

PRI CONSULTATION RESPONSE

EU Shareholder Rights Directive (SRD) II review

6 May 2026

An investor initiative in partnership with
UNEP Finance Initiative and UN Global Compact



About this consultation

The European Commission is [consulting](#) on the Shareholder Rights Directive (SRD II), with a review of the directive expected in Q4 2026. The review aims to facilitate the flow of information and the exercise of shareholder rights and improve corporate governance in the EU.

The PRI is the leading organisation in advancing responsible investment globally. Set up with United Nations' support, our unique community contributes to stable financial markets and a more prosperous world for all. We bring together signatories, amplify their voices and provide resources and guidance for complex sustainability challenges. The six Principles were developed by investors, for investors. In implementing them, signatories contribute to developing a more sustainable global financial system.

The PRI develops policy analysis and recommendations based on signatory views and evidence-based policy research. The PRI welcomes the opportunity to respond to the European Commission's call for feedback on the SRD II.

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To inform this paper, the following groups has been consulted: Global Policy Reference Group and System Stewardship Advisory Committee.

While the policy recommendations herein have been developed to be globally applicable, the PRI recognises that the way in which policy reforms are implemented may vary by jurisdiction and according to local circumstances. Similarly, the PRI recognises that there may be circumstances where there are merits to allowing market-led initiatives to precede regulatory requirements.

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Key recommendations

The EU Shareholder Rights Directive (SRD II) governs the regulatory framework for stewardship in the EU – which PRI defines as “the use of investor rights and influence to protect and enhance overall long-term value for clients and beneficiaries, including the common economic, social and environmental assets on which their interests depend”¹. Establishing regulatory frameworks to enable effective stewardship is a key part of the broader policy toolkit to build a sustainable financial system². Such a framework should support investors to use stewardship practices to meet their fiduciary duties, improve risk-return, and ultimately contribute to sustainability and competitiveness objectives.

SRD II has benefited investors by strengthening shareholder rights and improving transparency throughout the investment chain, thereby enhancing their ability to act as long-term stewards of capital across the EU. Yet important barriers to the exercise of shareholder rights remain³. Submitting votes and shareholder resolutions across EU member states can be challenging, and the lack of harmonised rules often prevents effective engagement between investors and companies. Tackling these barriers and protecting existing shareholder rights will be crucial for maintaining trust in the system and ensuring that institutional investors can confidently deploy capital to EU businesses – in line with the objectives of the [Savings and Investments Union](#).

Additionally, the SRD’s focus on the relationship between listed companies and their shareholders does not fully reflect the broader context in which stewardship is exercised alongside engagement and voting in listed equities. Shareholder rights are one of several tools investors use to protect long-term value for clients and beneficiaries - including in addressing system-level risks such as climate change and inequality that cannot be mitigated through portfolio reallocation alone. The revision of the Directive offers an opportunity to better situate shareholder engagement within investors’ wider stewardship duties, in a manner consistent with the existing reach of the framework.

These issues would be best addressed through targeted amendments to the Directive, rather than a more fundamental overhaul, to maintain regulatory stability and preserve the benefits of the existing framework. Improved information flows within the scope of listed equities covered by SRD would, in turn, support practitioners in implementing holistic stewardship approaches that apply stewardship tools across their portfolios.

PRI’s key recommendations are:

1. Remove barriers to voting and submitting shareholder proposals

- **Remove obstacles to proxy voting.** In many EU member states, investors face Power of Attorney (PoA) requirements that need to be submitted as physical copies and processed manually. Setting minimum rules for the simplification and digitalisation of PoA requirements should facilitate cross-border voting and help integrate the EU’s capital market.
- **Harmonise timelines for publication of meeting materials, cut-off dates, and AGM format.** The short time frames between receiving meeting materials/ proxy advice and cut-off dates to submit votes is a key barrier to exercising shareholder rights in the EU. The revised SRD should ensure reasonable cut-off periods and require that meeting materials be distributed well in advance of the shareholder meeting – for instance 30 to 40 days before - to enable shareholders to make informed voting decisions. Simplification and greater consistency should be achieved through a balanced approach that fairly distributes the burden of change between custodians and companies. SRD II should also provide safeguards and best practice standards to ensure that shareholders can ask

¹ [About Stewardship](#) (PRI, 2026).

² PRI, [How financial authorities can build a sustainable financial system part 1: Addressing investor challenges](#) (2025)

³ ICGN, [Examples of obstacles to the exercise of shareholder rights](#) (2025)



questions and exercise their rights during virtual AGMs when hybrid or in-person AGM formats are not possible.

