BULLETIN
SEASON INSIGHTS

ISS GOVERNANCE

May 8, 2025

2025 Global Proxy Season Halftime Report Note

Contents

This note is based on the contents of the ISS 2025 Halftime Report podcast, released April 30, 2025

INTRODUCTION

This 2025 global proxy season halftime report covers current progress of the main Americas, Europe and Asia proxy seasons, detailing noteworthy developments and insights from the various proxy seasons thus far. Topics covered in the note include significant season trends to date as well as upcoming key meetings of focus for our clients. The note also includes a preview of the upcoming Japan main proxy season and a special update reviewing the recently concluded 2025 Korea proxy season.

North America

The 2025 Canadian season is approaching the halfway mark, while AGMs for more than half of Composite Index companies are in the rearview mirror, and the majority of large financials have already held their AGMs. The peak dates for companies in the energy sector will extend through the end of May.

In the U.S., as of April 30, ISS had published over 2350 meeting reports, including nearly 302 of the S&P 500, reaching well beyond the midpoint of the main U.S. proxy season, measured by volume of reports.

Canada

Many institutional investors and groups in Canada such as the Canadian Coalition for Good Governance (CCGG) have expressed discomfort with the prospect of virtual-only meetings becoming a permanent fixture, and this has largely been reflected in the early voting results this season. Following strong shareholder support in 2024 for shareholder proposals requesting companies hold in-person AGMs (with virtual options as a complement), only two companies have shareholder votes on such proposals in 2025, down from 16 in all of 2024. However, the proposal was withdrawn at eight companies in 2025, suggesting that some companies have resumed in-person AGMs. This trend toward in-person meetings is also evident in the broader market.

Meanwhile, shareholder proposals on climate change risks also persist at the 2025 AGMs, extending beyond major banks and financial institutions to include a number of non-financial companies as well. Amid voluntary climate-related reporting standards and ongoing regulatory changes in 2025, many Canadian firms are actively aligning with disclosure frameworks like the TCFD, which underpins both the IFRS S2 and Canadian Sustainability Disclosure Standards. According to ISS data, as of the first quarter of 2025, two-thirds of Canadian companies in the Composite Index were fully aligned with the TCFD framework, while the remaining one-third demonstrated at least partial alignment.

Canada executive compensation

To date, alignment between CEO pay and company performance appears to be improving in Canada. So far, no say-on-pay vote has failed; however, projecting the trend for the remainder of the season is challenging. In 2024, there were five failed MSOP resolutions–two of these failures were tied to proxy contests, while the remaining unsuccessful MSOP proposals at the 2024 AGMs were at **Open Text Corporation**, **Enerflex Ltd**., and **First Majestic Silver Corp**.

Enerflex the company engaged with shareholders following the negative vote in 2024 and responded to concerns by making changes to the performance metrics of full value awards and their overall compensation structure to better align with shareholders' interests. Enerflex's AGM will be held on May 7. First Majestic's meeting will take place at the end of May, while Open Text's meeting is expected to take place at the end of Q3.

Meeting in spotlight: Parkland Corporation

Canada is witnessing a third proxy battle in the last twelve-month period at a current or former S&P/TSX Composite Index company. Following fights at **Gildan Activewear** and **Dye & Durham** in 2024, **Parkland Corporation** now finds itself under fire from its largest shareholder, Simpson Oil, for issues identified with the company's strategy, financial results, and governance in recent years. The situation shares some parallels to the previous fights at Gildan and Dye, as all three contests involve CEO replacement, concerns about succession, and a dissident seeking majority board control as central themes. The dissident at Parkland, Simpson Oil, has also received public support from the same activist (Engine Capital) that ran a successful campaign for board control at Dye.

