



Boston Trust Walden

Principled Investing.

ESG IMPACT REPORT

Second Quarter 2025

2025 PROXY SEASON

Each year at company annual meetings, shareholders have the opportunity to vote on matters related to company policies, practices, and performance. Among those items voted upon are shareholder proposals focused on environmental, social, and governance (ESG) issues.

Amidst an increasingly challenging political and business environment, the number of shareholder proposals filed and going to vote during the 2025 proxy season notably declined.

Adding to the complexity of this year's proxy season was the SEC's unprecedented mid-season release of Staff Legal Bulletin No. 14M, a policy update intended to clarify standards by which companies can seek to omit shareholder proposals from the ballot.

Following several consecutive years of steady growth in shareholder proposal submissions from 2021 to 2024, the 2025 proxy season saw a notable shift, with the total volume of *filings* declining by more than 13% compared to the prior year.¹ As of June 27, nearly 462 shareholder proposals had been *voted on* at the annual meetings of Russell 3000[®] companies — a 23% decrease compared to the 599 proposals voted over the same period in 2024.²

While the number of proposals related to corporate governance modestly increased this season, those related to human capital management, social issues, and the environment have all seen a marked decline of 55%, 40%, and 19%, respectively.³ This decline may reflect a combination of factors, including reduced optimism about proposal success rates and the chilling effect of recent regulatory developments.

Not every shareholder proposal filed makes it to a company's proxy for a vote by shareholders. A record number of proposals were omitted this season — 180, compared to 136 in the prior year. This increase was largely driven by more companies seeking to omit resolutions via no-action relief from the SEC (325 this year, up from 251),⁴ potentially driven by an assumption of more business-friendly SEC staff following the November election. Despite the rise in no-action requests, the SEC's application of the revised guidance has not materially shifted outcomes to date. The SEC granted 55% of no-action requests in the 2025 proxy season, equal to the 55% rate in 2024.⁵

At the same time, significantly fewer proposals were withdrawn this proxy season (133 vs. 194 in 2024),⁶ the continuation of a trend from the 2024 season that suggests proponents and companies alike are navigating an increasingly less predictable and more contested environment.

In addition to overall submissions dropping, so too did overall support for shareholder proposals. Yet, these headline figures are partially distorted by the continued rise of ESG counterproposals that now account for over 15% of all proposals filed, up from just 3% in 2021,⁷ and consistently receive less than 3% average support.⁸ Despite seeking actions antithetical to the objectives of traditional ESG-related proposals, these are often grouped together. As a result, overarching support for proposals focused on environmental issues fell from 18% to 10%, social issues from 15% to 12%, and human capital management from 15% to 9%. Governance-related proposals, by contrast, held steady at 39%⁹ — largely because the proponents of ESG counterproposals tend to be less active in governance-related filings.

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Proxy Season Trends in Focus

CORPORATE GOVERNANCE TAKES CENTER STAGE

Resolutions focused on corporate governance made up a larger proportion of total filings than in prior seasons and continued to garner solid support.

Year to year, governance proposals are the most likely to proceed to a shareholder vote. This remained consistent in the 2025 proxy season, though we did observe a noticeable shift in the subject matter. The 2024 proxy season featured proposals addressing majority vote standards and the separation of board chair and CEO roles. Whereas, in 2025, we observed a notable spike in the volume of proposals urging companies to reduce barriers to better enable shareholders to call special meetings. To date, these resolutions average about 40% shareholder support, largely consistent with levels of support from prior years.¹⁰ This



suggests that investors' focus on robust shareholder rights remains strong during a period of political and economic uncertainty.

So far this proxy season, 25 shareholder proposals have secured majority support. Of these, 22 focused on governance reforms — specifically, eliminating supermajority voting requirements, transitioning to annual board elections, and expanding shareholder rights to call special meetings.¹¹

POLITICAL SPENDING REMAINS A LEADING SHAREHOLDER CONCERN

Historically, political spending and lobbying transparency have been among the most frequently addressed topics in shareholder proposals. In the 2025 proxy season, the overall volume of such proposals declined to just 22, down from 44 in 2024. This drop can be attributed to an uptick in successful no-action requests: 20 proposals in this category were excluded from proxy ballots in the first half of 2025, compared to only three during the same period last year.¹² The proposals that did make it to a vote, however, were among those ESG-related proposals with the strongest shareholder support. On average, proposals requesting increased transparency of corporate political spending activity garnered nearly 40% support — and three proposals received majority support.¹³

The rise in successful omissions is largely tied to a significant shift in SEC precedent in November 2024 when a company succeeded in excluding a proposal that called for disclosure of company policies on both direct and indirect lobbying activities, including payments to trade associations that lobby on the company's behalf. Despite years of failed attempts to omit similar proposals from company ballots, the SEC's break from prior rulings led to a cascade of no-action requests and a swath of omissions on a previously acceptable topic.

ESG COUNTERPROPOSALS CONTINUE TO MUDDY THE WATERS

Continuing a trend observed in recent years, the 2025 proxy season saw a continued rise in ESG counterproposals — those aimed at challenging or rolling back the advancement of policies and initiatives to effectively manage ESG risks and opportunities. A total of 131 ESG counterproposals were submitted year-to-date, representing a 14% increase over the full 2024 season and a 39% jump compared to 2023.¹⁴ These proposals now comprise over 15% of all shareholder submissions, up significantly from just 3% in 2021.¹⁵ Despite this growth in volume, shareholder support remains minimal, with an average support level of only 2.7%.¹⁶

The rise in anti-ESG proposals has served to drive down overall shareholder support for ESG-related proposals, with average backing for environmental, social, and human capital issues continuing to decline year over year. This trend has also fueled criticism that the shareholder proposal process is being used to advance political agendas rather than focus on long-term corporate value creation.

