Preaching to the Choir? Climate Proposals, Private Engagement, and Investor Power

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Abstract

We study what determines the success of climate-related shareholder proposals using a novel dataset linking proposal texts with management opposition statements and institutional investors' disclosed voting rationales. Because success often occurs before the vote—when proposals are withdrawn following a firm commitment—we develop cosine-similarity method to predict likely opposition arguments for the full proposal universe, including withdrawn proposals. Our central finding is that proposal success depends primarily on whether the proposal's demands align with what large institutional blockholders are likely to support. We show that proposals requesting real actions, such as adopting climate policies or setting GHG targets, are significantly more likely to be withdrawn when they overlap with large blockholders' private engagement agendas. Pure disclosure proposals face a different constraint: they are more likely to encounter opposition when they prescribe how information should be produced or reported. Overall, climate proposals succeed only when the largest investors are already pursuing the issue privately, or when they leave management substantial discretion—calling into question their role as a tool for shareholder democracy.

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1 Introduction

Climate-related shareholder proposals have become the primary vehicle through which smaller institutional investors seek to accelerate corporate decarbonisation or improve corporate disclosure. The number of such proposals filed at public companies has roughly doubled over the past decade. Yet most do not receive majority support, and many never reach the ballot at all. This makes proposal outcomes difficult to interpret: a proposal may fail because shareholders reject it in a vote, but it may also succeed before the vote if the firm makes a commitment and the filer withdraws. Understanding what separates successful from unsuccessful climate proposals therefore matters both for the practice of climate engagement and for broader debates about whether shareholder proposals can operate as an independent democratic check on corporate environmental governance.

The central claim of this paper is that the success of climate proposals depends less on their nominal topic than on how their demands are likely to be perceived by large institutional blockholders. Proposals do not succeed simply because they address material climate risks or please management. They succeed when their content aligns with the priorities of investors with sufficient voting power and engagement leverage to shape firm responses, or when the proposal leaves management enough discretion that those investors are unlikely to view it as an encroachment on managerial authority. We therefore organize the analysis by proposal type. For proposals requesting concrete firm actions, such as adopting climate policies or setting greenhouse-gas reduction targets, success depends on alignment with large blockholders' private engagement agendas. For disclosure proposals, the relevant constraint is different: they are more likely to face opposition when large blockholders are likely to perceive them as prescribing how information should be produced, structured, or reported.

The paper's first contribution is a novel linked dataset. We combine the texts of more than 2,000 climate-related shareholder proposals filed between 2011 and 2024—sourced from CERES, the principal coordinator of institutional climate engagement—with two sources of opposition text that are largely absent from the existing literature. For proposals that reached a ballot at US public companies, we retrieve management opposition statements from SEC DEF 14-A proxy filings and classify their arguments using GPT-4o. For the same voted proposals, we obtain the voting rationales of 261 institutional investors from Diligent and classify them using the same pipeline. This yields seven mutually exclusive argument categories: Prescriptive, Cost Feasibility, Redundant, Not Material, Own Engagement, Similar, and Vague. The resulting dataset links, for a substantial subset of proposals, the filer's demand, management's public response, and institutional investors' stated reasons for supporting or opposing the proposal

in a single observation.

We first document how the climate-proposal landscape changed between 2011 and 2024. Annual filings roughly double from around 100 proposals in 2010–2012 to peaks above 175–200 proposals around 2015 and again in 2020–2021. "Report" requests dominate by volume, comprising more than 1,200 filings and more than three times the next-largest category. By contrast, "Target" and "Policy" proposals attract modestly higher vote support on average. Proposal content also becomes more technically sophisticated over time. References to Scope 3 emissions and financed emissions expand sharply after 2015; requested reporting frameworks shift from GRI toward TCFD and Paris-aligned standards; and target years converge around the 2030 and 2050 milestones embedded in major climate policy frameworks. On the investor side, rationale disclosure is highly concentrated among large, Anglo-American institutions. Coverage rises from roughly 25% among investors with less than 1% ownership to more than 50% in the top AUM decile. The "own engagement" rationale—through which investors oppose a proposal because they prefer private bilateral dialogue to a public vote—is also strongly increasing in ownership stake, reaching nearly one in five investors among blockholders above 7.5%.

A fundamental selection problem prevents inference from the voted subsample alone. Management opposition statements are observed only for proposals that were *not* withdrawn. Yet withdrawn proposals are often the successful ones: CERES records that most withdrawals follow a direct firm commitment made in response to the engagement. Restricting the analysis to voted proposals would therefore omit a central route through which climate proposals succeed. We address this problem by constructing, for each proposal and each argument category, an AUM-weighted cosine-similarity score between the proposal text and the historical corpus of investor rationale statements in that category. These scores approximate the opposition a proposal would likely have faced had it gone to a vote. They are the central regressors throughout the analysis. The AUM weighting is essential because it makes predicted opposition reflect the views of shareholders with actual governance leverage, rather than the average view of all rationale-disclosing investors regardless of size.

For proposals requesting concrete firm actions—adopting a climate policy or setting a quantitative greenhouse-gas reduction target—we identify two conditions for success. The first is alignment with large blockholders' private engagement agendas. A sizeable share of institutional investors cite "own engagement" when opposing a proposal, indicating that they prefer to address the issue through private dialogue rather than a public vote. This preference is sharply increasing in ownership stake. Proposals whose text overlaps with topics that large investors are already pursuing privately are significantly more likely to be withdrawn,

meaning that they are resolved through a firm commitment before reaching the ballot. The effect disappears when similarity is computed without AUM weights and is absent for predicted management opposition language. This points to the filer–blockholder relationship, rather than management's public framing, as the operative channel. The second condition is ambition calibration. Proposals referencing near-term target years receive meaningfully higher average vote support, but they also attract significantly stronger cost-feasibility objections. The most demanding asks therefore generate precisely the form of resistance that limits their ultimate success.

For proposals requesting reports, data, or disclosure improvements, the binding constraint is different. These proposals are more likely to face Prescriptive opposition when large blockholders are likely to perceive their language as constraining managerial discretion over how information is produced, structured, or reported. In other words, disclosure proposals are not opposed simply because they ask for information. They are opposed when they appear to dictate the process, framework, or format through which that information must be generated. Proposals that specify both an emissions scope and a reporting framework—a form of double prescription—are substantially less likely to be judged vague (-0.102^{**}). At the same time, Target/Policy proposals are significantly less likely to be rated vague than Disclosure/Report proposals (-0.145^{***}), confirming that prescriptiveness operates as a distinct axis of opposition for information asks. The effect is amplified at well-governed firms: the interaction between Target/Policy proposals and governance score predicts higher redundancy citations (0.043^{*}), consistent with management at such firms having greater credibility when arguing that prescriptive mandates encroach on board prerogatives. Disclosure proposals are therefore more likely to succeed when they specify *what* information firms should provide rather than *how* they should provide it.

The relationship between management and investor opposition is itself selective. Investor redundancy and not-material citations are substantially higher when management invokes the same arguments, suggesting that management framing can reinforce investor opposition on those dimensions. By contrast, there is no reliable co-movement for prescriptive or cost-feasibility objections. This indicates that investors do not simply echo management across all arguments. Instead, they exercise independent judgment on the substantive dimensions most directly tied to implementation discretion and the perceived burden of the proposal.

Taken together, the findings reveal type-specific conditions for success that are largely orthogonal to the environmental merits of the underlying ask. Real-action proposals succeed when the largest investors are already pursuing the issue privately and the proposal is not so ambitious that it triggers cost-feasibility concerns. Disclosure proposals succeed when

they leave management substantial discretion over implementation. In both cases, success depends on anticipating and accommodating the preferences of the most powerful actors in the governance system: large blockholders in the first case, and management discretion as perceived by those blockholders in the second. This raises a fundamental question about the democratic quality of the shareholder-proposal mechanism. If climate proposals can succeed only when they pre-align with the preferences of those most able to block them, they may function less as an independent check on corporate behaviour than as a public ratification of changes already acceptable to powerful investors and managers.

We contribute to the literature on shareholder proposals and corporate governance (Gillan and Starks, 2000; Ertimur, Ferri and Stubben, 2010; Cuñat, Gine and Guadalupe, 2012) by showing that outcomes are type-specific and that the withdrawal channel—the primary locus of success—has determinants entirely distinct from those governing vote support. We relate to the climate and ESG engagement literature (Dimson, Karakas and Li, 2015; Dyck et al., 2019; Naaraayanan, Sachdeva and Sharma, 2021; Ilhan et al., 2023) by providing direct evidence on the mechanism through which blockholder private agendas shape which proposals are resolved. We connect to the institutional investor stewardship literature (Appel, Gormley and Keim, 2016; McCahery, Sautner and Starks, 2016; Bebchuk, Cohen and Hirst, 2017) by documenting the own-engagement rationale as a concrete expression of blockholder preference for private over public governance channels. Finally, we contribute to text-as-data methods in finance (Loughran and McDonald, 2011; Gentzkow, Kelly and Taddy, 2019; Cohen, Malloy and Nguyen, 2020) by developing AUM-weighted language-similarity measures that address the selection problem arising from the non-observability of opposition for withdrawn proposals.

The remainder of the paper is organised as follows. Section 2 describes the data and rationale classification. Section 3 presents descriptive evidence on proposals. Section 4 examines investor rationale patterns. Sections 5 and 6 present the regression evidence at the proposal and investor levels, respectively. Section 7 concludes. All figures and tables are in Appendix A.

