



Diligent Market Intelligence

# Corporate Governance in Europe 2025

in partnership with

**WHITE & CASE**



# Table of contents

## Corporate Governance in Europe 2025

3	<b>Editor's foreword</b> Josh Black, Diligent
4	<b>Executive summary</b>
6	<b>Infographics</b>
10	<b>Who are Europe's activist players?</b>
14	<b>Asking nicely continues to pay as UK activism gets spiky</b> Jason Booth
18	<b>What's driving activism in the UK?</b> In conversation with Tom Matthews, Alex Woodfield and Sonica Tolani, White & Case
20	<b>A new chapter for stewardship in the UK</b> Antoinette Giblin
23	<b>Activists move to unlock value in Germany</b> In conversation with Thyl Haßler and Frederic Wuensche, White & Case
26	<b>Private dialogue preferred path for activists in France</b> In conversation with Diane Lamarche, Saam Golshani and Simon Martin-Gousset, White & Case
29	<b>Activism in Italy</b>
30	<b>European indices leapfrog UK as CEO pay gap widens</b> Will Arnot

# Editor's foreword



**Josh Black**

[jblack@diligent.com](mailto:jblack@diligent.com)

The past year has exposed a striking divergence in global corporate governance. In the U.S., a wave of ruptures in the ESG landscape and the advance of states' rights initiatives have produced a looser, more politicized environment for boards and investors alike. A long-standing consensus around environmental and social goals is fragmenting, replaced by an emphasis on flexibility, management discretion and a more urgent pursuit of shareholder value.

Europe, by contrast, prefers evolution. Yet the need to foster a more dynamic economic environment – one that sustains growth, competitiveness and capital market depth – has surged up the policy agenda. The challenge for European regulators, companies and investors is to reconcile stewardship traditions with a pragmatic focus on shareholder value and global competitiveness. The themes in this year's *Corporate Governance in Europe 2025* report capture that tension and the opportunities it creates.

A central storyline is the renewed surge in shareholder activism. Activity across the region accelerated this year, propelled by stalled economic growth but with improved liquidity and a rebound in M&A. Large U.S. activists have deployed proven strategies in London and Frankfurt, while new domestic players have emerged with distinct local priorities. Although some activist campaigns continue to be written off as a noisy Americanism, many companies are now engaging with activists and are increasingly transparent and accountable to their shareholders on issues of strategy and performance measurement.

The UK Stewardship Code's upcoming 2026 revision encapsulates the broader European dilemma: how to preserve high standards of governance and accountability

while granting investors and issuers the flexibility to innovate and grow. The debate over how much freedom to allow in the pursuit of value creation versus risk oversight will shape the next phase of stewardship across Europe.

Meanwhile, the traditional European aversion to richly rewarding management is loosening still further as long-term incentives become the norm. German Chancellor Friedrich Merz's call for a pan-European stock exchange comes as pay alignment across Europe's major indices is narrowing the transatlantic gap, with DAX and CAC 40 CEOs now surpassing their FTSE 100 peers on some measures – an inflection point explored further in our *Executive Compensation in 2025* report.

At Diligent Market Intelligence, our role is to equip investors, issuers and advisors with the insight to navigate this complexity. Through our integrated platform – with N-PX data, voting rationales and expanded disclosure for the 2025 proxy season now incorporated – users can benchmark governance and compensation, analyze voting patterns and track activist trends in real time. Understanding how these forces intersect is essential for any market participant seeking to anticipate challenges.

We are delighted to launch this report, sponsored by White & Case and compiled by DMI's Antoinette Giblin, at the Stewardship Series conference in London on November 11. The event will bring together leaders from across the investment ecosystem to explore how stewardship can underpin competitiveness and trust in Europe's capital markets. If you are reading this before the event and wish to attend – or would like a post-event summary – please contact [dmi.info@diligent.com](mailto:dmi.info@diligent.com).

# Executive summary

---

1. The U.K. maintained its position as the most dominant market for shareholder activism in Europe with 52 companies targeted in the 12-month period to the end of August this year, up 44%.
2. Smaller companies accounted for almost 70% of activity in the U.K. in the period with large-cap activism largely driven by prominent U.S. activists.
3. Outside of the U.K., Germany provided one of the most active battlegrounds in Europe for shareholder activism with six board seats won in the eight-month period to the end of August, up from four in 2024 and with many campaigns centered on cost-cutting, operational efficiency, and consolidation strategies.
4. Italy's distinctive slate voting system empowered activists to quietly reshape boardrooms, with five seats gained during the same period - up from four in both 2023 and 2024.
5. Saba Capital Management emerged as Europe's most active followed by fellow U.S. activist Amber Capital which focused largely on Italy.
6. As London continues to focus on closing the CEO pay gap with the U.S., key European indices are also increasing executive pay, with Germany's DAX and France's CAC 40 surpassing the FTSE 100 on median realized pay for the first time.

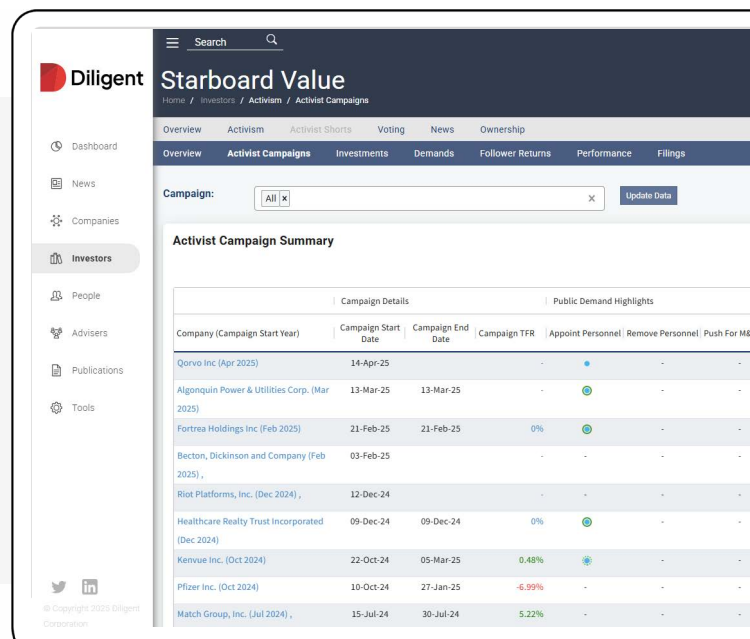


Diligent Market Intelligence

# The ultimate shareholder activism and proxy voting data solution.

Our **Shareholder Activism** module allows you to gain a full understanding of new and developing activist campaigns worldwide. The downloadable profiles of activists ensures you can determine activists' key strategies, areas of focus and success rates. Gain deeper insights through our proprietary newswire, and make sure you never miss a beat with our live and daily alerts.

→ Request a demonstration



The screenshot shows the 'BP PLC' interface with the 'Voting Results' section. It displays a table for the '17 Apr 2025 (Annual)' meeting. The table has columns for No., Proposal Detail, Voting Details, Spn, MRec, For, Chg, AG, Ab/WH, Pass, and 2024. The table lists 14 proposals, including 'Accept Financial Statements and Statutory Reports', 'Approve Remuneration Report', and various director elections.