On April 16, Parkland announced its CEO would resign upon the conclusion of a new CEO search, the completion of a previously announced strategic review, or Dec. 31, 2025, whichever occurs first. Concurrently, the company's chairman was appointed executive chairman, and a separate board member was appointed lead independent director. Since then, Parkland's May 6 AGM has been cancelled and Parkland's board has unanimously approved an offer to be acquired by Sunoco in a cash and stock deal valuing Parkland at $44 per share, a deal Simpson Oil has criticized as a "last-ditch attempt" to retain control. Sunoco previously expressed interest in purchasing Parkland in 2023 for a reported $45 per share, but the offer was rejected by the board at that time. It should be recalled that Parkland's board had originally recommended support for ten management and three dissident nominees to form a temporarily expanded 13-member board to address the important matters of CEO succession and the strategic review. A new AGM is now scheduled for June 24.

United States

Governance shareholder proposals

After several years of mostly repeat proposals, two new types of governance shareholder proposals emerged in 2024, one seeking to require shareholder approval of director pay, and another seeking mandatory resignation of directors who fail to win majority support. However, these proposals received relatively low support. In 2025, there have been no further proposals on director pay; and, after a cluster of proposals on director resignation policies in January 2025, there have been no further proposals on the topic since.

In the proxies filed year to date, there were 22 shareholder proposals calling for an independent board chair, 30 proposals seeking elimination of supermajority vote requirements, nine shareholder proposals relating to action by written consent, and 57 proposals seeking to adopt or amend a special meeting right. In the past, most proposals to amend an existing special meeting right sought to lower the ownership threshold at which shareholders can exercise the right. But those proposals have rarely gained significant traction with investors, as companies with notably high thresholds tend to preemptively lower them by just enough to prevent the shareholder proposals from passing. This year, many of the proposals seek instead to eliminate the one-year holding period that many companies impose on shareholders seeking to call a special meeting. However, these have likewise failed to gain widespread support among investors.

Of the governance shareholder proposals that made it onto the ballot at US companies so far this year, nine proposals have passed on special meeting rights, board declassification and elimination of supermajority vote requirements. Many of the proposals passed overwhelmingly.

“DExit” and Delaware’s effort to stop it

Delaware has taken steps to amend its law to forestall what it feared would be a wave of companies moving out of the state in response to a couple of Chancery Court rulings that placed additional hurdles on companies with controlling shareholders. Those amendments were enacted in March 2025. Year to date, 15 companies have proposed to reincorporate out of Delaware, versus three moving into Delaware from other states. Eleven of those 15 companies are moving to Nevada, and one each to Florida, Indiana, Texas and the Cayman Islands. Some of the better-known companies leaving Delaware include **Simon Property Group**, **Trump Media & Technology**, and the four companies controlled by the Dolan family, including **AMC Networks** and **Madison Square Garden Sports**. However, **Meta Platforms**, which had publicly stated it was considering leaving Delaware, is not proposing a reincorporation at its upcoming shareholder meeting. That does not necessarily mean it will not move, however. It could very well follow the lead of **Dropbox** and accomplish the reincorporation via written consent, as it only needs the votes of CEO Mark Zuckerberg. That said, the company has not indicated any intention to do so.

Meanwhile in Texas, the state’s appeal as an incorporation destination has been limited by the availability of jury trials in its business court. It has been reported that Texas is reconsidering that issue. A "Version 2.0" of the Texas business court–excluding jury trials–is anticipated within the next one or two years.

Officer exculpation

There have been 114 officer exculpation proposals on ballots so far in the first half of 2025, slightly behind last year's pace. However, that number is expected to increase as more small- and mid-cap companies file their proxies. Most of those are Delaware companies seeking to provide exculpation to executive officers, but we have seen a few at companies in other states as well.

Proxy contests

Phillips 66 is still an active proxy contest, with a meeting date of May 21. Elliott Management has nominated four directors and is proposing a novel workaround to the classified board structure, which the company has repeatedly tried to eliminate only to be thwarted by the extremely high supermajority hurdle for charter amendments. Elliott's shareholder proposal calls on the company to adopt a policy whereby each incumbent director, including those with terms not set to expire, will submit a resignation letter effective at the next annual meeting, each year prior to the nomination of candidates for board election. The board would then nominate each director to replace himself or herself. But, the plan would only work if all the directors agree to do this every year.

