Labrador Transparency

2025 Proxy Trends with Insights for 2026

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Introduction

This season, Labrador Transparency's lead advisors – with an average of 20+ years of career experience with corporate disclosures and proxy statements – will be sharing **targeted insights to help you navigate the evolving proxy statement landscape**. Delivered as a **weekly series**, each piece will spotlight key trends, observations, and actionable elements to consider as you **prepare your 2026 proxy statement**.

2025 Proxy Season Takeaways

A Shifting Landscape

The 2025 proxy season unfolded against a **backdrop of significant political and regulatory change**. The new federal administration ushered in a recalibration of priorities.

In response to the changing political, legal and risk landscape, many companies **scaled back disclosures** related to Board diversity, human capital management (HCM), and ESG initiatives (including DEI). Regulatory guidance from the SEC triggered **evolution in investor policies and shareholder engagement**. Yet, amid this transformation, one theme remained constant: investors' unwavering **focus on Board accountability and governance**[2].

The outlook of this season underscores the **importance of effective disclosure on fundamental and long-established principles of corporate governance**.

Spotlight on governance proposals

Although there was a shift in E- and S-related shareholder proposals in 2025, shareholders displayed **increased attention to and support of** governance proposals.

185
governance-related proposals proceeded to a vote, slightly up from 183 during the previous year

51%
average support rate in 2025 vs 36% during the same period in 2024[3]

+ 15 pts
in support for governance-related proposals

43
of proposals passed vs 44 in 2024

[1] Labrador Transparency, To Say or Not to Say (and How to Say It): That is the DEI question facing companies in 2025, April 11, 2025
[2] Harvard Law School Forum on Corporate Governance, "2025 Proxy Season Review: Four Key Takeaways", August 6, 2025,
[3] Harvard Law School Forum on Corporate Governance, "2025 Proxy Season in Review", August 26, 2025

Key Trends and Insights

The following trends emerging from the 2025 proxy season will be covered by Labrador Transparency's lead advisors with accompanying insight and actionable advice in a weekly series:

Letters from Leadership

Substantive letters from Board and/or executive leadership continued to be a mainstream trend in 2025. When companies elect to include a message to shareholders in their proxy statements, **they must also decide the structure and authors of the letters**. Will there be one or two letters? From the full Board, Chair & CEO and/or Lead Independent Director? While there is no definitive approach, companies tend to maintain the same structure and authors year-over-year. A review of the Dow 30 shows that **changes to leadership letters' structure and authors in 2025 often followed a significant development,** such as CEO or Board leadership succession or a proxy fight.

ESG in Proxy Statements

In 2025, companies **reassessed ESG disclosures** amid growing polarization and regulatory shifts. Proxy statements reflected **diverse approaches**—from retaining ESG sections to renaming or removing them entirely. Despite reduced support for E- and S- related proposals, investors still prioritize financially material ESG issues like climate risk and cybersecurity.

Director Skills and Value Creation

While the 2025 proxy season did not see many high-profile proxy fights, activists remained busy pushing companies to effect change or risk a challenge at the proxy ballot box. Withhold/vote no campaigns against company nominees were increasingly used instead of shareholder proposals and expensive proxy solicitations. Companies choosing not to settle with activists need to convince their shareholders that their nominees are ideal to guide the company and advance a successful strategy. In 2025, companies facing activist challenges -- as well as those that did not -- **showcased the skills, expertise and engagement of their nominees (and entire Board) and the value they bring to the company**. These disclosures drill down to **show the critical link between directors and company strategy**, the Board's **constant focus on evolving necessary skill sets and expertise**, continuous **refreshment**, and **active, engaged and meaningful participation by each director**.

Different Approaches to Risk Oversight Disclosures

After becoming a hot topic several years ago, **risk oversight disclosures have largely settled into a standard format**: (a) a matrix showing Board/Committee oversight of key risks and the role of management, (b) a description of the company's enterprise risk management (ERM) program, and (c) deeper dives on the Board's oversight of more significant risks, including ESG-related risks. Some companies, however, **have refreshed their disclosures to better reflect the alignment between strategy, risk and sustainability**. Others **have moved away from the traditional Committee oversight matrix**, instead pointing to the section on Committee responsibilities or organizing their matrix by cross-functional Board/Committee oversight of key risks.

Board Oversight of Political Contributions and Activities

In 2025, investor **demand for transparency around corporate political activities** grew. Support for related shareholder proposals rose by 25%, signaling increased scrutiny and expectations for governance accountability. Companies responded by **enhancing Board oversight disclosures or creating standalone sections on political activity**. Many also linked political activity to governance practices and shareholder engagement.

Executive Security Disclosure

Executive security disclosures surged in 2025, driven by rising threats and investor scrutiny. Companies expanded protections, often citing risk assessments or external advice, while challenging SEC rules that classify security as a perquisite. Disclosures varied, with some firms adding new measures, others maintaining existing ones, and many **enhancing transparency**.

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Shareholder Engagement

Following the revised SEC guidance on beneficial ownership relationships, large investors adopted cautious "listen-only" engagement strategies in proxy season, prompting **companies to rethink relationship-building and stewardship communication**. More detailed outreach data, broadening the definitions of engagement and stakeholder, and offseason strategies are emerging as best practices to maintain transparency and investor trust.

Director Compensation

Director compensation disclosure may have been flying under the radar, but the recent Institutional Shareholder Services (ISS)-**proposed updates** to its US benchmark voting policies for the 2026 proxy season are reason to revisit your disclosures.

The updates follow the results of ISS' 2025 Global Benchmark Policy Survey in which ISS sought input from institutional investors, companies and other market constituents regarding potential areas for change. Included is a proposed update to its High Nonemployee Director Pay policy, which has been in effect since 2019. The update would allow for adverse vote recommendations for problematic or unreasonable pay in the first year of occurrence or in the event of a pattern identified across non-consecutive years. The disclosure of "compelling rationale" mitigates against an adverse recommendation.

Labrador Transparency

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