



Minerva Briefing: Australia Proxy Season Review 2025

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1 Introduction

93.4%

Average shareholder support for management in 2025, relatively stable compared with last year's 93.5% average support.

12

Defeated management-proposed resolutions in 2025, up from ten in 2024, with five resolutions voted down at James Hardie representing the standout AGM in 2025.

50%

Of Say on Climate votes received high dissent in 2025 highlighting investor scrutiny of company climate strategies whilst mandatory climate reporting develops in the market.

31

Shareholder proposals were filed at the top 200 Australian companies, up from 19 in 2024, representing a rebound in the use of filing proposals to raise environmental concerns at companies.

The 2025 Australian proxy season told two stories. On the surface, shareholder support for management remained high, with an average approval rate above 93% and relatively few defeated resolutions. Beneath the headline numbers, the year revealed a market in which the mechanisms of shareholder accountability are being tested, adapted and, in some cases, found wanting.

The defining governance event of the season was the shareholder backlash at James Hardie Industries over its US\$8.8bn acquisition of AZEK, a transformational transaction completed without shareholder approval after the ASX granted a waiver from its listing rules. Shareholders responded by voting down three directors, rejecting the remuneration report and opposing a proposed increase in non-executive director fees. The episode prompted the ASX to [announce a review](#) of its listing rules on shareholder approval requirements, a development with implications well beyond a single company. It also placed Australia in the centre of an international debate about the balance between market competitiveness and shareholder oversight.

In the UK, reforms to the FCA's listing regime have reduced mandatory shareholder approvals for certain transactions, provoking similar investor concern about weakened governance protections. That both jurisdictions are grappling with the same tension simultaneously is not coincidental: the competitive pressure to attract and retain listings is testing whether shareholder rights are treated as a structural feature of capital markets or an impediment to be managed.

Against this backdrop, shareholders in Australia applied their limited tools with increasing precision. All twelve defeated management resolutions fell into just two categories: director elections and remuneration. This concentration reflects the structural constraints of the Australian market, where a 75% supermajority threshold limits the effectiveness of shareholder proposals, three-year director election cycles restrict which board members can be targeted, and no vote on the annual report exists. In this environment, board and remuneration votes carry disproportionate weight, functioning not only as assessments of governance and pay design but as the primary accountability mechanism across a far wider range of concerns, from capital allocation and climate strategy to conduct and culture.

The season also unfolded against a significant regulatory transition. From 2025, Australia's largest entities are required to report against mandatory climate disclosure standards aligned with IFRS S2, shifting climate governance from a voluntary exercise to a regulated component of corporate reporting. The implications for voting are already visible: half of all Say on Climate votes in 2025 attracted dissent of 20% or more, with average support of 78%, well below the overall market average.

As disclosure quality and comparability improve under mandatory reporting, investors may increasingly hold boards accountable through director elections and engagement rather than recurring advisory climate votes.

Shareholder proposals saw a rebound in volume, with 31 filed at the top 200 companies, but none passed. Environmental issues dominated, with climate-related proposals joined by a growing focus on biodiversity and nature risk, particularly at major banks and retailers. Support for the most targeted transparency requests reached notable levels: around 35% at Macquarie Group on fossil fuel financing and 34% at Woolworths on endangered species impact. Yet the structural barriers to shareholder proposals in Australia remain formidable, and the season reinforced the pattern of investors combining proxy voting with litigation as complementary tools for accountability.

Six Key Takeaways for Investors

- 1. Headline support remains high, but dissent is becoming more targeted and strategic:** Average shareholder support for management proposals remained stable at around 93–94%, masking a more selective and intentional use of dissent by investors. Rather than broad opposition, shareholders increasingly focused votes against resolutions seen as material to long-term value, concentrating pressure where it would have the greatest impact.

Investor implication: High average support should not be read as weak oversight. Investors are reserving dissent for governance flashpoints, increasing its signalling power.
- 2. Board and remuneration votes are the primary accountability levers:** All defeated management resolutions in 2025 fell into just two categories: director elections and remuneration. This reflects structural limits in Australia – including few shareholder proposals with restrictive legislation, three-year director elections, no votes on the annual report, limited agenda items to target - pushing investors toward these mechanisms as substitutes for direct influence.

Investor implication: Board and pay votes are doing “double duty” by enabling shareholders to express dissatisfaction not only with governance or pay design, but also with strategy, environmental and social stewardship, capital allocation and shareholder rights.
- 3. Director elections are increasingly used to target individual accountability:** While most directors were re-elected, 2025 saw three directors voted down, all at James Hardie Industries plc, making it a standout AGM for board accountability. More broadly, dissent on director elections increased, with investors focusing on specific individuals rather than entire boards.

Investor implication: Australian investors are showing a greater willingness to hold individual directors personally accountable, particularly where governance failures or external roles raise concerns.
- 4. Remuneration dissent has eased in volume but intensified in severity:** The number of remuneration strikes fell to 20 in 2025 down from 26 in 2024, yet where strikes occurred, average dissent rose to 42.9%, signalling high-conviction opposition. High-profile cases – such as NRW Holdings Ltd, NEXTDC Ltd and James Hardie Industries plc - demonstrate that pay votes continue to be used as a catch-all accountability tool.

Investor implication: Fewer companies are being targeted, but those that are face very strong shareholder opposition, suggesting escalation rather than disengagement.

5. Climate scrutiny remains intense as mandatory reporting approaches: Half of all Say on Climate votes in 2025 received 20%+ shareholder dissent, with average support of 78% being well below the overall average of 93% during the year. This comes as Australia transitions to mandatory climate reporting aligned with IFRS S2 aligned reporting, increasing expectations of board-level oversight and disclosure quality.

Investor implication: As climate reporting becomes regulated rather than voluntary, investors may rely less on advisory climate votes and more on director elections and other accountability mechanisms to signal concerns due to the greater consistent transparency available.

6. Structural constraints limit shareholder proposals: Despite an increase in filings - 31 proposals at the top 200 companies - and focus on climate and environmental impact, no shareholder proposals passed in 2025 due to Australia's 75% approval threshold and constitutional constraints.