Barring any late-breaking settlements, contested elections are also expected at **Tejon Ranch Company**, on May 13; **Quanterix Corp**, also on the 13th; **National Health Investors**, on May 21; and **Dynavax Technologies**, on June 11. On the other hand, the anticipated contest at **Kenvue** was settled, and the dissident nominees at **US Steel** have been withdrawn, so both of those meetings are now uncontested.

U.S. executive compensation

On the U.S. executive compensation front, through the first three weeks of April, there was only one say-on-pay failure in the Russell 3000 and only seven companies have received between 50 and 70 percent support for their say-on-pay proposals. If the trend continues, this would be back-to-back years with fewer companies receiving low support. Last year, this trend of fewer say-on-pay failures continued throughout the full year, but it remains to be seen whether this will continue through the full year again in 2025.

As for early trends, a number of companies are making a meaningful effort to reduce complexity in their pay programs, often in response to shareholder feedback. Some of these changes have happened at companies where they previously had a large number of incentive plan metrics or complex scorecards or multiple equity incentive vehicles.

This issue has emerged as a key area of focus for many institutional investors over the past year. In our engagements with several investors, they have expressed concern about what they perceive as unnecessarily complex pay programs and have indicated a desire for simplification in design and disclosure. It is, therefore, a positive development to see some companies beginning to make these changes.

U.S. meetings to watch

One interesting meeting to watch is at **GE Aerospace**, which launched as an independent, public company following the completion of the GE Vernova spin-off in 2024. It is worth recalling that in 2020, CEO Culp received a one-time $60 million performance equity award in connection with the extension of his employment agreement. At the time, many shareholders had concerns with the size and structure of the award, and the subsequent 2021 say-on-pay proposal failed. In 2024, the board has once again granted Culp a special one-time performance-based equity award in connection with the next employment agreement extension, this time with a grant value of approximately $49 million. Given that the 2021 amendment led to a failed vote, and now four years later they appear to have done something with striking similarities, some shareholders may wonder if their feedback to the board is being heard. The GE Aerospace AGM occurs on May 6th.

Another meeting to watch is at **Valero Energy**, which is also on May 6th. The company disclosed that the committee recently approved an amendment to Name Executive Officers' (NEOs) performance share awards (with respect to both 2025 awards *and* outstanding tranches of prior awards) to remove a vesting cap feature that would put a cap on awards that could vest when the company experiences negative shareholder returns. Interestingly, following a low say-on-pay vote in 2022, the company heard from shareholders that they wanted this feature, leading to its recent implementation in 2023. It is yet to be seen how shareholders will react to these changes, but it is worth noting the similarities between GE Aerospace and Valero, and how both appear to have done something that is perhaps not in-line with prior shareholder feedback following low say-on-pay support.

Finally, SOC Investment Group has launched a vote no campaign at **Amazon**, due to concerns surrounding their compensation practices. Amazon has a unique compensation structure that does not utilize an annual incentive, and typically only provides periodic time-vesting grants to most of its top executives. Amazon's AGM is on May 21st.

E&S shareholder proposals

ISS is currently tracking about 455 E&S-related shareholder proposals filed in the US so far this year. This year's filings seem to be on track to the lowest number of E&S proposals filed since 2020.

As of April 18th, the number of E&S proposals on ballot was significantly lower than last year, 180 compared to 299. And average support for E&S proposals that have been voted on through April 24th have dropped to 7.6 percent this year from 12.7 percent the same time last year.

The decrease in support is most likely the result of a mix of the continued rise of so-called "anti-ESG" proposals, which historically receive very low levels of support, and of fewer "pro-ESG" proposals getting on ballot this year. Last year, anti-ESG proposals accounted for approximately 20 percent of on-ballot proposals, while making up approximately 27 percent of on-ballot proposals this year. Nearly 45 percent of proposals that have already gone to vote this year are considered anti-ESG, and these proposals have received average support levels of 1.3 percent, which would largely explain the overall decrease in support. There are also improvements in company disclosures, and some of the proposals filed (both pro- and anti-ESG) have been considered overly prescriptive.

Shareholder proposals critical of ESG

The majority of so-called anti-ESG proposals are generally related to alleged or potential risks associated with discrimination, either due to DEI-related programs or religious and/or political discrimination in corporate activities, like charitable contributions. The proponents typically argue that companies may be implicated or at risk, following recent Supreme Court rulings, the President's Executive Orders at the beginning of 2025, and shifting consumer sentiment.