No.	Proposal Detail	Voting Details	Spn	MRec	For	Chg	AG	Ab/WH	Pass	2024
1	Accept Financial Statements and Statutory Reports	More Details	M	✓	97.6	-1.3	2.4	0.4	✓	96
2	Approve Remuneration Report	More Details	M	✓	95.5	-6.3	4.5	0.4	✓	95
3	Re-elect Helge Lund as Director	More Details	M	✓	75.7	-20.2	24.3	0.5	✓	97
4	Re-elect Murray Auchincloss as Director	More Details	M	✓	97.3	-1.6	2.7	4.2	✓	91
5	Re-elect Kate Thomson as Director	More Details	M	✓	98.7	n/a	1.3	0.3	✓	91
6	Re-elect Dame Amanda Blanc as Director	More Details	M	✓	95.6	-3.1	4.4	3.3	✓	91
7	Re-elect Tushar Morzarla as Director	More Details	M	✓	95.5	-2.5	4.5	0.3	✓	97
8	Re-elect Melody Meyer as Director	More Details	M	✓	92.0	-3.5	7.1	0.3	✓	91
9	Re-elect Pamela Daley as Director	More Details	M	✓	96.2	-1.8	3.8	0.3	✓	97
10	Re-elect Karen Richardson as Director	More Details	M	✓	97.1	-0.9	2.9	0.3	✓	97
11	Re-elect Satish Pai as Director	More Details	M	✓	97.4	-1.6	2.6	0.3	✓	97
12	Re-elect Hina Nagarajan as Director	More Details	M	✓	97.4	-1.6	2.6	0.3	✓	97
13	Re-elect Johannes Teyssen as Director	More Details	M	✓	97	-2.1	3.0	0.3	✓	91
14	Election Tyler as Director	More Details	M	✓	91.2	n/a	2.8	0.3	✓	91

Our **Voting** module presents the most comprehensive set of proxy voting data available, and offers features designed to meet the requirements of users from both the buy and sell sides. Complete with thousands of investor profiles, voting policies, rationales and proxy adviser recommendations, this is an essential tool to navigate today's ever-changing stewardship landscape.

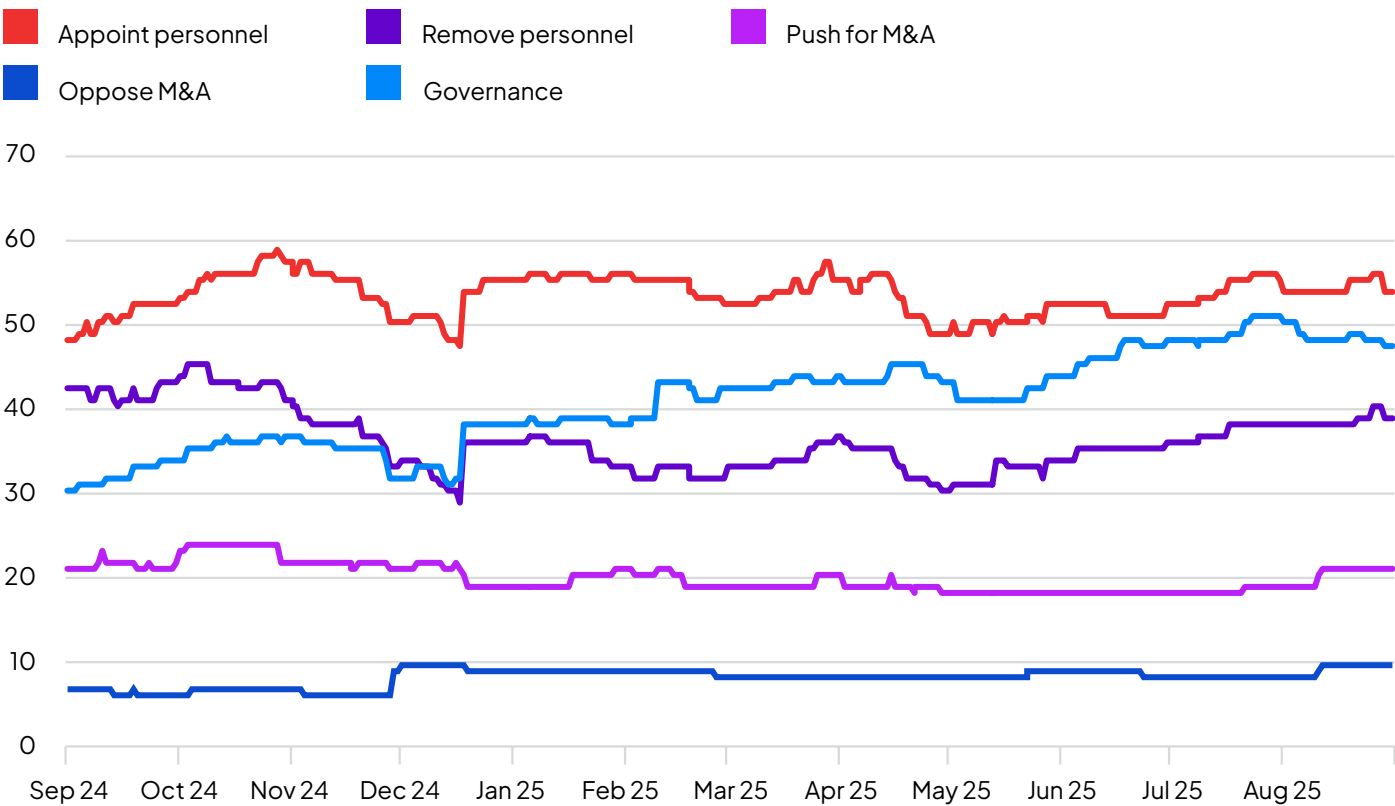
→ Request a demonstration



With complementary modules offering data on **governance**, **executive compensation**, **activism vulnerability** and **activist shorts**, Diligent Market Intelligence forms a central pillar to users' research processes, and offers tailored solutions to meet your exacting demands. Speak to a member of our team to discuss our offerings in more detail.