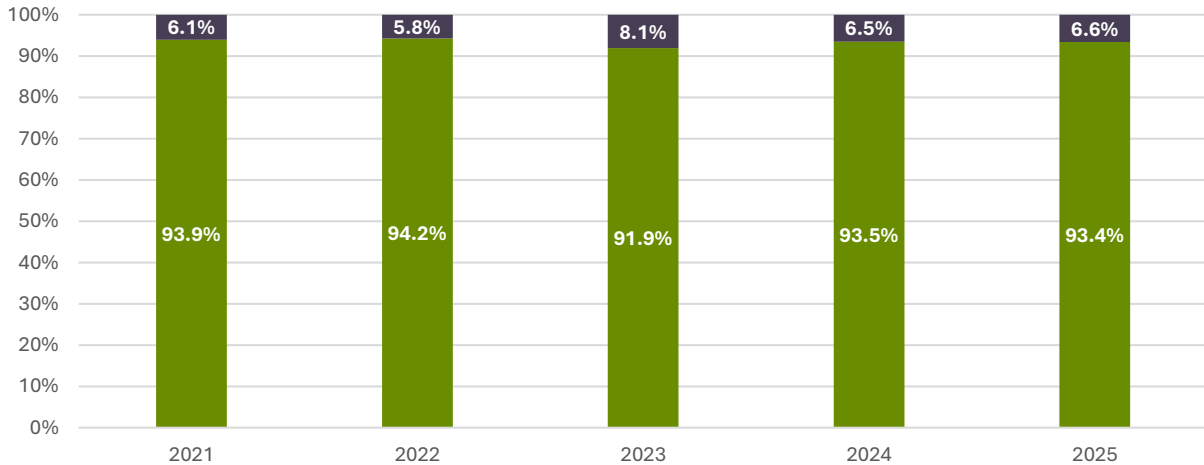
Investor implication: Investors are increasingly combining governance accountability voting pressure with litigation scrutiny, particularly on climate and greenwashing, due to the limitations of shareholder proposals.

2 Key Voting Trends

2.1 Shareholder Support

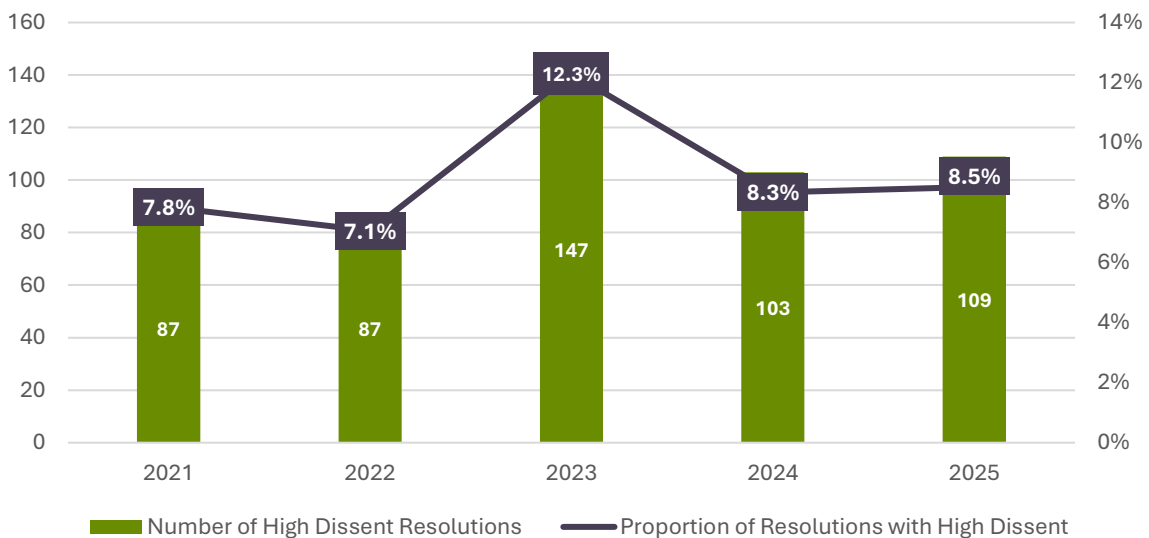
Average shareholder support for management remained relatively stable in 2025, as shown in Figure 1 below. The results highlight that shareholders continue to overwhelmingly vote in line with the board recommendation, with an approval rate of more than 93%.

Figure 1: Average Shareholder Support 2021-2025



When breaking the voting results down to consider the number of resolutions that received high shareholder dissent - i.e. 20% dissent or more - it shows that 2025 saw a slight increase in the number of resolutions receiving high shareholder dissent, up from 103 in 2024 up to 109 in 2025. At the same time, the proportion of resolutions receiving high dissent also increased to 8.5%, as shown in Figure 2 below. However, the number of high dissent instances remain below the peak year of 2023. This pattern reinforces that shareholder pressure in 2025 was exercised more selectively, with dissent concentrated on material issues rather than applied uniformly across the ballot.

Figure 2: High Shareholder Dissent 2021-2025



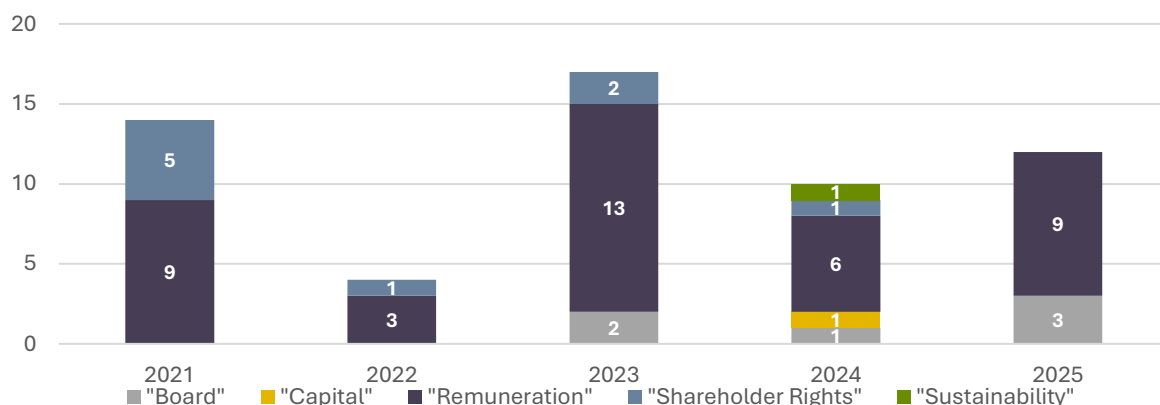
2.2 Contentious Resolutions

The number of defeated management proposals amongst the top 200 Australian companies increased in 2025 from ten to 12 as shown in Figure 3 below, representing a slight uptick in contentious votes. Notably, all defeated management proposals in 2025 came from two resolution categories: board and remuneration. This concentration highlights how shareholders continue to rely on board and remuneration votes as the most effective and accessible mechanisms for enforcing accountability in the Australian market, with remuneration report votes often serving as a substitute accountability mechanism to express concerns over a wide range of factors where there is no other suitable agenda item to target.