Some companies have received multiple proposals relating to discrimination, but from opposite ends of the DEI spectrum of views. For example, **Deere & Company** saw a proposal requesting a civil rights audit that was considered a pro-ESG proposal, while also receiving a separate proposal requesting a report on discrimination in charitable contributions, which was considered an anti-ESG proposal.

On environmental topics, the anti-ESG proposals have mainly focused on climate change, usually requesting reports on the risks to the company associated with voluntary emissions reductions or net zero activities, while some proponents have more explicitly requested that companies abandon their emissions goals entirely. These proposals have targeted various industries, including energy companies, utilities, consumer facing companies, and financial institutions. They often oppose the necessity of net zero by 2050 targets and argue that voluntary emissions targets and commitments, particularly with reference to Scope 3, do not consider the technological or financial feasibility of such targets. Notable examples include proposals at **Chevron Corporation** and **Conoco Phillips.**

Climate change shareholder proposals

As with previous years, climate change continues to be the most common proposal type for pro-ESG shareholder proposals. 71 proposals have been filed so far, with 38 having made it onto ballots.

A majority of these proposals are requesting that companies either disclose greenhouse gas emissions targets or plans and efforts to achieve reduction targets or carry out third-party assessments aimed at aligning targets with the Paris Agreement. To date, only the proposal at **Lennar Corporation** has gone to a vote. It garnered 10.8 percent support, which is noticeably lower than a similar proposal from the previous year that received 20.7 percent support. Noteworthy upcoming meetings include **PulteGroup, Inc.**, **Duke Energy**, and **PPL Corporation**.

In addition, several financial institutions have received proposals related to their energy supply ratios, similar to the financing ratio proposals seen in 2024. These proposals were again mainly filed by the New York City Comptroller and have made it onto the ballots of **Bank of America**, **Goldman Sachs**, **Wells Fargo**, and **Morgan Stanley**. The ratio is intended to compare financing in low-carbon energy to that in fossil-fuel energy and to provide investors information to assess a bank's net zero financing commitment relative to its financing of fossil fuels.

Social shareholder proposals

Proposals related to corporate political and lobbying activities remain an area of key interest to proponents, although early voting results suggest shareholders more broadly are less concerned than previously with lobbying activities specifically. Repeat proposals at **Carrier Global Corporation** and **L3Harris Technologies** received significantly less support in 2025 compared to 2024. However, the single political contributions proposal that has gone to vote at **Sonoco Products** received nearly 37 percent support, which is a slight uptick from an identical proposal last year at the company. Typically, these proposals request enhanced disclosure of a company's political activities but tend to focus on indirect lobbying and political contributions made through memberships in trade associations. So far, 63 political contributions and lobbying proposals have been filed, which is the second largest group of proposals this year, excluding anti-ESG proposals.

Other than emissions and political and/or lobbying proposals, it appears that human rights, human capital management, and health and safety are at the forefront of proponents' minds. While from a different perspective than some anti-ESG filers, some pro-ESG proponents remain concerned with the risks associated with discrimination, as evidenced by the 19 DEI-related proposals filed so far. These proposals generally request reporting on the effectiveness of diversity, equity, and inclusion efforts, although some civil rights audits have also been requested, like the proposal at Deere which received almost 30 percent support.

A number of consumer discretionary companies like **Coca-Cola**, **Pepsi**, **Yum! Brands**, and **Restaurant Brands International** have received various shareholder proposals related to health and safety. For 2025, some of these proposals are targeting antimicrobial use throughout supply chains and safety assessments of non-sugar sweeteners, which is a relatively novel topic.