- **Introduce systematic vote confirmation.** Currently, shareholders only receive confirmation that their votes have been recorded and counted if they actively request it, which is impractical for investors voting at large numbers of AGMs and undermines confidence in the process. Existing electronic confirmations are also often delivered too late, meaning investors are not alerted in time if a vote is rejected and cannot correct or resubmit it. The revised SRD II should ensure automatic, end-to-end vote confirmation, with timely confirmation of valid votes, to facilitate the process and enable remediation where needed.
- **Set minimum safeguards for multiple class shares.** Multiple voting rights can misalign control and economic exposure, weaken minority shareholder influence, and increase the risk of entrenchment. A revised SRD should set safeguards on applying multiple voting rights and require the confirmation and disclosure of class-by-class voting outcomes to enhance transparency for both investors and corporate boards.
- **Harmonise rules and expectations for shareholder proposals.** Legal uncertainty on the submission and treatment of shareholder proposals in different EU member states is a major obstacle to effective stewardship. Lowering the maximum submission threshold to a reasonable level (for example 3%) across the EU would prevent certain member states from setting thresholds that are prohibitively high (especially for large-cap companies) and encourage shareholders to bring material topics to meeting agendas. The SRD should also set objective criteria for the circumstances under which companies can omit a proposal.
- **Preserve existing shareholder rights on executive remuneration.** One of SRD II's most important additions is stronger shareholder accountability over executive pay. Transparency requirements on remuneration policies and the related shareholder vote (Say on Pay) have helped enhance the disclosure of investment decision-useful information and the dialogue between investors and companies on these issues in the EU – supporting solid corporate governance and long-term performance. These requirements should therefore be preserved in the review. ESMA guidance on how remuneration reports should be disclosed can also help address fragmentation in application across EU markets.

2. Support stewardship across asset classes to manage systemic risks

- **Recognising stewardship activities across asset classes.** While SRD II has supported the exercise of shareholder rights in listed equities, it would be valuable to clarify - for example in the recitals - that stewardship is not limited to the application of the Directive. Shareholder rights are one of the tools through which investors fulfil their wider duties to protect long-term value for clients and beneficiaries and to support the effective deployment of capital to businesses. Investors can and often do undertake stewardship activities across their portfolios⁴, for example in fixed income and private assets, and through engagement with a range of stakeholders, including policymakers and standard setters. Recognising this broader context would help situate SRD II's requirements within investors' wider duties, in a manner consistent with the existing reach of the framework.

⁴ In practice, stewardship is often exercised across multiple asset classes, including fixed income, private markets (i.e., private equity, real estate, infrastructure, other real assets) and sovereign bonds - where voting rights may be limited or absent but influence is nonetheless exercised through dialogue, contractual arrangements, capital allocation and escalation strategies. See PRI (2021) – An Introduction to Responsible Investment – Stewardship.



- **Clarify investor rights to engage collaboratively.** To support effective collaborative stewardship, investors need clear and updated confirmation that joint engagement on key governance and long-term sustainability issues does not, in itself, constitute acting in concert under the Transparency Directive. While ESMA's 2014 Statement⁵ provides a useful baseline, it predates current stewardship practice and the SRD II. The Commission should request ESMA to update its guidance with explicit references and examples covering collaborative engagement practices. The Commission and ESMA should also work with national authorities to ensure consistent application across the EU.

⁵ ESMA, [public statement concerning shareholder cooperation and acting in concert](#) (2014)



Detailed response

Open Public Consultation on the Update of the Rules on Shareholder Rights

Fields marked with * are mandatory.

Introduction

- *To boost the EU's overall competitiveness, the Commission is committed to addressing the fragmentation across capital markets and fostering a robust and integrated capital market, in order to drive investment opportunities. A key component to achieve this objective is ensuring an efficient and effective framework for the exercise of shareholder rights. In this regard, Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders in listed companies, as amended by Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 as regards the encouragement of long-term shareholder engagement (the 'Shareholder Rights Directive', the 'SRD') aims at strengthening corporate governance by enhancing shareholder participation in corporate decision-making.*
- *Despite progress being made, obstacles still hinder the full realisation of an efficient single market for equity investments. The EU capital market remains fragmented, often mentioned as an example of an area in which the Single Market has not yet been completed. Emerging trends and evolving market conditions also require reassessing the SRD to address new challenges and opportunities, such as technological developments.*
- *To address these issues and opportunities, the Commission is currently assessing the need for reforms that could simplify, harmonise, and digitalise processes and the exercise of shareholder rights across the EU. As announced in the [Communication on the Savings and Investments Union](#) of 19 March 2025, a potential review of the SRD, 'could contribute to making it easier and cheaper for investors, intermediaries and issuers to operate across Member States'. More recently, the [2026 Commission Work Programme](#), published on 21 October 2025, announced the update of the rules on shareholder rights.*
- *The purpose of this open public consultation is to collect feedback from stakeholders on the barriers and inefficiencies which remain after SRD implementation. Together with additional data collected through the [Call for Evidence](#) and consultations carried out by a support study, as well as consulting expert groups, the Commission will examine the need for a revised, simplified framework that supports growth, investment, and competitiveness across the EU. This initiative aligns with the broader EU policy objectives outlined in key strategic documents, including the [Competitiveness Compass](#) and the [Single Market Strategy](#), which underline the importance of enhanced cross-border investments and of a simplified legal framework for a competitive EU single market.*

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1. Shareholders

Definition of shareholder (Article 2 point (b))

The SRD leaves the definition of who qualifies as a shareholder to the Member States in which the company is registered. Consequently, there are different approaches as to who is entitled to exercise shareholder rights across the EU.

Question 1. To what extent does the lack of a common definition of ‘shareholder’ in the SRD lead to legal uncertainty?

- To a very large extent
- To a large extent
- To a moderate extent
- To a small extent
- Not at all
- Don't know/no opinion

Question. If you would like to, please explain your answer:

While harmonisation could improve clarity, particularly for retail investors, a single rigid definition risks adding complexity for institutional investors acting for diverse clients. Instead, SRD II should clarify who may exercise which rights, in what capacity, and for which purposes (e.g. voting, engagement, disclosure), allowing for different ownership and delegation models.

