



Diligent Market Intelligence

Proxy Season Review 2025

In association with

OLSHAN
OLSHAN FROME WOLOSKY LLP



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Proxy Season Review 2025

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Editor's foreword



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It is difficult to recall a more eventful or unconventional proxy season since the first year of the pandemic. It also feels very much like an inflection point, with the potential for a whole sweep of changes to the landscape.

Regulatory change was front and center, with new Securities and Exchange (SEC) guidance on Schedule 13D eligibility and significant reinterpretations of no-action relief rules for shareholder proposals, both of which had visible impacts on shareholder engagement. At the same time, antitrust and financing uncertainties cooled the long-forecast wave of deal-driven activism. The uncertainty was amplified by April's Liberation Day, when the abrupt introduction of sweeping tariffs upended investor expectations. A remarkable bout of market dislocation ensued, only to be followed by a sharp and robust recovery. For boards, advisors, and investors alike, the sense was of "weeks that felt like years," as several participants in one of our webinars put it.

This volatility forced adjustments in the tactical battle over board seats. Over 90% of seats gained by activists at U.S.-based companies were through settlements, the highest proportion in five years and many of them achieved at speed. Yet, even as settlements proliferated, we saw full-contest fights from large activists with histories of settling. First U.S. proxy fights by Elliott Management, Mantle Ridge, and HG Vora underscored this point.

Meanwhile, withhold campaigns emerged as a powerful alternative. In some cases, these point directly to full-blown proxy fights next year; in others, they signaled targeted pressure for governance enhancements.

Another major theme in the first half of 2025 has been the rollback in diversity, equity, and inclusion (DEI) initiatives. The White House's executive order led to a retreat from previous DEI voting guidelines, and the annual index for female director appointments reflected a stalling in progress at many companies. Boards facing more volatile and complex market conditions often prioritized candidates with C-suite expertise

over traditional diversity targets. I would be surprised if external pressure to restore momentum in board diversity doesn't reemerge if the trend carries into another season, even as institutional investors navigate tough restrictions on their advocacy and director reelection support ticked up.

Executive compensation proved less contentious than many expected, despite another record-breaking year for CEO pay. Median compensation for S&P 500 leaders reached \$17.2 million, but "say on pay" support held steady, a testament to efforts to harmonize plan design and explain outcomes to investors. Consultants fear that the homogenization of pay plans is hurting company strategy, however. The scale of analysis required for investors and proxy advisors works against diversification of plan design but again, this area of stewardship seems ripe for disruption by a strong-willed asset manager.

The common thread through this intricate season was the sheer unpredictability of markets. Volatility tested board resilience, heightened the value of experience, and elevated the stakes of engagement for all market participants. Boards and their advisors increasingly relied on real-time data, analytics, and tactical benchmarking to anticipate vote dynamics and activist positioning.

Diligent Market Intelligence is proud to be the most comprehensive source for governance and shareholder engagement insights worldwide and we hope this Review gives you food for thought as you plan for next proxy season. We recently expanded our coverage of stewardship themes and objectives, and introduced The Proxy Pulse, a newsletter specifically for stewardship teams. If you would like to receive it, email dmi.info@diligent.com. As the year progresses, we look forward to bringing you even more timely analysis, including our annual reports on Europe and Investor Stewardship following the latest voting data updates.

Thank you for reading.

Guest foreword



Andrew Freedman

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The first half of 2025 demonstrated the continued strength of shareholder activism even in the face of uncertainty in the market, writes Andrew Freedman, chair of the shareholder activism practice group at Olshan.

Globally, activists advanced demands at 735 companies in the first half of 2025, down modestly from the 760 targeted over the same period in 2024, but largely in line with activity in recent years, according to Diligent. The period was marked by notable campaigns seeking to remedy lackluster corporate performance and execution with board change and improved strategy.

While settlements remain prevalent and resulted in the lion's share of board seats for activists during the period, for the first time since the introduction of the universal proxy rules in late 2022, the overall number of settlement agreements declined year-over-year, dropping approximately 3% in the U.S. and 7% globally when compared to the same period in 2024, Diligent found. This

“ The 2025 proxy season made clear that activists will not sit on the sidelines waiting for more ideal economic conditions. ”

shift may signal that activists are increasingly confident in pursuing shareholder votes, reflecting greater support for their agendas among investors.

Among campaigns that went the distance, Elliott Management's push at Phillips 66 marked the prolific investor's first U.S. campaign to go to a vote in its storied history. With four seats up for election due to Phillips 66's staggered board structure, shareholders elected two of Elliott's nominees, resulting in meaningful change to the board and showing strong support for Elliott's platform.

A hard-fought campaign at Ionic Digital led to a rare and consequential court ruling. After a group of stockholders nominated two directors for election, Ionic responded

with a series of aggressive defensive maneuvers, including rejecting the nomination on technical grounds, shrinking the board, and accelerating the annual meeting. In response, stockholders took legal action in the Delaware Court of Chancery to protect their rights. The court ultimately sided with the stockholders, finding the board had breached its fiduciary duties and ordering a sweeping remedy: reinstating the eliminated board seat, reopening the nomination window, and delaying the annual meeting to enable a fair contest. This marked the first time in decades that a Delaware court granted such relief in a shareholder activism context, sending a warning to boards contemplating procedural gamesmanship in future campaigns.

“Withhold” campaigns garnered significant attention in 2025, highlighting the strategy’s utility in the activist investor toolkit. Diligent tracked 33 withhold campaigns in the 12 months leading up to June 2025, a notable increase from 23 the year prior. H Partners, known for its influential 2015 “vote no” campaign at Tempur Sealy, returned to the withhold playbook at Harley-Davidson, urging shareholders to withhold support from CEO and Chair Jochen Zeitz and two additional directors. While the company’s nominees were narrowly reelected, Diligent noted that nearly half of the shares voted to withhold, including almost 90% of non-passive institutional shares, a sharp rebuke that forced the company to address H Partners’ governance concerns. Ancora Advisors also led a successful withhold campaign at Forward Air, resulting in the resignation of three directors.

“ Withhold campaigns garnered significant attention in 2025, highlighting the strategy’s utility in the activist investor toolkit. ”

Investors also increased scrutiny on classified boards in 2025, as shareholders continued to push for annual director elections as a pillar of healthy corporate governance and accountability. Elliott’s campaign at Phillips 66, in particular, spotlighted the issue. Responding to the repeated failure of Phillips 66 to declassify its board by passing a charter amendment, which requires support of 80% of the shares outstanding, Elliott submitted an innovative proposal urging the board to adopt a non-binding governance policy that would have directors voluntarily stand for annual election. While the proposal did not receive majority support, it drew attention to the disfavored corporate governance structure and the negative attention it poses to boards.

The 2025 proxy season made clear that activists will not sit on the sidelines waiting for more ideal economic conditions and are willing to commit substantial time and resources to drive results. Boards should stay prepared to respond to well-crafted demands and sharp strategies, underscored by an unwavering focus on performance and accountability.

Executive summary

1. Despite a decline in the overall number of board representation demands at U.S.-based companies amid looming tariffs and changes to trade policy, activists had one of their most successful first halves for board gains since 2022 as they shifted strategy to secure 112 seats.
2. Over 90% of seats secured by activists at U.S.-based companies in the opening half of 2025 were won via settlement, the highest proportion of seats achieved through the method in the last five years and with many reached at a faster pace.
3. Amid an evolving regulatory and political landscape, the volume of both pro and anti-ESG shareholder proposals hit a record low with support for environmental and social-themed demands declining to 11% and investor backing for anti-ESG resolutions falling to 1.4%.
4. Median CEO compensation in the S&P 500 saw an 8% year-on-year increase to reach \$17.2 million while also managing to maintain steady support from investors due to pay plan design.
5. Short sellers published reports on 60 companies globally in the opening half of the year with AI-focused stocks proving a popular draw and with U.S. targets accounting for 87% of all activity as the market grows increasingly more favorable.

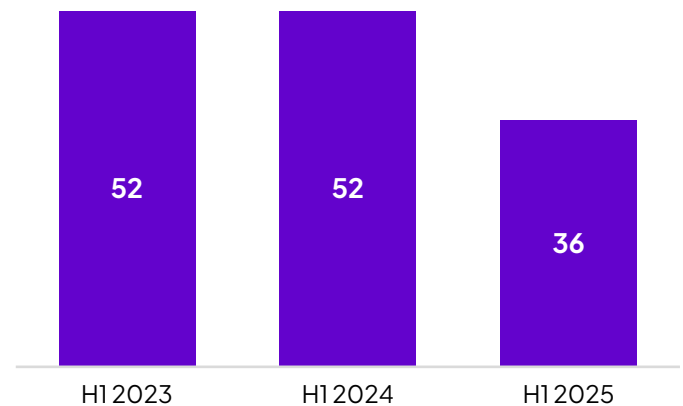
Activism infographics

No companies publicly subjected to activist demands by region, half year

Region	H1 2022	H1 2023	H1 2024	H1 2025
US	405	414	466	445
Asia	146	169	158	163
Europe (including UK)	102	95	56	61
Canada	37	47	43	34
Australasia	27	23	25	25
Other	13	6	12	7
Total	730	754	760	735

Source: Diligent Market Intelligence / Activism

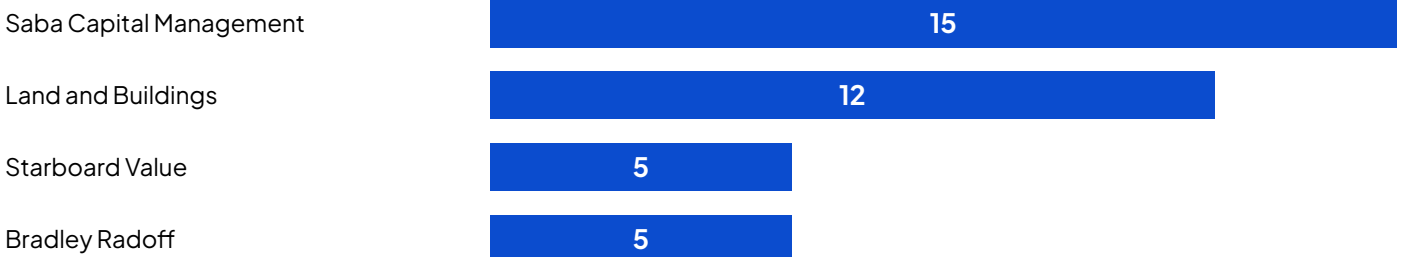
No. of resolved proxy contests globally, by outcome period



Source: Diligent Market Intelligence / Activism

Top activists by region, by no. companies targeted in H1

US



Europe (including UK)