BOSTON TRUST WALDEN'S APPROACH

Each year at company annual meetings, stockholders are offered the opportunity to consider both management and shareholder-sponsored proposals across a broad range of topics. Our goal is to represent and vote proxies in the best long-term interest of our clients, exercising care, skill, prudence, and diligence.

Boston Trust Walden's approach to proxy voting is guided by three key principles:

- **Value Creation** – Our evaluation of each ballot item is grounded in the merit of each request and whether such actions are likely to foster the creation of long-term shareholder value for clients. As long-term investors, we employ an extended time horizon when assessing the prospects for value creation and believe a company is best positioned for sustained success when it proactively seeks to evaluate and manage issues that could erode future value or unlock new sources of growth.
- **Transparency** – Enhanced corporate transparency enables more informed investment decision-making for our clients by enabling a deeper understanding of a company's governance, strategy, and risk profile. Robust disclosures are essential to ensure companies are effectively managing the business, including material ESG risks and opportunities, in support of long-term value creation for shareholders.
- **Accountability** – The protection and advancement of shareholder rights is central to the ability of investors to hold corporate boards and executives responsible for actions that may be misaligned with the interests of long-term shareholders. Poor corporate governance structures can be barriers to effective shareholder oversight and reduce the incentive for management and boards to be responsive to investor concerns. In addition, clear evidence of effective board oversight of management can serve as a marker of strong corporate governance and better ensure strategy is aligned with the interests of long-term shareholders.

Of the 148 shareholder proposals observed at portfolio companies during the 2025 proxy season, we supported approximately 47%, reflecting our process to carefully consider individual proposals and evaluate the merit of each request in addressing significant risks and opportunities and fostering the creation of long-term shareholder value.

BOSTON TRUST WALDEN ON CAPITOL HILL

We believe clear and consistent public policy and regulation are vital to advancing corporate transparency and accountability, enabling a comprehensive evaluation of financial risks and opportunities, and maintaining the systems that allow for constructive and effective engagement between companies and investors. This is why we engage policymakers at the state, national, and international levels on issues of relevance to investors, including strengthening corporate disclosures and protecting shareholder rights.

In June 2025, Boston Trust Walden met on Capitol Hill with representatives of the US House and Senate to share our multidecadal experience integrating ESG-related risks and opportunities into our evaluation of corporate financial performance and overall financial quality. Meeting with representatives from the Senate Banking Committee and House Financial Services Committee, we focused discussion on two issues of priority: financial materiality of ESG risks and opportunities and shareholder rights. We emphasized the importance of investors maintaining the ability to consider potentially material or significant factors — including environmental, social, and governance factors — to inform our understanding of potential financial outcomes. We also shared our perspective of shareholder rights as long-term active owners, describing how Boston Trust Walden engages companies with the goal of strengthening business systems and risk management, improving enterprise resilience, and growing long-term shareholder value.

In the year ahead, Boston Trust Walden will continue to seek opportunities for constructive engagement with policymakers and regulators; furthering our efforts to advance corporate disclosure standards and protect our rights as shareowners to engage with companies on issues of governance and long-term value creation.



ENDNOTES

- ¹ ISS STOXX 2025 U.S. Proxy Season. <https://corpgov.law.harvard.edu/2025/05/26/2025-u-s-proxy-season-midseason-review-finds-sharp-drop-in-shareholder-resolutions-on-ballot/>
- ² The Conference Board Proxy Voting Weekly Digest (7/2/25)
- ³ Ibid.
- ⁴ Ibid.
- ⁵ Ibid.
- ⁶ Ibid.
- ⁷ ISS STOXX 2025 U.S. Proxy Season. <https://corpgov.law.harvard.edu/2025/05/26/2025-u-s-proxy-season-midseason-review-finds-sharp-drop-in-shareholder-resolutions-on-ballot/>
- ⁸ Georgeson. An early look at the 2025 proxy season. <https://www.georgeson.com/us/insights/2025-proxy-season-early-look>
- ⁹ The Conference Board Proxy Voting Weekly Digest (7/2/25)
- ¹⁰ ISS STOXX 2025 U.S. Proxy Season. <https://corpgov.law.harvard.edu/2025/05/26/2025-u-s-proxy-season-midseason-review-finds-sharp-drop-in-shareholder-resolutions-on-ballot/>
- ¹¹ Ibid.
- ¹² Ibid.
- ¹³ BoardroomAlpha Update on 2025 DEI/ESG Shareholder Proposal Results. <https://www.boardroomalpha.com/update-on-2025-dei-esg-shareholder-proposal-results-proxy-season-2025/>
- ¹⁴ Georgeson. An early look at the 2025 proxy season. <https://www.georgeson.com/us/insights/2025-proxy-season-early-look>
- ¹⁵ ISS STOXX 2025 U.S. Proxy Season. <https://corpgov.law.harvard.edu/2025/05/26/2025-u-s-proxy-season-midseason-review-finds-sharp-drop-in-shareholder-resolutions-on-ballot/>
- ¹⁶ Georgeson. An early look at the 2025 proxy season. <https://www.georgeson.com/us/insights/2025-proxy-season-early-look>