500 character(s) maximum

Question 2. In case a common definition of ‘shareholder’ was to be introduced, which of the following definitions would you advise?

- The person who holds the shares in their own name, even if on behalf of another person (nominee shareholder definition)
- The person on whose securities account the shares are held with the last intermediary in the chain (even where an intermediary in the chain is the nominee shareholder and holds the shares on behalf of that end-investor, end-investor definition)
- Other

Identification of shareholders (Article 3a)

Member States must ensure that companies have the right to identify their shareholders. This provision aims to ensure the flow of information between listed companies/issuers (in what follows: companies), intermediaries, and shareholders, e.g., for the purposes of corporate action processing. However, Member States may provide that only shareholders holding more than a certain percentage of shares or voting rights fall within the scope of this provision. Such a percentage must not exceed 0.5 %. Therefore, who can be identified as shareholder varies.

Question 3. To what extent does the current right of companies to identify their shareholders facilitate the flow of information between companies, intermediaries, and shareholders?

- To a very large extent
- To a large extent



- To a moderate extent
- To a small extent
- Not at all
- Don't know/no opinion

Question. If you would like to, please explain your answer:

500 character(s) maximum

Question 4. Are you aware of any problems related to the identification of shareholders?

- Companies cannot identify all shareholders they would like to identify
- Companies do not know who they can identify
- Communication between companies and intermediaries is difficult, e.g., due to the use of different formats and technologies (*Please note that communication problems will be treated in-depth in the next section*)
- The quality of shareholder information companies receive is insufficient
- It is unclear how companies can identify shareholders for shares recorded or issued using Distributed Ledger Technology
- Other
- Don't know/no opinion

Question 5. To what extent would the following measures lead to an improvement?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Companies' right to identify shareholders without any threshold limiting this right					x	
EU-wide threshold for the identification of shareholders (please indicate the percentage in the free text box below this table)						x
Companies' right to identify the holders of all types of registered securities deposited at a central						x



	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
securities depository (e.g., also bond holders)						
Issuing or recording shares with Distributed Ledger Technology (such as blockchain)						x
Specific obligations regarding omnibus accounts, i.e., account enabling any participant in a securities settlement system to hold in one securities account the securities that belong to different clients of that participant						x
A golden operational record, requiring the issuer to send a record of operational information and enabling all parties in the chain of custody to process the information in the same manner						x
Possibility to tailor requests on shareholders' identity to the specific needs of companies (e.g., identification of specific groups of shareholders)						x
Improving the possibility of companies to directly contact their shareholders						x
Other						

Question. If you would like to, please explain your answer:

[No additional comments from PRI](#)

2. Interaction between Companies, Shareholders, and Intermediaries

Transmission of information (Article 3b)



The exercise of shareholder rights requires the transmission of information (e.g., on general meetings) from the company to shareholders and conversely (e.g., votes) from shareholders to the company. Intermediaries play an important role in passing on this information. Intermediaries include investment firms, credit institutions, and central securities depositories, which provide services of safekeeping shares, administrating shares or maintaining securities accounts on behalf of shareholders or other persons.

Question 6. To what extent have the following measures contributed to the smooth flow of information between shareholders and companies? Please note that the details of the measures described are contained in [Commission Implementing Regulation \(EU\) 2018/1212](#).

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Companies' obligation to provide intermediaries with the relevant information in a timely manner, no later than on the same business day on which it announces the corporate event (e.g., general meeting)			x			
Companies' obligation to provide intermediaries with the relevant information in a standardised manner		x				
Intermediaries' obligation to transmit the information provided by the companies to the shareholders without delay			x			
Intermediaries' obligation to transmit information related to the exercise of shareholder rights from the shareholder to the companies without delay				x		
Intermediaries' obligation to transmit information in a standardised manner				x		
Intermediaries' obligation to directly transmit information to the company or the shareholder where this can be done despite the involvement						x



	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
of more than one intermediary (chain of intermediaries)						

Question. If you would like to, please explain your answer:

While SRD II has helped improved the smooth flow of information, investors continue to face important obstacles in the voting chain, including early custodian cut-off dates (often 2-3 weeks before AGMs) and late release of meeting materials, limiting investors' capacity to assess documentation and make informed voting decisions. Investors also often face challenges in obtaining voting confirmations and notifications often arrive too late to correct rejected or lost votes.

500 character(s) maximum

Question 7. Are you aware of any problems related to the transmission of information?

- Information does not reach recipients
- Information is received late
- Information quality is insufficient (e.g., the information is incomplete)
- Communication between companies, intermediaries and shareholders is difficult (e.g., differing formats and technologies)
- High costs for information transmission services (please note that costs are also treated in a section below)
- Other
- Don't know/no opinion

Question 8. To what extent would the following measures lead to an improvement?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Facilitating direct communications between companies and shareholders			X			
Mandating the use of a single standard format for all information exchanged, enabling straight-through	X					



	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
processing (STP) without any manual intervention						
Facilitating communication through technical solutions which allow automatic and instantaneous access to information	x					
Enabling or increasing the use of shares issued or recorded with Distributed Ledger Technology, allowing e.g., programmed communication			x			
Other						

Question. If you would like to, please explain your answer:

From an investor perspective, the key issue regarding the transmission of information is related to the short time frames between receiving meeting materials/ proxy advice and cut-off dates to submit votes. The revised SRD should require that meeting materials be distributed well in advance of the shareholder meeting – for instance 30 to 40 days before – to enable shareholders to make informed voting decisions. Simplification and greater consistency should be achieved through a balanced approach that fairly distributes the burden of change between custodians and companies.