Voting on board and remuneration resolutions is central to shareholder accountability because these are the primary mechanisms through which investors can hold company leadership directly responsible for strategy, performance, and conduct. The concentration of defeated proposals in these two categories demonstrates that, even where overall support for management remains high, shareholders use board and remuneration votes as their primary tools for enforcing governance standards and accountability in practice.

There were no successful shareholder proposals in 2025. The last time shareholders saw success was in 2022 at AGL Energy Ltd's AGM whereby major shareholder Galipea Partnership succeeded in getting four of its director nominees elected to the board despite the AGL board only backing one of the candidates.

Figure 3: *Defeated Management Proposals 2021-2025 (exc. board spill resolutions)*



2025 Defeated Resolutions

- Deep Yellow Ltd – LTIP Equity Grant
- James Hardie Industries plc – Remuneration Report
- James Hardie Industries plc - Re-elect as a director, Peter Davis
- James Hardie Industries plc - Re-elect as a director, Anne Lloyd
- James Hardie Industries plc - Re-elect as a director, Rada Rodriguez
- James Hardie Industries plc- LTIP Equity Grant
- James Hardie Industries plc – NED Fee Rate
- NEXTDC Ltd – Remuneration Report
- NRW Holdings Ltd– Remuneration Report
- NRW Holdings Ltd – LTIP Equity Grant
- Vault Minerals Ltd – Remuneration Report
- Westgold Resources Ltd – Termination Provisions

3 Key Governance Items

3.1 Director Elections

Board-related votes are fundamental to governance because the board is ultimately responsible for oversight and decision-making. Director elections allow shareholders to assess whether the board has the appropriate skills, independence, diversity and refreshment to oversee management effectively and respond to emerging risks. Where concerns exist, votes against directors provide a clear signal that accountability is lacking.

Figure 4 and Figure 5 below shows that average dissent on director elections and the number of high dissent instances (20% and more) increased in 2025, although they remain below 2023 levels. Whilst the vast majority of board-proposed directors continue to be elected, notably in the last five years only 2024 and 2025 saw at least one director election voted down by shareholders, with one in 2024 and three in 2025. This suggests selective rather than reduced scrutiny in director voting and targeted opposition directed at specific directors not entire boards, with the example of James Hardie providing a rare case where multiple directors were rejected by shareholders.

Australia’s three-year director election cycle can also impact voting outcomes as it can constrain how shareholders can target boards. This means shareholder dissent is constrained to the subset of directors standing for election at the AGM, regardless of who investors believe is most responsible for an issue. This means investors need to decide which director standing is the most appropriate target to express dissatisfaction. It may also result in shareholders using the advisory vote on the remuneration report to express dissatisfaction over a wide array of concerns and not just remuneration.

Figure 4: Average Support on Director Elections 2021-2025

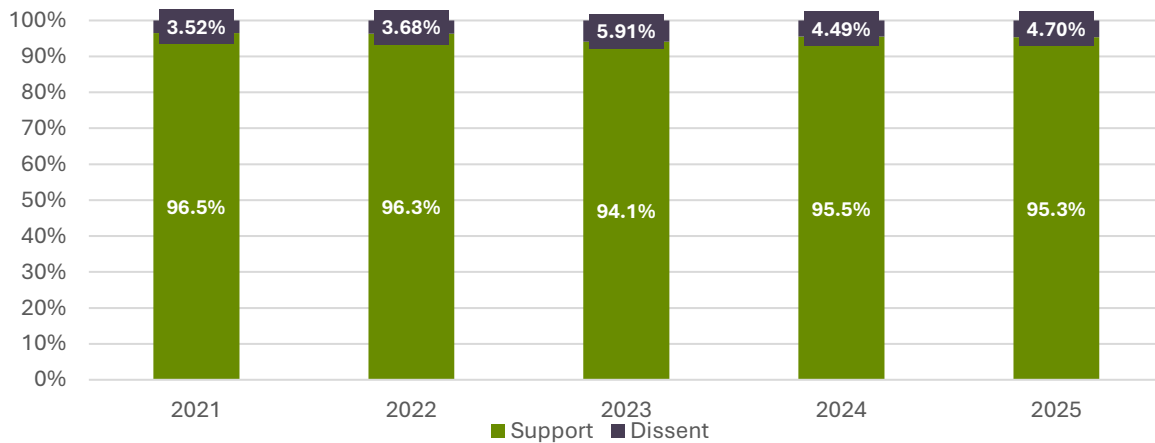
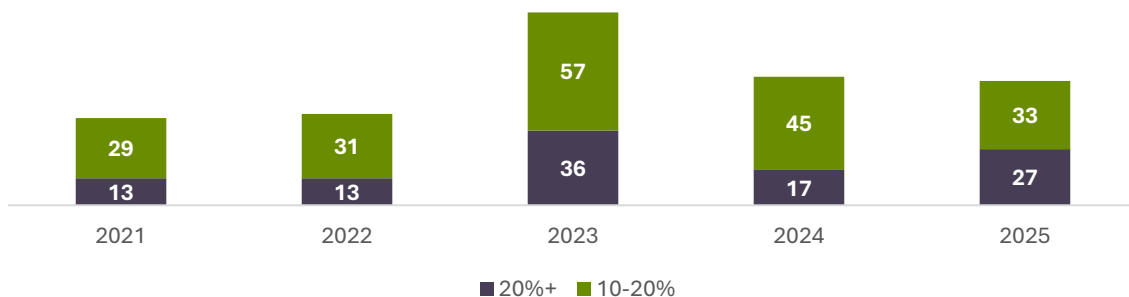


Figure 5: Count of High Dissent Director Elections 2021-2025



Governance Accountability in Action

James Hardie: James Hardie faced significant shareholder dissent at its 2025 AGM, driven by concerns over the company's US\$8.8bn acquisition of AZEK. The Australian Securities Exchange granted James Hardie a waiver from the requirement under Listing Rule 7.1 to obtain shareholder approval for the issuance of shares in excess of 15% of its share capital, relying on the takeover exemption in Listing Rule 7.2. James Hardie argued that the transaction was the regulated foreign equivalent of an Australian takeover, that AZEK shareholders were voting under US securities law and that the structure closely mirrored an Australian scheme of arrangement, notwithstanding that it was governed by US law.

The waiver prompted significant investor concern regarding governance, shareholder rights and capital allocation as shareholders were afforded no vote on a material, transformational transaction that resulted in substantial dilution of their interests. These concerns were compounded by a material fall in the company's share price following announcement of the acquisition. At the 2025 AGM, shareholders expressed their dissatisfaction by voting against the re-election of three directors - chair Anne Lloyd and directors Rada Rodriguez and Peter John Davis - and by rejecting the remuneration report and a proposed increase in non executive director fees. The unprecedented nature of the votes was widely interpreted as a substitute form of accountability in the absence of a shareholder vote on the transaction itself.