The most popular proposal from this group remains human rights, with 29 filed or on ballot this year. These proposals target a wide array of industries, including financial services, healthcare, energy, industrials, and consumer discretionary. For example, proposals have been filed at **Lyft, Inc.** and **Alphabet Inc.** related to human rights risk associated with artificial intelligence. **Tesla, Inc.** and **Delta Airlines** have received repeat proposals from 2024 requesting the adoption of a non-interference policy respecting freedom of association. Also of prominence are proposals requesting human rights impact assessments, the adoption of human rights policies, and disclosure of a company's human rights due diligence process. Notable upcoming meetings include **Gilead Sciences** and **SkyWest, Inc.**

Europe

In late February, the European Commission released its Omnibus Simplification Package – a package that aims to boost Europe’s competitiveness by simplifying EU rules and by providing legal certainty to businesses. This two-part legislation is being fast-tracked.

One part of the package, the “stop-the-clock” mechanism, postpones certain corporate sustainability reporting as well as planned due diligence obligations. This part of the package was just recently approved by the European Parliament (as of 2nd April) and the European Council (as of 14th April); the upshot: significant disclosure obligations that European companies (so-called wave two and wave three companies) were facing for the 2025 proxy season have been delayed until 2027.

The second part of the omnibus package, the Content Directive, seeks to simplify the actual corporate sustainability reporting and due diligence requirements themselves (i.e. those under CSRD, CSDDD and EU Taxonomy). It should also be noted that, as part of this Omnibus regulatory simplification effort, smaller companies, those that are part of wave 3 companies i.e. listed small- and medium-sized enterprises (SMEs), are expected to be excluded from these reporting obligations entirely.

With respect to proxy season 2025, many large European companies that are part of the wave one group, as well as on a voluntary basis some wave 2 companies, are disclosing their sustainability practices in line with CSRD reporting guidelines, although current discussions regarding reduction in disclosure under the Content Directive continues to be a source of uncertainty for many companies. We will continue to monitor how company disclosures and practices may shift because of the current push for regulatory simplification.

France

Despite EU-level uncertainty regarding the level of sustainability disclosure expected of companies, current French law requires large companies listed on a regulated market with more than 500 employees to publish their first sustainability reports in 2025 (related to financial year 2024). Accordingly, in 2024, many companies had already submitted to shareholder approval the appointment of one or two auditors to certify their sustainability reporting.

This proxy season, most large French companies are publishing their first set of CSRD-aligned reports regarding their sustainability practices. So far, there have not been any cases where sustainability auditors identified any material errors, omissions or inconsistencies concerning the compliance of the sustainability report issued by companies. However, differing practices regarding the disclosure of fees paid to sustainability auditors have emerged, especially when the sustainability auditors are the same as a company's financial auditors. While some companies disclose fees separately, others have grouped them together in lump sum amounts, making it unclear how much CSRD-related fees the companies have paid their auditors.

Separately, since the adoption of the 2024 law tackling the issue of competitiveness in France, potential increases in new share capital issuance volumes as well as discounts in share issuance prices applicable to some categories of capital increases were anticipated. It should be noted that the 2024 law increased the maximum legal limit of certain types of new share issuances and offered full flexibility to companies to set the issuance price. To date, few large French companies have taken advantage of these new flexibilities. However, a more visible effect of this law, since the beginning of proxy season, has been the uptick in bylaw amendments to reflect some of the other flexibilities offered to companies. These bylaw modifications are mainly linked to the possibility of boards requesting written consultations from board members as well as the additional flexibility available to directors to attend board meetings virtually.

Remuneration policy votes in Europe

There have also been continued discussions across several European markets regarding the competitiveness of pay, particularly for globally operating companies. So far this year, there have been observable disclosure improvements across the continent. More specifically, many proposals to increase pay have been observed across Europe, in many instances using competitiveness as the rationale. Some of the proposed increases have been quite large too. These increases not only relate to scheduled adjustments, but also updates to peer benchmarking approaches increasingly including US peers resulting in upward adjustments. Specific examples of US focused and exclusive benchmarking were observed at Finnish telecom provider **Nokia** and Spanish swimming pool maker **Fluidra**, where their incoming CEOs have a US background. There is also a strong trend across many German companies to raise the total potential maximum compensation for executives. These increases, resulting from benchmarking against peers, are anticipated to lead to significantly higher overall total executive pay in Germany beginning in FY2025. Also, in Italy significant increases have been proposed, resulting in material shareholder dissent; for example, at **Unicredit** and **BFF Bank**. The remuneration report was rejected at the **Prysmian** AGM. Also, proposed increases at carmaker **Stellantis** for a CEO not yet in place resulted in only 35 percent of free float shareholders supporting the proposal.