Literature. The economics of shareholder proposals has been studied since at least the early work of Karpoff, Malatesta and Walkling (1996), who document limited average effects of proposals on firm value and governance outcomes. Gillan and Starks (2000) show that institutional sponsors are significantly more successful than individual filers, and that proposals targeting governance mechanisms attract higher support than those targeting social or environmental objectives. The introduction of majority-voting standards and say-on-pay requirements generated renewed interest in the efficacy of non-binding shareholder resolutions (Ferri and Maber, 2013; Del Guercio, Seery and Woidtke, 2008). Cuñat, Gine and Guadalupe

(2012) use a regression discontinuity design around the 50 per cent threshold to establish causal effects of governance proposals on shareholder value. Ertimur, Ferri and Stubben (2010) document that boards respond to shareholder proposals even when they fall short of a majority, especially when sponsor ownership is high—a finding that motivates our focus on the engagement channel as an alternative to the vote itself.

The literature on climate-related shareholder activism has expanded rapidly alongside the growth of environmental proposals. Dimson, Karakas and Li (2015) provide foundational evidence that active ownership engagement improves firm environmental and social performance, particularly when conducted by large coordinated investors. Dyck et al. (2019) show that international institutional investor presence causally increases corporate social responsibility ratings, with the effect concentrated in countries with strong investor protection. In the climate domain specifically, Naaraayanan, Sachdeva and Sharma (2021) exploit the entry of environmental activist investors to document real effects on plant-level pollution, and Becht et al. (2017) show that private engagement by activist hedge funds generates significant abnormal returns. Ilhan et al. (2023) document that institutional investors rate climate risk disclosure as highly important and are willing to pay for climate-related information, directly motivating the demand side underlying the proposals we study.

The determinants of vote support for climate proposals have received less systematic attention. Flammer (2015) uses close-vote discontinuities around CSR proposals to show positive effects on profitability and emissions, while Ramelli, Ossola and Rancan (2021) study price effects of climate activism more broadly. We complement these papers by focusing on the pre-vote phase and on the textual and relational mechanisms that determine which proposals survive to a vote and which do not.

Our findings on the own-engagement channel connect to a broader debate about whether large institutional investors—particularly passive index funds—exercise meaningful stewardship. Appel, Gormley and Keim (2016) find that passive investor ownership improves governance outcomes, while Heath et al. (2022) argue that index funds are less active monitors than commonly assumed. McCahery, Sautner and Starks (2016) document through survey evidence that institutional investors prefer private engagement ("behind the scenes" dialogue) to public voice, consistent with our finding that blockholder opposition to climate proposals is increasingly framed in own-engagement terms. Bebchuk, Cohen and Hirst (2017) and Fichtner, Heemskerk and Garcia-Bernardo (2017) raise concerns about the concentration of voting power in the hands of a small number of very large asset managers, a pattern reflected in the skewed AUM gradient in rationale coverage we document. Dasgupta, Fos and Sautner (2021) provide a comprehensive review of institutional investor engagement mechanisms, situating both public

voting and private dialogue within a unified framework.

A growing literature applies natural language processing to corporate governance documents. Loughran and McDonald (2011) construct the standard financial sentiment dictionary, and Gentzkow, Kelly and Taddy (2019) provide a methodological framework for text-as-data approaches in economics. Cohen, Malloy and Nguyen (2020) use changes in 10-K language to predict stock returns, demonstrating the information content of textual similarity measures. We apply analogous cosine-similarity techniques to the investor rationale corpus, treating the distance between current proposal text and historical investor opposition language as a predictor of withdrawal outcomes. Our contribution is to show that this linguistic proximity captures economically meaningful information about pre-vote negotiations—but only when computed with AUM weights that reflect investor bargaining power.

Our paper also relates to a broader literature on how financial markets process climate risk (Bolton and Kacperczyk, 2021; Sautner et al., 2023; Giglio, Kelly and Stroebel, 2021; Hong, Karolyi and Scheinkman, 2020). The finding that proposals referencing near-term target years attract simultaneously higher support and more feasibility objections connects to debates about the pricing and credibility of corporate net-zero commitments (Andersson, Bolton and Samama, 2016). The evidence that proposals aligned with mainstream policy frameworks (Paris, TCFD, SBTi) have become the norm—rather than a distinguishing feature—suggests that standard-setting institutions shape not only firm-level disclosure but also the substantive content of investor demands.

2 Data Sources, Rationale Categorization, and Opposition Prediction

2.1 Data Sources

Shareholder Proposals Text We retrieve the texts of more than 2,000 climate-related shareholder proposals from CERES, as well as the lead filer, target firm, and proposal outcome. From these texts, we extract the proposal ask (what is demanded by the filer), the presence of mentioned emissions scope, frameworks, and target years using a Large-Language-Model (LLM) (GPT-4o).

Management Opposition Statements For proposals that went to a vote at a US public company, we retrieve management's opposition statement from the company's proxy statement

(file SEC DEF 14-A). We can match 792 proposals to an opposition statement. Using an LLM, we then classify each opposition statement as using one or several arguments, defined below.

Shareholder Opposition Statements We retrieve investors' votes on proposals that reach a ballot from Diligent. For 261 investors voting on the proposals in the sample, we also get their rationale for opposing the proposal. We categorize them in a similar way as for management's opposition statement.

We complement these data with firm-level data from Compustat (Global and North America) and investor-level data from LSEG Consolidated Ownership (ownership share in the firm and overall equity AUM).

2.2 Rationale Categorization

Categorization of rationale types. We classify each text according to the main reason it gives for opposing, withholding support from, or questioning a shareholder proposal. The categories capture distinct argument types commonly used to explain why a proposal should not be supported.

- **Prescriptive** The text argues that the proposal is overly prescriptive, overly detailed, or micromanaging. This category applies when the objection is that the proposal specifies particular methods, timelines, operational steps, or implementation details that should instead be left to management or the board.
- **Cost Feasibility** The text argues that the proposal would be too costly, burdensome, impractical, inefficient, disruptive, or difficult to implement. This category applies when the central concern is feasibility, resource intensity, administrative burden, or operational disruption.
- **Redundant** The text argues that the proposal is unnecessary because the company already has similar policies, practices, disclosures, commitments, programs, or oversight mechanisms in place. This category applies when the text claims that the requested action has already been substantially addressed.
- **Not Material** The text argues that the issue is not sufficiently material, relevant, or significant for the company, or that it is not an appropriate matter for shareholder action. This category applies when the objection concerns the importance, relevance, or shareholder-level appropriateness of the issue.

- **Own Engagement (investors only)** The text argues that the investor is already engaging directly with the company on this issue, so supporting the proposal is unnecessary. This category applies when the rationale relies on private or direct engagement as the preferred route for addressing the concern.
- **Similar** The text argues that the proposal is substantially similar to a previous proposal submitted at the same company. This category applies when the objection is based on overlap with an earlier shareholder proposal rather than on the merits of the issue itself.
- **Vague** The text argues that the proposal is too vague, ambiguous, imprecise, or unclear in what it requests or how it would operate. This category applies when the concern is that the proposal does not provide enough specificity to evaluate or implement it.

2.3 Predicted Opposition: Cosine Similarity Measures

A fundamental constraint of our setting is that opposition statements—whether from management or from investors—are only observable for proposals that reached a ballot. Since withdrawn proposals are predominantly those resolved through a firm commitment, restricting analysis to voted proposals would generate severe selection bias in estimating the determinants of success. To extend inference to the full proposal universe, we construct text-based measures of the opposition a proposal is predicted to face, based on its linguistic similarity to the historical corpus of rationale statements.

Construction. For each proposal p filed in year t and for each rationale category $k \in \{\text{Prescriptive, Cost Feasibility, Redundant, Not Material, Own Engagement, Similar, Vague}\}$, we first collect all past proposals $q < t$ for which an opposition statement was observed and the argument was classified as belonging to category k. We represent each proposal text as a TF-IDF vector over the vocabulary of the full proposal corpus, after standard pre-processing (lowercasing, removal of stop words and boilerplate). The predicted similarity of proposal p to category-k opposition is then the average cosine similarity between p's text vector and the text vectors of all past proposals flagged under category k:

$$\text{Cosine}_{p,k} = \frac{1}{|\mathcal{H}_{k,t}|} \sum_{q \in \mathcal{H}_{k,t}} \frac{\mathbf{v}_p \cdot \mathbf{v}_q}{\|\mathbf{v}_p\| \, \|\mathbf{v}_q\|} \tag{1}$$

where $\mathcal{H}_{k,t}$ denotes the set of proposals filed before year t that were observed to attract a category-k objection, and $\mathbf{v}_p$ is the TF-IDF vector of proposal p. A high value of $\text{Cosine}_{p,k}$

indicates that proposal p uses language closely resembling past proposals that were opposed on grounds k, and therefore predicts that p would face similar opposition.

AUM-weighted investor similarity. Our primary specification weights each reference proposal $q \in \mathcal{H}_{k,t}$ by the total AUM of investors who cited category k when opposing q:

$$\text{Cosine}_{p,k}^{\text{AUM}} = \frac{\sum_{q \in \mathcal{H}_{k,t}} w_{q,k}^{\text{AUM}} \dfrac{\mathbf{v}_p \cdot \mathbf{v}_q}{\|\mathbf{v}_p\| \, \|\mathbf{v}_q\|}}{\sum_{q \in \mathcal{H}_{k,t}} w_{q,k}^{\text{AUM}}} \tag{2}$$

where $w_{q,k}^{\text{AUM}} = \sum_{i : k_{iq}=1} \text{AUM}_{it}$ sums equity AUM across all investors i who classified opposition to q under category k in year t. This weighting ensures that the similarity measure reflects the opposition framing of investors with the largest holdings and therefore the greatest capacity to influence proposal outcomes through engagement or voting pressure. The AUM-weighted variant is the main regressor in the proposal-level withdrawal regressions of Section 5.

