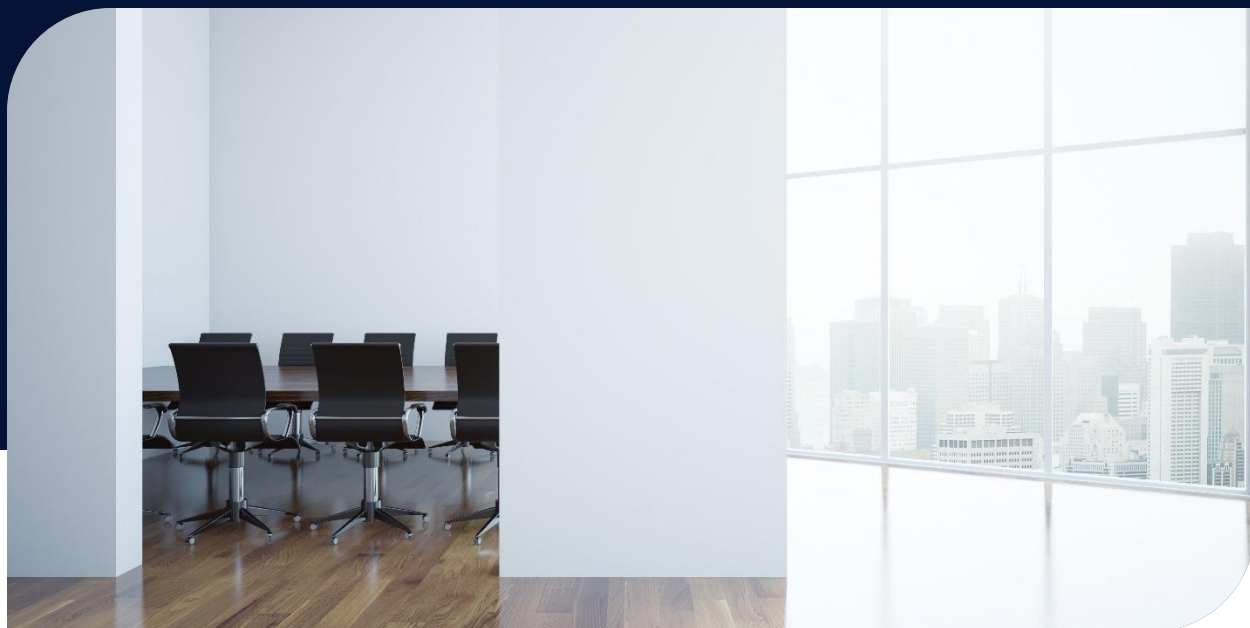


# A Proxy Odyssey: What Will 2030 U.S. Proxy Season Look Like?

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**The 2030 U.S. proxy season will likely be unrecognizable from those of the past twenty years. To help companies prepare for what is to come, we provide a brief overview of the current proxy season landscape, our top five predictions for how the 2030 proxy season will be different and how companies can start preparing now.**

## The Current Landscape

For decades, corporate governance operated on relatively stable ground, even amid backlash against proxy advisors and the proxy voting system itself. The Securities and Exchange Commission (SEC) controlled ballot access, research and recommendations from proxy advisors like ISS and Glass Lewis influenced voting outcomes, voting power was concentrated among a handful of large asset managers expected to vote every share, and engagement was a straightforward exchange between investors and issuers.



That stability has recently unraveled with unprecedented speed and intensity. In 2025, a wave of regulatory actions, driven in part by political backlash against ESG, began to significantly reshape the corporate governance landscape. As companies prepare for the 2026 proxy season, investor engagement has grown less candid, proxy advisory firms face existential pressure from regulators and AI-driven competitors, and the shareholder proposal process has been fundamentally, if temporarily, altered. In short order, proxy seasons have become much harder for companies to manage and predict, and that trend is likely to continue.

## Five Predictions for the 2030 Proxy Season

### 1. Most Large Institutional Investors Will Be Utilizing AI instead of Proxy Advisors

JPMorgan was the first institutional investor to announce it would replace proxy advisor research and recommendations with an internal AI voting system, and Wells Fargo followed with an AI proxy voting platform of its own. Most large U.S. asset managers are likely to follow their lead because AI has the potential to provide (i) more customizable proxy research, (ii) disassociation from proxy advisors and (iii) cost savings over the longer term.

The use of AI in proxy voting by a critical mass of institutional investors will essentially close a key window companies have into how an investor may be thinking heading into its annual shareholder meeting. For example, how will companies know whether there are any potential issues with their Say on Pay vote if their major investors move away from widely available proxy advisor reports and instead run the company's Compensation Disclosure & Analysis through proprietary AI? Fundamental changes to disclosure requirements, recently signaled by the SEC, could lead to even greater uncertainty. It will be critical for companies to get to know their investors more deeply to better understand their perspectives.

### 2. Smaller Institutional Investors Will Still Rely Heavily on Proxy Advisors

As described above, widespread adoption of AI voting platforms by large institutional investors is likely to sharply reduce proxy advisors' longstanding influence over vote outcomes. As their impact wanes, demand for their corporate consulting businesses, historically linked to the influence of their voting recommendations, is likely to decline as well. Additionally, the rise of AI will lead to competition from entities that can support this transition, such as Broadridge.