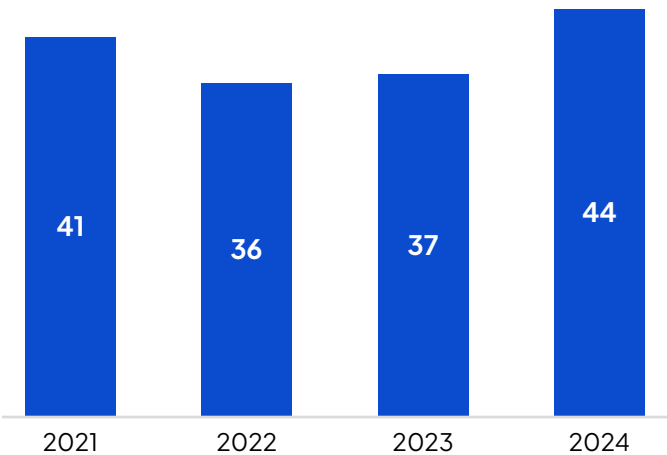
# Activism infographics

Rolling 365-day total of public activist campaigns at Europe-based companies by demand type



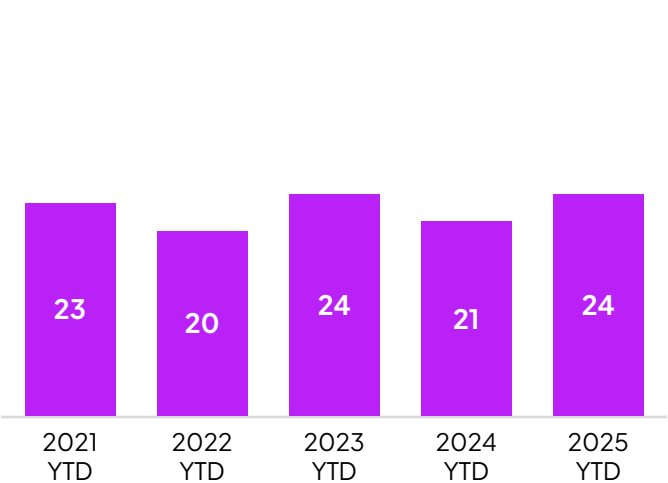
Data range from September 1, 2024 to August 31 2025  
 Source: Diligent Market Intelligence / Activism

No. Europe-based companies targeted by primary- and- partial-focus activists (full year)



Source: Diligent Market Intelligence / Activism

No. Europe-based companies targeted by primary- and- partial-focus activists (YTD\*)



\*YTD (January 1 to August 31)

Source: Diligent Market Intelligence / Activism

No. Europe-based companies targeted by primary- and- partial-focus activists by sector (YTD\*)

Sector	2021 YTD	2022 YTD	2023 YTD	2024 YTD	2025 YTD
Basic materials	0	2	2	0	0
Communication services	1	2	3	1	0
Consumer cyclical	0	2	4	4	1
Consumer defensive	2	4	0	4	3
Energy	1	2	2	3	1
Financial services	5	3	1	0	1
Funds	1	0	0	0	6
Healthcare	3	2	3	2	5
Industrials	3	0	6	1	3
Real estate	1	2	0	2	1
Technology	5	1	2	4	2
Utilities	1	0	1	0	1
<b>Total</b>	<b>23</b>	<b>20</b>	<b>24</b>	<b>21</b>	<b>24</b>

\*YTD (January 1 to August 31)

Source: Diligent Market Intelligence / Activism

Breakdown of demands advanced by primary- and partial-focus activists at Europe-based companies

Demand group	2021	2022	2023	2024	2025 YTD*
Appoint personnel	14	12	8	22	9
Capital structure	1	1	4	1	1
Divestiture	10	12	12	7	4
Environmental	1	2	0	1	0
Governance	11	8	9	13	10
Operational	8	6	6	9	6
Oppose M&A	10	5	5	0	0
Push for M&A	5	8	9	9	3
Remove personnel	12	12	12	17	5
Remuneration	3	2	2	1	0
Return cash to shareholders	5	9	8	11	5
Social	2	2	0	0	0
<b>Total</b>	<b>82</b>	<b>79</b>	<b>75</b>	<b>91</b>	<b>43</b>

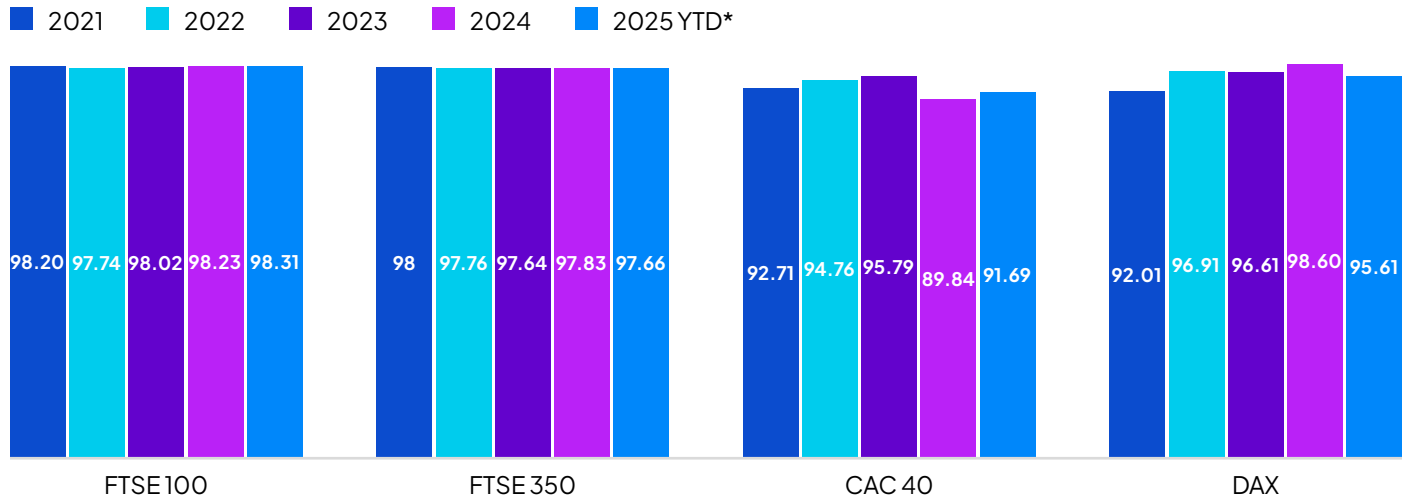
\*YTD (January 1, 2025 to August 31, 2025)

