

# Investor Dissatisfaction with Boards Grows, New ProxyPulse Report Reveals

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NEW YORK, Sept. 20, 2023 /PRNewswire/ -- Shareholders sent strong signals to management and activists alike: more directors failed to attain majority support and the average support for environmental and social proposals fell as well, according to the **ProxyPulse™ report released today** by global Fintech leader, **Broadridge Financial Solutions, Inc.** (NYSE:BR). At the same time, growing numbers of individual investors entered the market.

"Shareholder support was at a 5-year low for management and shareholder proposals alike," said Chuck Callan, Broadridge SVP Regulatory Affairs, a co-author of the report. "The proportion of company shares held by individual investors rose to 31.5%, the highest in 5 years, and more of them are voting."

Specifically, the data show that:

- Expectations of Directors Are Increasing: 654 directors failed to attain majority support, the greatest number in five years.
- Support Has Declined for Say-on-Pay: Support for Say-on-Pay proposals (at 86.3% on average) was the lowest in five years.
- More Shareholder Proposals and Less Support: While there were more shareholder proposals (588) than at any time over the past five years, shareholder support fell to 24.6% on average (a 10-percentage point drop from last season).
- The Climate Has Cooled for ESG: Support for environmental and social proposals decreased to 25.5%, on average, from 30% the prior season and was the lowest in five years.
- More Retail Investors Are Finding Their Voice: Voting participation by individual shareholders increased to 29.6% from 29.4% last year.

The 2023 Proxy season was notable as well for the continued wide divergence in voting sentiment between individual and institutional shareholders. Individual investors cast only 16% of their votes in favor of environmental and social proposals while institutions cast 25.5% in favor.

## Preference for Virtual Shareholder Meetings Remains High

Companies and shareholders continue to realize the benefits of online meetings and technology continues to advance the trend. The number of virtual-only meetings was close to the all-time high at the height of the pandemic, and few companies are returning to in-person only meeting format.

In the first six months of 2023, there were 1,815 "virtual only" meetings, close to the all-time during the pandemic (1,832 in 2022 and 1,891 in 2021).

The Broadridge ProxyPulse™ report highlights voting trends over the past five proxy seasons. **Download the full report.**

### About ProxyPulse

ProxyPulse™ is based in part on analysis of company Form 8-K filings from EDGAR and Broadridge's processing of shares held in street name, which processes over 750 million equity positions. Shareholder voting trends during the proxy season represent a snapshot in time and may not be predictive of full-year results.

### About Broadridge

Broadridge Financial Solutions (NYSE: BR), a global Fintech leader with over \$6 billion in revenues, provides the critical infrastructure that powers investing, corporate governance, and communications to enable better financial lives. We deliver technology-driven solutions that drive business transformation for banks, broker-dealers, asset and wealth managers and public companies. Broadridge's infrastructure serves as a global communications hub enabling corporate governance by linking thousands of public companies and mutual funds to tens of millions of individual and institutional investors around the world. Our technology and operations platforms underpin the daily trading of more than \$10 trillion of equities, fixed income and other securities globally. A certified Great Place to Work®, Broadridge is part of the S&P 500® Index, employing over 14,000 associates in 21 countries. For more information about us, please visit **[broadridge.com](https://www.broadridge.com)**.

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