500 character(s) maximum

Facilitation of the exercise of shareholder rights (Article 3c)

Intermediaries do not only play an important role in transmitting information but in facilitating the exercise of shareholder rights. Whether shareholders exercise their rights themselves or through proxy holders that act on their behalf – they all need to prove their entitlement.

Question 9. To what extent have the following measures facilitated the exercise of shareholder rights? Please note that the details of the measures described are contained in [Commission Implementing Regulation \(EU\) 2018/1212](#).



	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Requiring the last intermediary to confirm, upon request, to the shareholder or third party nominated by the shareholder, the entitled position appearing in its records				x		
Requiring the last intermediary to ensure that the entitled positions in its records are reconciled with those of the first intermediary				x		
Requiring an electronic confirmation of receipt of the votes when votes are cast electronically			x			
Requiring a confirmation that votes have been validly recorded and counted by the company to be sent upon request				x		
Requiring standardised notifications for corporate events such as general meetings and shareholder participation therein						x

Question. If you would like to, please explain your answer:

Electronic vote confirmation currently only indicates transmission to an intermediary, not that votes were validly recorded and counted by the company. When votes are rejected, notification often arrives after the AGM or voting deadline, preventing timely identification and remediation of issues. Automatic confirmation of valid receipt and counting - rather than confirmation upon request - is essential to build trust and encourage shareholder participation.

500 character(s) maximum

Question 10. Are you aware of any problems related to the facilitation of shareholder rights?

- Difficulties with cross-border use of evidence for the entitlement to exercise shareholder rights (e.g., certificates of holding for shareholders and powers of attorney for proxy holders), which might include belated or no receipt of confirmation of entitlement, national form requirements for powers of attorney or similar obstacles



- Required documentation by Member States to prove the entitlement to exercise shareholder rights (e.g., certificates of holding for shareholders and the powers of attorney for proxy holders) is often still paper-based
- Late, inconsistent, or incomplete reconciliation of share positions across the chain of intermediaries, preventing shareholders from being recognised as entitled to exercise their rights
- Differences in record dates across Member States (i.e., the date on which shares must be held by shareholders for them to be entitled to vote and exercise other shareholder rights at general meetings) render the cross-border exercise of shareholder rights difficult
- Voting cut-off dates (i.e., the dates for submitting votes set by custodians) set well in advance of the general meeting giving shareholders little time to analyse meeting information
- Convocation date may be too close to the date of the general meeting
- Meeting material may be provided too close to the date of the general meeting.
- Lack of transparency in post-meeting confirmations and information
- Other
- Don't know/no opinion

Question. If you would like to, please explain your answer:

Key problems include:

- In many Member States, investors face Power of Attorney (PoA) requirements that need to be submitted as physical copies and processed manually.
- The short time frames between receiving meeting materials/ proxy advice and cut-off dates to submit votes is a key barrier to exercising shareholder rights in the EU.
- Lack of transparency on voting outcomes in some markets and
- Lack of transparency of vote tallies for each share class for companies with multiple classes of shares.

Question 11. To what extent would the following measures lead to an improvement?

	To a very large extent	To a large extent	To a moderate extent	To some extent	Not at all	Don't know/no opinion
Introducing a standardised proof of entitlement for the exercise of shareholder rights	x					



	To a very large extent	To a large extent	To a moderate extent	To some extent	Not at all	Don't know/no opinion
Prescribing that the power to represent the shareholder for proxy holders should be possible in electronic format under certain security conditions	x					
Ensuring proofs of entitlement and powers of attorney are interoperable with cross-border and harmonised electronic authentication frameworks (e.g., EU Digital Identity Wallet, EU Business Wallet)	x					
Enabling or increasing the use of shares issued or recorded with Distributed Ledger Technology						x
Enabling automated functions in the shares and programmable shares to exercise shareholders rights						x
Introducing (more detailed) EU-wide deadlines/timelines for: a) Convocation of general meetings	x					
b) Publication of meeting materials	x					
c) Record dates	x					



	To a very large extent	To a large extent	To a moderate extent	To some extent	Not at all	Don't know/no opinion
d) Cut-off dates	x					
e) Updating shareholder registers						x
Shortening the 15-day maximum deadline for publishing voting results			x			
Requiring publication of voting results for each class of shares	x					
Enabling instantaneous and automated receipt of vote confirmation	x					
Other						

Question. If you would like to, please explain your answer:

Key changes needed to facilitate the exercise of EU shareholder rights include:

- Harmonise and digitise Power of Attorney requirements, which is necessary to remove unnecessary and burdensome requirements for investors.
- Harmonise timelines for publication of meeting materials - for instance 30 to 40 days before - and cut-off deadlines for submitting votes via custodians
- Require companies to provide automatic confirmation that votes were counted
- Require disclosure of full voting results (for/against/abstain), class-by-class voting outcomes, and AGM minutes shortly after the meeting to support transparency and effective post-meeting engagement.