The outcome sent a broader signal to the market and to the ASX regarding investor expectations for shareholder oversight and consent in relation to transformational transactions. In response to the investor backlash, the ASX announced a review of the Listing Rules relating to shareholder approval requirements and listing and admission status. The episode reflects wider international debates on shareholder rights, including in the UK, where reforms to the FCA's listing regime have reduced mandatory shareholder approvals for certain transactions, raising concerns among investors about weakened oversight mechanisms.

Westpac: Peter Nash's re-election attracted more than 40% shareholder dissent, driven primarily by concerns about his former role as an ASX director during a period marked by significant operational and governance failures. The ASX has since faced heightened regulatory scrutiny, including Australian Securities and Investments Commission (ASIC) investigations into its operational resilience and alleged misleading conduct relating to the CHES replacement project. Separately, some investors raised questions regarding potential conflicts of interest linked to Nash's prior senior role at Westpac's auditor, KPMG. Similar concerns were evident at Mirvac Group's 2025 AGM, where approximately 28% of shareholders voted against his re-election. These voting results illustrate the use of director elections as a mechanism for signalling governance and accountability concerns, including where those concerns arise from a director's external appointments rather than their performance on the board in question.

For boards, these outcomes underscore that accountability risk is increasingly individualised. Directors cannot rely solely on collective board support or high overall approval rates; external roles, governance oversight failures and perceived responsiveness to shareholder concerns are being scrutinised at the individual level. As a result, boards face heightened expectations to demonstrate not only compliance with governance standards, but active ownership of major strategic and transactional decisions.

3.2 Remuneration Reports

The two-strikes rule was introduced in 2011. Under the rule, if shareholders vote against a company's executive remuneration report two years in a row, the board may be voted out of office via a 'board spill' resolution.

The intention behind the strike system is to encourage greater transparency and engagement on executive remuneration as well as greater director accountability where boards are unresponsive to shareholder concerns.

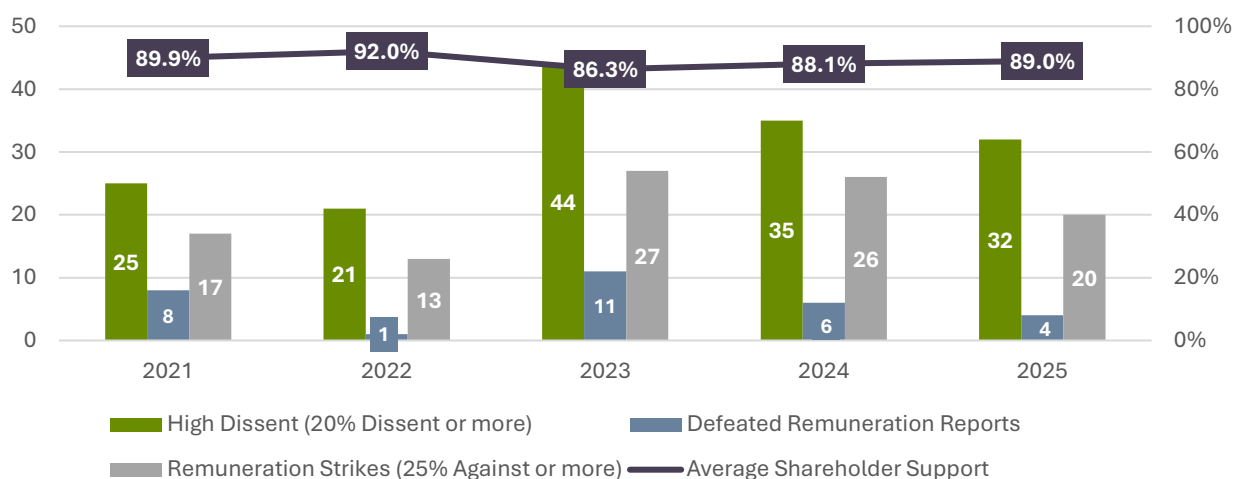
A 'first strike' occurs when a company's remuneration report receives an 'against' vote of 25% or more. The 'second strike' occurs when a company's subsequent remuneration report also receives 'against' votes of 25% or more. When a second strike occurs, the shareholders will vote at the same AGM on a 'board spill' resolution which if passed, the company is required to hold a spill meeting within 90 days at which all individuals who were directors when the directors' report was considered at the most recent AGM will be required to stand for re-election (other than the managing director).

However, shareholders rarely, if ever, vote through the board spill resolution – this suggests the system may have limited effectiveness in dealing with unresponsive boards as shareholders may wish to avoid destabilising the board over remuneration concerns.

It should be noted that only 'for' and 'against' votes are considered when determining whether a strike has occurred, and abstentions are not included in the calculations. Whilst abstentions are not counted, many investors positively abstain to indicate their lack of support for management. Using a sporting metaphor, a positive abstain is a "Yellow Card" to send a warning to management or as part of an engagement escalation strategy. However, the exclusion of abstentions in determining whether a strike has occurred demonstrates the potential pitfalls of abstaining when concerns are held.

The voting trends show a varied environment with remuneration continuing to hit the headlines but a slight easing in voting results was shown in 2025. In particular, 20 companies received a remuneration strike in 2025 compared to 26 in 2024 and 27 in 2023, as shown in Figure 6 below. The number of high dissent instances also fell from 35 to 32 representing an easing from the record high 44 instances in 2023. Where a strike was received in 2025, this averaged at 42.9%, an increase from 42.1% in 2024. This indicates that shareholders are continuing to "pick their battles" resulting in a smaller number of high-profile votes but overall lower dissent levels. Where opposition has been expressed, it was often at a very high level, suggesting a more targeted approach from shareholders on remuneration.

Figure 6: Remuneration Report Dissent 2021-2025



While concerns over incentive structure and pay-for-performance alignment remain central to instances of high dissent on remuneration, remuneration votes continued to serve as a broader accountability mechanism where investors sought to signal dissatisfaction on a wide range of issues. In several cases outlined in Table 1 below, elevated dissent reflected underlying governance controversies, board responsiveness, or conduct and culture issues, rather than narrow objections to remuneration design.