There have also been shifts toward more flexible executive remuneration policies, allowing companies greater discretion in setting performance criteria, applying broad derogation clauses, and providing the ability to alter pay composition in the future. The diverse and growing set of discretionary awards being proposed, such as transaction bonuses and retention awards, continue to draw shareholder dissent across many companies in Europe. This added flexibility is coming at the cost of reduced transparency and predictability. In line with the increased discretion, there has also been an expansion of clawback clauses, particularly in the Netherlands, for compliance issues or 'unacceptable executive behaviour' in ensuring the company has increased control over payouts made, which might help in contentious situations.

In France, similar to last year, there are a considerable number of companies proposing to increase their executive remuneration packages. Yet, in many instances the rationales have not been considered sufficiently compelling, often due to poor or poorly explained peer benchmark selection. In fact, some companies select in their panel of peers, companies that are not necessarily comparable whether in terms of markets, capitalization, revenue or headcount. Even when companies have chosen appropriate comparable peers, the positioning of the executive remuneration package compared to peers does not necessarily justify the increase that the company is submitting for shareholder vote. We have yet to see if more companies will adopt this type of practice through the remainder of proxy season.

Virtual-only meetings

Shareholder meeting formats have remained a fiercely debated topic in Europe since the pandemic. In Germany in particular, There’s a widespread push for reauthorization of virtual AGM formats. However, companies that are not committing to any form of in-person meetings are receiving very low shareholder support on these resolutions, with some big names failing to receive shareholder approval, such as **Siemens** and **TUI**. This suggests that a return to at least some form of in-person AGMs appears increasingly likely. It will be especially interesting to watch how this unfolds as the German AGM season peaks in mid-May.

Separately in Italy, although there has been a slight decrease in virtual-only meetings, there were many completely closed-door AGMs shareholders were not able to attend at all, due to bylaw changes and emergency rule postponements. This trend is expected to continue, with no clear improvement in sight.

Executive remuneration in the U.K.

In terms of U.K. remuneration, more U.K. company remuneration discussions have centered on the global competitiveness debate, with some companies citing the US as their primary benchmark. Several FTSE 350 companies have proposed a "remuneration reset" with above-workforce, and significant salary increases based on international, often US, peers. These include at **Hikma Pharmaceuticals,** which has held its AGM; **Aviva,** which has a meeting date of 30 April**;** and, **Rio Tinto Plc,** which announced its vote results together with its Australia-listed entity on the 1st of May, reporting over 97 percent vote support.

At **Serco Group,** which had its AGM on the 24th of April; and **Unilever,** which has a meeting date of 30 April, the new CEOs were offered relatively high starting salaries, which are intended to be the basis for a "market competitive package". This resulted in a material level of dissent at Serco Group, with 20% votes against the remuneration report resolution.

Some companies have also proposed variable pay increases stating the competitiveness of pay with global peers, such as **Compass Group** and **British American Tobacco,** both of which already held their AGMs; and **GSK**, which has a meeting date of 7 May.

One company worth highlighting is **XP Power**, a company on the SmallCap Index, which had its remuneration report resolution narrowly defeated at its recent AGM.

There has also been the proposed introduction of hybrid LTI plans across various sectors, all with meeting dates in May. These include car manufacturer **Aston Martin,** which held its AGM on May 7th; hospitality company **InterContinental Hotel Group** on May 8th. Oil and gas exploration company **Harbour Energy** held its AGM on the 8th, while **Diversified Energy** will hold its meeting on the 10th of May; asset manager **St. James's Place** on May 13th; and medical supplier **Convatec Group** on May 22nd.

The U.K. banking sector

The Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) removed the previous "banker's bonus cap" which had restricted executive variable pay at banks to a maximum of 200% of fixed pay. In response, some major UK-listed banks are seeking approval for higher bonus and LTI opportunities under their policy proposals, such as **NatWest,** which had its AGM on the 23rd of April; **HSBC** on the 2nd of May; **Barclays** on May 7th; and **Standard Chartered** on May 8th. If approved, these will represent a significant shift in the pay approach from FY2025 onwards.

