

# 2024 TSX PROXY SEASON INSIGHTS: SHAREHOLDER PROPOSALS

Authors: Miles Fazzalari, Shawn Rogers

October 2024

As of October 20, 2024, 82 shareholder proposals have been voted on at Canadian issuers in 2024, 55 of which have been at TSX60 issuers. Of these 82 proposals, 38% were Environmental, 33% Governance, 20% Social, and 9% Compensation-related. There was only one Operational proposal regarding anticompetitive practices, which garnered 13% support (Metro Inc.).

## Key Findings

**Environmental** - The most prevalent proposal (n=12) was for companies to adopt a “Say on Climate” or advisory vote on environmental policy; we note these were primarily directed towards TSX60 issuers. These proposals received an average level of support of ~13% (similar level of support in 2023).

**Governance** - Half (7/14) of the governance proposals relating to holding AGMs as hybrid (in-person and virtual), rather than virtual-only, have passed (approval rate ranging between 51% to 82%); no proposals in any other category passed in 2024.

- This is a significant increase from previous years – in 2023, only 1 shareholder proposal passed (environmental-related at Cenovus).

**Social** - Social proposals were less prevalent than governance proposals for the first time in over four years. The most prevalent proposal in 2024 was a request for companies to disclose their CEO to median worker pay ratio, which garnered an average support of 11%.

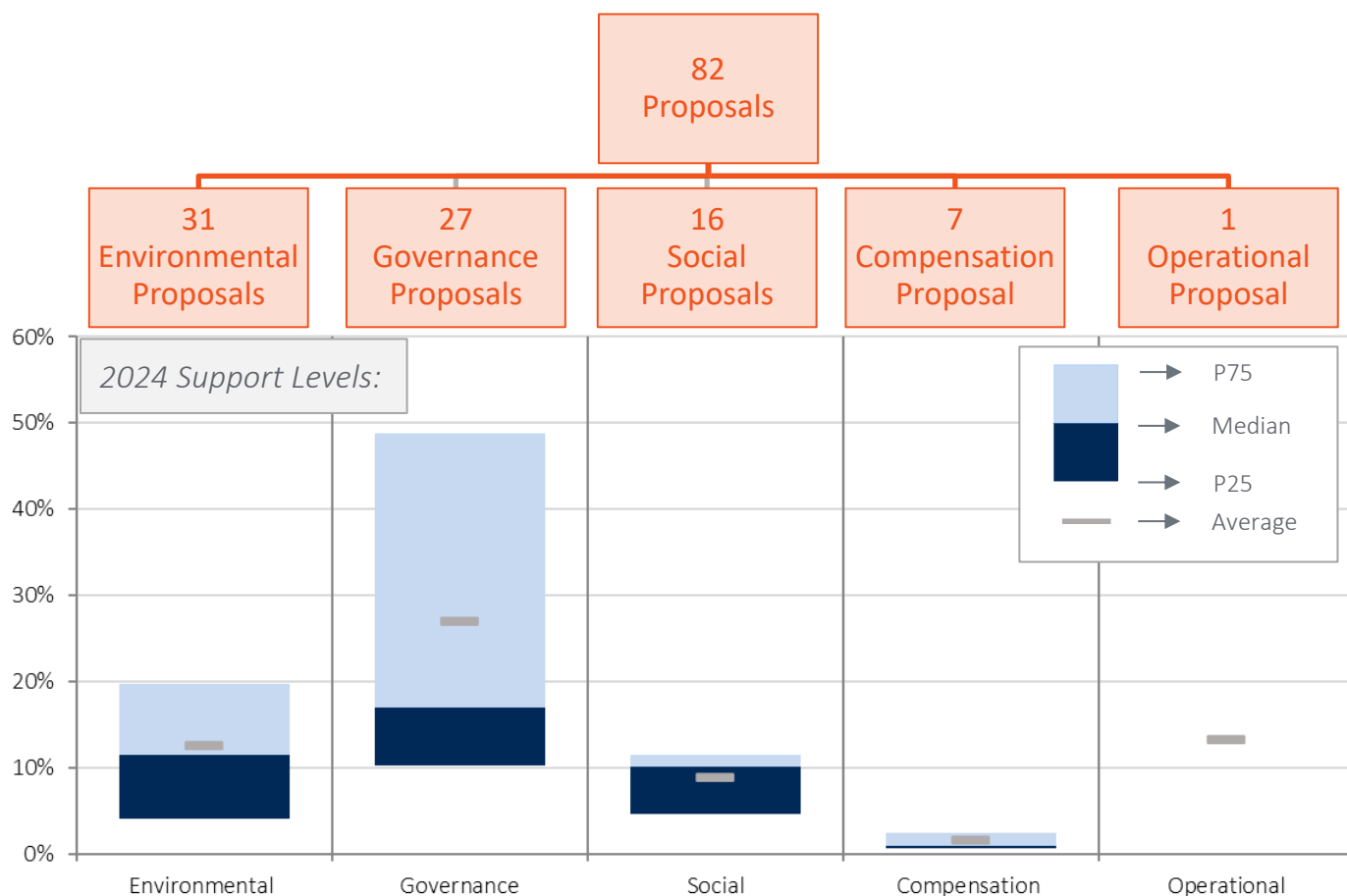
- No social proposals received over 20% support; in 2023, 60% of social proposals received support above 20%

**Compensation** – The most prevalent proposal was a request to link employee compensation with ESG-related objectives. These proposals received an average level of support of only 1%.