500 character(s) maximum

Non-discrimination, proportionality and transparency of costs (Article 3d)

In line with the objective to facilitate the exercise of shareholder rights, any charges imposed by intermediaries must be publicly disclosed, non-discriminatory and proportionate.

Question 12. Are you aware of any problems related to the fees or charges imposed by intermediaries?

- High costs in cross-border settings disincentivise the exercise of shareholder rights



- Differences in charges of intermediaries between the domestic services and cross-border intra-EU services do not reflect the difference in actual costs incurred for delivering these services
- Lack of transparency as to how intermediaries calculate their charges
- Other
- Don't know/no opinion

Explanation (max 500 characters):

No PRI response

Question 13. To what extent would the following measures lead to an improvement?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Fixed charges for specific services						x
Maximum ceilings for charges for specific services						x
Clarification of who (company, intermediary, shareholder) pays for which request						x
Standardised terminology for the types of charges and services						x
Standardised format for disclosure of charges						x
Central database or comparator of intermediaries' charges structures to ensure transparency						x



	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Other						

Question - If you would like to, please explain your answer:

No PRI response.

500 character(s) maximum

Third-country intermediaries (Article 3e)

The SRD also applies to third-country intermediaries which have neither their registered office nor their head office in the EU when they provide services with respect to shares of companies which fall under the SRD.

Question 14. Are there any problems with the Directive's provision on third-country intermediaries?

No PRI response.

500 character(s) maximum

Question 15. If you see any problems, which measures would improve the situation?

No PRI response.

500 character(s) maximum

3. Institutional Investors and Asset Managers (Articles 3g, 3h and 3i)

A strong level of engagement of institutional investors and asset managers is crucial for the long-term performance of companies. Therefore, the SRD subjects them to certain transparency requirements.

Question 16. To what extent is the objective of the Shareholder Rights framework of increasing the level of engagement of institutional investors and asset managers in order to improve the long-term performance of the company still relevant today?

- To a very large extent
- To a large extent
- To a moderate extent
- To a small extent
- Not at all
- Don't know/no opinion

Question - If you would like to, please explain your answer:

Stewardship and engagement reinforce the long-term nature of investing by actively seeking to protect and enhance value throughout the duration of ownership. Effective investment requires ongoing due diligence



and oversight, supported by a variety of tools including proxy voting, asset-level and collaborative engagement, and operational involvement. Numerous case studies⁶ across public and private markets demonstrate that stewardship strategies can lower risk and improve returns.

500 character(s) maximum

Question 17. To what extent have the following measures increased the level of engagement of institutional investors and asset managers?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Institutional investors and asset managers must publicly disclose – on a “comply or explain” basis – a shareholder engagement policy		x				
Institutional investors and asset managers must publicly disclose each year – on a “comply or explain basis” – how their engagement policy has been implemented		x				
Institutional investors must publicly disclose how their equity investment strategy contributes to the long-term performance of their investee companies		x				
Institutional investors must publicly disclose – on a “comply or explain” basis – details regarding their arrangements with their asset managers		x				
Asset managers must annually report to their		x				

⁶ PRI (2025), [Investment Case Database](#)



	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
institutional investors – or to the public – on how their investment strategies and implementation thereof contribute to the long-term performance of the assets of the institutional investors or of the funds.						

Question. If you would like to, please explain your answer:

The SRD II engagement policy requirements support transparency and set clear expectations between asset owners and managers around stewardship practice. However, resourcing and various legal obstacles can also impact on investors' engagement levels and focus.

500 character(s) maximum

Question 18. Are you aware of any problems related to the provisions on institutional investors and asset managers, e.g., related to reporting?

Problems include:

- Lack of standardisation of stewardship information requests received by asset managers.
- Reporting often focused on engagement process, as opposed to the resources dedicated to stewardship or the (intended or actual) results/outcomes of stewardship activities, and often limited to individual shareholder – listed company engagement, without accounting for other asset classes where relevant.

500 character(s) maximum

Question 19. To what extent would the following measures lead to an improvement?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Expanding public disclosure related to engagement policy and investment strategy of institutional investors and asset managers			x			
Reducing public disclosure related to					x	



	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
engagement policy and investment strategy of institutional investors and asset managers						
Clarifying the elements of the engagement policy and the equity investment strategy		x				
Turning certain reporting or "comply or explain" obligations into mandatory requirements			x			
Introducing an EU-wide stewardship code of best practices				x		
Other						

Question. If you would like to, please explain your answer:

Without being overly prescriptive, disclosure requirements should acknowledge that stewardship activities take place across asset classes and allow for transparency on both the process and the effectiveness of stewardship activities assessed against a stewardship objective (including estimating the impact of escalation strategies and actions taken by the investor). This is important to ensure the engagement policy requirements reflect evolving market practice and expectations of clients and beneficiaries. Reporting requirements should provide sufficient flexibility to allow for different approaches that meet client and beneficiary expectations in line with investors' fiduciary duties.

500 character(s) maximum

4. Proxy Advisors (Article 3j)

Proxy advisors provide research, advice and voting recommendations to shareholders on how to vote, based on, among others, the information disclosed by the company. Therefore, proxy advisors are important actors in the corporate governance processes of companies.