Other developments in the U.K. and Ireland

The activist NGO, ShareAction, submitted a proposal at **Next Plc,** with a meeting date of 15 May; as well as **Marks & Spencer** and **JD Sports,** which are both expected to be held in July. The ShareAction proposals are requesting further disclosure to assess these companies' approaches to human capital management, in line with the minimum wage vs living wage discussion at these retailers. The ISS report for the AGM of Next has been published, and those for Marks &Spencer and JD Sports are ones to watch in the coming months on this topic.

In terms of the Revised UK Investment Association Principles, which removed prior references to the 5% internal limit for discretionary share schemes, we have seen a number of companies proposing to remove this limit. In some cases, there was simply no mention of it under the proposed remuneration policy.

Lastly, in Ireland, some Irish ISEQ 20 companies have shift towards complying with the Irish Corporate Governance Code from FY2025 onwards. These include **Dalata Hotel Group** and **FBD Holdings,** which had meetings dates of 30 April and 8 May, respectively. One remuneration provision under the Irish Code is that share awards may have a total performance and holding period of three years, which is lagging compared to the UK practice of five years. No company has proposed a shift to this three-year total, but it could be a potential issue for next year's proxy season.

It is also noted that there are Article Amendments being proposed pursuant to the Irish Companies Act 2024.

Lastly, although this is not a trend, it is worth highlighting that Marks & Spencer was the target of a cyber-attack on April 1, raising awareness about cybersecurity risks and its impact on corporate governance.

Italy’s banking consolidation

With respect to Italy’s banking consolidation, various voting outcomes are already known, and it will be interesting to see how this chapter will evolve. All capital increases that were part of exchange/tender offers at large Italian financial companies were approved so far (at **Banco BPM, Unicredit, Banca Monte dei Paschi di Siena, BPER, Banca IFIS**).

The tender offer for **Anima** was also completed and **Banco BPM** now holds just below 90% of the outstanding shares, and did not reach the squeeze out threshold. The Italian government imposed some limitations on **UniCredit** (through its Golden power) with respect to the exchange offer for Banco BPM. UniCredit is assessing what to do next (they can potentially withdraw from the offer), also considering that Banco BPM will not benefit from the Danish compromise on Anima Holding.

Meanwhile, **Assicurazioni Generali**'s AGM took place on April 23, and **Mediobanca**'s list got the most votes. CEO Donnet and chair Sironi were, therefore, re-appointed. Now the focus is on Monte dei Paschi's offer for Mediobanca. Although, it was just announced that on April 28 Mediobanca launched an offer for Generali. The Italian government has been particularly active in this M&A saga.

Asia

Despite uncertainty from geopolitical tensions and economic volatility, governance processes across Asia ex-Japan are holding firm. In past crises—such as the Asian Financial Crisis or the pandemic—most companies decided to defer AGMs and resorted to EGMs for late-breaking decisions. But this year, our accumulated report data shows a continuation of AGM-centered governance. By Week 16, we have published over 5700 meetings, closely tracking pre-pandemic norms, without the cancellation of AGMs and rotation into EGMs seen during prior uncertainty peaks.

This is a strong signal that many boards are staying the course, and that AGMs remain the primary platform for shareholder oversight.

Shareholder activism

While activism was expected to increase in 2025, it has been more visible in headlines than in boardrooms and meeting agendas. However, a key pressure point is emerging. In uncertain environments, Asian boards often delay capex, postpone M&A, and tightly manage opex, leading to a build-up of unallocated capital on balance sheets.

At ISS, we hold the principle that boards are stewards of shareholder capital. If capital is not being deployed productively—or there's no clear, time-bound strategy to do so—it should be returned to shareholders. As we move into the second half of the year, investor scrutiny of board capital strategies is expected to become sharper, even if it remains quieter than outright activism.

Regulatory volatility

Regulatory volatility remains a key risk. In March, Indonesia reinstated rules allowing companies to conduct buybacks without shareholder approval, echoing pandemic-era measures.