Table 1: Highest Remuneration Dissent Rates in 2025

Company	Shareholder Dissent	Key Concerns
NRW Holdings Ltd	73.2%	NRW's remuneration report was voted down by shareholders in what was the firm's eighth consecutive remuneration strike, highlighting ongoing unresolved shareholder concerns.
NEXTDC Ltd	71.9%	Concerns over the potential magnitude of the CEO rights grant under the Growth Incentive Plan announced in February 2025 which could grant CEO Craig Scroggie in excess of AU\$100m depending on total shareholder returns (TSR) growth.
James Hardie Industries plc	66.4%	The vote related to governance practices concerns regarding the acquisition of AZEK which also led to three directors being voted out at the AGM.
Vault Minerals Ltd	51.8%	Concerns were raised regarding an LTIP award granted to CEO Luke Tonkin that was structured to vest based on continued employment until February 2026, despite his publicly stated intention to depart within the following year.
Wisotech Global Ltd	49.5%	Concerns regarding governance and culture following a regulatory investigation by the ASIC relating to alleged share-trading activity during restricted periods by insiders. Co-founder Maree Isaacs also saw 22% dissent over her re-election, with concerns linked to her sale of shares which reduced her holding in the company to zero.
Xero Ltd	48.8%	Concerns over an increase in CEO Sukhinder Singh Cassidy's remuneration opportunity following a board review in December 2024 against US-based global tech CEOs raising concerns over quantum relative to market practice.
Orora Ltd	48.4%	Concerns were expressed in relation to the approach to executive remuneration in connection with the sale of its North American packing solutions business to Veritiv, including one-off transaction bonuses and adjustments to performance targets.
Reece Ltd	52.7%	Reece faced a second strike with shareholders expressing concerns over the alignment of pay with performance following a material fall in share price. Due to 14.4% of the shareholder ballot abstaining, the resolution passed despite dissent being over 50% due to the number of votes cast as 'For' exceeded the number cast as 'Against'.
Harvey Norman Holdings Ltd	51.7%	The high dissent was a result of major shareholders abstaining on the resolution rather than voting 'For' or 'Against' with the actual level of against votes standing at less than 1%.
Mesoblast Ltd	59.8%	The high dissent was a result of major shareholders abstaining on the resolution rather than voting 'For' or 'Against', with the actual level of against votes standing at 8.5%.

4 Say on Climate

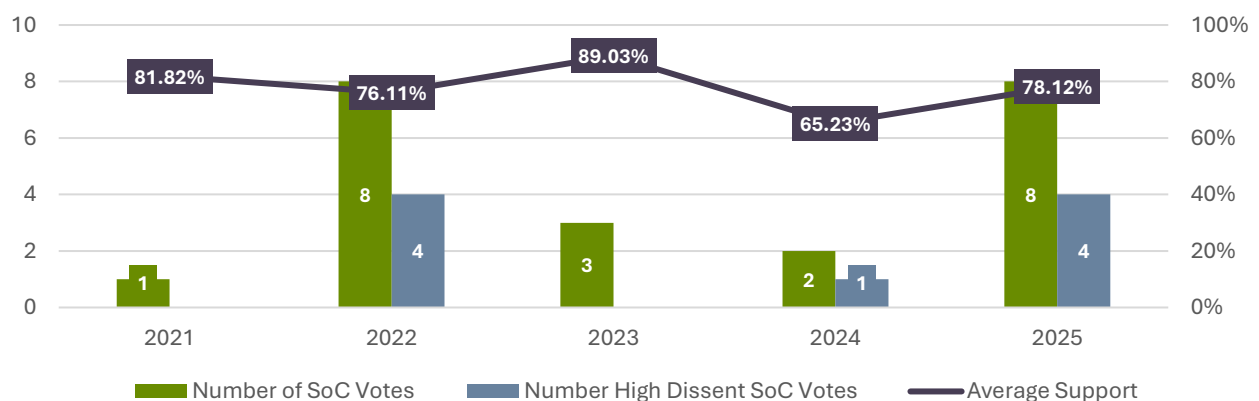
Australia faces significant transition and physical climate risks, posing material financial risks for institutional investors and businesses. Climate inaction and policy uncertainty have been highlighted as key issues for the Australian market, posing a major barrier to low carbon investment despite the support for green opportunities. It also [limits Australia's ability to meet its net zero commitments](#).

Companies and investors have a role to play in ensuring a just climate transition. Boards need to take action to ensure they have appropriate governance structures in place to manage this issue and provide reliable disclosure on their exposure to climate-related risks and opportunities and investors have a role to hold investee companies to account for failing to appropriately manage risks.

2021 was the first year in which an Australian-based company - BHP - sought shareholder approval of its climate transition plan, known as a 'Say on Climate' vote. There was a spike in Say on Climate votes in 2022 with eight companies seeking approval, though the number fell back down to just three in 2023. The trend indicates companies are holding a vote every three years rather than on an annual basis.

In 2025, 50% of the companies that held a Say on Climate vote received dissent of 20% or more and average shareholder support stood at around 78% as shown in Figure 7 below, a much lower level than the overall average of 94% support in the market. The results suggest that investors are closely scrutinising company climate strategies, targets and disclosures. The implementation of mandatory climate reporting in line with the IFRS S2 reporting standard is likely to result in greater consistency and comparability in company climate-related disclosures and may impact shareholder voting in future years. Investors may increasingly rely on director elections and other accountability mechanisms rather than recurring advisory votes to express concerns over climate governance.