- Compensation proposals received the lowest level of support of any category in 2024 (average level of support of 2% vs. 15% in 2023).

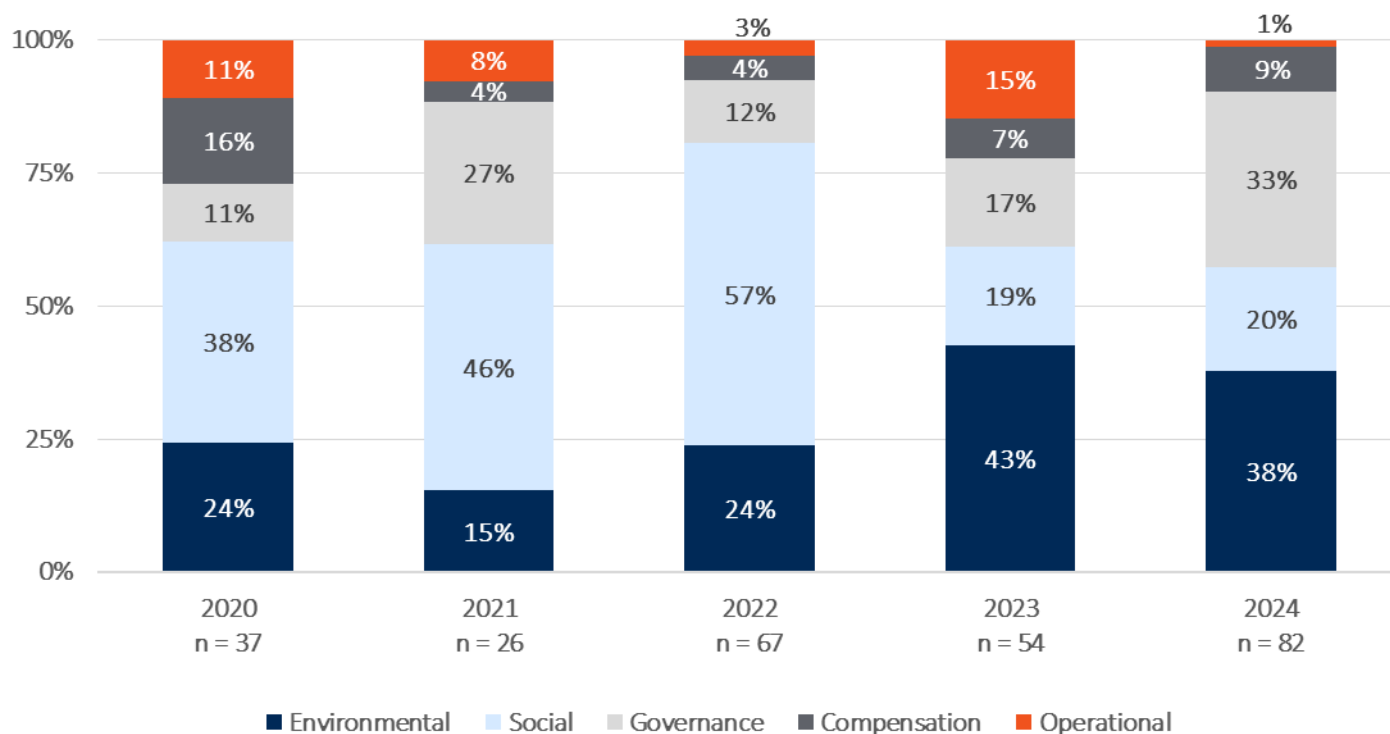
*All data summarized from Diligent’s Market Intelligence Voting Module.*

*Note that this analysis does not include “withdrawn” proposals. Some companies opt to engage with the shareholder (or group) directly, with the goal of coming to an agreement and having the proposal withdrawn – this agreement could include the company agreeing to the proposal entirely, negotiating a reduced or alternative action, or submitting a management-sponsored proposal. In the event that the company and the shareholder (or group) cannot come to an agreement, the proposal will be voted upon at the company’s annual general meeting (“AGM”).*



## Year-Over-Year Trends: 2020-2024

In 2024, we observe a significant increase to the number of Governance proposals, the highest in the past 5 years. Conversely, we observe a significant reduction to the number of Operational proposals, back to 2022 levels.



All data summarized from Diligent's Market Intelligence Voting Module.