Unweighted investor similarity. To assess whether the AUM-weighting is driving results, we construct an equal-weight counterpart in which each reference proposal contributes identically regardless of the size of the investors who cited category k:

$$\text{Cosine}_{p,k}^{\text{EW}} = \frac{1}{|\mathcal{H}_{k,t}|} \sum_{q \in \mathcal{H}_{k,t}} \frac{\mathbf{v}_p \cdot \mathbf{v}_q}{\|\mathbf{v}_p\| \, \|\mathbf{v}_q\|} \tag{3}$$

This equal-weight measure captures broad textual overlap with historically opposed proposals, without distinguishing between objections raised by large blockholders and those raised by smaller investors. Comparing results between $\text{Cosine}_{p,k}^{\text{AUM}}$ and $\text{Cosine}_{p,k}^{\text{EW}}$ therefore provides a direct test of whether it is specifically the leverage of large shareholders—rather than aggregate investor sentiment—that predicts withdrawal and rationale expression.

Management similarity. A third set of measures is constructed analogously using management opposition statements rather than investor rationale disclosures. Here $\mathcal{H}_{k,t}^{\text{mgmt}}$ collects past proposals for which management's proxy opposition statement was classified under category k, and the resulting measure,

$$\text{Cosine}_{p,k}^{\text{Mgmt}} = \frac{1}{|\mathcal{H}_{k,t}^{\text{mgmt}}|} \sum_{q \in \mathcal{H}_{k,t}^{\text{mgmt}}} \frac{\mathbf{v}_p \cdot \mathbf{v}_q}{\|\mathbf{v}_p\| \, \|\mathbf{v}_q\|} \tag{4}$$

predicts the management arguments that proposal p is likely to encounter. Including $\text{Cosine}^{\text{Mgmt}}_{p,k}$ alongside the investor-side measures allows us to test whether withdrawal is governed by the filer–investor relationship or by the filer–management relationship. As shown in Section 5, the management similarity measures are consistently insignificant in withdrawal regressions, in contrast to the AUM-weighted investor measures, pointing to the investor engagement channel as the operative mechanism.

Practical interpretation. All three variants are constructed using only proposals filed *before* year t, so there is no look-ahead in any measure. Because the TF-IDF vocabulary and inverse-document-frequency weights are also re-estimated on the pre-t corpus each year, the measures are fully out-of-sample predictions of opposition. In practice, the measures are moderately correlated within each category across the three variants—given that large investors and management often oppose similar proposals—but differ enough to generate distinct empirical patterns. The Own Engagement category exists only in the investor variants (management does not cite bilateral engagement as a reason for opposing a proposal), so $\text{Cosine}^{\text{Mgmt}}_{p,\text{Own Engagement}}$ is not defined and that category is excluded from the management regressions.

3 Descriptive Evidence: Proposals

3.1 Proposal Volume and Outcomes Over Time and Across Categories

Figure 1 documents a pronounced expansion in climate-related shareholder proposal activity over the 2010–2024 period. Annual counts roughly double from around 100 proposals in 2010–2012 to peaks exceeding 175–200 in 2015 and again in 2020–2021, before moderating somewhat in 2022–2024. Throughout the sample, the dominant outcome is "Other"—proposals that came to a vote without securing majority support—which constitutes the largest share of the stacked bars in virtually every year. The "Withdrawn" category is consistently the second-largest component, representing a substantial and relatively stable fraction of annual proposals. Proposals achieving a vote majority remain a small minority, never exceeding a modest sliver of the annual total. The average vote-support line hovers between roughly 25–35% across most of the period, with a modest upward drift through the 2018–2021 window followed by a slight reversal. This pattern is consistent with growing shareholder mobilisation on climate issues coinciding with limited but gradually rising vote support, while negotiated withdrawals remain a pervasive and persistent feature of the landscape.

The distribution of proposals across ask types, shown in Figure 2, is highly unequal. "Report"

requests constitute by far the most numerous category, with a count exceeding 1,200—more than three times the next-largest group. "Target" proposals are the second most common, followed by "Other," "Policy," and "Disclosure," the last of which is the least frequent. Vote-support lines reveal that average backing is broadly similar across ask types at approximately 25–35%, with "Target" and "Policy" proposals attracting slightly higher support than the dominant "Report" category. Withdrawn proposals account for a substantial share of "Report" and "Target" totals, whereas "Disclosure" proposals exhibit a comparatively lower withdrawal rate. Vote-majority outcomes are rare across all ask types, but are somewhat more visible in the "Target" and "Policy" bars. The evidence suggests that more prescriptive asks attract modestly higher support when they proceed to a vote, yet are also subject to significant pre-vote negotiation and withdrawal dynamics.

Figure 3 turns to the filer dimension. For-profit institutional investors are the dominant source of climate-related proposals, submitting roughly twice as many as non-profit organisations. Government entities, individual investors, religious organisations, and universities each account for much smaller shares. The outcome composition differs meaningfully across filer types: for-profit and non-profit filers both exhibit sizable withdrawn fractions, while government-filed proposals show a markedly higher share reaching a majority vote relative to their total count, suggesting that government investors may pursue more targeted or less negotiable demands. Vote support varies across filer types, with individual and religious filers showing average support somewhat below the sample mean, possibly reflecting the more idiosyncratic or values-driven nature of their proposals. The concentration of proposal volume among for-profit and non-profit filers underscores the central role of large institutional asset managers and advocacy-oriented institutions in the climate engagement landscape.

3.2 Proposal Content Trends

Figure 4 reveals a clear secular increase in the technical specificity of emissions-related requests. References to Scope 1 emissions are the most prevalent scope-related mention throughout the sample, persistently appearing in roughly 20–30% of proposals, with a modest peak around 2016–2017 followed by a plateau. Scope 3 mentions are the second most common, rising gradually from near-zero before 2014 to levels comparable to Scope 1 by the early 2020s, reflecting the diffusion of supply-chain and value-chain emissions accountability norms. Value-chain references exhibit a similar upward trajectory, accelerating noticeably from 2019 onwards. Financed emissions—relevant primarily to financial sector targets—remain the least common category but show a meaningful uptick from 2020, consistent with the emergence of net-zero

commitments among asset managers and banks. Taken together, these trends document an evolution in shareholder sophistication: proposals have become progressively more technically precise in their emissions-scope framing over the sample period.

Reporting-framework references, shown in Figure 5, exhibit distinct life cycles that mirror the broader evolution of global climate disclosure standards. GRI references were the dominant framework early in the sample, peaking at approximately 30% of proposals around 2013–2014 before declining sharply, consistent with the rise of more climate-specific standards. TCFD references emerge from near-zero after its 2017 launch and grow steadily to become the most-cited framework by the early 2020s, reaching approximately 20–25% of proposals by 2022–2023. Paris-aligned references grow from the mid-2010s, peaking around 2021–2022 before moderating, suggesting saturation as Paris alignment becomes a default expectation rather than a distinguishing demand. SBTi mentions are more recent and show a rising trend from 2019, reflecting the increasing adoption of science-based target validation processes. The cross-over dynamics between GRI dominance and TCFD ascendancy provide a natural illustration of how evolving international standard-setting shapes the substantive content of shareholder pressure.

Figure 6 shows how the temporal horizon embedded in climate proposals has evolved and intensified over the sample. References to a 2030 target year are the most prevalent across the period, rising sharply from near-zero before 2016 to exceed 20% of proposals by 2021–2022, consistent with the 2030 interim milestone enshrined in major climate frameworks. References to 2050—the canonical net-zero horizon—show a parallel but slightly later take-off, surging from 2019 to reach roughly 10–15% of proposals by 2023–2024. Mentions of 2025 are more episodic, with a modest peak around 2022 that likely reflects near-term transition planning requirements. References to 2040 remain uncommon throughout. The overall pattern points to a strong convergence around the 2030 and 2050 target-year architecture that characterises major policy frameworks such as the Paris Agreement and national net-zero legislation, suggesting that shareholder proposals have become increasingly anchored to mainstream decarbonisation timelines.

3.3 Management Rationale Patterns in Proposals

Figure 7 shows that management's stated rationale for opposing proposals differs substantially between Disclosure/Report and Target/Policy asks. For Disclosure/Report proposals, "Redundant" is by far the most common management objection, cited in over 60% of cases, suggesting that management frequently argues that the requested disclosures are already

provided through existing reporting channels. For Target/Policy proposals, "Redundant" is also the top rationale but at a considerably lower rate of roughly 45%, and the distribution is more even across categories. "Cost Feasibility" concerns are notably more prevalent for Target/Policy proposals, reflecting the greater operational commitment implied by target-setting requests. "Not Material" objections appear in approximately 25–30% of Disclosure/Report cases and are also significant for Target/Policy proposals. "Prescriptive" objections are relatively more common for Target/Policy proposals, consistent with management's tendency to frame such requests as undue operational interference. "Vague" and "Similar" are the least common rationale categories for both groups. The overall pattern suggests that management's framing of opposition is systematically tailored to the type of ask being contested.

4 Descriptive Evidence: Investors

4.1 Coverage and Representativeness

The geographic distribution of investors with observed voting rationale, displayed in Figure 8, is heavily concentrated in Anglophone markets. US-domiciled investors account for 126 observations—by a substantial margin the largest group—followed by UK investors at 61. Canadian investors are the third-largest contingent at 34, and the Netherlands (22) and Switzerland (14) represent the main continental European presences in the sample. All other European jurisdictions individually contribute single-digit counts. This distribution reflects both the size of the relevant institutional investor industry in these countries and differential disclosure norms: US and UK investors are subject to regulatory regimes that have historically encouraged or required voting-rationale disclosure. The underrepresentation of large continental European asset management centres—notably France, Germany, and the Nordics—likely reflects less systematic public disclosure of individual vote rationales rather than lower voting activity per se. For inference, the geographic composition implies that findings will disproportionately reflect the preferences and reasoning patterns of Anglo-American institutional investors.