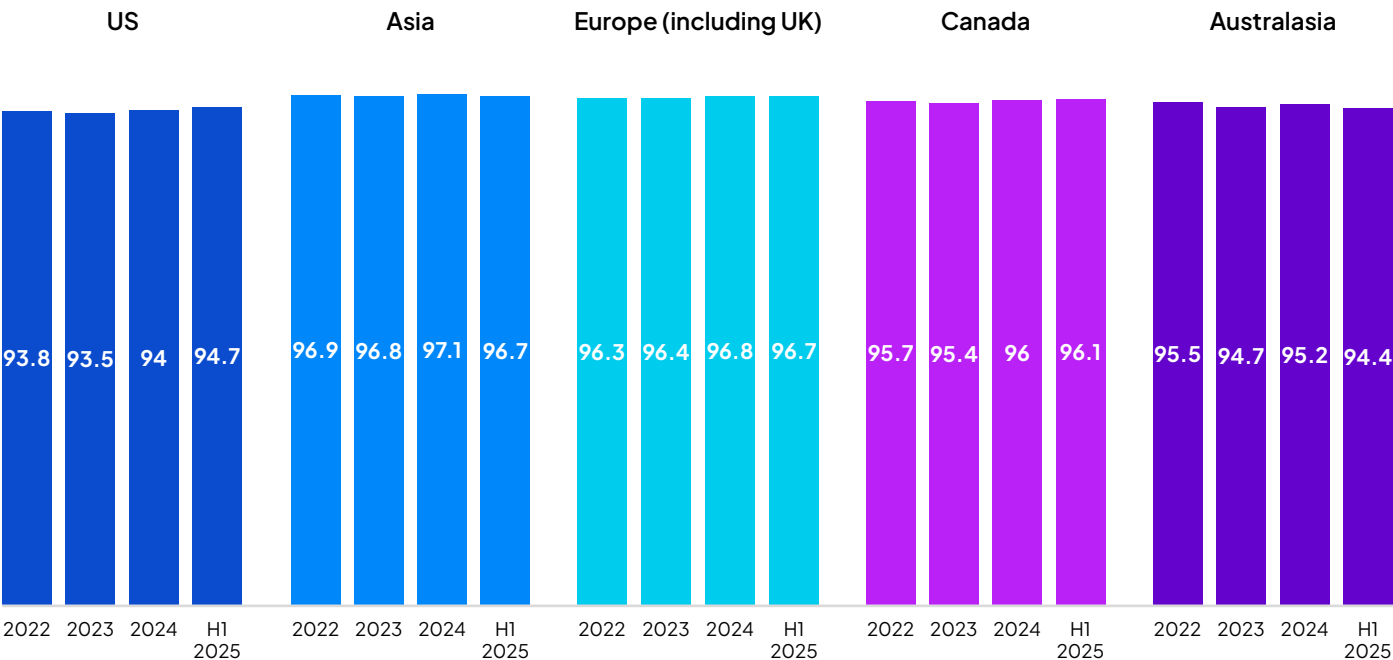
Asia



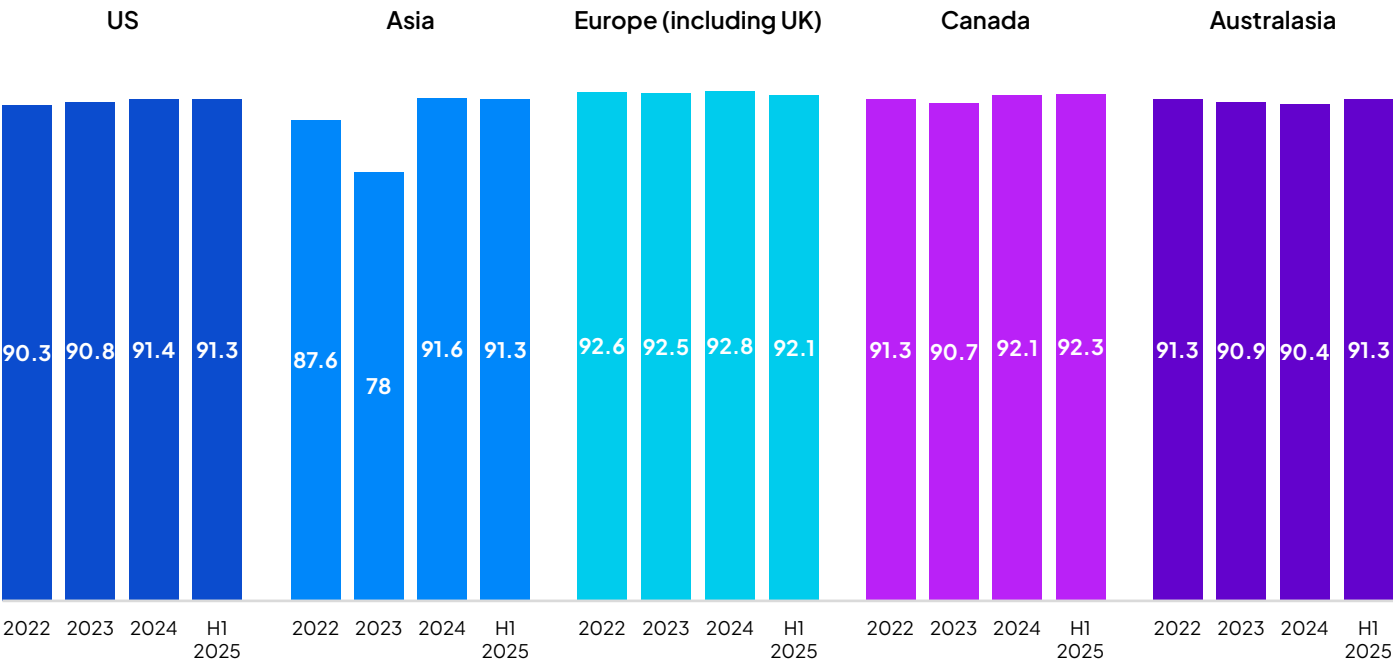
*Based on primary and partial-focus activists

Source: Diligent Market Intelligence / Activism

Average support (%) for director reelection proposals by region, year



Average support for “say on pay” / remuneration report proposals by region, year



Source: Diligent Market Intelligence / Voting

Activists find winning strategy in surprise first half

Activist investors adopted a new strategy to find success in 2025, even as overall campaign volumes moderated and macroeconomic uncertainty disrupted markets, writes Jason Booth.



U.S.-based activists in particular achieved an uptick in success rates amid the turbulence sparked by U.S. President Donald Trump's trade war and policy shift, with many adopting new tactics and advancing stronger director candidates to achieve their desired objectives.

While the volume of seats gained by activists globally saw an 11% decline in the first half of 2025, activists operating in the U.S. won 112 board seats, up from 101 in the same period in 2024, making it the most successful start to a year for board gains since 2022. Out of the 91-board representation demands advanced at U.S.-based targets in the first half of the year, activists secured at least one seat in 64 cases, or roughly 70% of the time. That compares with a 53% success rate at securing at least one seat over the same period in 2024 when there were 118 board representation demands. Globally, the success rate for activists winning at least one board seat was 55% in the first half of 2025.

“ Activists are getting better. The quality of who they're nominating and the strategy with which they nominate has become better and more sophisticated. ”

Although the volume of U.S.-focused board representation demands fell by almost 23% in the first half when compared to the same period last year, many industry experts told DMI that those that did advance were of high quality and delivered with conviction.

“The activists are getting better,” said Jim Rossman, global head of shareholder advisory at Barclays. “The quality of who they're nominating and the strategy with which they nominate has become better and more sophisticated.”

Going the distance

Of the 112 U.S. board seats won in H1, 103 or 92% were achieved via negotiated agreements – the highest proportion of seats won through settlement in the last five years over the same period. Market uncertainty may also have prompted both companies and activists to reach settlements at a faster pace. According to DMI's settlement tool, the average time taken to settle a campaign for board seats at U.S.-based companies dropped from 19 days in the opening quarter of 2025 to 16.5 days by quarter two, compared to 26 days in the second quarter of 2024.

Outside of settlements, only nine seats were won through contested votes, compared to 14 secured through such votes in the same period in both 2024 and 2023.

However, despite the drop-off in the volume of votes, the first half saw activists that typically seek settlements persevere to bring high-conviction campaigns all the way to shareholders for decision.

Elliott Management's proxy fight at Phillips 66 was one and marked the firm's first such contest in the U.S. to continue to a vote, underscoring its willingness to go the distance.

Pete Michelsen, who heads the activism and shareholder advisory business at investment bank Qatalyst Partners, noted that while Elliott only secured two of its four nominees, the campaign reflected a broader tension between activist conviction and institutional investor caution. “That was a fascinating situation,” he told DMI. “Elliott probably ran the table on a lot of the fundamental investors but Phillips 66 mounted a pretty effective defense.”

Activist Mantle Ridge also opted to stay the course and take a campaign all the way to a vote for the first time in a contest that saw Air Products shareholders elect three of its four director nominees, including the firm's CEO Paul Hilal.

Withhold campaigns

One of the surprise developments of the season saw activists revise their playbook to hold directors to account with less costly withhold or “vote-no” campaigns.

H Partners was one of many to deploy such a campaign when it pushed for a withhold vote at Harley-Davidson targeting CEO Jochen Zeitz and long-tenured directors Norman Linebarger and Sara Levinson. While all the directors were reappointed, H Partners noted that nearly half the shares voted withheld on the three targeted directors, along with almost 90% of actively held shares. The company subsequently announced that the three directors would resign from the board before the 2026 annual meeting and that it will appoint a new, external CEO – giving the activist what it wanted, albeit on a delayed timeline.

Darren Novak, global co-head of shareholder engagement at JP Morgan, noted that withhold campaigns are becoming a more common activist weapon and could do huge reputational damage. “It seems less aggressive to the company and publicly,” he said. “But let's be clear – it is highly, highly aggressive.”

Top Demands

Governance remained the top priority for activists globally, with 226 governance-related demands made in the U.S. during the first half of the year, up from 193 in the same period in 2024. Personnel removal also climbed, with 50 demands in the U.S. and 47 in Asia, both rising year over year. Meanwhile, calls for changes in capital structure and executive compensation remained common.

“There’s been a massive increase in activist outreach since Liberation Day. They’re digging in, taking positions below the disclosure threshold.”

Although the wave of M&A-driven activism predicted by many at the start of the year did not materialize due to the impact of tariffs and changes to trade policy, dealmaking stayed in focus with 30 such demands advanced in the U.S., flat on the same period last year, while moves to oppose such transactions increased by over 60%.

“We entered 2025 with an M&A environment that appeared much more favorable than in prior years,” Michelsen said. “What we found – at least in the first half of the year – is that momentum has been somewhat constrained because there’s so much uncertainty.”