Source: Diligent Market Intelligence / Activism

# Voting infographics

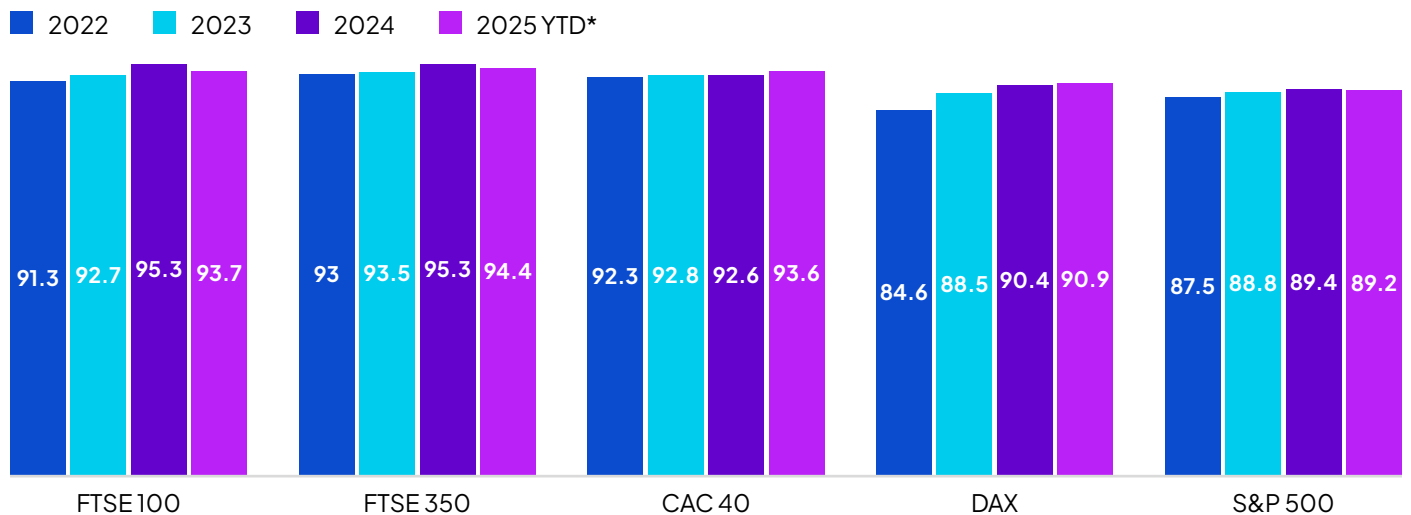
## Management proposals

Average (%) support for director reelection proposals by index



\*YTD (January 1, 2025 to August 31, 2025)

Support (%) for advisory remuneration proposals, by index and year



\*YTD (January 1, 2025 to August 31, 2025)

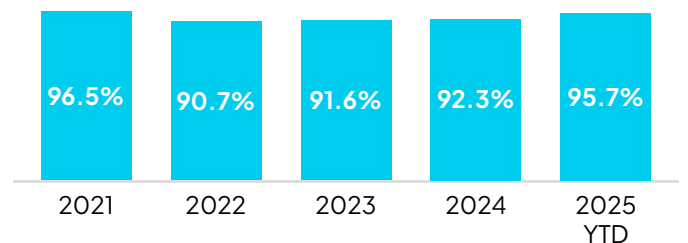
No. and support (%) for “say on climate” proposals at Europe-based companies

	2021	2022	2023	2024	2025 YTD
No.	18	33	19	19	19

\*YTD (January 1, 2025 to August 31, 2025)

Source: Diligent Market Intelligence / Voting

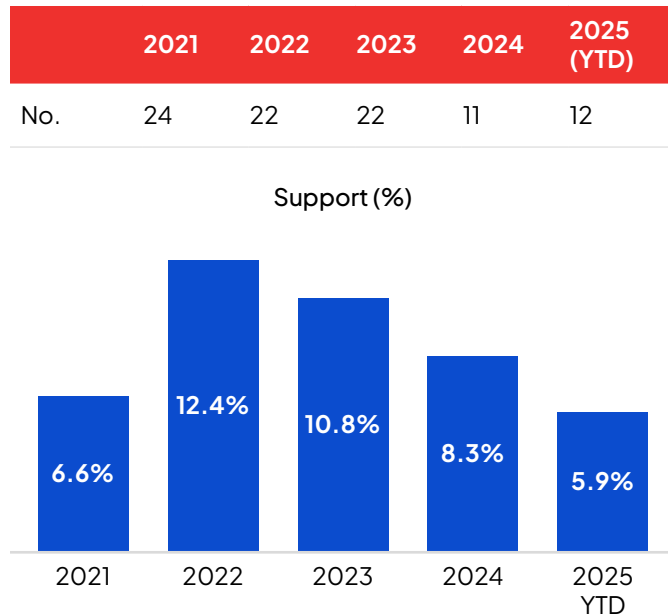
Support (%)





## Shareholder proposals

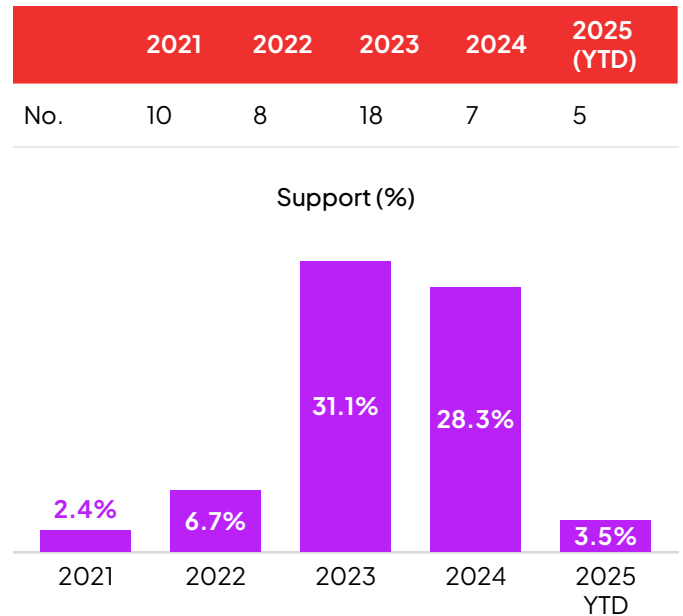
No. and support (%) for environmental shareholder proposals at Europe-based companies



\*YTD (January 1, 2025 to August 31, 2025)

Source: Diligent Market Intelligence / Voting

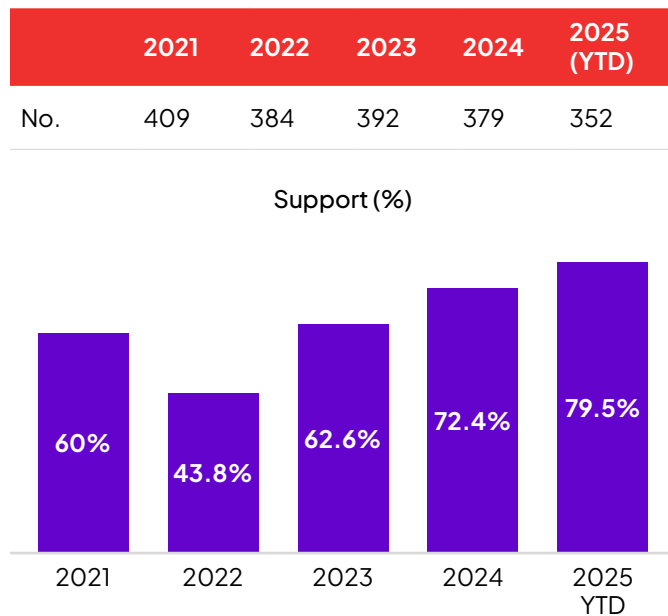
No. and support (%) for social shareholder proposals at Europe-based companies



\*YTD (January 1, 2025 to August 31, 2025)

Source: Diligent Market Intelligence / Voting

No. and support (%) for governance shareholder proposals at Europe-based companies