It's a reminder that governance research and investor stewardship in Asia demands active tracking of not just company practices, but regulatory shifts as well.

China

Three important trends are emerging in China. First, there is an increase in proposals authorizing boards for interim dividend distributions. This signals a shift toward greater capital flexibility and responsiveness to shareholders. Second, companies are abolishing supervisory boards in line with new Company Law reforms. They are moving toward audit committee-led structures—bringing governance frameworks closer to a unitary board model. Third, companies with over 300 employees are adding employee-representative directors as part of the supervisory board transition. This reflects a broader shift toward embedding stakeholder voices into governance structures of Chinese companies.

Overall, China's season is less about confrontation and more about regulatory modernization and capital stewardship evolution.

Taiwan

Taiwan is particularly fast moving at present. The full integration of IFRS S1 and S2 standards is reshaping ESG disclosures—Scope 1, 2, and 3 emissions reporting is now mandatory for top companies.

Taiwan also now requires mandatory ESG compliance training for institutional investors and stewardship professionals—a rare move globally. This signals that stewardship is becoming institutionalized, not just encouraged.

Special update: 2024 Korea season

While meeting volumes were stable through Korean AGM season, the window available for investor consideration has compressed further. Over 80% of AGMs were held within the same three weeks—and 57% were clustered into the final two business days of March. This creates real governance and stewardship challenges. At a time when proposals involve many complex issues like capital allocation and ESG oversight, investors need time to engage meaningfully. But in Korea, they may be forced to vote on hundreds of meetings almost simultaneously, limiting informed decision-making. Even where procedures hold, Korean company disclosures are often not well-aligned with modern stewardship expectations.

Special Coverage: Upcoming Japan Main AGM Season

2025's peak Japan main season meeting date is expected to be Friday, June 27th, when a quarter of June annual meetings are expected to be held. The second busiest day is expected to be June 26th, followed by June 25th, and June 24th.

Japanese boards

Over the past several years, there has been a continuous increase in the number of outside directors, prompted by Japan's Corporate Governance Code. The Code recommends companies listed on the Tokyo Stock Exchange's Prime Market to have at least one-third independent board, and companies on TSE's Standard Market to appoint a minimum of two independent directors. Many Japanese companies are now in compliance with the Code. In fact, an increasing number of companies have appointed more outside directors beyond the Code's recommendations. At the close of Japan's March 2024 "mini-season," 46 percent of companies covered by ISS had boards composed of at least half outsiders. This represents a 5-percentage point increase from 41 percent as of March 2024, last year.

In terms of board gender diversity, a continued increase in the number of companies with female directors is expected. As of March this year, 77 percent of companies had at least one female director. This represents a 3-percentage point increase from a year earlier, which, by all accounts, represents a moderate upward trend. However, the number of companies with at least two female directors has increased from 26 percent last year to 36 percent this year. This 10-percentage point increase may illustrate that companies, which are keen to increase board gender diversity, are making progress.

Environmental shareholder proposals

One notable development during the 2025 Japan March "mini season" was the increased prevalence of environmental shareholder proposals. Environmental NGOs have submitted proposals calling for article amendments related to climate risk, transition plan, and financial impact. The proposals were submitted at banks; **Mitsubishi UFJ Financial Group, Sumitomo Mitsui Financial Group, and Mizuho Financial Group.** In addition, such proposals were submitted at **Chubu Electric Power** and general trading companies, which are **Mitsubishi Corporation, Mitsui & Co.**, and **Sumitomo Corporation.** Overall, there has been a growth in shareholder proposals on ballot. Last year, from January to June, we covered 414 shareholder proposals, most submitted at June meetings. A similar trend is expected this year.

Furthermore, many investors have been concerned about various allegations related to compliance issues. These include allegations of insider trading, market manipulation, client information handling, and human rights concerns. Therefore, many will be paying attention to the meetings of **Sumitomo Mitsui Trust Group**, **Mitsubishi UFJ Financial Group, Nomura Holdings, Japan Exchange Group, Japan Post Holdings,** and **Fuji Media Holdings.**

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