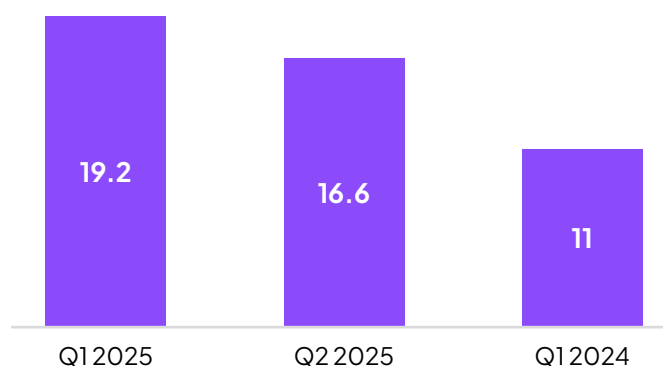
With activists laying the groundwork and engagement heating up, the stage is set for a lively back half and 2026.

“There’s been a massive increase in activist outreach since Liberation Day,” Novak said. “They’re digging in, taking positions below the disclosure threshold. So I think we’ll see an uptick in terms of public demands as we get into the second half.”

No. seats gained by activists at US targets by method

	H1 2022	H1 2023	H1 2024	H1 2025
Settlement	91	86	87	103
Vote	22	14	14	9
Total	113	100	101	112

Time to settle a campaign for board seats at US company targets, by average no. of days



Source: Diligent Market Intelligence / Activism

Demand type breakdown of US companies publicly subjected to activist demands

Demand group	H1 2022	H1 2023	H1 2024	H1 2025
Appoint personnel	93	92	114	101
Capital structure	14	11	10	16
Divestiture	9	11	14	12
Environmental	64	74	85	60
Governance	221	204	193	226
Operational	19	23	28	27
Oppose M&A	14	8	8	13
Push for M&A	27	21	30	30
Remove personnel	45	30	38	50
Remuneration	54	66	67	72
Return cash to shareholders	17	18	39	16
Social	96	120	149	95

Source: Diligent Market Intelligence / Activism

Wildest campaigns 2025

While hopes for a wave of M&A-driven activism quickly faded in the opening months of 2025, activists instead sailed into uncertain market conditions with a fresh approach and more grit. The new landscape delivered a record number of withhold campaigns, and pushed many activists who had previously avoided going all the way to a vote to do so.

Multiyear campaigns and succession planning continued to be key themes, while a surprising number of companies with staggered boards found themselves being targeted. There was also a new level of unpredictability around proxy fights with the first fall-off in settlements since the introduction of the Universal Proxy Card.

The Diligent Market Intelligence editorial team tracked all the key contests to surface along the way and below shares its top picks for those we deem the wildest of the season.

1: Elliott Management stays the course at Phillips 66

The season's biggest contest saw Elliott Management secure two of the four seats it had sought on the 14-member staggered board of Phillips 66 – the first time Elliott has gone all the way to a shareholder vote in the U.S. after recording 13 settlements between 2022 and 2024 – albeit with many inked at the eleventh hour. Institutional Shareholder Services (ISS) endorsed all four Elliott candidates, one more than Glass Lewis, which also took the activist's side on "matters of cost management, synergy value and capital allocation."

Given the even nature of the split, both sides claimed victory with Elliott asserting that the result sent a signal that "shareholders demand meaningful change" while the oil refiner's Chair and CEO Mark Lashier said the outcome reflected "a belief in our integrated strategy and a recognition that our early results do not yet reflect the full potential of our plan or the value inherent in this business."

“ Shareholders demand meaningful change. ”

Video interviews with its nominees and principals and all-out media campaign made this proxy fight a study in emerging digital communications, while a legal fight over Elliott's proposal to overcome the company's supermajority voting requirement by having all directors resign annually, as well as the activist's fears that the company would shorten its slate to only two seats set the tone. Furthering the sense of chaos and intrigue, a director appointed as part of a settlement with Elliott in 2024 said he found the activist's engagement "inconsistent" after he was targeted for removal just a year later.

2: Dispute over seats as HG Vora pursues first contest at Penn Entertainment

In another multi-year campaign involving a classified board and an activist completing its first-ever contested vote, HG Vora Capital Management secured two seats at Penn Entertainment, while also claiming that its third nominee should be appointed. The activist's successful designees Johnny Hartnett and Carlos Ruisanchez had the company's backing, as well as that of proxy voting advisors Glass Lewis and ISS. However, when Penn reduced the size of its board by one seat in April, it meant HG Vora's third candidate, former Penn Chief Financial Officer William Clifford, could not be elected. The activist ultimately opted not to seek an accelerated trial over concerns that could delay the vote, but rallied shareholders to send a message by voting for Clifford on

its own proxy – creating a throwback to the pre-2022 two-card system. "There can be no mistake about the mandate from Penn's shareholders that the status quo is simply unacceptable," said Parag Vora, founder and portfolio manager of HG Vora, after the vote.

“ The status quo is simply unacceptable. ”

3: Mantle Ridge succeeds in CEO and wider board reshuffle at Air Products

Succession planning has long been the go-to campaign strategy for Mantle Ridge but at Air Products & Chemicals, the hedge fund succeeded in removing the very CEO its founder Paul Hilal helped appoint a decade ago in a campaign led by Pershing Square Capital Management. Mantle Ridge argued that what the company needed in 2025 was different to what it needed then, and ousted three of the four directors it targeted, including Air

Products CEO Seifi Ghasemi. Air Products' steadily increasing list of concessions failed to win support from proxy advisors or investors like Norges Bank and the activist's win in January would have given other funds optimism, had it not been for regulatory upheaval with new Securities and Exchange Commission guidance on Schedule 13D two weeks later.

4: H Partners deploys withhold campaign in push for change at Harley-Davidson

Another throw-back this season saw Rehan Jaffer's H Partners spearhead a "Free the Eagle" withhold campaign at Harley-Davidson – a decade after its withhold campaign at Tempur Sealy set the bar for what such a strategy could achieve. At Harley-Davidson, the effort focused on CEO and Chair Jochen Zeitz, as well as long-tenured directors Sara Levinson and Tom Linebarger with claims the three had "overseen the destruction of more than \$6 billion in equity value." At the May 14 vote, Zeitz – with plans to step down at the end of the year – managed to hold on to his seat by a very slim margin with 49% pushback from the votes cast while Levinson faced over 42% opposition and Linebarger 41%. Encouraged by the result, H Partners said that "while we are

disappointed with the state of the company under the leadership of Mr. Zeitz, Mr. Linebarger, and Ms. Levinson, we believe that this shareholder mandate can create a brighter future for Harley-Davidson."

“ We believe that this shareholder mandate can create a brighter future for Harley-Davidson. ”

5: Scandal at Fuji Media draws Dalton attention

In Japan, where companies embroiled in scandal have proven to be a draw for activists, Fuji Media Holdings survived a bid by activist fund Dalton Investments to sweep its board, despite a sexual misconduct scandal that had impacted the Japanese broadcaster's brand and bottom line. Dalton had nominated 12 and secured backing for five of its nominees from Glass Lewis, with fellow Japanese activist Yoshiaki Murakami understood to have supported its efforts. But when the company unveiled a

plan to reduce the size of the board from 17 to 11 and kept only one incumbent, its efforts paid off. Dalton continues to advocate for a tax-free spin-off of the company's real estate business and for "other changes to enhance value for all shareholders," and subsequently won a seat on the board of another Japanese company, Hogy Medical, in a further sign that activists are making inroads in the country.

Honorable mentions

Not all shareholder meetings are wild but all activist campaigns are wild in their own way. Here are some of the most intriguing situations not to make our top five.

Non-U.S. campaigns took up several spots, with BP at the center of a number of dramatic storylines including divergent investor sentiment on ESG and renewable energy objectives that has put European companies in a tougher position than peers elsewhere, as well as rumored interest (since denied) in a takeover by Shell. Attrition during the campaign was significant. BP's strategy and sustainability chief Giulia Chierchia resigned, while Chair Helge Lund saw significant opposition, even after announcing he would likely step down in 2026.

In Asia, COVID-vaccine manufacturer Sinovac continued to battle through legal implications resulting from two entities claiming to be the rightful board of directors. A decision by the U.K. Privy Council on an action brought in Antigua awarded the right to a group backed by 1GlobeCapital and U.S. activist Heng Ren, which plan to play a big dividend. But that kicked off a proxy fight led by SAIF Partners, Vivo Capital and Advantech Capital that culminated on July 9. Along the way, Sinovac's auditor resigned.

Meanwhile, Korea Zinc obtained shareholder approval to cap its board at 19 members, preventing activists from electing as many as 17 new directors from their own slate after excluding votes from the lead activist and setting up a new cross-shareholding structure. The maneuvers are likely to end up in court, while South Korea's government is pursuing new legislation that will seek to protect minority shareholders.

Back in the U.S., Silver Star Properties REIT exercised its poison pill as part of a campaign led by co-founder Allen Hartman, who had been ousted as CEO in October 2022. Hartman was seeking to replace a majority of the board and liquidate Silver Star, suing to get the company to hold its first annual meeting since 2011.

“ Non-U.S. campaigns took up several spots, with BP at the center of a number of dramatic storylines. ”

And finally, Matthews International was a wild enough company to start with, operating in three segments with little synergy: memorialization (funeral products), industrial technologies (including warehouse automation), and SGK brand solutions (packaging). Unsurprisingly, an activist arrived with a breakup plan. Barington Capital was feeling good with endorsements from both proxy advisors going into its February 20 showdown – even after the company sold its SGK business and announced a governance overhaul. However, the release of vague new 13D filing guidance from the SEC on February 12 was widely rumored to have influenced votes in favor of management. At the time of writing, Barington was reportedly considering a second bout.

Lessons from the 2025 season

In conversation with Olshan Frome Wolosky's Ryan Nebel, vice chair of the firm's shareholder activism practice and Meagan Reda, partner of the shareholder activism practice.



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One notable trend this proxy season saw several established activists contest their first-ever vote instead of settling. Is this significant?

Ryan Nebel: Activists go into a situation believing that there are certain factors under management and the board's control – whether operational, strategic, governance-related or otherwise – that need to change in order to drive shareholder value. Activists do not go into a situation eyeing a settlement (or a contested election for that matter). Instead, they are seeking to effect certain changes that they believe are necessary to create value for shareholders. Elliott's campaign at Phillips 66, while noteworthy as its first U.S. campaign to go to a vote, is not its first experience at the ballot box, having won a majority at Telecom Italia in 2018. What it indicates, alongside Mantle Ridge's victory at Air Products, is that credible activists are always prepared to take their campaigns to a vote if the issuer is unwilling to implement the change that the activist believes is necessary. Issuers can never take a negotiated outcome for granted, and even a prolific

track record of settlements does not mean that an activist will avoid going to a meeting. The lesson from this proxy season is that, although striking a deal may still be the most common outcome, in the absence of sufficiently compelling terms, activists remain willing to go to a vote.