Figure 7: Say on Climate Votes 2021-2025

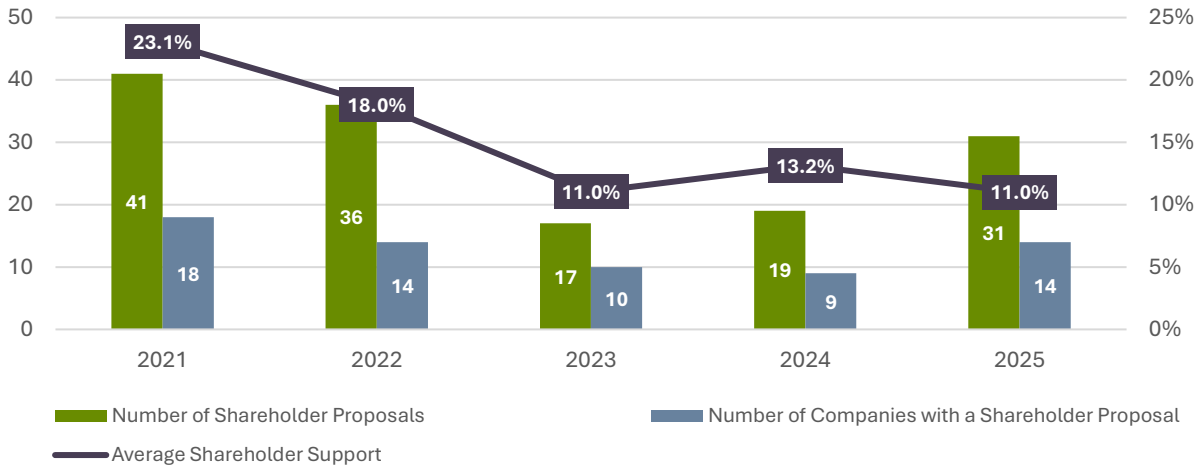


The four companies that received high dissent in 2025 were: APA Group Ltd, AGL Energy Ltd, Santos Ltd and South32 Ltd – all energy and/or mining based companies indicating shareholders are considering materiality when it comes to voting on climate. Notably, Australia remains the only market to have seen a Say on Climate resolution defeated, following shareholders' rejection of Woodside Energy's climate transition plan in 2024. Woodside did not put a revised plan for a vote in 2025, and shareholders instead expressed their concerns through director elections. The chair of the sustainability committee, Ann Pickard, received around 20% dissent, reflecting frustration with the company's lack of responsiveness to shareholders. The Australasian Centre for Corporate Responsibility (ACCR) reinforced this pressure by filing a Members' Statement urging votes against all directors standing for election.

5 Shareholder Proposals

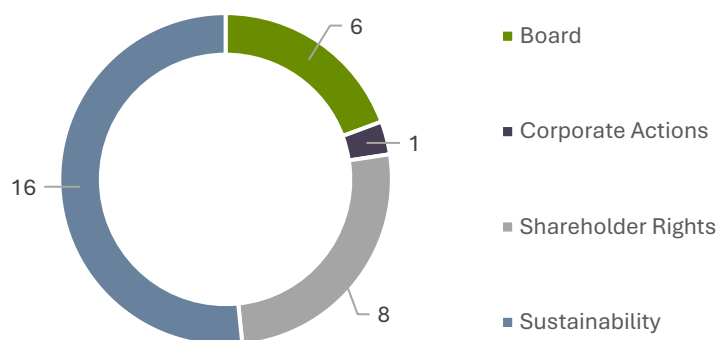
In 2025 the number of resolutions filed by shareholders increased, reflecting a reversal of the previous decline. However, support for shareholder proposals has continued to decline since the peak in 2021 and the number of proposals remain below 2021 and 2022 levels. This decline reflects global trends in shareholder proposals, particularly in the US where the use of shareholder proposals has been a prominent feature in the market.

Figure 8: Number of Shareholder Proposals in Australia 2021-2025



The 75% supermajority voting threshold for shareholder proposals makes filing proposals less effective in Australia when compared to other markets. As such, shareholders may focus more on other governance accountability mechanisms to raise concerns, such as by voting against directors or remuneration reports. In addition, Australia is seeing greater use of litigation alongside shareholder strategies, particularly on climate and greenwashing with the ACCR v Santos case demonstrating how shareholder activists might use courts to challenge climate claims rather than relying on AGM votes.

Figure 9: 2025 Shareholder Proposals by Topic



In 2025, environmental-related issues dominated shareholder focus on proposals, with resolutions filed on climate gaining greater focus. A newer but notable trend is the expansion of environmental proposals beyond climate into biodiversity loss and nature-related risks, which saw notable proposals filed in 2024 and 2025. In particular, banks’ exposure to the financial risks of climate change and deforestation has been a focus area as well as the environmental impact of supermarket duopoly Woolworths and Coles.

Outside of environmental issues, Stephen Mayne nominated himself for election to the board of six companies - Bank of Queensland Ltd, HMC Capital Ltd, IperionX Ltd, Insignia Financial Ltd, Harvey Norman Holdings Ltd and Reece Ltd - in each case the board recommended shareholders oppose Mayne's election and the proposals averaged only 1.8% votes in favour.

At Rio Tinto Ltd Palliser Capital filed a proposal asking the board to undertake a review on the possibility of the unification of the firm's dual-listed structure into a single Australian-domiciled holding company. Rio Tinto argued that unification would be value destructive for the group and its shareholders and that it had already undertaken a review in 2024 with external advisors which reaffirmed the board's conclusion. The proposal received 19.2% shareholder support indicating some support for further consideration of unification. Rio's larger rival BHP eliminated its own dual-listed structure in 2022, which may have set a precedent for the proposal.

A distinctive feature of the Australian market is the use of constitutional amendment resolutions to enable shareholders to propose advisory resolutions or express opinions on matters such as climate change. As these amendments are classified as special resolutions requiring 75% approval, none have been successful. Where an amendment fails, any associated advisory resolution is void, regardless of shareholder support.

Section 249N of the Corporations Act governs the mechanism for shareholders to file resolutions. Shareholders may file a resolution if they hold at least 5% of the voting rights, or if the resolution is filed by 100 or more shareholders entitled to vote at the meeting. As such, while shareholders may file resolutions under section 249N if eligibility thresholds are met, the binding nature of shareholder resolutions and the supermajority requirement limit their effectiveness as an accountability mechanism. As a result, the current framework constrains shareholders' ability to express views on governance and sustainability issues.

The constitution amendment proposals failed to garner significant shareholder support averaging 7.7% support in 2025. This meant that all advisory proposals were void and could not pass regardless of the level of support they received. Taken together, these structural constraints limit the effectiveness of shareholder proposals as a tool for change in Australia, reinforcing the central role of director elections, remuneration votes and litigation as alternative avenues for shareholder accountability.

Table 2: Key ESG Shareholder Proposals in 2025

Companies facing climate-related proposals	APA Group Ltd, Macquarie Group Ltd, Westpac Banking Corp, National Australia Bank Ltd, ANZ Group Holdings Ltd
Companies facing biodiversity and nature-related proposals	Woolworths Group, Coles, National Australia Bank Ltd, ANZ Group Holdings Ltd
Companies facing social-related proposals	APA Group Ltd

Macquarie Group Ltd – shareholder support for action on financing activities.

At Macquarie Group’s AGM Market Forces filed a resolution asking the bank to provide additional reporting on its fossil fuel financing activity and how it aligns with its climate commitments. This was the first climate-related proposal to be filed at Macquarie and received around 35% votes in favour which made it the most-supported shareholder proposal in 2025. It also represented the largest shareholder backing for a climate resolution at a major Australian bank. Notably, Macquarie had withdrawn from the Net Zero Banking Alliance.

