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2024 PROXY SEASON ROUNDUP – ENVIRONMENTAL PROPOSALS STILL A FOCUS FOR INVESTORS

Despite opposition to ESG-related proxy proposals in recent years, investors continue to advocate for meaningful disclosures and reform, particularly concerning environmental issues. The authors discuss recent successes by investors and challenges they continue to face. They close anticipating that shareholders will continue to advocate for governance regimes that align with their investment theses.

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PROXY SEASON OVERVIEW

Each year, investors of publicly traded companies have the opportunity to advocate for additional disclosures and a wide range of reforms through shareholder proxy proposals. Shareholder proposals that make it onto the ballot are then voted on during companies' annual shareholder meetings, which are typically held between March and June.

This year, investors submitted shareholder proposals in waves: nearly 1000 identified in 2024. Proxy proposals (and subsequent votes on those proposals) can be a good barometer for investor interests and priorities. In recent years, investor concern with environmental, social, and governance issues ("ESG") has been at the forefront. These proposals concern numerous issues, from greenhouse gas emissions and gender pay equity, to executive compensation. This year, we saw investors continue to demand corporate accountability, filing hundreds of ESG-related proxy proposals, including many focused on advancing environmental causes and enhancing related disclosures. In addition to pursuing these objectives through the proxy and voting process, institutional investors in particular continue to leverage

their significant role as stakeholders by engaging companies as partners, with the goal of improving key governance structures.

While some companies have demonstrated a willingness to work hand-in-hand with investors this year, we have seen other corporations take various steps to combat investor efforts, including by seeking relief from the SEC and in at least one case, pursuing litigation against shareholders who submitted proxy proposals.

Despite these challenges, we expect investors to continue to push for environmental disclosures and reform in the coming years. Institutional investors are especially well-placed, given their position as large shareholders, to advocate for corporate governance regimes that align with their priorities.

ENVIRONMENTAL PROPOSAL TRENDS IN RECENT YEARS AND SUCCESSES IN 2024

Following a groundswell of investor support for ESG causes, particularly in 2021, recent pushback by some dampened enthusiasm for those proxy proposals in 2022

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