The period also saw a big increase in activists using withhold campaigns instead of full contests to pursue board change. What factors do you feel drove this increase?

RN: Withhold campaigns have long been a part of the activist toolkit – over a decade before H Partners' historic success at Tempur Sealy in 2015, Roy Disney's 2004 withhold campaign brought sufficient pressure to bear on then-Disney CEO Michael Eisner to strip him of his chairmanship and eventually force him to step down. This season, the power of withhold campaigns to enable shareholders to make their concerns heard without having to run a full nomination process was particularly attractive in the face of volatile macroeconomic conditions and market uncertainty. These factors, along with cost and

“ Despite the uncertainty that the market has faced in the first half of the year, the general expectation remains that dealmaking will pick up in the second half of 2025 and into 2026. ”

timing issues, led to some investors holding off on pursuing more fulsome campaigns, which caused the withhold strategy to emerge as an appealing means to voice shareholder opposition to the status quo while potentially setting the stage for nominations the following year. While running a competing board slate remains the gold standard for activists to effect binding change, Ancora's successful withhold campaign at Forward Air, which resulted in the departure of three targeted directors, demonstrates that withhold campaigns continue to hold the potential to drive significant change in their own right.

After a continued rise in settlements since the introduction of the Universal Proxy Card (UPC) in September 2022, the opening half of 2025 saw a drop-off in the overall volume of such agreements. Is the initial boost to settlement odds beginning to wear off?

Meagan Reda: No. Settlements will continue to play a pivotal role in proxy contests. While the UPC created a spike in earlier settlements, in large part due to the uncertainty of the one-card regime and has generally fostered settlements since its adoption, it is not the sole catalyst for the overall increase. The market volatility and regulatory uncertainty that marked the start of the 2025 proxy season created a more complex landscape for shareholder activism, contributing to the overall decrease in the number of activist campaigns and in turn, the number of settlements reached. Despite this decrease when compared to prior years, the 2025 proxy season was still very active with several high-profile contests and settlements. We continued to see more board seats obtained through settlements than proxy fights and expect this trend to prevail in proxy seasons moving forward.

Are you seeing more or less shareholder litigation since the introduction of UPC rules?

MR: The SEC's adoption of the UPC triggered an uptick in shareholder litigation as companies adopted very

aggressive and onerous bylaw amendments forcing shareholders to challenge their validity in court, which has since subsided. Despite this initial spike in litigation, the UPC did not change the overall landscape of shareholder litigation. To the extent companies continue to manipulate the corporate machinery, disenfranchise shareholders, and take value-destructive actions, we will continue to see activist-related litigation.

Classified boards were a subject of focus this year with many financially-motivated activists seeking change at tiered-board companies. Why are they attracting increased attention?

RN: Shareholder opposition to classified boards and the insulation they offer management and directors is nothing new as it is well established in the investment community that classified boards decrease accountability to shareholders and help entrench underperforming leadership teams. More companies are rightfully eliminating their classified board structures – only around 10% of S&P 500 boards are currently classified, down from roughly 60% at the turn of the millennium – and shareholders overwhelmingly favor annually elected boards. For companies subjected to activist scrutiny, a classified board can be a significant weak point, demonstrated by its prominence in campaigns from Elliott and Anson this season. In some cases, we're seeing targeted companies reacting to activist pressure by supporting their own declassification: Match Group and Oportun Financial both took this step, apparently in an effort to blunt broader activist critiques of their governance. While underperformance remains the lodestone for activists seeking targets where their engagement can generate returns, classified boards will continue to be seen as low-hanging fruit for governance improvements likely to appeal to shareholders and deliver value.

“ We continued to see more board seats obtained through settlements than proxy fights and expect this trend to prevail in proxy seasons moving forward. ”

Is Dexit (reincorporation away from Delaware) having a tangible impact on shareholder rights?

MR: It is far too early to know or even predict whether “Dexit” will have any long-term ramifications for shareholders. Despite several companies choosing to reincorporate in pro-business states such as Texas and Nevada that generally offer stronger liability shields for directors and officers, Delaware has been the go-to-state of incorporation for decades. The move away from Delaware is primarily a result of a recent judicial decision by the Delaware Court of Chancery. However, in response to concerns raised over this judicial decision, Delaware made significant legislative changes in an effort to maintain its status as the desired state of incorporation. Even if Dexit were to materialize, reincorporating in a less shareholder-friendly jurisdiction does not shield directors from being held accountable at the ballot box. Most credible investors are focused on driving shareholder value and will not hesitate to pursue any pathway available to unlock such value, irrespective of the company’s state of incorporation. Shareholders have a longstanding, fundamental right to vote and elect directors they believe are best suited to provide effective oversight of the company, which remains a powerful tool to effectuate change and demand accountability.

How has the change in investors’ board diversity expectations impacted activism this proxy season?

MR: The 2025 proxy season witnessed a significant shift in board diversity expectations, forcing companies and investors to navigate a more complex and uncertain landscape. Where board diversity previously served as a clear-cut metric in voting recommendations, the increased legal scrutiny, regulatory changes and political pressure caused certain institutional investors, asset managers and proxy voting advisory firms to either remove, change, and/or scale back their voting guidelines and disclosures relating to board diversity. Public companies likewise responded by either removing references to

diversity in their proxy statements or repackaging the same information in a more scaled-back or qualified form. In general, consensus around the direction and future of boardroom diversity is far from universal and the removal of standardized diversity metrics does not necessarily eliminate investors’ diversity expectations. However, absent a seismic shift in the political and regulatory environment regarding board diversity, I expect it to play less of a role in proxy contests as compared to prior years.

With the uncertainty around Trump’s tariff plan and the market volatility that trickled through the season, the anticipated wave of M&A-driven activism did not surface. Are we likely to see a lot more fights in 2026? How might M&A feature in that mix?

RN: Despite the uncertainty that the market has faced in the first half of the year, the general expectation remains that dealmaking will pick up in the second half of 2025 and into 2026. The factors that generated optimism about M&A activity going into Trump’s second term are very much still in play: there has already been significant movement in terms of deregulation and tax cuts, while shake-ups in leadership at the FTC and DOJ are likely to lead to a more favorable antitrust environment. At present, shareholders are looking ahead and evaluating not only the opportunities that may arise from an acceleration in the pace of global dealmaking, but also those that would be available in its absence. Concerns about tariffs and geopolitical uncertainty have not abated, and to the extent the anticipated M&A resurgence fails to materialize in the face of those challenges, we’ll likely see a continued emphasis on operational and governance-focused campaigns at issuers who have failed to adapt to the current environment, with calls for strategic reviews mixed in as well. Either way, activists and issuers alike are bracing for significant engagement in the year ahead.

O L S H A N

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Are CEO pay plans too samey?

CEO pay in the S&P 500 has continued to record substantial gains with only a marginal drop-off in investor support, writes Will Arnot.



With the stock market up again in 2024, median CEO compensation in the S&P 500 saw an 8% year-on-year increase while also managing to maintain steady support from investors.

According to DMI Compensation data, the median granted pay for an S&P 500 CEO was \$17.2 million in 2024, up from a median of \$15.9 million median package awarded for 2023.

This 8.3% increase may have been considered good value considering the S&P 500 delivered an average total shareholder return of 25% in 2024, following a 24% gain in 2023.

Indeed, the average S&P 500 “say on pay” proposal received 89.3% support in the first half of this year, down only marginally on the 89.4% support similar proposals received in the same timeframe last year with experts citing pay plan design practices and regulatory changes as potential factors. Four “say on pay” resolutions failed in the first half of 2025, down from five last year.

Nine S&P 500 companies faced between 40% and 49% opposition to their executive compensation proposals in H1, including Chipotle Mexican Grill and Pfizer while the same period in 2024 saw eight companies face similar levels of opposition.

A standardized approach

Adopting a standard approach to pay plan design is cited as one of the ways in which S&P 500 companies have managed to maintain support for pay plans.

“Companies use standard designs to reduce criticism, which leads to better ‘say on pay’ results,” Matt Vnuk of Compensation Advisory Partners, told DMI, while cautioning that companies would be better served to have more “tailored” designs.

“Incentive programs should be a tool to support strategy and culture, and if everyone uses the same structure, it implies all companies have the same strategy and culture, which is not the case,” Vnuk added.

Jeff Barbieri, a director on AON’s executive and board advisory team, also noted the potential risks associated with standardized plans, arguing that for many smaller or growing companies, formulaic pay policies – with modest base salaries, cash bonuses tied to financial metrics, and stock that vests on different metrics over a certain period – do not drive long-term success.

“Discretionary pay plans get criticized more but may align better with company goals,” he told DMI.

The investor pulse check

The quality of disclosure and the tendency to proactively consult with investors on how compensation changes are being perceived is viewed as a vital part of winning pay plan support.

“Incentive programs should be a tool to support strategy and culture, and if everyone uses the same structure, it implies all companies have the same strategy and culture, which is not the case.”

Laura Wanlass, a partner at AON and its corporate governance leader, explained that S&P 500 companies are spending “significant time and money” monitoring how they will be perceived under proxy advisor models and investor policies and are getting better at “clear, thorough disclosure on the annual compensation-setting process.”

Barbieri added that while there is a well-developed playbook for these companies, conducting shareholder outreach and disclosing rationales remain essential to achieving strong “say on pay” results. For Vnuk, annual shareholder engagement on compensation remains best practice.

The need to act on investor concern was evidenced at Warner Bros. Discovery's June 2 annual meeting where the media giant's executive compensation proposal faced over 59% opposition, after facing 46% opposition to the pay plan presented in 2024, and 49% in 2023.

CEO David Zaslav received a 4% increase to his granted compensation in 2024 (the period covered by the 2025 vote), bringing his total package to \$51.9 million despite a 7% decline in the company's share price in the period. Two weeks after the annual meeting, Warner announced that it had entered into a new employment agreement with Zaslav, adjusting his remuneration to address "shareholder feedback and preferences."

A changing dynamic

Evolving regulations may threaten the gains made through shareholder engagement, however.

In February, the Securities and Exchange Commission (SEC) issued new interpretations of Regulation 13D-G that prompted some major investors to temporarily pause or revise engagement policies in a bid to retain their passive investment status.