However, proxy advisors will survive this disruption, albeit in a reduced capacity. Their core research and voting services will continue to attract smaller asset managers, asset owners and non-U.S. investors that do not have the same incentives or resources to shift proxy voting to AI. In this environment, ISS' benchmark voting policies may increasingly reflect the progressive perspectives of their remaining clients, particularly labor and government pension funds as well as European institutional investors. This could result in significantly more recommendations to vote against management. As such, companies should continue to monitor proxy advisors' policies and recommendations and engage with them as appropriate.

### **3. Social Media Campaigns, Proxy Access and Other Activist Tactics Will Replace Shareholder Proposals**

The SEC's revised no-action process and other commentary suggest an end goal of eliminating shareholder proposals entirely and restricting smaller shareholders' ability to publicize their voting intentions (e.g., "vote-no" campaigns). However, this should not be conflated with the elimination of activism itself. Historically, environmental and social shareholder resolutions have been influenced by public policy debates on climate change and social movements, while market disruptions have spurred requests for governance reforms like board independence or say-on-pay.

These societal issues will continue to evolve, so activists will have plenty of topics to tackle with corporations. But instead of shareholder proposals, investors will increasingly turn to other means of private ordering to fulfill their stewardship obligations. Asset owners, sustainability-focused investors and retail shareholders will continue to utilize vote-no campaigns, proxy access, floor proposals, social media and other tools where they view boards as unresponsive to their concerns. Companies should continue to engage with reasonable shareholder proponents and remain vigilant about what shareholder rights they currently provide in anticipation of this expected change.



### **4. Some Institutional Shareholders Will Choose to Abstain from Proxy Voting Altogether**

Changes being contemplated by both the SEC and DOJ following President Trump's executive order could grant institutional investors increased flexibility to opt out of voting on certain proposals or even entirely. Although many investors consider proxy voting an asset, others see it as a liability. Making voting optional could reduce participation rates materially.

As a result, some companies may face challenges meeting quorum requirements or reaching supermajority thresholds. In addition, if the investors that typically vote with management choose not to vote, those who historically vote against management will have an outsized influence over outcomes, as votes are usually determined by a percentage of votes cast. Companies should think carefully about the pros and cons of any regulatory changes that seek to discourage institutional investors from voting.

## 5. Robust Engagement with Company Shareholders Will No Longer Be Optional

As noted above, with most large asset managers analyzing and voting proxies in-house, proxy advisor guidance will be a less reliable indicator of how investors are likely to vote, making it more challenging for companies to accurately forecast voting outcomes.

While direct engagement with proxy advisors may still be beneficial, particularly in the face of an adverse vote recommendation, such efforts alone will not be enough to secure favorable results, given that many large investors will no longer subscribe to advisory firms. Companies must increasingly focus on direct engagement with their shareholders, now made more difficult by updates to ownership filing requirements that limit investors' ability to provide candid feedback.

For this, issuers will need to adopt more tactical engagement strategies. This includes developing a comprehensive understanding of investor voting policies and priorities, building stronger relationships with stewardship teams and recognizing the impact of pass-through voting. Moreover, companies will need to engage further down the ownership table and request engagement earlier than they have in the past, recognizing that investor resources may be strained by increased stewardship responsibilities after withdrawing from proxy advisor services. Lastly, developing new solutions to engage retail investors will be increasingly important as their voting influence grows in this environment.





## Looking Ahead

As the landscape continues to shift, a familiar rule still applies: every action produces an equal and opposite reaction, often in ways that only become clear over time. Companies that aggressively exclude shareholder proposals may face future investor pushback for stifling investor voices, especially if political or cultural winds shift. And just as investors are now criticized for relying too heavily on proxy advisors, overreliance on AI-driven analysis or proxy voting could invite a different, potentially harsher, form of scrutiny. Optimizing disclosure for an AI audience presents a new set of challenges for issuers, even with reduced disclosure requirements on the horizon.

Market forces strongly influence corporate governance trends; Dodd-Frank and the rise of say-on-pay and investor engagement emerged from the global financial crisis of 2008. A downturn in the market, such as the bursting of the AI bubble, could similarly result in either greater regulation or renewed private ordering as investors move to fill gaps left by regulatory retreat during periods of market and social stress.

The technological and regulatory forces shaping the proxy voting landscape are already taking effect. The central question that remains is not whether proxy voting practices will evolve, but rather the extent to which these changes will impact the market. In light of this uncertainty, companies should ensure they are well positioned to navigate this environment. Reviewing and updating engagement protocols with an eye toward developing robust relationships with stewardship teams will be critical. With investor voting policies becoming less specific, companies should gain a more fulsome understanding of how investors are voting on a given proposal. Further, companies should continue to review and clearly communicate how their ESG strategies align with overall business goals and long-term shareholder value and ensure they are meeting investors' information needs. By doing so, companies can foster greater trust and support among investors, positioning themselves favorably in the evolving proxy voting ecosystem.



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