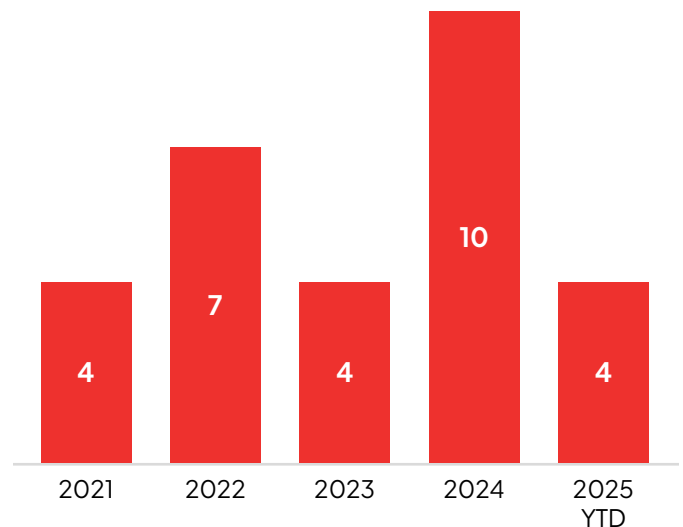


\*YTD (January 1, 2025 to August 31, 2025)

Source: Diligent Market Intelligence / Voting

## Activist Shorts

No. of short campaigns at Europe-based companies



\*YTD (January 1, 2025 to August 31, 2025)

Source: Diligent Market Intelligence / Activist Shorts

# Who are Europe's activist players?

Below, Diligent Market Intelligence (DMI) creates a ranking of the most impactful activists operating in Europe over the 24-month period to the end of August 2025.

The ranking is based on the volume of companies targeted as comprehensively derived from Diligent Market Intelligence's Activism dataset.



## 1: Saba Capital Management

Companies targeted: 10

Top demands:

**Remove CEO or other board member, gain board presentation, change board composition**

Founded by Boaz Weinstein in 2009, U.S. activist Saba Capital Management has looked overseas and turned its attention to the U.K. in search of value opportunities in recent years with its niche strategy focused on addressing what it views as wide trading discounts and underperformance at closed-end funds (CEFs). Publicly traded CEFs have long been popular targets for shareholder activists operating in the U.S. as they look to close the discount between the fund's share price and its underlying net asset value (NAV).

The 24-month period has seen Saba target several U.K.-listed investment trusts with its initial strategy focused on overhauling the boards of seven London-listed funds failing after the last target Edinburgh Worldwide Investment Trust held its vote in February. It later targeted

four London funds, including two of those that had faced demands under its former campaign, but with demands tweaked with a push to transition to an open-ended structure. Saba argued that its tweaked approach was centered on enabling shareholders to achieve liquidity at NAV while keeping the same strategy with the same manager, but in an open-ended structure. The shift had greater success for the dissident with CQS Natural Resources Growth and Income revealing plans to run a full self-tender, boost its dividend and slash its management fee after striking a truce with the activist in May. Saba also reached an agreement with The European Smaller Companies Trust in April to see the fund conduct a tender offer for over 40% of its shares. At another trust, Saba paused its campaign in Q1 citing constructive discussions.

## 2: Amber Capital

Companies targeted: 5

Top demands:

**Gain board representation, spin-off/sale of business division**

U.S. activist Amber Capital was founded by Joseph Oughourlian in 2005 with operations in London, New York and Milan. Italy provided the base for a number of board victories for the activist this year where it managed to secure two of the three seats it had sought at payment solutions provider Nexi and also installed its three-director slate at telecommunications tower Infrastructure Wireless

Italiane. Following an April vote last year, Amber Capital also saw its proposed candidate appointed at energy company Edison. In the German market, the activist has also engaged with broadcaster ProSiebenSAT.1 Media last year coming out in support of a proposal led by Berlusconi family-controlled MFE-MediaForEurope to break up its e-commerce and dating assets into a new company.

## 3: (Joint Third) Elliott Management

Companies targeted: 4

Top demands:

**Gain board representation, business restructuring, share repurchase**

One of Elliott Management's headline campaigns in Europe this year saw the hedge fund press energy giant BP to shift focus from renewables and pare back operating expenses, urging the London-listed oil major to target \$20 billion in free cash flow by 2027. Turning its attention to Ireland, Elliott made ground with two settlements which

saw two new directors added this year at medical-device manufacturer Medtronic and a 2024 leadership shakeup at industrial conglomerate Johnson Controls.

In Germany, Elliott targeted energy company RWE with a push for more disciplined capital allocation and an increase in its share buyback program.

### 3:(Joint Third) Petrus Advisers

Companies targeted: 4

Top demands:

**Share repurchase, disclose information, gain board representation**

Headquartered in London, Petrus Advisers was founded in 2009 by Klaus Umek, a former managing director at Goldman Sachs. In April this year, it was announced that Petrus Advisers Partner Till Hufnagel had left the firm to start his own activist fund Spur Value Partners.

While activity on public campaigns tapered off in 2025, recent years have seen Petrus Advisers find targets across Europe. Last year, the firm pushed for talks around strategic alternatives with Austrian landlord Immofinanz' main shareholder CPI Property. At Paris-listed Criteo, the fund

pressed for a board refresh as well as a strategic review in a bid to boost the digital performance marketing company's share price. Elsewhere, at Swiss banking software developer Temenos, Petrus made a proposal for the target to spend 250 million Swiss francs on share repurchases to prop its share price after a short attack by Hindenburg Research. A 2023 campaign also saw the activist engage with Deutsche Pfandbriefbank, criticizing the German bank over its growth strategy and cost structures and calling for enhanced transparency.

### 3:(Joint Third) Gatemore Capital Management

Companies targeted: 4

Top demands:

**Push for sale of company, remove CEO or other board member, share repurchase**

Gatemore Capital Management is a boutique investment advisory firm founded by Liad Meidar and David Ford in 2005 and focused on opportunities across consumer, industrial, sports, media and technology sectors in the U.K. market.

Two recent campaigns saw the firm focus on M&A with specialty chemicals company Elementis eventually striking a deal in May to sell its talc business to Italy's IMI Fabi and

business services provider YouGov pressed to pursue a strategic review and a potential sale. The target also replaced its CEO as Gatemore applied pressure.

At luxury watch retailer Watches of Switzerland Group, Gatemore succeeded in its push for a share buyback program with the target in March revealing plans to spend up to 25 million pounds to repurchase stock.

### 3:(Joint Third) Harwood Capital

Companies targeted: 4

Top demands:

**Gain board representation, remove CEO or other board member, push for sale of company**

Now with 2 billion pounds in assets under management, Harwood Capital was established in 2011 by Christopher Mills after the sale of JO Hambro Capital Management which he co-founded in 1993.

With its U.K. focus, recent campaigns have seen the fund press Urban Logistics REIT toward a sale with the British landlord in May revealing plans to be acquired by LondonMetric in a 698-million-pound transaction.

Manchester-based property rental group PRS REIT has also committed to engage with potential suitors, including real estate company Long Harbour after Harwood secured two seats on its board in a late 2024 agreement. The last quarter of 2024 also saw the hedge fund press National World to consider a sale to Media Concierge, a deal that went on to receive backing from shareholders at a February special meeting this year.