Question 20. To what extent have the following measures improved the reliability, comparability and quality of advice of proxy advisors?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Application of a code of conduct on a "comply-or-explain" basis		x				
Disclosure to the public of information in relation to the preparation of proxy advisors' research, advice and voting recommendations		x				
Disclosure to the client of conflicts of interests and actions taken to address them		x				

Question. If you would like to, please explain your answer:

PRI signatory feedback suggests that the existing SRD II provisions have had a positive impact on the quality and reliability of proxy advice. Disclosure requirements have helped bring transparency on methodologies and potential conflicts of interest⁷. The Best Practice Principles Group code of conduct has also improved transparency around conflict-of-interest management and voting policy methodologies of proxy advisors.

500 character(s) maximum

Question 21. Are you aware of any problems related to proxy advisors?

- Revenue sources and potential conflicts of interest of proxy advisors are not disclosed transparently
- It is unclear which actors fall under the provisions on proxy advisors
- Proxy advisors' disclosure on dialogue with companies is not satisfactory
- Handling of company complaints is not satisfactory
- Proxy advisors' approaches to research, advice and voting recommendations are not disclosed transparently

⁷ European Commission: Centre for Strategy & Evaluation Services (CSES), Directorate-General for Justice and Consumers, EY, Oxford Research and Tetra Tech, Study on the application of the shareholder rights directives JUST/2021/PR/SCOM/CIVI/0169 – Final report (2025)



- Proxy advisors’ adherence to a code of conduct is not transparent
- Accountability and transparency of proxy advisors are limited
- Enforcement of the regulatory framework between EU and third-country proxy advisors is uneven
- Other
- Don't know/no opinion

As sustainability related risks and factors are relevant for financial outcomes – both risk and return - it’s important that proxy advisors are able to incorporate them into their offering to support effective stewardship.

Although proxy advisors play a key role in helping investors manage the AGM process, investors make informed voting decisions based on range of different inputs (in-house voting policy, engagement, internal or external research, etc). Investors ultimately choose whether to act on the advice or not⁸.

Question 22. To what extent would the following measures lead to an improvement?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Clarifying the definition of proxy advisor under the SRD			x			
EU-wide code of conduct for proxy advisors				x		
Specifying key features an industry code of conduct should have				x		
Additional transparency and disclosure requirements for proxy advisors				x		

⁸ Financial Reporting Council (2023) - [The influence of proxy advisors and ESG rating agencies on the actions and reporting of FTSE350 companies and investor voting.](#)



	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Reducing disclosure requirements for proxy advisors				x		
EU-wide basic registration of proxy advisors with activity in the EU						x
EU-centralised supervision of proxy advisors						x
National competent authority oversight of proxy advisors						x
Other						

Question. If you would like to, please explain your answer:

The current monitoring regime of proxy advisors seems to be working effectively. It is however unclear whether actors that offer proxy voting services to investors based on generative artificial intelligence are subject to the current provisions on proxy advisors. Any further measures to improve the quality of proxy advice (transparency, registration, etc) should not provide additional barriers to entry for smaller market actors.

500 character(s) maximum

5. General Meetings of Shareholders

General considerations

One of the general objectives of the SRD is to improve corporate governance by strengthening shareholder rights, among other means, by increasing meaningful participation in general meetings. Over recent years, especially during the COVID-19 pandemic, the practice of general meetings has evolved significantly. These developments lead to new potentials for shareholder engagement but also raise risks regarding the effective exercise of shareholder rights.

Question 23. What is the best format for the exercise of shareholder rights

- In-person general meeting
- Virtual only general meeting
- Hybrid general meeting



- Exercise of rights prior to (outside) general meetings
- Other
- Don't know/no opinion

While investors often express a preference for hybrid AGM formats, the key issue is not the format itself but whether it adequately allows for access and communication between shareholders and management. SRD II should therefore provide safeguards and best practice standards to ensure that shareholders can ask questions and exercise their rights during virtual AGMs when hybrid or in-person AGM formats are not possible.

Question 24. Not all Member States offer companies and their shareholders the possibility to freely choose the format of general meetings (in-person, virtual, or hybrid) and the timing for exercising shareholder rights (at or prior to general meetings). To what extent would aligning rules across the EU to allow companies to opt for the following formats lead to an improvement?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
In-person only general meetings		x				
Virtual-only general meetings					x	
Hybrid general meetings (i.e., where each shareholder is able to choose between in-person and virtual attendance)	x					
Requiring shareholders to exercise certain rights prior to the general meeting					x	
Adopting shareholder resolutions outside general meetings						x



	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Other						

Question - If you would like to, please explain your answer:

Many PRI signatories are concerned about permanent COVID-19 AGM measures (fully virtual/closed-doors) limiting shareholder interaction in certain Member States. Legislation in Germany and Nordics that allows virtual AGMs often does not provide adequate safeguards for investors – especially minority shareholders – and restricts their ability to interact with board and management. Aligning rules at EU level to make hybrid meetings the default format would improve consistency and access, with virtual-only meetings limited to exceptional circumstances and subject to appropriate safeguards.

500 character(s) maximum

Question 25. To what extent is there a need for common EU rules on the format of general meetings?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Each shareholder must be able to choose between in-person and virtual attendance (hybrid general meetings)	x					
Each shareholder must be able to exercise their rights during the general meeting	x					
Each shareholder must have the possibility to also exercise their rights prior to the general meeting	x					
There should be minimum standards to safeguard shareholder rights	x					



	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
and legal certainty in the context of virtual participation						
Other						

Question - If you would like to, please explain your answer:

SRD II should provide safeguards and best practice standards to ensure that shareholders can ask questions (including follow-up questions to management in real time) and exercise their rights during virtual AGMs. The Commission should mandate ESMA to develop best practice AGM guidance, drawing on existing market guidance (such as the Investment Association – Guidance for AGMs during COVID-19).