Woolworths – shareholder pressure on biodiversity

At Woolworth’s AGM ethical broking platform SIX filed a proposal asking the firm to identify and report on the impacts of farmed seafood it procures for its Own Brand products on endangered species under the Environment Protection and Biodiversity Conservation Act 1999 List of Threatened Fauna, particularly the endangered Maugean skate. The proposal received 34% support, highlighting the growing investor focus on nature and biodiversity impact in Australia. Another proposal filed by SIX asking Woolworths to align its Group Seafood Sourcing Policy with global best practice standards such as the Conservation Alliance for Seafood Solutions Guidance for Companies received lower support of 14% highlighting shareholders are generally more comfortable with supporting transparency requests than proposals seeking adoption of specific policy or action. Notably, SIX withdrew the same transparency request at peer Coles following enhanced reporting by the company, though it pushed forward with the proposal on the policy which received 12.5% support.

6 Key Focus Areas and Market Developments

Changing Corporate Governance Framework

In October 2025, following a [review](#) by an independent review panel into the process by which the Corporate Governance Principles and Recommendations (Principles) are developed and maintained, the [ASX announced](#) that, in accordance with the recommendations of the panel, it will assume ultimate responsibility for developing, approving and issuing the Principles; with the ASX Corporate Governance Council to be dissolved after more than 20 years. The ASX also announced that the fifth edition of the Principles would not proceed and the fourth edition will remain in force. The fifth edition had included enhanced disclosure expectations for companies in areas such as board diversity and stakeholder engagement. The Council said a broad consensus has not been reached by its members in support of the fifth edition, with some organisations raising concerns over the extension of DEI requirements at a time that other markets have rolled back rules in the area [such as in the US](#). In 2025, the ASX also launched a [review of its Listing Rules on transactions](#) in response to the James Hardie-AZEK controversy highlighting the current international refocus on shareholder rights and governance in connection to market competitiveness and growth.

Actionable Takeaway: These developments signal investors to tighten engagement and voting escalation on shareholder approval, board accountability and disclosure quality.

Mandatory Sustainability Reporting

Australia has shifted from largely voluntary climate reporting to a mandatory, legislated regime. The [Australian Accounting Standards Board \(AASB\) issued the Australian Sustainability Reporting Standards \(ASRS\)](#) in September 2024. The standards consist of AASB S1 on general requirements for disclosure of sustainability-related financial information, aligned with IFRS S1 and AASB 2 climate-related disclosures, aligned with IFRS S2. As the standards are aligned with IFRS they will help encourage a global baseline that provides a common language for sustainability information, enabling comparable and consistent disclosures across global capital markets and helping to reduce fragmentation between jurisdictions.

Whilst AASB S1 is a voluntary standard, the Australian Government [amended Chapter 2M of the Corporations Act 2001](#) in September 2024 to introduce mandatory reporting against AASB S2. Reporting will be phased in over time, with the largest entities to report from 1 January 2025 with other entities commencing in either 2026 or 2027. Companies will be expected to include a climate statement that covers material climate-related financial risks and opportunities faced by the entity (if any), scope 1, 2 and 3 GHG emissions and any associated reduction targets, any information about governance of, strategy or risk management by the entity in relation to these risks, opportunities, metrics and targets; and an assessment of the entity's resilience to climate-related changes, using scenario analysis.

The Australian Prudential Regulatory Authority (APRA) has also moved to promote prudent practices to ensure the financial system is resilient to climate-related financial shocks. In its [corporate plan 2024-25](#), the APRA announced it intends to begin incorporating climate risk into its capital framework – the set of rules that determine how much financial buffer banks must hold to remain solvent during stress events.

Actionable Takeaway: For investors, this raises the bar on climate-risk credibility and comparability. Prioritise engagement on ASRS/IFRS S2 readiness (including Scope 3 and scenario analysis), bake climate assumptions into valuation and stewardship escalation, and flag institutions where weak disclosure or transition planning could translate into higher capital needs or funding costs.

Greenwashing Enforcement

Regulators ASIC and Australian Competition and Consumer Commission (ACCC) have both identified greenwashing as a strategic enforcement priority and are pursuing misleading sustainability claims. [ACCC's first major greenwashing penalty](#) resulted in an AU\$8.25m fine against Clorox due to misleading claims that certain GLAD bags were made from 50% recycled ocean plastic. ACCC's first major enforcement action on greenwashing highlights the growing litigation and financial risks for companies on accurate and verifiable environmental claims and may set a precedent for future actions. On the investor side, on 25 August 2021 the ACCR's commenced proceedings in the Federal Court against Santos Ltd alleging that Santos had engaged in misleading or deceptive conduct in relation to statements about the climate impacts of its products and its emissions reduction plans. On 23 February 2026 the Court [dismissed the case](#), finding that Santos climate-related claims were not misleading or deceptive and in line with industry practice. ACCR [has appealed the decision](#).

Actionable Takeaway: For investors, this is a reminder to treat sustainability claims as investment risk signals. Be sure to press for claim-level evidence and governance sign-off, reflect potential enforcement/litigation exposure in risk pricing, and use engagement and voting escalation where disclosures rely on broad, unverified or 'industry standard' assertions.

Market Competitiveness

ASIC published its [roadmap for capital markets in November 2025](#) aiming to promote strong, efficient and globally competitive markets in Australia. The roadmap followed a [February 2025 ASIC discussion paper on Australia's evolving capital markets](#), which explored the shifting dynamics between public and private markets. It highlighted issues such as declining public listings, rapid growth in investment capital allocated to private markets and the growing significance of superannuation funds. The roadmap notes that while not the primary cause of declining listings, regulation is seen by some as a contributing factor, with cumulative effects amplified by public scrutiny. ASIC encouraged the ASX to consider the benefits of simplifying future editions of the Corporate Governance Principles and Recommendations and ensuring that they do not unduly deter entities from listing or remaining listed on the ASX.

Actionable Takeaway: For investors, this means the trade-off between market 'competitiveness' and shareholder protections is moving to the forefront. Be sure to stress-test governance and disclosure standards in any proposed rule changes, intensify due diligence and engagement on privately held exposures, and be ready to use voting and policy advocacy to defend core shareholder rights if listing standards are weakened.

Nature and Biodiversity Law

In November 2025 the Australian Parliament passed major reforms to the [Environment Protection and Biodiversity Conservation Act 1999](#) (EPBC Act). This marked the first overhaul of the law since it came into force. The updated law aims to strike a balance between protecting biodiversity and supporting responsible development, reshaping how companies and investors operate. Key changes include the introduction of national environmental standards to which big project approvals will be required to adhere to and a new national environment protection agency will be established with material enforcement powers including fines of up AU\$825m for corporations.

Actionable Takeaway: For investors, this elevates nature and biodiversity from a 'soft' ESG issue to a potential approvals, cost and penalty risk. Be sure to pressure test high-impact issuers on permitting pathways and nature-risk governance, incorporate potential delay/mitigation/fine exposure into valuation assumptions, and escalate stewardship where project economics appear reliant on optimistic regulatory outcomes.