Figure 9 reveals a strong and monotonic positive relationship between ownership stake and the probability that an investor has an observed voting rationale. Among investors with less than 1% ownership, rationale coverage stands at approximately 25%; this rises to roughly 45% for the 1–2% bin and approximately 50% for the 2–3% bin. Coverage plateaus at around 65–70% for ownership stakes of 4% and above, with only modest variation across the upper bins. This pattern is consistent with two complementary mechanisms. First, larger blockholders face stronger incentives to monitor and engage with portfolio firms, making them more likely

to articulate and publish explicit voting rationales. Second, the disclosure process may be positively correlated with engagement intensity: investors who hold enough to influence outcomes are also more likely to invest in the governance infrastructure that signals their commitment to stewardship. Importantly, rationale coverage never reaches universality even at the highest ownership levels, indicating that sample selection on rationale availability is non-trivial across the full ownership distribution.

Rationale coverage also increases markedly with investor size, as shown in Figure 10, but the gradient is concentrated in the upper half of the AUM distribution. Investors in the bottom four deciles all show relatively similar and modest coverage rates of approximately 10–15%, suggesting that small and medium-sized investors are substantially underrepresented regardless of their precise size ranking. From the fifth decile onwards, coverage rises more steeply, reaching approximately 15% at decile 5, 20% at decile 7, 30% at decile 9, and exceeding 50% at the top decile. This convex profile implies that the rationale sample is disproportionately populated by the very largest institutional investors—those with the governance teams, regulatory obligations, and reputational incentives to systematically document and disclose voting decisions. The result has implications for external validity: estimated rationale patterns may be more representative of large, sophisticated institutional stewards than of the median investor in a firm's shareholder base.

4.2 Investor Stated Reasons

Investors' stated reasons for opposing proposals, presented in Figure 11, exhibit a pattern that both overlaps with and diverges from management rationales documented in Section 3. "Redundant" is again the most commonly cited investor rationale, appearing in approximately 40% of Disclosure/Report cases and roughly 30% of Target/Policy cases. "Prescriptive" is the second most common reason across both groups, more so for Target/Policy proposals, consistent with investors sharing management's concern about operational overreach. "Not Material" ranks third and is similarly prevalent across both groups. Notably, "Own Engagement" appears as a distinct investor-specific rationale—absent from management's repertoire—and is cited in approximately 10% of cases across both groups, indicating that some investors prefer to pursue their objectives through direct bilateral engagement rather than formal shareholder activism. "Cost Feasibility" and "Vague" are cited less frequently, and "Similar" is the least common category.

The likelihood of citing "own engagement" as a rationale increases sharply and monotonically with the investor's ownership stake, as Figure 12 illustrates. Among investors holding

less than 1% of the firm, only 2% invoke own-engagement reasoning. This figure rises to 5% for the 1–2.5% bin, 12.4% for the 2.5–5% bin, 15.5% for the 5–7.5% bin, and reaches 19% for investors holding more than 7.5%. The near-linear gradient across ownership bins is consistent with the hypothesis that larger blockholders—who have greater capacity and incentive to maintain direct dialogue with management—are more likely to treat formal shareholder proposals as redundant relative to their private engagement channels. The apparent opposition of large shareholders may therefore in part reflect a preference for more influential but less visible bilateral engagement strategies, rather than substantive disagreement with the objectives of the proposal.

Figure 13 examines whether investors are more likely to invoke a given rationale when management has cited the same reason in its proxy opposition statement. The pattern is rationale-specific and varies considerably in magnitude and precision. The clearest and most robust association appears for "Redundant" and "Not Material": investor mention rates for these two categories are substantially higher when management has also cited them, and the confidence intervals are narrow enough to make the differential statistically credible. For "Redundant," the gap between the two bars is particularly large, suggesting that management's claim that a proposal duplicates existing disclosure may genuinely inform or reinforce investor reasoning—or that both parties are responding to the same observable proposal characteristics. For "Prescriptive" and "Cost Feasibility," the picture is more ambiguous: the bars are of similar height or even reversed in ordering, with overlapping confidence intervals indicating that management mention of these rationales does not reliably predict elevated investor citation. This absence of a consistent co-movement is notable for "Cost Feasibility" in particular, where investors and management may be applying the criterion on quite different grounds. "Vague" and "Similar" show modest positive gaps with wide uncertainty bands, precluding strong conclusions. Taken together, the exhibit cautions against treating management-investor rationale alignment as a uniform phenomenon: it is concentrated in specific discursive categories—above all redundancy and materiality—rather than reflecting a general tendency for investors to echo management framing across the board.

5 Regression Evidence: Proposal-Level Models

5.1 AUM-Weighted Similarity and Withdrawals

Table 1 relates proposal withdrawal probability to past investor-rationale cosine similarity measures weighted by investor size (AUM), estimated for all proposals and two key subgroups.

The most robust finding is a positive and significant coefficient on AUM-weighted similarity to the "Own Engagement" rationale: proposals whose language closely resembles the historical framing used by large investors to justify own-engagement-driven opposition are significantly more likely to be withdrawn, both in the full sample (0.187^{**}) and within the Disclosure/Report subsample (0.177^{*}) and the Target/Policy subsample (0.416^{**}). By contrast, AUM-weighted similarity to the "Prescriptive" rationale is negatively associated with withdrawal in the full sample and the Disclosure/Report subsample, suggesting that proposals perceived as prescriptive by large investors are less likely to be pre-emptively withdrawn—consistent with filers being willing to let prescriptive proposals go to a vote. Similarity to "Vague" framing shows a marginally positive association with withdrawal in the Disclosure/Report subsample. Within-R^2 values of approximately 2–3.5% for the full sample and Disclosure/Report regressions, rising to 21% for Target/Policy, indicate that rationale-similarity measures explain a meaningful share of the residual variation in Target/Policy withdrawal decisions after controlling for rich fixed effects.

Table 2 replicates the withdrawal framework using non-weighted similarity indicators to assess whether patterns are driven by broad investor alignment rather than large-holder influence alone. The results suggest that the AUM-weighting is important: the "Own Engagement" coefficient retains the expected positive sign but is no longer statistically significant across the full sample or the Disclosure/Report subsample at conventional levels, while "Cost Feasibility" similarity becomes marginally negatively associated with withdrawals in the Disclosure/Report subsample (-0.221^{*}). The attenuation of the "Own Engagement" effect when AUM-weights are dropped is consistent with the interpretation that it is specifically the opposition stance of large, influential investors—who have the leverage to encourage withdrawal through private engagement—that drives the positive association in Table 1.

Table 3 tests whether similarity to historical management rationale language helps explain proposal withdrawal. In sharp contrast to the investor-rationale similarity results above, none of the management cosine-similarity measures achieves statistical significance at conventional levels across any of the three sample splits. Within-R^2 values are also substantially lower—at most 0.5%—indicating that management-language similarity contributes very little incremental explanatory power once fixed effects are absorbed. This null result is informative: the predictability of withdrawal from language-similarity measures appears to be a distinctly investor-side phenomenon. Filers seem to be sensitive to the framing of large investors' historical objections when deciding whether to withdraw a proposal, but are not systematically responding to the rhetorical patterns in management's opposition statements. The contrast reinforces the view that bilateral engagement between filers and institutional shareholders—

rather than filer-management dialogue alone—is the primary channel through which pre-vote withdrawals are negotiated.

6 Regression Evidence: Investor-Level Models

6.1 Support and Perceived Reasonability

Table 4 links target-year distance to vote support and to the probability that an investor cites cost-feasibility concerns, thereby testing whether temporally proximate—and hence more "demanding"—requests gain meaningfully different treatment. The results document a consistent negative relationship between target-year distance and both outcomes. A one-standard-deviation increase in target-year distance is associated with a 5.1 percentage-point reduction in vote support (-0.051^{**}), indicating that proposals demanding action on more distant horizons attract meaningfully lower investor backing. The same standardised increase in target distance also significantly reduces the probability that an investor cites cost-feasibility concerns (-0.032^{**}), which is initially counterintuitive: one might expect more distant targets to face greater feasibility concerns. The negative coefficient instead suggests that proposals framed around nearer-term, more ambitious milestones are precisely those that trigger feasibility objections, while distant targets are either less credibly binding or perceived as less costly to commit to in principle. Together, the two columns point to a coherent reasonability mechanism: proposals with temporally proximate demands are simultaneously more likely to win support and to encounter feasibility resistance, highlighting the centrality of temporal design in determining shareholder engagement outcomes.

6.2 Ask Characteristics and Rationale Categories

Table 5 estimates how ask design—specifically framework and scope content, and their interactions with firm characteristics—predicts whether investors cite specific rationale dimensions. For the "Vague" outcome, the interaction between requesting a reporting framework and requesting a specific emissions scope is negative and significant (-0.102^{**}), implying that proposals which simultaneously specify both a framework and a scope are substantially less likely to be perceived as vague—consistent with the intuition that technical comprehensiveness reduces ambiguity in shareholder demands. Target/Policy proposals are significantly less likely to be rated as vague than Disclosure/Report proposals (-0.145^{***}), further confirming that more prescriptive asks are perceived as clearer in intent. For the "Redundant" outcome, the

interaction of Target/Policy with CO_2 revenue intensity is negative and significant (-0.0001^{**}): among carbon-intensive firms, Target/Policy proposals are less likely to be seen as redundant, presumably because high-emitting firms are less likely to have already committed to comparable targets. The interaction with governance score is positive and marginally significant (0.043^{*}), suggesting that well-governed firms facing Target/Policy proposals are more likely to have investors citing redundancy—consistent with governance quality proxying for the existence of voluntary climate commitments. These heterogeneous effects underscore the importance of firm context in mediating how proposal design translates into investor rationale.