500 character(s) maximum

The rights of shareholders

The SRD includes a number of basic shareholder rights, which might be in need of an update.

Question 26. To what extent were the following shareholder rights strengthened by the SRD?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Right to receive information prior to the general meeting			x			
Right to put items on the agenda			x			
Right to table draft resolutions			x			
Right to vote in the general meetings			x			



	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Right to vote by correspondence						x
Right to ask questions				x		
Right to appoint a chosen proxy holder			x			

Question - If you would like to, please explain your answer:

500 character(s) maximum

While SRD has generally helped strengthen shareholder rights, investors are still constrained by the complexity and fragmentation of the infrastructure used for exercising them (obstacles to split-voting, timing of meeting materials, AGM format, burdensome Power of Attorney requirements, etc). Simplifying, digitalising and harmonising these requirements across EU member states is essential to ensure shareholder rights can be exercised across EU capital markets.

Question 27. Are you aware of any problems related to the exercise of shareholder rights, among the following?

- Not all relevant shareholder rights are provided for in the SRD, hindering cross-border investments
- Many aspects of existing shareholder rights are left to the Member States, hindering cross-border investment
- Existing shareholder rights are not sufficient to ensure sound corporate governance
- Delays and inefficiencies regarding the vote casting and counting infrastructures
- Persisting practices lead to share blocking effects (operational constraints to transfer shares within a certain period before a general meeting)
- Persisting practices impede split voting
- Other
- Don't know/no opinion

A staggered board structure undermines a key shareholder right: the ability to appoint directors and, simultaneously, to signal concerns about their performance through voting.



Question 28. To what extent would the following measures lead to improvements?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Enabling shareholders to speak at the general meeting or to submit opinions prior to it	x					
Enabling shareholders to challenge resolutions under certain common conditions		x				
EU-wide conditions for attendance of shareholders and proxy holders	x					
Standardised protocols for vote casting and counting	x					
EU-wide threshold of share ownership for the right to put items on the agenda and		x				



	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
to table draft resolutions						
Lowering the current 5 % optional threshold of share ownership for the right to put items on the agenda and to table draft resolutions	x					
Other						

Question - If you would like to, please explain your answer:

Legal uncertainty on the submission and treatment of shareholder proposals in different EU member states is a major obstacle to effective stewardship. The ability for shareholders to reach the current 5% threshold is highly dependent on the company's market capitalization – the EU-wide threshold could therefore vary depending on the company's market capitalization.

The Commission should also identify and address barriers to split voting, which is important for shareholders to reflect the voting preferences of their clients and beneficiaries.

500 character(s) maximum

Link between directors' pay and companies' performance (Articles 9a and 9b)

One of the goals of SRD was to foster the long-term performance of the company. Thus, it aimed to improve the incentives for directors to act in the interest of the company by linking directors' pay to the long-term performance of the company.

Question 29. To what extent is the objective of the Shareholder Rights framework of increasing the link between directors' pay and long-term performance of the company in order to improve the long-term performance of the company still relevant today?

- To a very large extent
- To a large extent
- To a moderate extent



- To a small extent
- Not at all
- Don't know/no opinion

Question. If you would like to, please explain your answer:

The objective remains highly relevant. Strong alignment between directors' pay and long-term performance is essential to incentivise sustainable value creation, prudent risk-taking and sound governance. The enhanced transparency resulting from directors' pay-related requirements under SRD II has been important to guide investment and stewardship decisions to manage risks and improve long-term performance.

500 character(s) maximum

Question 30. To what extent have the following measures contributed to the alignment between directors' pay and long-term performance of the company, by diminishing incentives for directors to focus on short-term returns?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Companies must publish a remuneration policy based on which remuneration to directors is paid	x					
Companies must publish a report on directors' remuneration for the most recent financial year	x					
Shareholder vote on the remuneration policy and reports	x					

Question - If you would like to, please explain your answer:

500 character(s) maximum

Transparency requirements on remuneration policies and the related shareholder vote (Say on Pay) have helped enhance dialogue between investors and companies on these issues in the EU – supporting solid corporate governance and long-term performance. These requirements should therefore be preserved in the review.

0 out of 500 characters used.



Question 31. Are you aware of any problems related to the existing rules on the long-term performance of the company and the link between directors’ pay and companies’ performance?

- Current rules are too burdensome
- Member States can make the vote of shareholders on the remuneration policy only advisory
- Shareholders’ vote on the remuneration report is only advisory
- Member States can replace the shareholders’ vote on the remuneration report by a discussion requirement
- Executive remuneration is not comparable across companies
- The Directive is insufficiently applied/enforced
- Other
- Don't know/no opinion

Question 32. To what extent would the following measures lead to an improvement?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Binding vote of shareholders on director remuneration			x			
Simplified rules on remuneration policy					x	
Simplified rules on remuneration reports					x	
Other						

Question

If you would like to, please explain your answer:

Preserving existing requirements on directors’ pay is essential to support effective investor–company engagement, strengthen board and management accountability, and foster constructive dialogue on remuneration, ultimately contributing to improved pay practices and long-term value creation.