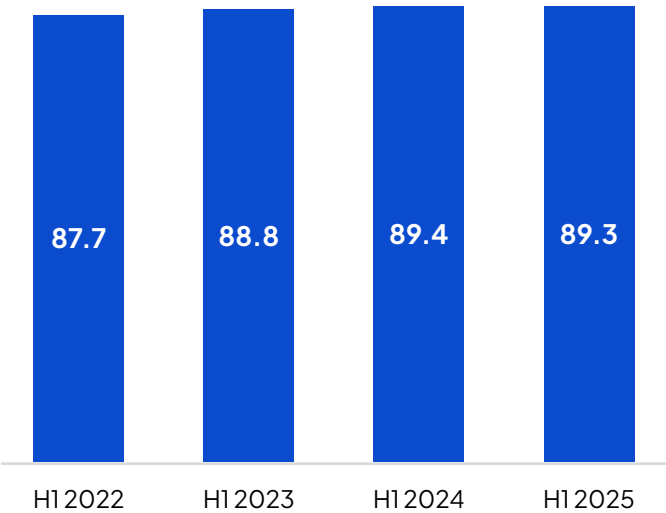
In an interview with DMI, Heather Marshall, senior director, executive compensation and board advisory at WTW, said the changes created a "more cautious" engagement environment, which may push investors to be more explicit in voting guidelines rather than addressing compensation concerns through direct engagement.

At the same time, the SEC has signaled its intention to simplify compensation disclosure requirements, citing the cost of preparation. Were that to happen, the new minimum for disclosure might not mitigate investor or proxy advisor concerns about pay outcomes, Wanless warned. "If companies are not required to be as transparent, investor pressure may increase to fill potential disclosure gaps."

“ If companies are not required to be as transparent, investor pressure may increase to fill potential disclosure gaps. ”

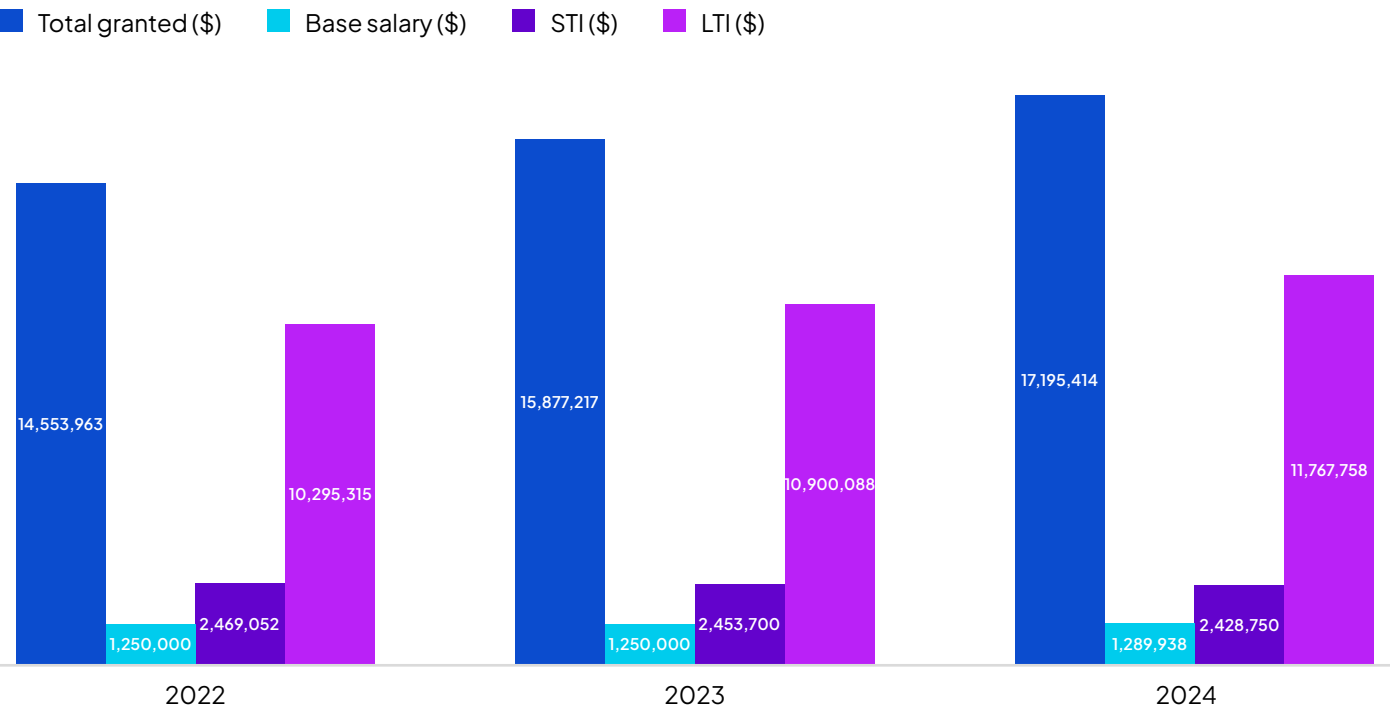
As the landscape continues to change, pay-for-performance alignment is expected to be more critical than ever heading into 2026. "If markets drop, there'll be more work for companies. We've been helping clients think through impacts from geopolitics and other external risks," said Barbieri. "Now is the time to prepare, not to relax."

Average support (%) for "say on pay" proposals at S&P 500, by half year

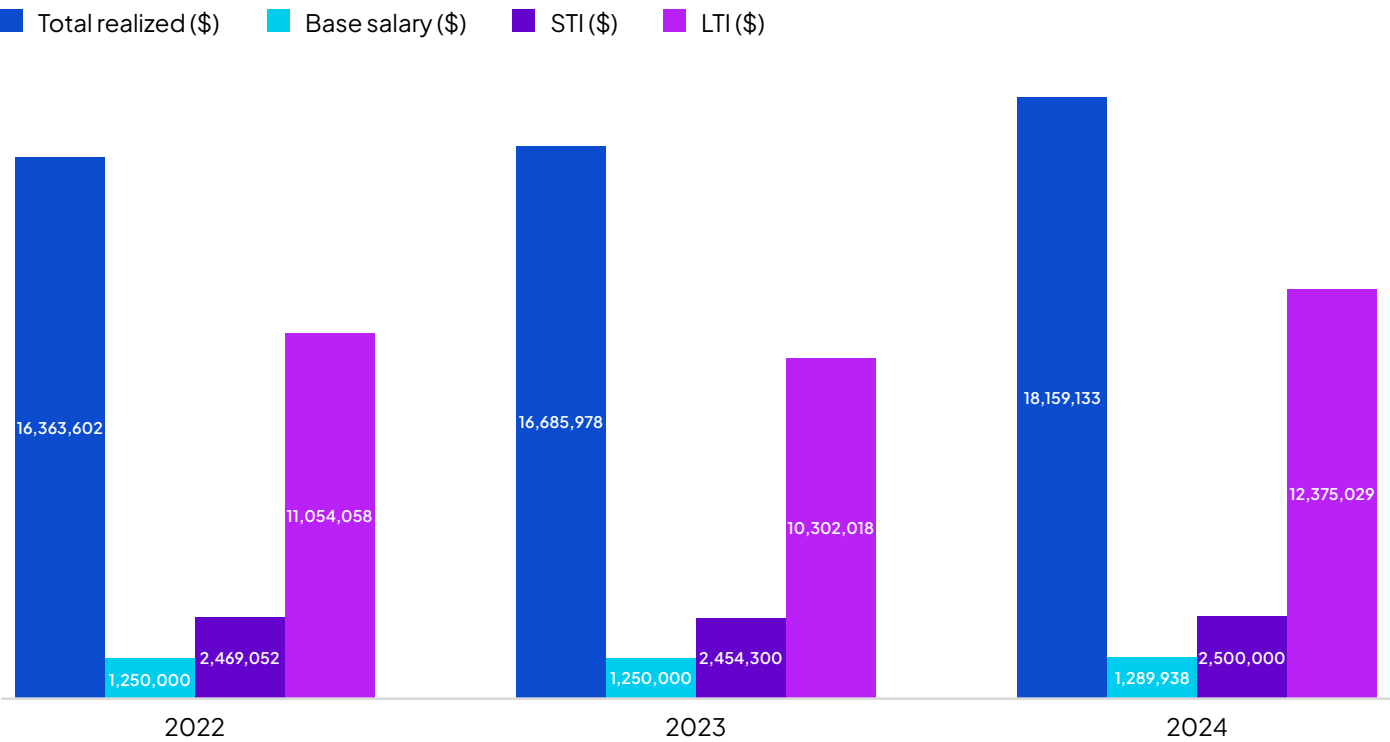


Source: Diligent Market Intelligence / Voting

Median granted CEO pay at S&P 500



Median realized CEO pay at S&P 500



Source: Diligent Market Intelligence / Compensation

Know your shareholders and what drives their voting behavior

An interview with Michael Fein, founder and CEO, Campaign Management



Michael Fein
michael.fein@campaign-mgmt.com

With more first-time and nontraditional activists using proxy fights and other activist tactics to be heard, how important is it to know your shareholder base and each investor's track record?

In today's evolving activism landscape, where first-time and non-traditional players are increasingly wielding proxy fights to assert influence, understanding your shareholder base is not just important – it's foundational to a successful defense strategy. Effective solicitation campaigns begin with detailed shareholder intelligence. That includes identifying record date holdings, confirming votable shares, and analyzing each investor's historical voting behavior, policy framework, and susceptibility to proxy advisory influence.

Modern activists deploy stealth accumulation tactics to avoid early detection, including synthetic exposure via derivatives to sidestep reporting thresholds. In response, issuers must embrace holistic surveillance practices – not just by tracking shares, but pinpointing custodial locations and triangulating prime broker affiliations. The goal is not merely to detect who owns what, but to anticipate how, when, and why they might act. Institutional Shareholder Services (ISS) and Glass Lewis continue to play a critical role in shaping institutional decisions, but they're only part of the picture. An effective campaign must account for whether shareholders typically support dissidents or have engaged in activism themselves. Companies often view new institutional interest as validation of their strategy. But we caution against naïveté – some new entrants may be engaging in quiet reconnaissance, assessing vulnerabilities before making a move.

What are some best practices for tracking changes in the shareholder base throughout the year, not just in the lead-up to a proxy contest?

Monitoring shareholder composition year-round, not just in the shadow of a proxy contest, is a strategic imperative, particularly for companies at higher risk of activist engagement. Relying solely on public filings gives a fragmented and outdated snapshot of ownership. Proactive stock surveillance is the cornerstone of modern shareholder intelligence. The most effective surveillance programs integrate multiple layers of data such as custodial-level movements, helping detect buying or selling activity well before it surfaces in filings. Beyond hard data, behavioral surveillance matters too. Monitoring earnings call participation, attendance at investor events, and inbound engagement from institutions provides qualitative context on shareholder intentions. Taken together, these practices help create a dynamic understanding of shareholder composition – well before a fight breaks out.