6.3 Predicting Rationales in Against Votes

Table 6 restricts the sample to *Against* votes and tests whether historical cosine-similarity measures predict the likelihood of specific investor rationale mentions, including heterogeneity by investor size. The results document significant predictability in rationale expression. Higher AUM-weighted similarity to the historical "Own Engagement" framing positively predicts the probability of citing own engagement in the current vote (0.015^{**}, column 1), consistent with a stable and persistent tendency for large investors to rely on their own-engagement narrative across proposal encounters. Column 2 examines the interaction of own-engagement similarity with log AUM, finding a positive and significant coefficient (0.011^{***}), while the baseline own-engagement similarity term turns negative (-0.248^{**}): this non-monotonic pattern suggests that the own-engagement rationale is most predictable for very large investors, with smaller investors showing less consistent repetition of this framing. For "Cost Feasibility," higher AUM-weighted past similarity significantly predicts the likelihood of citing feasibility concerns (0.013^{**}, column 3). These findings collectively indicate that investor rationale expression is not merely a response to proposal-level characteristics, but also reflects persistent institutional styles that manifest consistently over time and are amplified among investors with greater assets under management.

7 Conclusion

This paper studies the full life cycle of climate-related shareholder proposals to understand why most of them fail. Using a comprehensive dataset linking proposal characteristics, voting records, and disclosed investor and management rationale language over 2010–2024, we document that failure is not a monolithic outcome: proposals are withdrawn, defeated, or—rarely—passed through mechanisms that reflect a structured strategic interaction among filers,

institutional shareholders, and management.

Three broad findings emerge. First, proposal design shapes both investor response and ultimate outcome. More technically precise proposals—those specifying emissions scopes, naming recognised reporting frameworks, and anchoring demands to mainstream policy target years—are less likely to be dismissed as vague, and are more likely to attract and contest investor attention, particularly from large, carbon-intensive firms. Second, investor heterogeneity is central and systematically structured: large, Anglo-American institutional investors dominate the rationale-disclosure sample, own-engagement opposition rises sharply with ownership, and rationale expression follows persistent institutional house styles that are amplified at the top of the AUM distribution. Third, historical language patterns contain economically meaningful information. AUM-weighted similarity between current proposals and past own-engagement opposition statements predicts withdrawal, while management language similarity does not—identifying the filer-investor bilateral channel as the locus of pre-vote negotiation.

Taken together, the evidence suggests that the high failure rate of climate proposals reflects a dynamic equilibrium rather than simple corporate resistance. Filers learn the linguistic and substantive norms of investor opposition and adjust their proposals accordingly; large investors use private engagement as a credible substitute for public support; and management opposition framing resonates selectively with investors, principally on redundancy and materiality grounds. Improving the effectiveness of climate shareholder activism may therefore require attention not only to the substance of what proposals ask for, but to the strategic communication environment in which they are submitted.

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A Figures and Tables

Proposal Volume and Outcomes

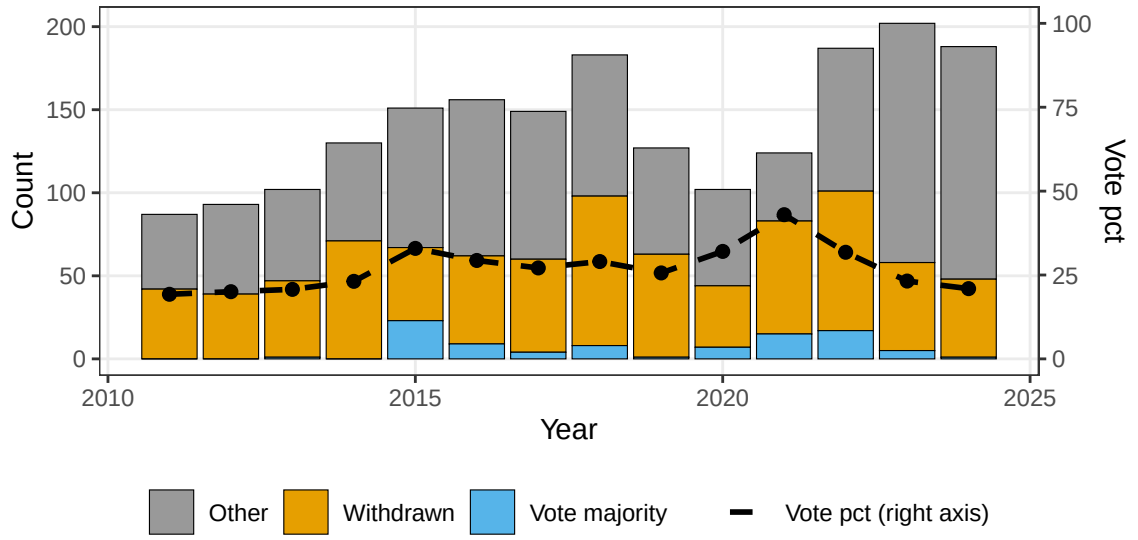


Figure 1: Proposal Count and Outcomes by Year

Notes: Stacked bars are counts; the right-axis series rescales vote percentage onto the bar scale for overlay. "Other" outcomes are computed as total proposals minus withdrawn and vote-majority proposals.

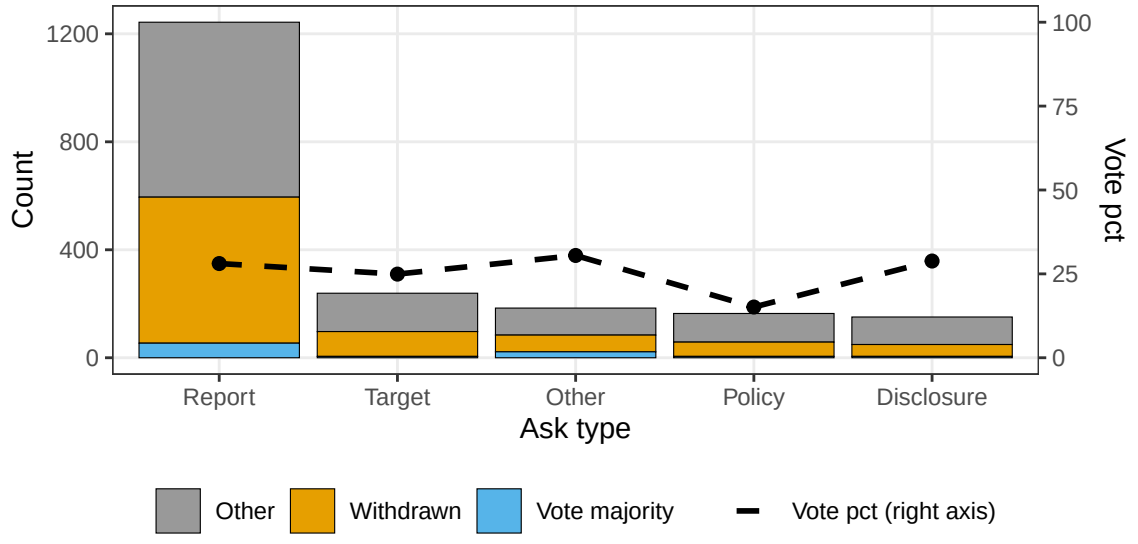


Figure 2: Proposal Count and Outcomes by Ask Type

Notes: Ask types are ordered by descending proposal count. The dashed line represents mean vote percentage per ask type and is displayed on a secondary axis.

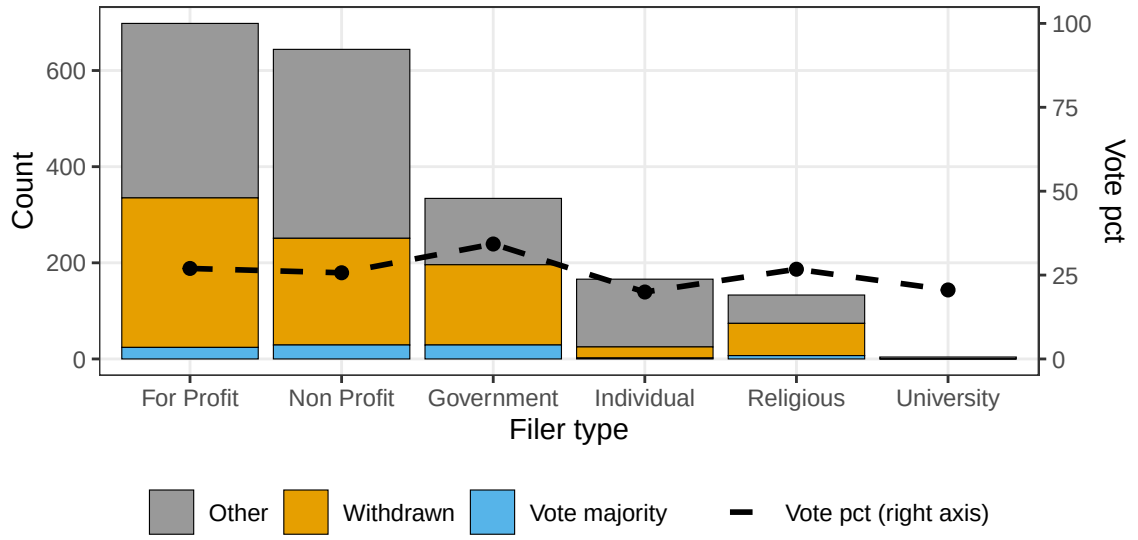


Figure 3: Proposal Count and Outcomes by Filer Type

Notes: Filer types are sorted by proposal count. Outcome decomposition and vote-percentage overlay follow the same logic as Figure 1.

