[] to be primarily a means to generate publicity.”
- Regulation S-T authorizes the SEC to remove a submission from EDGAR if, among other things, it has reason to believe the submission is misleading or unauthorized.

Exempt Notices filed (as of June 1)

357	**211**	**64**
2024	2025	2026

Takeaway: Companies should continue to monitor their EDGAR file and inform the Staff of any Exempt Notice they believe contains materially false or misleading information or may have been filed voluntarily by a shareholder.

Most frequent filers

2025 (high-volume voluntary filers)	
As You Sow	25
National Legal and Policy Center	25
John Chevedden	23
Green Century Capital Management Inc. (and related funds)	21
Bowyer Research	18

2026 (institutional / mission-driven filers)	
Trillium Asset Management	7
Presbyterian Church (U.S.A.)	6
NYC Comptroller	5
NY State Common Ret. Fund	5
Friends Fiduciary Corp	5

Practice Pointers for the 2027 Proxy Season and Beyond

While the 2026 proxy season is just concluding, companies should begin preparing for 2027 now, given the significant changes likely in store.

1 Monitor the Legal, Regulatory, and Investment Landscape

In light of the August Staff Statement, further change is in store for the 2027 proxy season shareholder proposal exclusion process as the Staff will no longer respond to exclusion requests or issue no-objection responses. Moreover, the December 2025 executive order and recent statements by SEC leaders make clear that significant change to Rule 14a-8, either in the form of a rescission or significant amendment, is likely in store. Plan now, and continue monitoring proxy advisor and institutional investor policies.

2 Be Proactive About Investor Engagement

Prioritize outreach and engagement during the “off season,” particularly where proxy advisory firms’ board-responsiveness policies have been triggered by voting outcomes.

3 Continue to Consider Exclusion of Shareholder Proposals, as Appropriate

The exclusion process changed dramatically in 2026 and litigation risk is real, but, despite those risks, companies should continue to consider exclusion of shareholder proposals where appropriate.

4 (Always) Mind the Ps and Qs of Procedural Challenges

Procedural challenges remain among the most popular and successful means to exclude shareholder proposals. With the Staff no longer responding substantively, be judicious about the challenges raised and be mindful to raise deficiencies in timely delivered deficiency notices that provide clear, plain-English explanations.

Gibson Dunn's lawyers are available to assist with any questions you may have regarding these developments. To learn more about these issues, please contact the Gibson Dunn lawyer with whom you usually work, or any of the following lawyers in the firm's Securities Regulation and Corporate Governance practice group:

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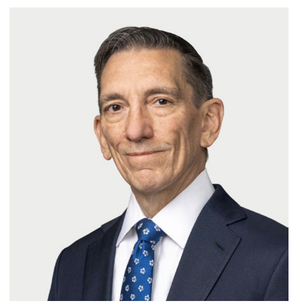

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Data on Exclusion Requests: For purposes of reporting statistics regarding exclusion requests, references to the 2026 proxy season refer to the period between October 1, 2025, and July 1, 2026. Data regarding no-action letter requests and responses was derived from the information available on the SEC's website.

Data on Shareholder Proposals: Unless otherwise noted, all data on shareholder proposals submitted, withdrawn and voted on (including proponent data) is derived from ISS publications and the ISS shareholder proposals and voting analytics databases, with only limited additional research and supplementation from additional sources, and generally includes proposals submitted and reported in these databases for the calendar year from January 1 through July 1, 2026, for annual meetings of shareholders at Russell 3000 companies held on or before July 1, 2026. The data for proposals withdrawn and voted on includes information reported in these databases for annual meetings of shareholders held through July 1, 2026. References in this alert to proposals "submitted" include shareholder proposals publicly disclosed or evidenced as having been delivered to a company, including those that have been voted on, excluded pursuant to a no-action request, or reported as having been withdrawn by the proponent, and do not include proposals that may have been delivered to a company and subsequently withdrawn without any public disclosure. All shareholder proposal data should be considered approximate. Voting results are reported on a votes-cast basis calculated under Rule 14a-8 (votes for or against) and without regard to whether the company's voting standards take into account the impact of abstentions. Where statistics are provided for 2025 or 2024, the data is for a comparable period in 2025 or 2024, as applicable.