The first half of 2025 saw many changes to the regulatory environment with tweaks to the Security and Exchange Commission's (SEC) guidance and 13G eligibility. What impact has this had on shareholder engagement?

The SEC's revised guidance on beneficial ownership reporting – particularly the delineation between Schedule 13G and 13D eligibility – has had a pronounced chilling effect on shareholder engagement. The crux of the new framework hinges on intent: investors who express views

“ Monitoring shareholder composition year-round, not just in the shadow of a proxy contest, is a strategic imperative, particularly for companies at higher risk of activist engagement. ”

that could be construed as influencing control, including conditional support for directors based on governance or compensation, may be reclassified under the more onerous 13D regime.

As this interpretive shift took hold, we observed an immediate freeze in engagement protocols. Institutional investors paused outreach, reassessed compliance exposure, and pulled back from dialogue just as several proxy campaigns were gathering momentum. While that initial paralysis has eased, engagement norms have unmistakably evolved. To preserve 13G eligibility, institutions have recalibrated their approach with conversations now often beginning with legal caveats. Engagement has also become more passive, with a “listen-only” tone replacing prior bilateral exchanges while voting policies are also shifting to a less proscriptive posture. We anticipate this dynamic may increase reliance on proxy advisors ISS and Glass Lewis who provide a layer of insulation for institutions wary of triggering regulatory scrutiny. As a result, companies face new headwinds in shaping investor perceptions and driving support.

Given the new dynamic, when is the best time to engage with the shareholder base and particularly with passive investors?

The best time to engage is now – and consistently thereafter. This is particularly true with passive investors. While passive funds may not lead the charge in activism, their votes often determine outcomes – and their perception of management is shaped over time, not overnight. Even in situations of underperformance or governance missteps, preexisting relationships can meaningfully influence how these investors respond on the margins. Familiarity matters. Continuous engagement helps set a baseline of understanding around the company’s strategic priorities, governance posture, and progress milestones. In the absence of that foundation, dissident messaging can land with disproportionate impact, filling a vacuum that management failed to occupy.

The annual wave of N-PX filings is a key point in the DMI calendar year where the team compiles thousands of investor voting records from the previous proxy season. How important is it for issuers to build a picture around vote identification and voting patterns?

Building a detailed picture of vote identification and institutional voting patterns is essential to any well-prepared proxy strategy. Analyzing voting patterns guides strategy. Recognizing which investors consistently support shareholder proposals or activist slates helps companies anticipate the tenor of engagement and calibrate their response strategy. It can also inform whether to fight or pursue a settlement.

“ While passive funds may not lead the charge in activism, their votes often determine outcomes – and their perception of management is shaped over time, not overnight. ”

Accurate vote identification allows us to trace sources of opposition, pinpoint swing voters, and launch targeted reengagement efforts. But identifying votable positions is just as critical. Many companies mistakenly equate supportive sentiment with guaranteed votes, only to realize that share lending programs – especially among index funds – have eroded actual voting power. In close contests, this discrepancy between economic exposure and voting eligibility can be the difference between success and failure.



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ESG proponents adapt to changing landscape

With the volume of shareholder proposals dropping off by almost 30% in the opening half of 2025, proponents have been looking at other ways to mobilize investors as they navigate the accelerated pace of regulatory change and anti-ESG sentiment in the U.S., writes Ross Carney.



In the first six months of the year, 530 shareholder proposals were advanced at U.S.-listed companies, down from 735 in the same period of 2024, DMI Voting data show.

Of those tracked to a vote by DMI, social-themed proposals saw the greatest dip in attention with a 44% decline in volume in the opening half and with average investor support dropping from 15% to 11%.

For environmental-focused proposals, while the decline in volume was less pronounced at 24%, investor support fell from an average of 19% in the opening half of 2024 to 11% this year.

Governance proposals bucked the wider trend with 123 facing a vote, up from 107 in the same period last year. Investor backing, however, saw a decrease from a record 47% average support achieved in the first six months of 2024 to 40% this year.

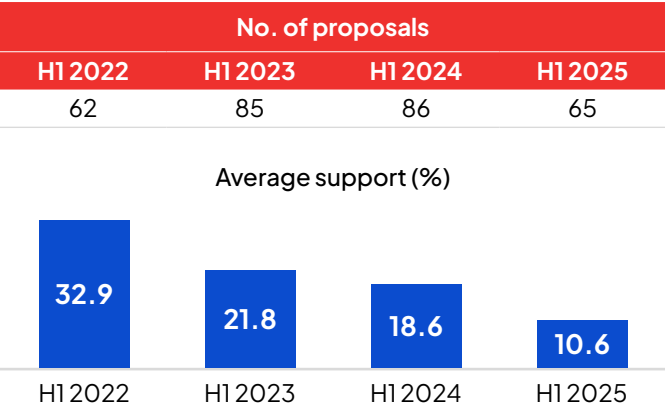
“ ESG proposals are in trouble, no doubt. Political backlash has definitely had an effect. ”

“ESG proposals are in trouble, no doubt. Political backlash has definitely had an effect,” said Paul Rissman, an emeritus board member of the Sierra Club Foundation. “Governance demands seem to be gaining traction but you’re not going to get the votes for environmental and social proposals that you want.”

Not a single environmental-focused proposal securing sufficient support to pass in the opening half of the year, with just four social-themed proposals making it across the line. Governance-focused demands, however, continued to resonate with 33 securing majority support from investors.

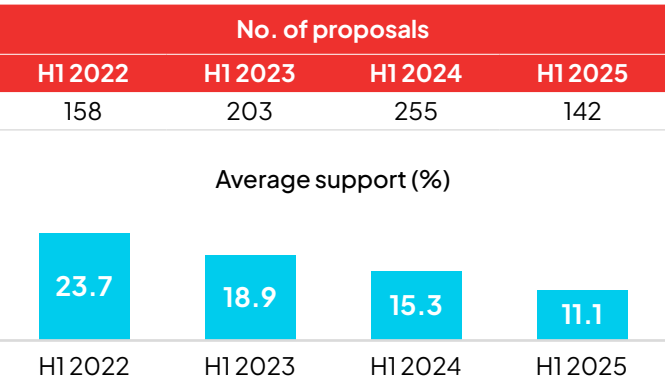
Meanwhile, anti-ESG proposals saw a notable dip in momentum with a 24% fall in the number on ballots in the first half compared to the same period last year and with average support reaching a record low of 1.4%, down from a peak of 6% backing achieved in the first half of 2022.

No. and average support for environmental proposals at U.S.-based companies, by half year



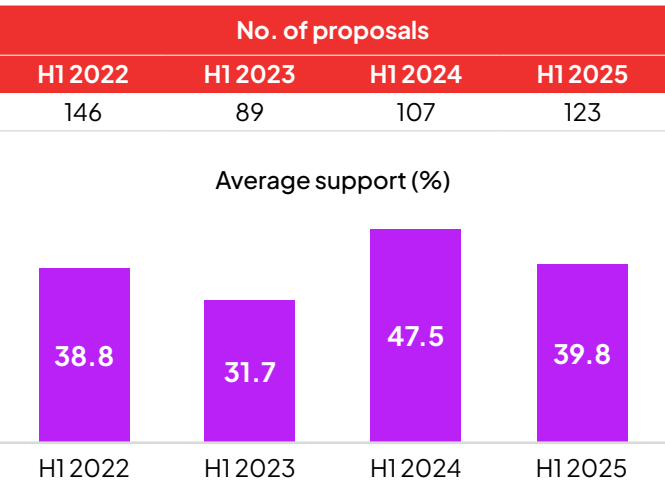
Source: Diligent Market Intelligence / Voting

No. and average support for social proposals at U.S.-based companies, by half year



Source: Diligent Market Intelligence / Voting

No. and average support for governance proposals at U.S.-based companies, by half year



Source: Diligent Market Intelligence / Voting

“It all comes down to whether a proposal—pro or anti—can make a credible connection to long-term company performance. Overly prescriptive proposals tend to fail, no matter which side they come from,” said Jeff Barbieri, a director on AON’s executive and board advisory team.

A challenging environment

Recent years have already seen ESG proponents face greater challenges in getting their proposals to appear on the ballot. The landscape has also been impacted by fears of potential legal action with a chilling effect observed since the landmark case taken last year by ExxonMobil against Arjuna Capital and Follow This over the advocacy groups’ climate-related demands.

“It all comes down to whether a proposal—pro or anti—can make a credible connection to long-term company performance.”

More generally, companies have increasingly moved to cite procedural defects in an effort to exclude repeat demands or demands seen to micromanage, as they look for no-action relief from the U.S. Securities and Exchange Commission (SEC). However, a surprise bulletin published by the agency in February changed the game considerably and signaled a move away from its prior policy of forcing companies to put proposals with “broad societal significance” before investors.

The overall perceived view of a more corporate-friendly SEC under a new administration has had a ripple effect with an almost 20% increase in the number of no-action requests decided in the first six months of the year, according to DMI data, and a 10% increase in the number granted.

A shift in strategy

With the gradual slide in investor support for ESG shareholder proposals, proponents have already started to adopt other strategies to push for reforms.

Top ESG proponents (US) in H1 2025

Proponent	
1	John Chevedden
2	North Atlantic States Carpenters Pension Fund
3*	New York City Carpenters Pension Fund
3*	The Accountability Board

Source: Diligent Market Intelligence / Voting

This season and for the first time since 2016, Dutch climate-focused activist Follow This opted not to file any climate resolutions, instead vowing to “use 2025 to mobilize more investors to increase the pressure on Big Oil.”

Sierra Club Foundation also tweaked its approach by moving more than \$10 million away from BlackRock over concerns with the asset management giant’s climate engagement and its cuts to support for ESG proposals. “We may not be filing as many resolutions, but we are talking a lot more to asset owners,” said Paul Rissman. “As proponents decide that it’s not worth their time and effort and money to devote as much to filing resolutions as they did before, I think they’re going to start working behind the scenes with asset owners.”

Barbieri told DMI that there may also be a shift in the targets selected for ESG engagement. “We might see proponents target smaller, lesser-known companies that have made ESG claims but haven’t followed through. These companies could be vulnerable.”