# Case study: BP's tightrope

One of Europe's most contentious reform-or-serve tugs-of-war placed BP in the crosshairs. Kicking off a turbulent year for the London-listed oil major, Elliott Management disclosed a 5% stake in mid-February and within days CEO Murray Auchincloss had promised a "fundamental reset" of strategy, pledging to stem falling profits.

By March, BP had moved to sell assets, shift away from renewables, and walk back its commitment to reduce oil and gas – actions that worked toward winning approval from Elliott but angered climate-focused investors who had pushed for a vote on any plans to weaken prior climate goals. Follow This launched a withhold campaign against then-Chair Helge Lund and later secured the backing of Britain's Local Authority Pension Fund Forum (LAPFF).

Investor dissent came to a head at BP's April annual meeting when Lund saw support for his reelection drop to 76%.

Through summer 2025, Auchincloss sought to regain momentum, launching a "thorough review" of BP's portfolio and reaffirming targets for \$20 billion in divestments and \$5 billion in cost cuts by 2026. But Elliott was not satisfied, urging the company to double its cost-reduction goals by 2027 – a demand some long-term investors warned could endanger future growth.

By October, BP's board had seen many changes, including the appointment of Anglo American director Ian Tyler. Giulia Chierchia, who had headed BP's renewables business, also moved on. Lund stepped down as chair and was replaced by Albert Manifold, the former CRH chief known for his cost discipline. On his first day, Manifold told staff BP needed to act "with urgency" to improve efficiency and deliver returns, throwing his full support behind Auchincloss's turnaround strategy.

As it unwinds clean-energy bets and channels investment back into oil and gas, BP faces a defining moment. The company has pointed to progress including new Gulf of Mexico projects, a major discovery off Brazil, as well as 7,700 job cuts. However, by late September, the energy giant's share price had fallen by over 8% since Elliott first disclosed its holding on February 10.



# Asking nicely continues to pay as UK activism gets spiky

The U.K. saw a surge in shareholder activism in 2025, driven by low valuations and an institutional investor base eager to see new vigor injected into British financial markets, writes Jason Booth.





According to DMI data, activism in the U.K. surged in the 12-month period ending August 31, with 52 companies facing demands, compared to 36 over the same timeframe in 2024.

Calls to appoint or remove directors spiked, outpacing campaigns focused on M&A, capital allocation or dividends. There were 29 demands for removal of CEOs and board members in the period, up from 20 last year.

Headline campaigns at large caps BP and Rentokil were largely conducted in private but with very public impacts. Elliott Management continued to push for cost cuts and a shift away from green energy at BP even after the oil giant's strategic reset, while a large alliance of investors opposed Chair Helge Lund's reelection to express their dissent over the oil giant's U-Turn on its climate strategy. Lund survived the vote but subsequently stood down. Meanwhile, Trian Partners won a board seat at pest control company Rentokil via a settlement. The target went on to announce the planned retirement of its CEO Andy Ransom as well as naming two new directors.

## Small caps in focus

The sharpest increase in activist activity, however, came at the smaller end of the market. When combined, nano-cap, micro-cap and small-cap targets accounted for almost 70% of companies targeted. The number of small caps targeted rose to 15 from eight in 2024, while microcaps jumped from three to 11.

“Where there is undervaluation, there is activism.”

And while large-cap activism was driven by U.S. activists such as Elliot and Trian, small and microcaps were more a British affair. U.K.-based activists led over 56% of the demands advanced at small and micro-caps in the period.

Mike Ashley's Frasers Group hadn't made any activist demands since 2019 but moved to target three companies in the final quarter of 2024. Its ongoing campaign at small cap Boohoo has been especially contentious, with Frasers calling for the online clothing retailer to investigate allegations that founder Mahmud Kamani sought to divert supplier payments to his personal bank accounts.

Proxy fights at Gore Street Energy and Nanoco Group failed but Harwood Capital had more success with a

quieter approach. Christopher Mills' fund pressed Spire Healthcare into a sale process, won seats at PRS REIT, and led a coalition that forced Urban Logistics REIT into a 925-million-pound takeover by LondonMetric. It also disclosed new stakes in Capita, PayPoint and Optima Health.

## The Saba effect

However, the most contentious, and possibly most important campaigns of the year were those advanced by Saba Capital.

The New York-based activist transplanted a strategy honed in the U.S., calling special meetings at seven U.K. investment trusts, seeking board sweeps and action to return capital or liquidate. Rather than compromise, the trust boards rallied retail investors, portraying Saba as predatory Americans. TikTok videos and LinkedIn posts urged savers to “back Britain.”

While Saba's proposals to oust trust boards were rejected by shareholders, five of those trusts were compelled to implement changes that offered investors the opportunity to exit at net asset value.

Guy Jubb, former head of governance at Standard Life, pointed to the “Saba effect,” noting that the hedge fund's aggressive push against investment trusts has spurred boards to tighten defenses, even beyond its immediate wins. “It is probably, I sense, being a little more significant than Saba itself was,” he said.

Sheryl Cuisia, founder of retail investor forum The Engagement Appeal agreed, noting “it lit a fire” under once sleepy boards of directors. And despite the frosty reception, the wider trust industry may quietly welcome activism, she predicted. “My view is secretly the investment trust industry thinks it's fantastic. Essentially, Boaz Weinstein has put investment trusts back on the map.”

## Gaining momentum

A continued rise in activism, especially among smaller firms, is also being fueled by a deeper shift in the U.K. market, according to Jubb. Activism once relied on domestic pension funds and insurers, which engaged discreetly and held sway through long-term stakes. “These large institutions still had clout and longer-term horizons,” Jubb said. “The board would listen to them because they had little choice. So, there was activism taking place, but it was an iron fist in a velvet glove.”

That era has faded. According to the Office for National Statistics, U.K. pension funds and insurance companies held less than 5% of quoted U.K.-listed shares in 2020, down from well over half the market in the 1980s, replaced by a more fragmented, international shareholder base.

And with the U.K. market facing a steady outflow of listed companies, and capitalization, those same U.K. pension funds are now quietly backing activist campaigns that improve the quality of U.K.-listed companies and their boards, noted Jubb. “It’s far easier for them just to as it

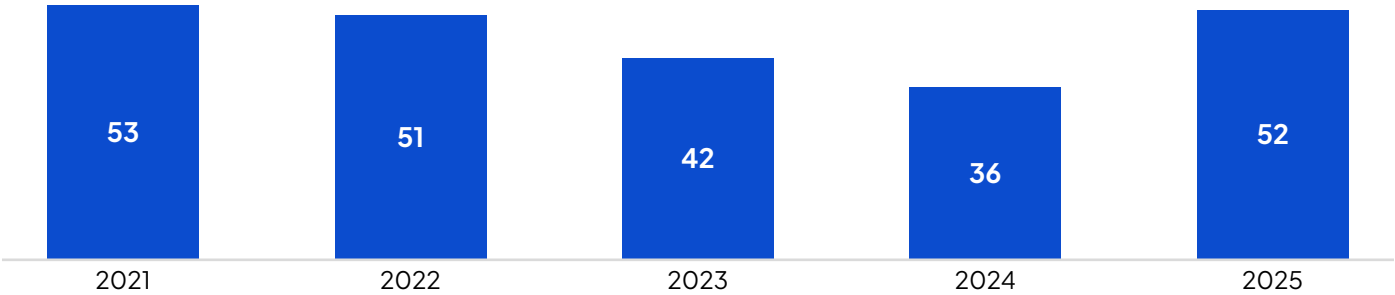
were, sit back and wait for the activists to rock up and do the work for them.”