Proposal Content Trends

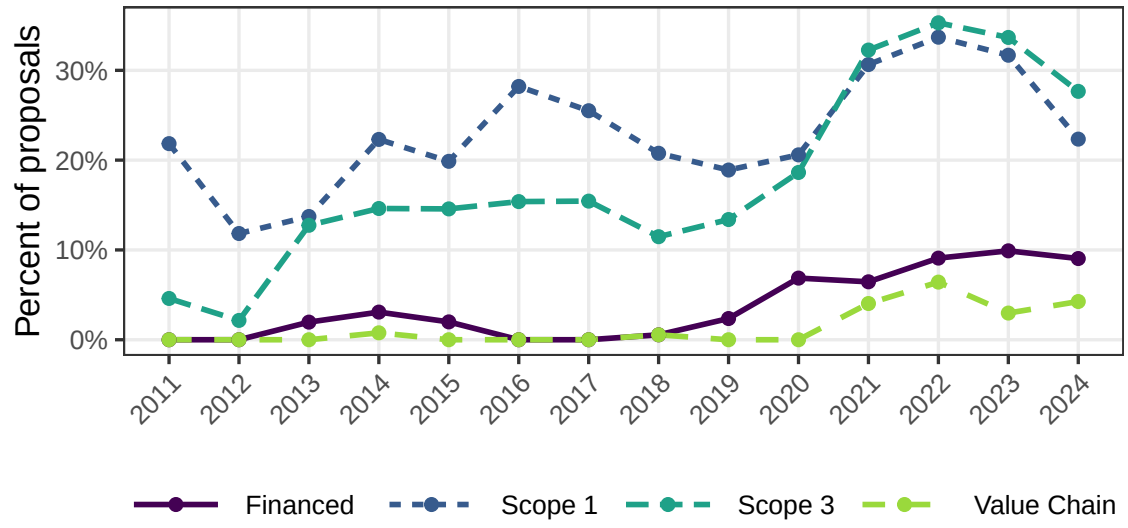


Figure 4: Trend in Emissions Scope Mentions

Notes: Values are percentages of annual proposal totals. Scope categories are parsed from multi-valued fields and standardized for presentation.

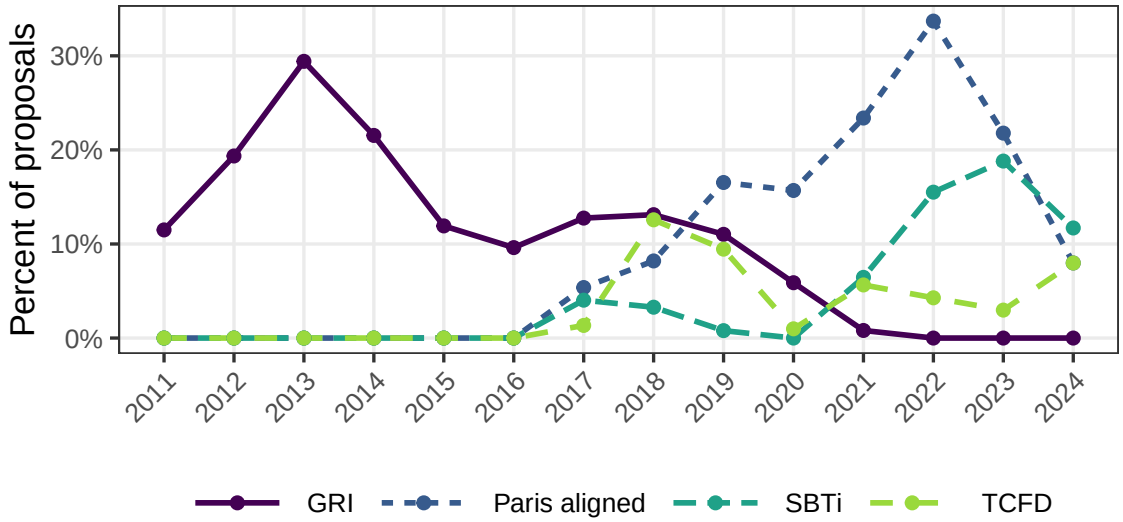


Figure 5: Trend in Requested Reporting Frameworks

Notes: Percentages are relative to total proposals by year. Framework labels are harmonized and selected categories are filtered to focus on substantive variation.

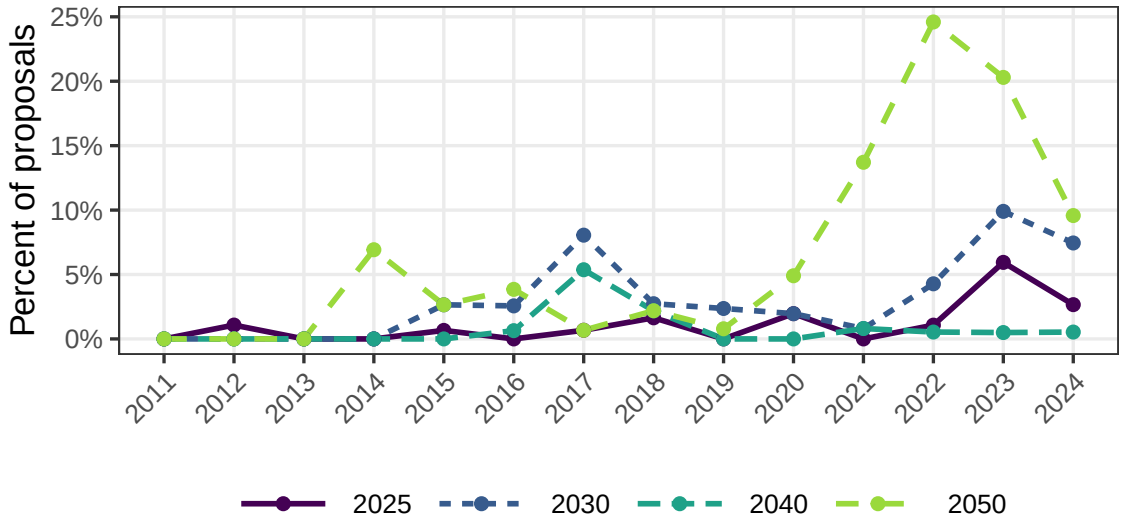


Figure 6: Trend in Referenced Target Years

Notes: Shares are computed as annual counts for each target-year category divided by total annual proposal count. Missing years in category-year combinations are completed as zeros.

Management and Investor Rationale Patterns

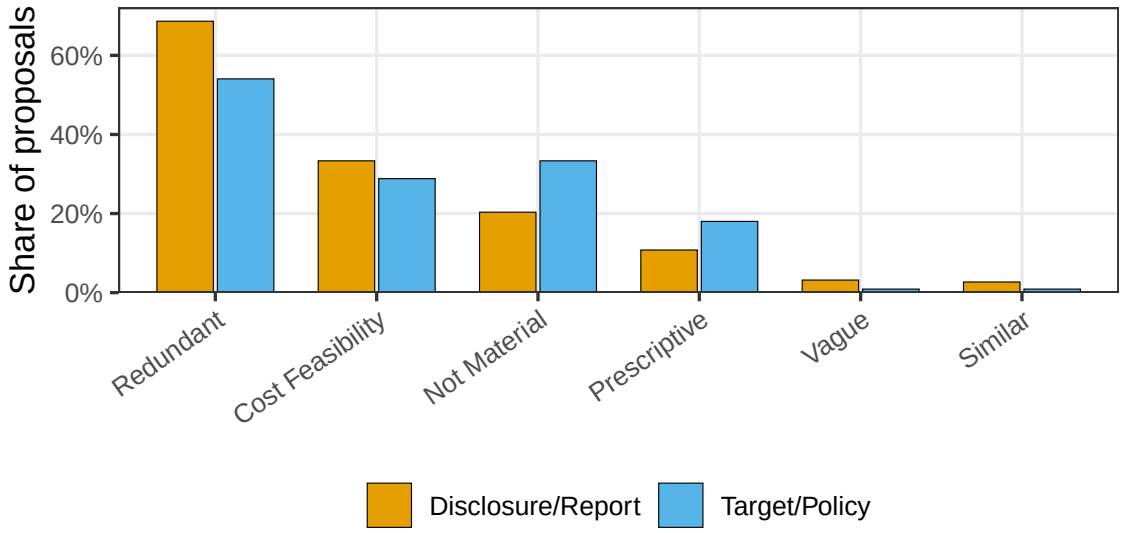


Figure 7: Management Reasons by Proposal Group

Notes: Bars report mean incidence of each reason indicator by proposal group. Categories are ordered by average prevalence across groups.

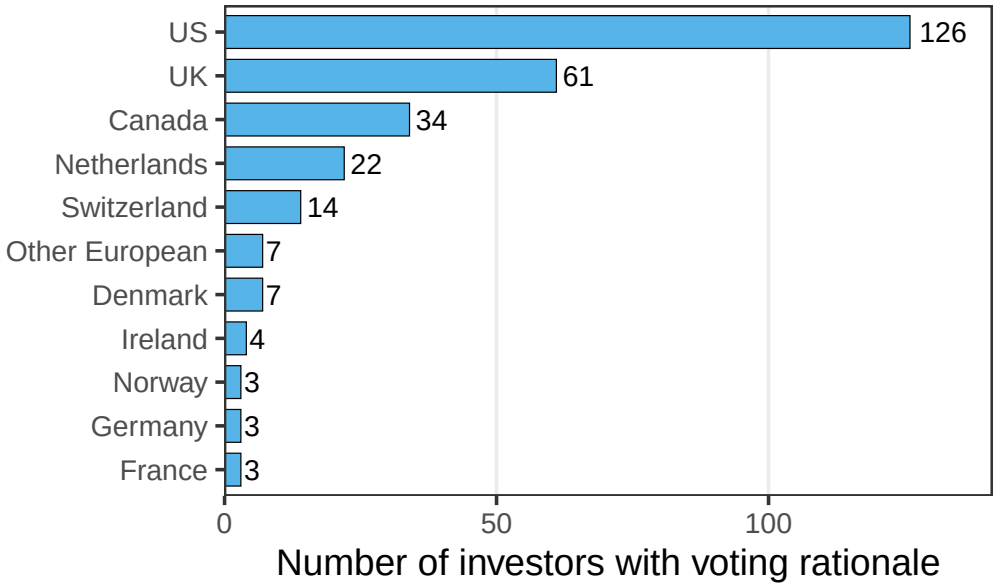


Figure 8: Investors with Voting Rationale by Country

Notes: Low-frequency countries are consolidated into an "other european" category before final aggregation. Bars are annotated with counts.