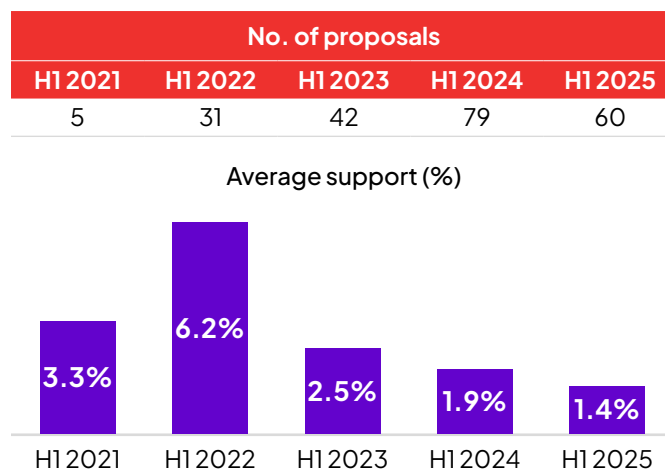
However, despite the current dip in momentum, many in the stewardship community believe that shareholder proposals will resurface with a refined mission to meet the new bar. “In the U.S., institutional investors have faced pressure about engaging on E&S, but some have figured out how to discuss these topics within regulatory constraints,” said Laura Wanlass, partner and corporate governance leader at AON, told DMI. “As that comfort grows, proponents will likely return with proposals that are more clearly tied to business outcomes – rather than purely societal goals – making them more likely to win investor support.”

No. of no-action requests advanced by half year

	H1 2021	H1 2022	H1 2023	H1 2024	H1 2025
SEC accepted no-action	83	38	49	102	112
SEC rejected no-action	39	61	32	35	48
Proponent withdrew	39	35	16	42	53
Total	161	134	97	179	213

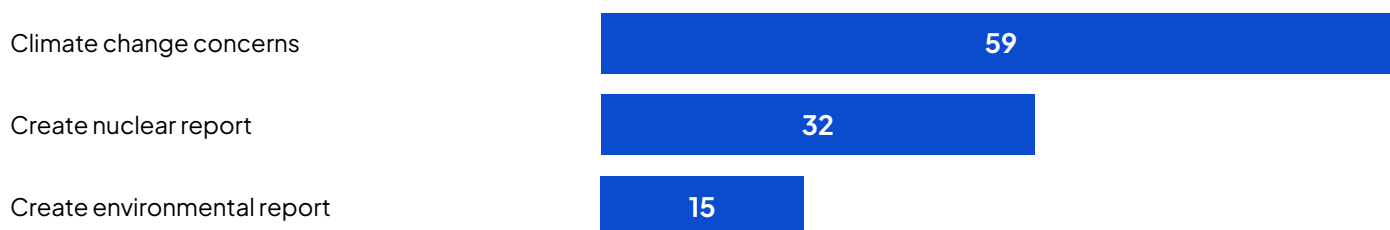
Source: Diligent Market Intelligence / Voting

No. and average support for anti-ESG shareholder proposals, by half-year



Source: Diligent Market Intelligence / Voting

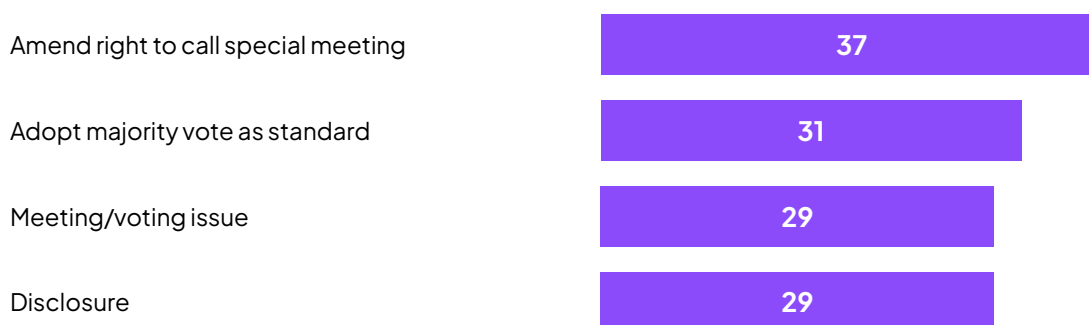
Top 3 environmental proposal types to face a vote at U.S. company meetings in H1 2025



Top 3 social proposal types to face a vote at U.S. company meetings in H1 2025



Top 3 governance proposal types to face a vote at U.S. company meetings in H1 2025



Source: Diligent Market Intelligence / Voting

Will the DEI reset impact director support?

The evolving landscape has also seen a shift away from diversity, equality and inclusion (DEI) with some proxy advisors and many of the large index funds changing their policy and removing considerations for gender, racial and ethnic board diversity when making voting recommendations on director reelections at U.S. companies.

Looking at the first six months of the year alone, support for U.S. director reelections is slowly trending up – rising from 94% to 94.7%. “Many institutions had previously pushed hard for DE&I disclosures but have now stepped back. That’s changed the pressure companies face,” said Wanlass. “Still, companies are being proactive – sharing board diversity information and pipeline insights – even if they’re not meeting the same disclosure levels as before.”

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Short sellers chase AI hype in tech

Short selling activity saw a lift in the first half of 2025 with AI-focused tech stocks proving to be one of the main draws for short outfits, and the U.S. market growing increasingly more favorable, writes Antoinette Giblin.



Amid an uncertain macro environment, shorts sellers broadened their net, making short bets on 60 companies globally – up 5% on the same six-month period in 2024. Of all short outfits tracked by DMI, 27 advanced at least one report in the period with Spruce Point Management among the most active.

The U.S. market continued to draw the most attention, accounting for 87% of overall activity in H1, and with the region expected to provide an even more fertile ground for short sellers as the year continues.

Sources told DMI that deregulation could lead to a more lax culture of risk management and compliance that is likely to be exploited by short sellers. “The current administration has also sought to reduce the power of SEC regulatory enforcement which we believe creates a good climate for continued short activism here in the U.S.,” said Ben Axler, founder of Spruce Point Capital Management.

“AI hype is just too good a play for some companies to ignore. There will always be a new buzzword on Wall Street.”

Activist short campaigns at Europe-based targets all but disappeared, with just a single report led by Capybara Research made public compared to 10 in the corresponding period of last year. “Certain European regulators continue to be childish hostile towards anyone exposing fraud or material misrepresentations, which of course, will only deter capital from investing in their market,” Blue Orca Chief Investment Officer Soren Aandahl told DMI in an interview earlier this year.

Activity in Asia was flat, with four companies based in China, Singapore and Taiwan targeted in the first six months of the year.

ShortGPT

While tech stocks have often been among the most favored by short sellers – representing almost 30% of activity in the first half of 2024 and 29% in the same timeframe in 2023 – the sector accounted for almost half of all short bets advanced in the first half of 2025 with the buzz around artificial intelligence (AI) surfacing as the driving force.

“AI hype is just too good a play for some companies to ignore. There will always be a new buzzword on Wall Street and the sketchiest companies will always try to tie themselves to it,” a spokesperson for Fuzzy Panda told DMI.

“Volatility can work both ways. It not only presents new risks but also presents unprecedented opportunities.”

The focus on such new tech is expected to be a continued feature in short reports in 2025 and beyond. “The emergence of AI as a disruptive technology application and public companies portraying themselves as plays on the investment theme are attractive because of their abnormally high valuations and ability to attract misinformed retail investors,” said Axler.

With its high valuation drawing such scrutiny, Adtech platform AppLovin attracted four public shorts over a three-month period, with questions over the effectiveness of its product and warnings it could be deplatformed. “AppLovin has told investors that its ‘black-box AI’ was producing ad targeting results as good as Meta. It didn’t pass the smell test for us or other short sellers,” Fuzzy Panda told DMI. Company CEO Adam Foroughi, however, has continued to shrug off the reports as “littered with inaccuracies and false assertions,” and while AppLovin’s stock saw its fair share of volatility, by the end of June, it was up over 6% on its closing position after the first attack to surface in early January. Follower returns for AppLovin short sellers have also been mixed with only two of the four tracked by DMI recording a gain as at the end of June.

Unprecedented opportunity

With the second half of 2025 expected to be dominated by tariffs and other geo-political tensions, many in the space feel short selling will be somewhat insulated from any ripple effect. “We expect continued short activism in H2 in the U.S. as the equity market remains frothy and complacent with stock prices brushing off concerns from tariffs and an escalation of conflicts in the MidEast,” concluded Axler.

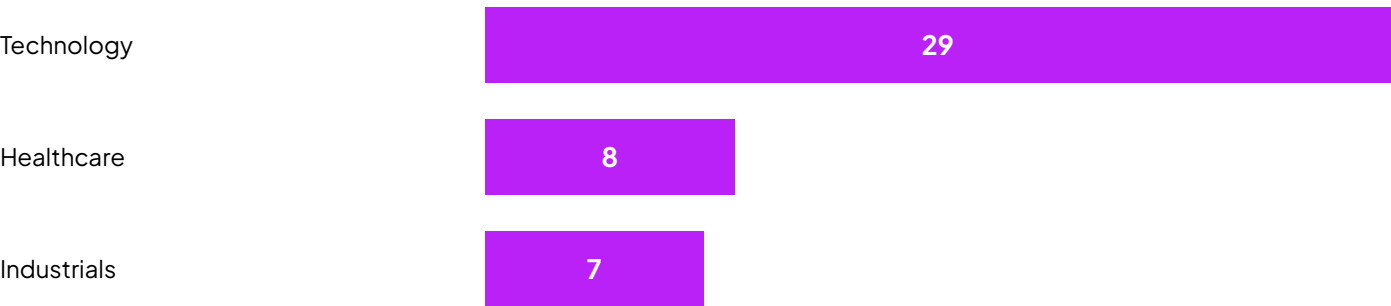
“Volatility can work both ways. It not only presents new risks but also presents unprecedented opportunities,” said Fuzzy Panda.

Shorts infographics

Most active short sellers in H1 2025, by no. of campaigns



Top 3 sectors most targeted by short sellers, H1 2025

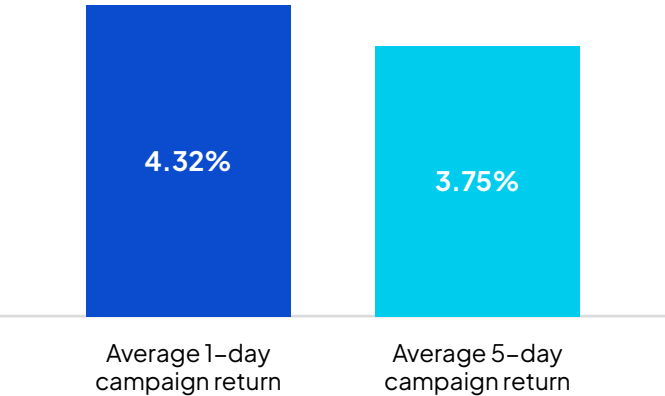


No. short campaigns launched by year and region

Region	2022	2023	2024	H1 2025
US	69	86	83	52
Asia	6	13	7	4
Europe (including UK)	10	6	11	1
Canada	9	5	3	1
Australasia	2	0	1	0
Other	2	0	0	2
Total	98	110	105	60

Source: Diligent Market Intelligence / Activist shorts

Short campaign returns*



*Based on shorts initiated in H1 2025

Source: Diligent Market Intelligence / Activist shorts

Activism in Europe

Europe was one of the few regions to record an increase in activism activity in the first half of 2025 with 61 companies targeted compared to 56 in the same period last year. Out of the over 100 demands advanced in the period, the volume of governance-focused reforms almost doubled.