Another front to watch going forward is mergers and acquisitions, according to market watchers. With global markets at record highs and interest rates stable, public M&A is rebounding. “After a slowdown in late 2024 and early 2025, takeover activity bounced back with a vengeance in Q2,” said Patrick Sarch, a partner at White & Case in a recent report. “The outlook for U.K. public M&A is strong.”

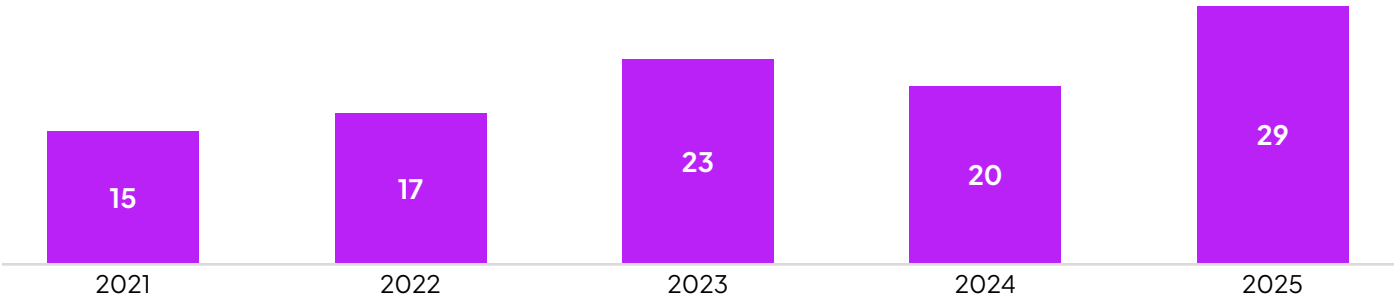
Indeed, the consensus among sources who spoke to DMI is that the U.K. will become an increasingly popular destination for shareholder activists, and especially those from the U.S. “Where there is undervaluation, there is activism,” noted Cuisia.

“ Small and microcaps were more a British affair. ”

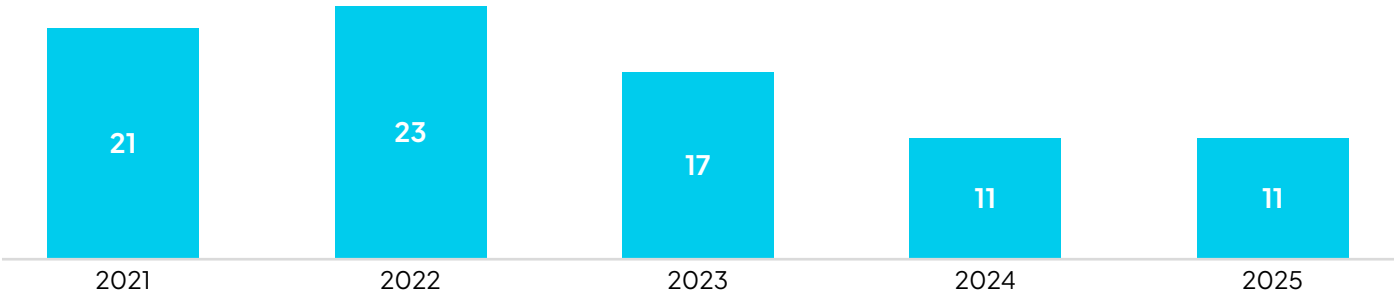
No. UK-based companies publicly subjected to activist demands\*



No. demands to remove CEO or other board member at UK-based companies



No. seats gained by activists at UK-based companies



\*Based on 12-month period from September 1 to August 31

Source: Diligent Market Intelligence / Activism

# #1 Global Elite Law Firm for Activist-Side Representations

*Diligent Market Intelligence 2024*

From private discussions to public campaigns, our Shareholder Activism team guides activists and listed companies through every moment of the shareholder engagement process.

WHITE & CASE

# What's driving activism in the UK?

In conversation with Tom Matthews, Alex Woodfield and Sonica Tolani, White & Case.



**Tom Matthews**

Partner and Head of EMEA Activism, London  
tom.matthews@whitecase.com



**Alex Woodfield**

Partner, London  
alex.woodfield@whitecase.com



**Sonica Tolani**

Partner, London  
sonica.tolani@whitecase.com

**U.S. activists are increasingly looking to the U.K. for opportunities. What is increasing the appeal of the market?**

**Tom Matthews (TM):** Many listed companies in the U.K. and Europe continue to be perceived as undervalued compared with those listed in the U.S. This perception has contributed towards recent strong levels of U.K. takeover activity by both strategic and private equity bidders, including many competing bid situations.

Other factors which continue to attract U.S. investors to the U.K. market include a stable and activism-friendly regulatory environment.

The U.S. also has a more mature activism market compared to the U.K., with many experienced and deep-pocketed activists pursuing similar strategies. For U.S. activists willing to venture beyond their home market, the U.K. and other European markets continue to present many attractive untapped opportunities.

**The closed-end fund sector has been presenting as a key driver for activism in the U.K. Is this a relatively new draw and how concerned should the U.K.'s investment trust sector be?**

**Alex Woodfield (AW):** Many U.K.-listed investment trusts (whether focused on illiquid assets such as real estate and infrastructure or on liquid assets, including shares in other listed companies) have struggled in recent years to address persistent discounts to net asset value (NAV). This has resulted in significant opportunities for shareholder activism and takeover activity, with many of such takeovers being catalyzed by activism, including as a result of activists campaigning for strategic reviews.

**TM:** A number of activists have focused specifically on the investment trust sector, including Saba Capital Management, one of the world's largest investors in the sector. In the past couple of years, Saba has invested heavily in U.K. investment trusts and has negotiated buybacks, liquidation schemes and other transactions with several of those trusts to allow all shareholders to benefit from the opportunity to exit at NAV. In recent months, the wider investment trust market has increasingly been proactively taking steps to reduce NAV discounts, benefiting shareholders of those investment trusts and with the parallel intention of reducing their vulnerability to activism.

## **How are U.K. company boards responding to U.S.-style activism, which tends to be viewed as more aggressive in a market where behind-the-scenes negotiations are often the norm?**

**Sonica Tolani (ST):** Looking back several years ago, there was a widespread immediate attack-vs-defense mentality when it came to activism. Many U.S. activists would come to the U.K. and seek to deploy a more aggressive U.S. market approach to U.K. situations. At the same time, U.K. boards would often have a knee-jerk reaction to being approached by an activist, immediately pulling down the shutters and minimizing engagement.