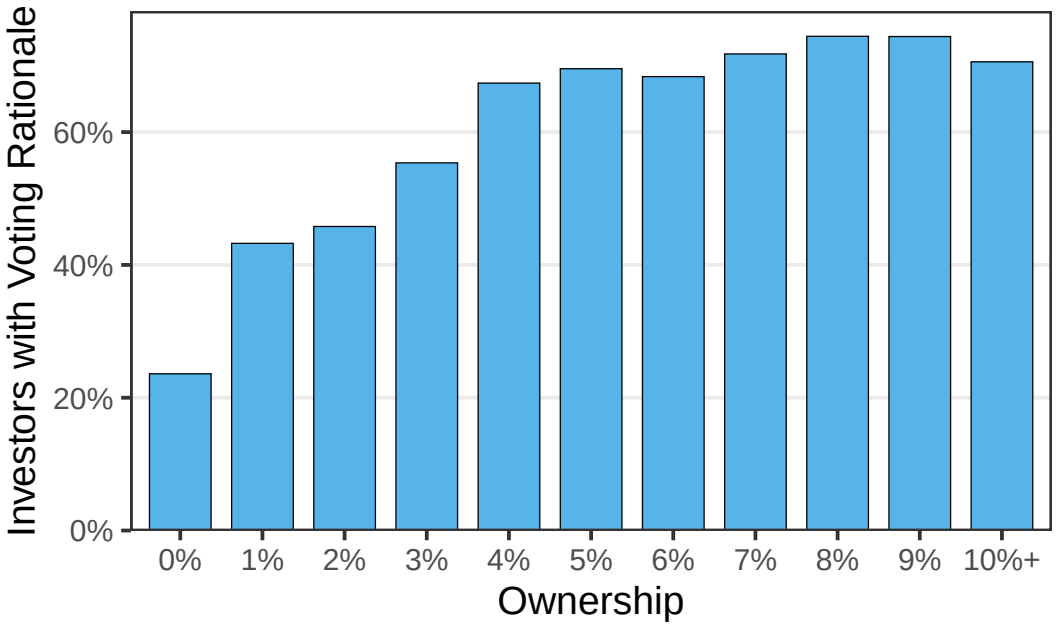


Figure 9: Representativeness by Ownership Bucket

Notes: The y-axis measures the share of investors with rationale in each ownership bin. Ownership is top-coded at 10% in construction.

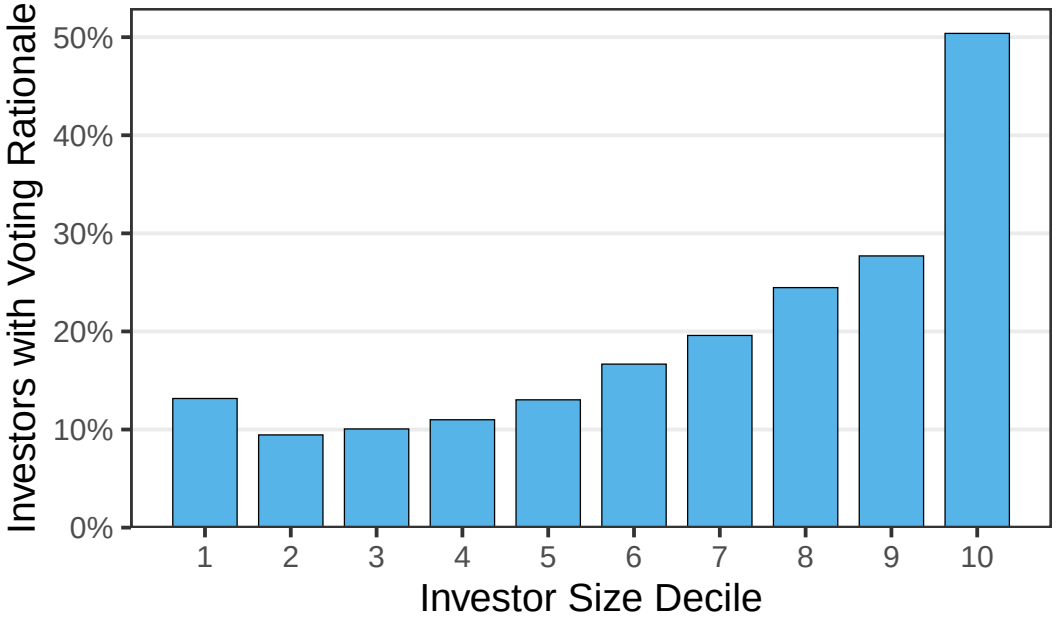


Figure 10: Representativeness by Investor Size Decile

Notes: Deciles are computed within year. Bars represent the mean of a rationale-observed indicator by decile.

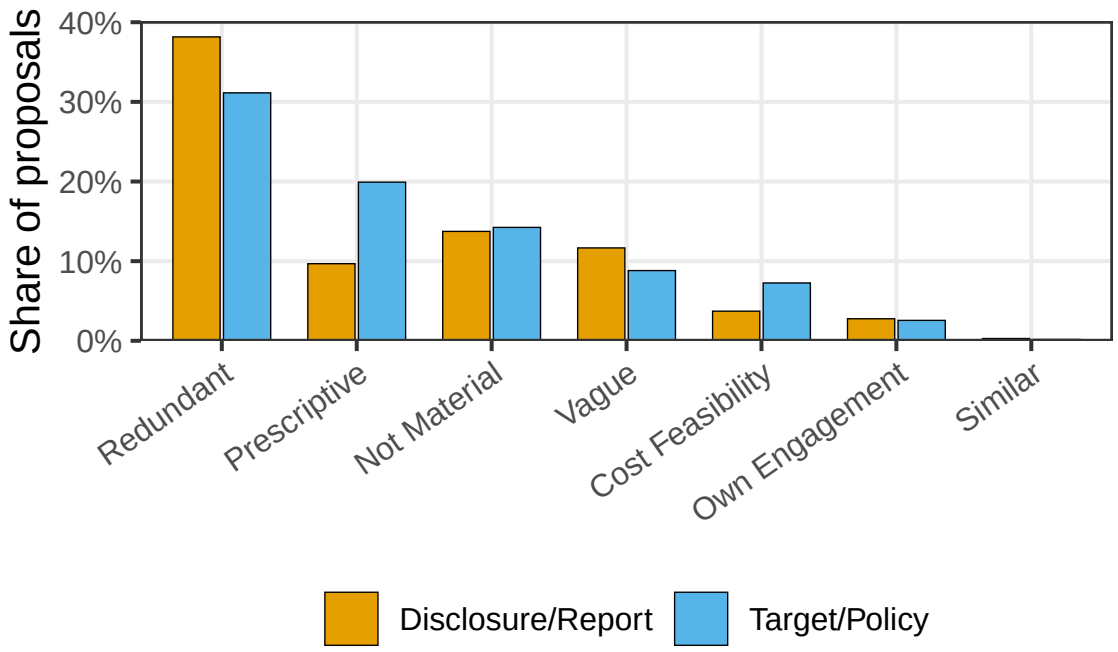


Figure 11: Investor Reasons by Proposal Group

Notes: Bars display mean rationale indicators by proposal group. Reason labels are cleaned from variable names, ordered by average prevalence, and plotted as shares.

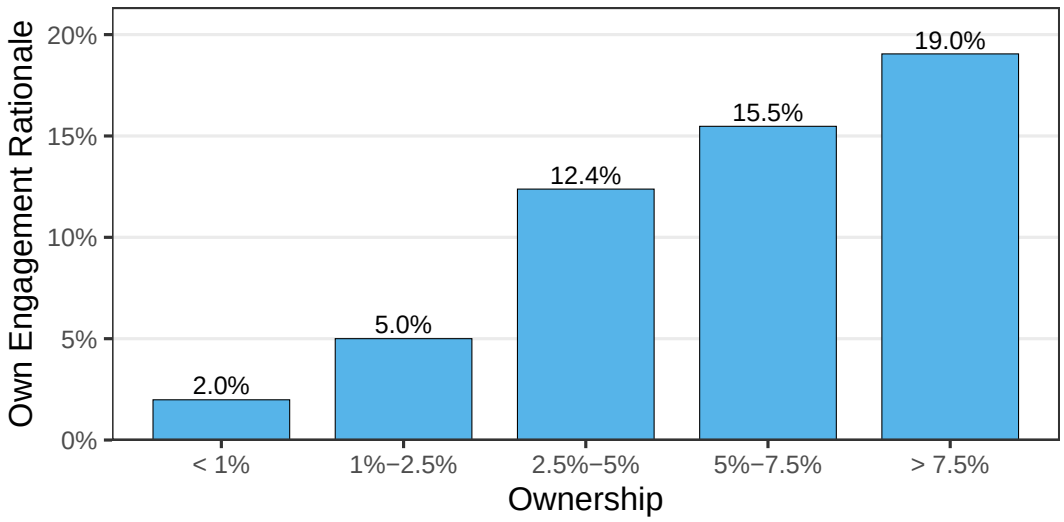


Figure 12: Own-Engagement Rationale by Ownership Bin

Notes: Ownership bins are defined as: <1%, 1–2.5%, 2.5–5%, 5–7.5%, and >7.5%. Labels above bars show the corresponding percentages.