However, the volatile opening months saw the volume of board representation campaigns in the region hit a record low with activists stepping back to advance just 20 such demands, a 35% drop when compared to the opening half of 2024 and an almost 50% decline when compared to 2022.

Activists also came away with significantly fewer board seats with 11 secured compared to 30 in the same period last year and with the majority secured via a vote.

No. board seats gained at Europe-based* companies, by method

Method	H1 2022	H1 2023	H1 2024	H1 2025
Settlement	7	2	13	3
Vote	14	23	17	8
Total	21	25	30	11

*Europe including U.K.

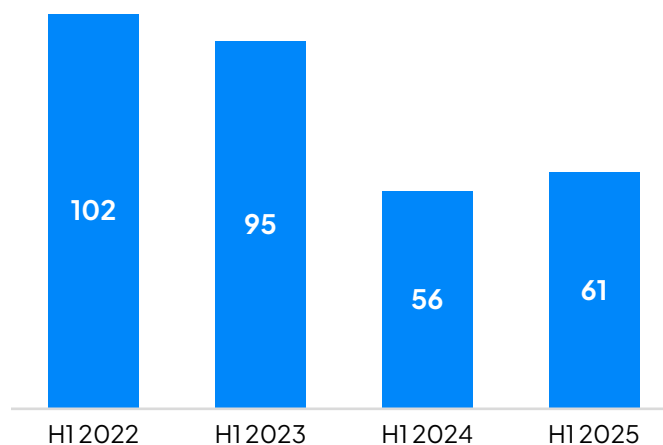
Demands advanced at Europe-based* companies

Demand group	H1 2022	H1 2023	H1 2024	H1 2025
Appoint Personnel	33	27	23	21
Capital Structure	2	8	1	2
Divestiture	12	9	4	5
Environmental	12	14	3	5
Governance	23	28	11	21
Operational	6	13	9	10
Oppose M&A	10	6	3	2
Push for M&A	10	6	8	9
Remove Personnel	23	25	19	17
Remuneration	16	10	4	3
Return Cash to Shareholders	20	21	14	8
Social	9	10	3	6
Total	176	177	102	109

*Europe including U.K.

Source: Diligent Market Intelligence / Activism

No. Europe-based companies subject to activist demands



*Europe including U.K.

No. of Europe* board representation demands by outcome

Outcome	H1 2022	H1 2023	H1 2024	H1 2025
At least one seat won	16	9	19	6
No seat won	22	22	12	14
Total	38	31	31	20

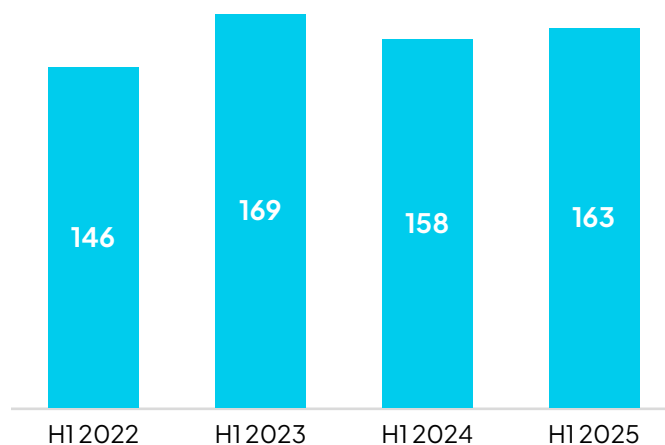
*Europe including U.K.

Activism in Asia

Asia saw the level of activism defy the downward trends observed in many other regions with a 3% increase in the number of companies targeted in the opening quarter of 2025. The number of board representation demands, however, dropped from 48 to 38 and with activists managing to secure at least one seat in 32% of cases, down from a rate of 42% achieved in the first six months of 2024.

Governance continued to feature on the top of the activist investors agenda with almost 100 such demands advanced, a record high for the region that saw just 37 such demands recorded in the same period of 2021.

No. Asia-based companies subject to activist demands



No. board seats gained at Asia-based companies, by method

Method	H1 2022	H1 2023	H1 2024	H1 2025
Settlement	7	13	3	1
Vote	50	44	52	30
Total	57	57	55	31

No. of Asia board representation demands by outcome

Outcome	H1 2022	H1 2023	H1 2024	H1 2025
At least one seat won	22	16	20	12
No seat won	31	41	28	26
Total	53	57	48	38

Demands advanced at Asia-based companies

Demand group	H1 2022	H1 2023	H1 2024	H1 2025
Appoint personnel	50	53	46	52
Capital structure	12	23	15	17
Divestiture	21	20	13	17
Environmental	20	15	7	10
Governance	62	89	81	98
Operational	10	12	7	16
Oppose M&A	4	4	3	6
Push for M&A	5	8	6	8
Remove personnel	30	38	42	47
Remuneration	25	40	35	37
Return cash to shareholders	64	88	62	60
Social	4	4	12	2
Total	307	394	329	370

Source: Diligent Market Intelligence / Activism

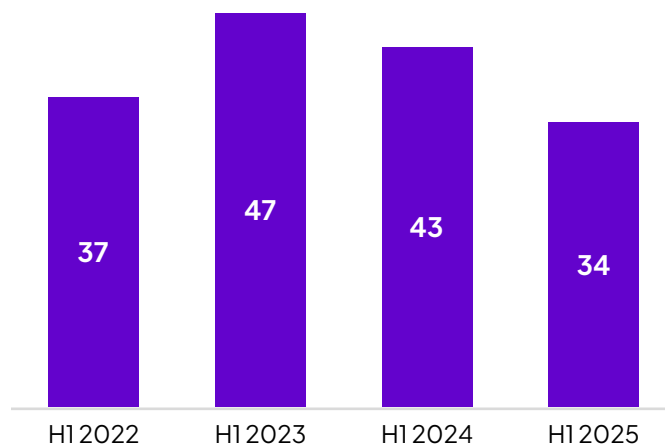
Activism in Canada

Canada saw a 20% drop in activist activity in the opening half of the year with 34 companies targeted compared to 43 in the same period of 2024.

The number of board seats secured by activists more than halved to hit a record low with all 10 gained through settlement agreements.

Of all demands advanced, governance remained the priority focus for activists operating in the region while pushes for M&A fell from six to just two.

No. Canada-based companies subject to activist demands



No. board seats gained at Canada-based companies, by method

Method	H1 2022	H1 2023	H1 2024	H1 2025
Settlement	7	14	12	10
Vote	12	12	9	0
Total	19	26	21	10

No. of Canada board representation demands by outcome

Outcome	H1 2022	H1 2023	H1 2024	H1 2025
At least one seat won	5	12	6	5
No seat won	1	5	9	5
Total	6	17	15	10

Demands advanced at Canada-based companies

Demand group	H1 2022	H1 2023	H1 2024	H1 2025
Appoint personnel	7	15	16	12
Capital structure	0	1	4	4
Divestiture	1	5	2	2
Environmental	12	10	15	9
Governance	16	11	24	16
Operational	8	6	3	3
Oppose M&A	2	6	2	2
Push for M&A	1	4	6	2
Remove personnel	6	12	10	7
Remuneration	5	6	4	6
Return cash to shareholders	0	3	1	2
Social	18	10	5	8
Total	76	89	92	73

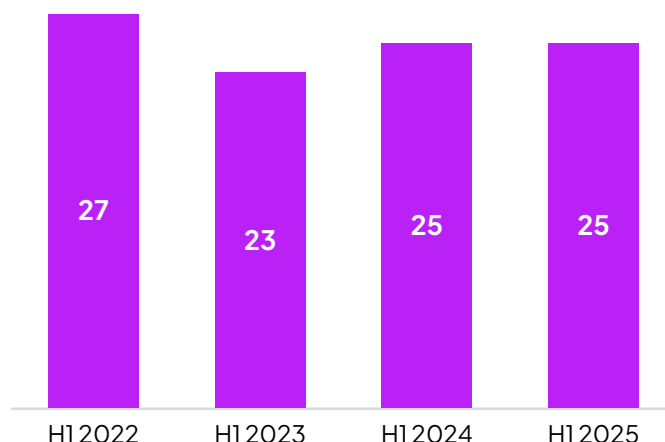
Source: Diligent Market Intelligence / Activism

Activism in Australasia

With proxy season typically taking place in the fourth quarter in Australasia, the level of activism in the opening half of the year was flat on 2024 with 25 companies targeted. With that said, the period saw activists ramp up board campaigns and with greater success rates with a record 21 seats secured, up from just five in the same period of 2024 and 12 in 2023. Two-thirds of all seats won were secured via settlement.

Of all demands advanced, a push to remove and appoint personnel remained the key focus areas, continuing a pattern observed in 2024.

No. Australasia-based companies subject to activist demands



No. board seats gained at Australasia-based companies, by method

Method	H1 2022	H1 2023	H1 2024	H1 2025
Settlement	7	1	2	14
Vote	4	11	3	7
Total	11	12	5	21

No. of Australasia board representation demands by outcome

Outcome	H1 2022	H1 2023	H1 2024	H1 2025
At least one seat won	7	5	3	8
No seat won	10	9	11	9
Total	17	14	14	17

Demands advanced at Australasia-based companies

Demand group	H1 2022	H1 2023	H1 2024	H1 2025
Appoint personnel	14	11	12	13
Capital structure	0	1	2	2
Divestiture	4	2	1	0
Environmental	6	6	1	2
Governance	7	4	2	5
Operational	2	3	2	0
Oppose M&A	2	1	2	0
Push for M&A	3	1	2	1
Remove personnel	15	12	19	20
Remuneration	1	1	1	0
Return cash to shareholders	1	4	3	1
Social	2	2	0	1
Total	57	48	47	45

Source: Diligent Market Intelligence / Activism



About Diligent Market Intelligence

Diligent Market Intelligence is the leading provider of corporate governance, shareholder engagement and investor stewardship data. Trusted by advisors, investors and issuers globally, the Diligent Market Intelligence platform equips firms with the necessary information to proactively manage shareholder pressures, mitigate governance risks, and maintain a competitive edge in the market.

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