Virtual-only Meetings

The Federal Government released its [response](#) to the [review](#) of the meetings and documents amendments in 2021 and 2022. In 2020, temporary changes were made to allow companies to hold meetings in a more flexible manner during the COVID-19 pandemic and the temporary changes were progressively made permanent, with legislative changes made in 2021 and 2022 to the Corporations Act 2001 to provide for a technology-neutral approach to company meetings and to the electronic communication, signing and execution of documents.

Whilst the review noted that the ability to attend and participate in corporate meetings had increased, it also highlighted concerns that companies could use wholly virtual meetings to avoid scrutiny or diminish shareholder rights and that there remained scepticism amongst investors about how some companies have adopted virtual meetings. The review made a number of recommendations, to which the Government agreed to all, including that listed public companies should be allowed to hold wholly virtual meetings only if permitted in their constitution, that entities such as ASIC and ASX provide guidance on wholly virtual meetings, that mandatory polls for voting on resolutions be maintained and that a review of the format of AGMs be undertaken in five years' time.

Actionable Takeaway: For investors, this is a practical stewardship issue. Be sure to check constitutions and meeting notices for virtual-only permissions and safeguards, push for minimum participation standards (live Q&A, transparent moderation, real-time disclosure of questions) and use voting escalation where formats appear designed to limit shareholder scrutiny.

Artificial Intelligence

AI governance in Australia is being shaped through voluntary ethical principles, evolving regulatory guidance and the enforcement of existing laws, rather than AI specific legislation. The Australian Government released [Australia's AI Ethics Principles](#) in November 2019. They are intended to guide both government and private-sector organisations in the responsible design, development and deployment of AI systems. The principles are voluntary and are not regulation, but they emphasise core governance concepts such as accountability, transparency, human oversight and contestability. In October 2025, the Government published updated [Guidance for AI Adoption](#) which builds on the principles and distils them into six essential governance practices intended to be more practical and accessible for boards rather than just technical teams alone. As companies expand their use of AI, investor and regulatory expectations are increasingly focused on whether boards can demonstrate effective oversight of AI related risks within existing frameworks for systems, controls and accountability, rather than treating AI as a purely technical or innovation issue.

Actionable Takeaway: For investors, the absence of AI-specific legislation shifts the burden onto board assurance. Ask the board for clear accountability, model governance (including human oversight and testing/monitoring), and escalation triggers for incidents.

Methodology

Coverage

The report examines shareholder voting trends in the [Solactive Australia 200 Index \(PR\)](#) (SOLAUMBMP). The index comprises the 200 largest Australian companies.

Companies have been classified as an index constituent at the date of their shareholder meeting. Index rules and constituent companies can be found [here](#).

In each market, the voting season covers 12 months from 1 Jan to 31 Dec. Voting results are as collected by Minerva as of 19 March 2026. Minerva counts dissenting votes as those purposely not cast in favour of a management proposal, including both 'positive abstain' or 'withhold' and 'against' votes. For many years, votes positively withheld have been a strong indicator of shareholder sentiment, and are used to demonstrate that a shareholder cannot fully offer their support. However, in most markets, these have no legal authority.

Meeting types

AGM	The Annual General Meeting of shareholders, normally required by law.
Non-AGM	Includes Class Meetings, Court Meetings, Extraordinary General Meetings, General Meetings, Ordinary General Meetings, Special General Meetings and Scheme Meetings. These meetings are generally held where a meeting is required to conduct business of an urgent or extraordinary nature. Such business may require a special quorum.

Vote types

Abstain	Shareholders vote not in favour or against the proposed resolution, but shareholder demonstrates lack of confidence towards the rationale behind the resolution.
Against	Shareholders vote against the resolution proposed.
For	Shareholders vote in favour of the resolution proposed.
Withhold	For North America auditor and director election resolutions, shareholders vote not in favour of the resolution proposed and generally considered equivalent to a vote against.

Resolution categories

Audit and reporting	Resolutions concerning the appointment and remuneration of auditors, the appropriation of profits and the approval of report and accounts.
Board	Resolutions concerning the composition and structure of the board including director elections, director discharge and board committees.
Capital	Resolutions concerning authorisations to issue and/or repurchase shares, dividends and amendments to capital structure.
Charitable activity	Resolutions concerning charitable donations.
Corporate actions	Resolutions involving significant transactions and other investment decision-related items.
Other	Resolutions that are non-routine and do not fall under other categories.
Political activity	Resolutions concerning political donations and lobbying.
Remuneration	Resolutions concerning remuneration policies and reports, equity plans, non-executive remuneration, say on pay frequency votes and golden parachutes.
Shareholder rights	Resolutions concerning the articles of association, anti-takeover provisions, the rights of shareholders and general meeting procedures.
Sustainability	Resolutions concerning environmental and social issues, such as climate change and the workforce.

About Solactive



Solactive is a Germany-based index provider operating globally and growing at a

fast pace. Since 2007, Solactive have been developing tailor-made and multi-asset class index solutions for global investors. Currently, Solactive is present in Frankfurt, Dresden, Berlin, Toronto and Hong Kong to provide 24/6 coverage.

Solactive principles

“We take our cue from our clients when deciding what’s important to us. So, it will come as no surprise that security, technical infrastructure and regulatory compliance are high on the list. However, it’s just as important to us to ensure that we truly deliver the products and services that our clients are looking for.”

Reliable and service-oriented

- **Security:** Highest standards for data protection and continuity. Solactive employs a number of industry-standard layers of technology to protect and secure data.
- **Regulation:** Compliance with the applicable regulations and regulatory developments.
- **Proactivity:** True partnership – developing products with clients that matter to them.

For more information about Solactive’s tailor-made and multi-asset class index solutions, please visit <https://www.solactive.com/indices/>.

About Minerva



Minerva, a Solactive company, helps investors and other stakeholders to

overcome data disclosure complexity with robust, objective research and voting policy tools. Users can quickly and easily identify departures from good practice based on their own individual preferences, local market requirements or apply a universal good practice standard across all markets.

Minerva’s Core Services

- **Global vote agency:** core competence covering bespoke policy, data, research, execution, vote analytics and reporting.
- **Research:** covering >90% of the World’s listed companies by value.
- **Sustainability consulting:** RI policy creation, sustainability reporting, carbon footprinting, ‘Governance Watch’ and asset owner/manager ESG audits.
- **SDG mapping:** assessing potential alignment/impact of client investments on the delivery of the UN Sustainable Development Goals.
- **Screening:** ESG norms-based analysis that identifies controversial products and breaches of global standards.

For more information, please email hello@minerva.info or call +44 (0)1376 503500.