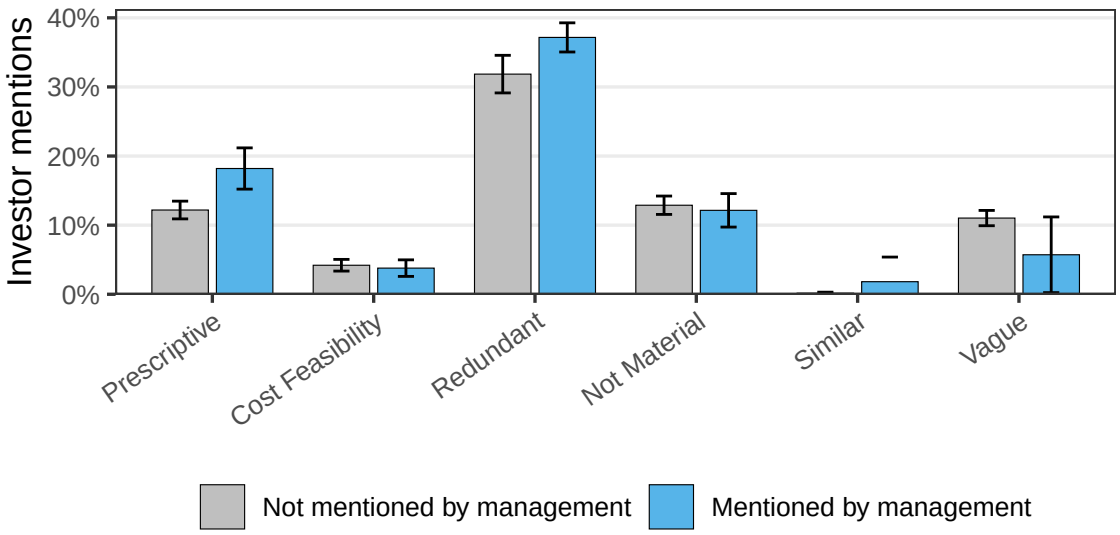


Figure 13: Investor Mentions vs. Management Mentions

Notes: Bars report mean investor mention rates by management-mention status, with 95% confidence intervals shown using normal-approximation error bars.

Proposal-Level Regressions

Table 1: Proposal Withdrawals and AUM-Weighted Rationale Similarity

Dependent Variable:	Withdrawn (0/1)		
Proposal type:	All proposals	Disclosure/Report	Target/Policy
Model:	(1)	(2)	(3)
Variables			
Log proposal length	0.149	-0.031	0.688
	(0.201)	(0.245)	(0.862)
Past cosine: Prescriptive (AUM-weighted)	-0.241*	-0.316**	0.062
	(0.130)	(0.145)	(0.693)
Past cosine: Cost feasibility (AUM-weighted)	0.0004	-0.066	-1.10
	(0.098)	(0.104)	(0.775)
Past cosine: Own engagement (AUM-weighted)	0.187**	0.177*	0.416**
	(0.091)	(0.104)	(0.171)
Past cosine: Not material (AUM-weighted)	-0.043	0.082	0.007
	(0.130)	(0.131)	(1.12)
Past cosine: Vague (AUM-weighted)	0.136	0.183*	0.400
	(0.083)	(0.103)	(0.405)
Fixed-effects			
Year-Sector-Country	✓	✓	✓
Firm-Filer	✓	✓	✓
Fit statistics			
Observations	757	573	86
R^2	0.61416	0.66084	0.65699
Within R^2	0.02035	0.03490	0.20850

Clustered (gvkey) standard-errors in parentheses
*Signif. Codes: ***: 0.01, **: 0.05, *: 0.1*

Notes: All specifications include high-dimensional fixed effects and clustering at the issuer (`gvkey`) level. Variable labels follow the shared regression dictionary.

Table 2: Proposal Withdrawals and Unweighted Rationale Similarity

Dependent Variable:	Withdrawn (0/1)		
Proposal type:	All proposals	Disclosure/Report	Target/Policy
Model:	(1)	(2)	(3)
Variables			
Log proposal length	0.144	-0.048	0.637
	(0.201)	(0.251)	(0.931)
Past cosine: Prescriptive	-0.170	-0.203	-0.047
	(0.109)	(0.143)	(0.684)
Past cosine: Cost feasibility	-0.152	-0.221*	-0.380
	(0.110)	(0.129)	(1.11)
Past cosine: Own engagement	0.133	0.114	0.364
	(0.083)	(0.098)	(0.280)
Past cosine: Not material	0.137	0.231	-0.295
	(0.133)	(0.143)	(1.09)
Past cosine: Vague	0.100	0.143	0.369
	(0.076)	(0.097)	(0.538)
Fixed-effects			
Year-Sector-Country	✓	✓	✓
Firm-Filer	✓	✓	✓
Fit statistics			
Observations	757	573	86
R^2	0.61337	0.66094	0.61197
Within R^2	0.01835	0.03519	0.10460

Clustered (gvkey) standard-errors in parentheses
*Signif. Codes: ***: 0.01, **: 0.05, *: 0.1*

Notes: Samples mirror the splits in Table 1 (all, Disclosure/Report, Target/Policy) with the same fixed-effect structure and clustered standard errors.

Table 3: Proposal Withdrawals and Management-Rationale Similarity

Dependent Variable:	Withdrawn (0/1)		
Proposal type:	All proposals	Disclosure/Report	Target/Policy
Model:	(1)	(2)	(3)
Variables			
Log proposal length	0.083	0.043	-0.182
	(0.132)	(0.170)	(0.868)
Mgmt cosine: Prescriptive	-0.080	-0.042	0.062
	(0.167)	(0.176)	(0.664)
Mgmt cosine: Cost feasibility	0.056	0.128	-0.359
	(0.109)	(0.135)	(0.676)
Mgmt cosine: Vague	0.013	0.044	0.392
	(0.063)	(0.088)	(0.282)
Mgmt cosine: Not material	0.008	-0.128	-0.142
	(0.151)	(0.192)	(1.20)
Fixed-effects			
Year-Sector-Country	✓	✓	✓
Firm-Filer	✓	✓	✓
Fit statistics			
Observations	909	670	108
R^2	0.59816	0.62952	0.62886
Within R^2	0.00224	0.00510	0.05568

Clustered (gvkey) standard-errors in parentheses
*Signif. Codes: ***: 0.01, **: 0.05, *: 0.1*

Notes: Coefficients are interpreted conditional on detailed issuer-year-sector-country and filer fixed effects. Standard errors are clustered at the issuer level.

Investor-Level Regressions

Table 4: Support Outcomes and Target-Distance Reasonability

Dependent Variables:	Vote support	Argument use: Cost feasibility
Model:	(1)	(2)
Variables		
Target year distance (std.)	-0.051**	-0.032**
	(0.025)	(0.013)
Fixed-effects		
Firm-Year	✓	✓
Investor-Year	✓	✓
Fit statistics		
Observations	70,575	1,295
R^2	0.59114	0.61438
Within R^2	0.00192	0.00145

Clustered (code) standard-errors in parentheses
*Signif. Codes: ***: 0.01, **: 0.05, *: 0.1*

Notes: Specifications include issuer-year and investor-year fixed effects, with standard errors clustered at the observation-code level.

Table 5: Ask Design, Firm Context, and Investor Rationale

	Argument used:		
Model:	Vague (1)	Redundant (2)	Prescriptive (3)
Variables			
Any requested framework	0.015		
	(0.015)		
Any scope requested	0.006		
	(0.018)		
Any requested framework × Any scope requested	-0.102**		
	(0.051)		
Target/Policy (vs Disclosure/Report)		-0.220***	0.228***
		(0.043)	(0.028)
Target/Policy (vs Disclosure/Report) × CO2 revenue intensity		-0.150**	
		(0.060)	
Target/Policy (vs Disclosure/Report) × Governance score			0.063*
			(0.033)
Fixed-effects			
Firm-Year	✓	✓	✓
Investor-Year	✓	✓	✓
Fit statistics			
Observations	4,909	3,854	4,795
R^2	0.52180	0.57432	0.49421
Within R^2	0.00444	0.01504	0.02688

Clustered (code) standard-errors in parentheses
*Signif. Codes: ***: 0.01, **: 0.05, *: 0.1*

Notes: Interaction terms capture differential slopes by proposal type; fixed effects and clustering follow the investor-level baseline.

Table 6: Rationale Predictability in Against Votes

	Argument used:							
	Own engagement		Cost Feasibility	Prescriptive	Not Material	Vague	Redundant	Similar
Model:	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Variables								
Past cosine: Own engagement (AUM-weighted)	0.015**	-0.248**						
	(0.008)	(0.104)						
Past cosine: Own engagement (AUM-weighted) × Log AUM		0.011***						
		(0.004)						
Past cosine: Cost feasibility (AUM-weighted)			0.013**					
			(0.006)					
Past cosine: Prescriptive (AUM-weighted)				0.064***				
				(0.017)				
Past cosine: Not material (AUM-weighted)					-0.016			
					(0.010)			
Past cosine: Vague (AUM-weighted)						-0.001		
						(0.005)		
Past cosine: Redundant (AUM-weighted)							-0.028	
							(0.018)	
Past cosine: Similar (AUM-weighted)								3.19×10^{-5}
								(0.001)
Fixed-effects								
Firm-Year	✓	✓	✓	✓	✓	✓	✓	✓
Investor-Year	✓	✓	✓	✓	✓	✓	✓	✓
Fit statistics								
Observations	3,111	1,378	3,111	3,111	3,111	3,063	3,111	2,556
R^2	0.52972	0.58418	0.55280	0.53618	0.58016	0.40345	0.54971	0.32015
Within R^2	0.00190	0.02255	0.00110	0.00960	0.00080	8.98×10^{-6}	0.00110	8.07×10^{-8}

Clustered (code) standard-errors in parentheses
*Signif. Codes: ***: 0.01, **: 0.05, *: 0.1*

Notes: Sample restricted to *Against* votes. Dependent variables are indicators for specific investor rationale categories. Key regressors are AUM-weighted cosine similarities between current proposal text and the historical corpus of investor rationale statements. All models include issuer-year and investor-year fixed effects; standard errors clustered at the observation-code level. Significance: $^{***}p < 0.01$, $^{**}p < 0.05$, $^{*}p < 0.1$.