PRI signatories report significant variation in remuneration disclosures across Member States, hindering assessment and comparability. EU-level best-practice guidance, issued by ESMA, would help promote consistency and transparency.



500 character(s) maximum

Related party transactions (Article 9c)

The SRD aims at protecting the interests of the company and shareholders in case of transactions with related parties that risk leading to an appropriation of value of the company by controlling shareholders or members of the management body. The SRD aims at minimising their possible negative impact by requiring the public announcement of the related party transaction and the approval by the general meeting or by the supervisory or administrative body.

Question 33. To what extent is the objective of the Shareholder Rights framework, to minimise the possible negative impact of related party transactions in order to improve the long-term performance of the company, still relevant today?

- To a very large extent
- To a large extent
- To a moderate extent
- To a small extent
- Not at all
- Don't know/no opinion

Question - If you would like to, please explain your answer:

This objective is still highly relevant today. Related party transactions can be used as a mechanism for extracting private benefits of control – posing conflict of interest risks which can negatively affect the company's long-term performance.

500 character(s) maximum

0 out of 500 characters used.

Question 34. To what extent have the following measures contributed to minimising the possible negative impact of related party transactions?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Public announcement of related party transactions (transparency)	x					
Approval of related party transaction by the general meeting (shareholder involvement) or by	x					



	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
the administrative or supervisory body						
Extension of transparency requirements to transactions between related parties of the company and its subsidiaries						x
Report as to whether the related party transaction is fair and reasonable (optional for Member States)						x

Question - If you would like to, please explain your answer:

SRD II has improved the formal governance framework for related party transactions by strengthening rules on identification, disclosure and ex-ante approval, increasing transparency and board awareness in many Member States. However, its impact remains uneven in practice and depends on governance quality, board independence and the information provided by insiders. Key weaknesses include limited harmonisation of materiality assessments and insufficient clarity in identifying “interested parties,” which can undermine consistent application and effectiveness.

500 character(s) maximum

Question 35. Are you aware of any problems with the provisions on related party transactions?

- It is unclear which transactions qualify as material related party transactions
- Too many options for Member States, lead to fragmentation
- Extensive rules on which transactions qualify as material related party transactions lead to complexity and legal uncertainty
- Other
- Don't know/no opinion

Question 36. To what extent would the following measures lead to improvements?



	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Specifying which transactions qualify as material related party transactions (including quantitative ratios)			x			
Providing fewer options for Member States and introducing more rules on related party transactions						x
Other	x					

Question If you would like to, please explain your answer:

Lack of harmonization around the materiality threshold and, in certain markets, very high quantitative thresholds, lead to significant differences in related-party transactions qualifications, and their resulting disclosure, across member states.

500 character(s) maximum

6. Enforcement

Member States have to provide for measures and penalties which are effective, proportionate and dissuasive. This is to ensure that the shareholder rights provided for in the SRD are effectively enforced.

Question 37. Are you aware of any problems regarding enforcement?

- Insufficient supervision by Member States' competent authorities
- Unclear which Member State is competent for the enforcement of the Directive
- Legal uncertainty, especially on scope of the SRD and the definition of central concepts
- Other
- Don't know/no opinion

Divergent supervisory practices across Member States lead to inconsistent enforcement and lower accountability, particularly in cross-border voting chains. Stronger coordination and clearer allocation of supervisory responsibilities are needed.

Question 38. To what extent would the following measures lead to improvements?



	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Transferring certain SRD provisions into a regulation						x
Codes of conduct developed by the private sector				x		
Peer review mechanisms						x
EU guidelines				x		
Supervision by an EU authority, e.g., ESMA						x
Other		x				

Question If you would like to, please explain your answer:

The UK Corporate Governance Code requires companies to publish a statement 6 months after any vote which receives significant shareholder dissent, detailing corporate action, or for any resolution withdrawn before a shareholder vote. Introducing such a requirement under the SRD would help strengthen transparency and accountability for companies in relation to their shareholders.

500 character(s) maximum

7. Additional information

Question 39. Do you have any final comments or suggestions, e.g., on any aspects not sufficiently covered by the SRD framework?

- Recognising stewardship activities across asset classes.** Recognising stewardship activities across asset classes. While SRD II has supported the exercise of shareholder rights in listed equities, it would be valuable to clarify - for example in the recitals - that stewardship is not limited to the application of the Directive. Shareholder rights are one of the tools through which investors fulfil their wider duties to protect long term value for clients and beneficiaries and to support the effective deployment of capital to businesses.
- Clarify investor rights to engage collaboratively.** To support effective collaborative stewardship, investors need clear and updated confirmation that joint engagement on key governance and long-term sustainability issues does not, in itself, constitute acting in concert under the Transparency Directive. While ESMA's 2014 Statement⁹ provides a useful baseline, it predates

⁹ ESMA, [public statement concerning shareholder cooperation and acting in concert](#) (2014)



current stewardship practice and the SRD II. The Commission should request ESMA to update its guidance with explicit references and examples covering collaborative engagement practices.

1500 character(s) maximum

The PRI has experience of contributing to public policy on sustainable finance and responsible investment across multiple markets and stands ready to support the work of the European Commission further to stewardship policy in the EU.

Please send any questions or comments to policy@unpri.org.

More information on www.unpri.org