In recent years, the increasing levels of activism in the U.K. have led to greater levels of sophistication on both sides. U.K. boards (and, importantly, their advisors) now increasingly understand the potential value of thoughtful engagement with an activist. The mantra for the majority of situations now, which is recognized by most activists and boards alike, is to seek to engage first, potentially avoiding the cost and distraction of a public campaign.

All that said, we have observed a trend over the past 12 to 18 months of activists (in particular those from the U.S.) dialing up their levels of aggression when it comes to board representation. We have not only seen demands for multiple board seats but also calls to sweep entire boards.

**AW:** Activists' techniques (including those traditionally favored by U.S. activists) are also increasingly being adopted by other investors in the U.K., including traditional long-only, private equity and debt/special situation investment funds, and even individual shareholders. Unlike activist investors, these other investors do not usually make investments with the expectation of deploying these activist techniques, but they increasingly view such techniques as part of a toolbox which they are willing to deploy where necessary. Well-advised boards should treat all shareholders as potential activists and even, ideally, act as their own activist to assess potential vulnerabilities and preempt any potential engagement.

## **Many headline campaigns have seen activists push targets to move their listing from the U.K. to the U.S. in search of better valuations. Do you expect to see this present in the activist playbook in 2026?**

**TM:** There has been an ongoing theme in recent years of activists pushing for U.K.-listed companies to add a U.S. listing, migrate their primary listing to the U.S., or spin off a division to be listed in the U.S. In part, this reflected a perceived weakness of the U.K. markets compared to those in the U.S. However, recent moves to enhance the competitiveness of U.K. markets may have reduced the focus on choice of listing venue compared with 12 to 24 months ago. Nonetheless, adding or changing listing venues will remain a thesis for some companies, based on their specific circumstances, and the optimal configuration of listing venues will remain under consideration for many companies on an ongoing basis regardless of any immediate pressure from an activist.

We also expect to continue to see the theme of U.S. listings forming part of the thesis of break-up campaigns. Rather than arguing that a company should move its listing, an activist may perceive more immediate value in arguing that a U.S.-focused part of the group should be spun-off and listed in the U.S.

## **With a rebound in M&A expected by many, how are activists likely to use the lever in the U.K. market?**

**ST:** In the past couple of years, as global M&A activity continued to be impacted by geopolitical uncertainty, we were seeing a focus on alternative forms of M&A-related activism campaign, such as break-ups, spin-offs, restructurings and migrations.

More recently, we have been seeing strong levels of public M&A activity in the U.K. (including numerous competitive situations) and private M&A deal pipelines appear increasingly busy. In this context, we expect to see an uptick in activists pushing for M&A and strategic reviews or, for bad deals, opposing the terms on which M&A is being proposed. However, recent changes to the U.K. listing rules have significantly narrowed the circumstances in which U.K. companies are required to obtain shareholder consent for material M&A transactions. So, in practice, the opportunity for activists to oppose conventional M&A transactions is now largely limited to proposed public takeovers.

**AW:** As we have observed over the past few years, we continue to see an increasing number of activist investors who are willing and able to consider pursuing take privates themselves. Activists pursuing such transactions typically seek to partner with private equity funds, who have been showing renewed deal appetite in recent months.



# A new chapter for stewardship in the UK

Having initially landed to a lukewarm response, a rewrite of the UK Stewardship Code has been gaining traction as investors weigh its promise of greater flexibility and lighter reporting against concerns over diluted standards, writes Antoinette Giblin.





While billed by the Financial Reporting Council (FRC) as an “evolution, not a revolution,” changes to the code effective from January 1, 2026, sparked some debate about the very definition and direction of stewardship in the U.K. when they were proposed in June.

## What’s changing?

One of the most pointed criticisms had focused on the FRC’s decision to redefine stewardship “in order to support more transparent conversations between actors in the investment chain about their investment beliefs and objectives.” While the 2020 iteration explicitly tied investor responsibility to “sustainable benefits for the economy, environment and society,” the 2026 update pares this back to the creation of “long-term sustainable value for clients and beneficiaries.”

“In stewardship reporting, our role isn’t to tell investors what to focus on, it’s to say, tell us what you’re doing.”

For some, this was perceived to materially weaken the code’s effectiveness in promoting responsible stewardship. ShareAction was one to call for a rethink warning that “responsible stewardship must include consideration of companies’ impact driving dangerous levels of global heating.” The UK Sustainable Investment and Finance Association (UKSIF) had also cautioned that the move could call into question investors’ ability to engage on material sustainability and governance issues in pursuit of creating long-term value for clients.

Presenting its rationale, the FRC said some stakeholders had interpreted the 2020 definition as implying investments must always lead to sustainable benefits for the economy, the environment, and society. “For a lot of signatories, that may be a core part of their mandate and they’re perfectly at liberty to express that in their stewardship reporting,” said Ruth Nash, project manager at the FRC. “But in stewardship reporting, our role isn’t to tell investors what to focus on, it’s to say, tell us what

you’re doing. Let’s be really transparent about it, and asset owners who are thinking of hiring different managers can understand their approach.”

A supporting statement and an optional guidance document have, however, helped to ease investor concerns. “We hope the FRC’s inclusion of these references in the definition’s supporting statement can go some way in addressing the risks of uncertainty we raised at the time,” Oscar Warwick Thompson, head of policy and regulatory affairs at UKSIF, told DMI. “We expect it will take some time for the new code to bed in properly in the U.K.’s market and for market participants to have a clearer sense of how it is being interpreted across the industry.”

Fidelity International is one of almost 200 asset manager signatories and is hopeful that the new code and its corresponding guidance will encourage more succinct, client-friendly reporting. “Ultimately, we think the focus on client-centricity is correct and that the revised definition and its corresponding explanatory text should work well for most market participants,” said Matt Roberts, associate director of stewardship at Fidelity.

Beyond the debated shift in definition, the new code has fewer principles and shorter “how to report” prompts with the FRC reporting early evidence on the ability for some to reduce reporting volumes by up to 30%. Another key change will see a more flexible reporting structure, which means signatories can submit policy and context disclosures separate to activities and outcomes reports, or combine them into a single document – with policy and context reporting only required every four years.

The 2026 code has also been crafted to provide targeted principles for different types of signatories, including for the first time, a set dedicated to proxy advisors.

## Maintaining standards

With 50 trillion pounds in assets managed by its 300 signatories, the voluntary code has become a badge of credibility and a marker of transparency for asset owners and managers alike with the International Corporate Governance Network (ICGN) acknowledging the status as “highly prized” in its feedback round.

As part of its comment, ICGN said that while it understands the FRC's caution about checklist-based reporting, a "clear articulation of expectations would help reduce confusion and promote consistency and comparability across stewardship reporting." The group has also advocated for a regular review cycle to enable structured stakeholder feedback in response to market developments or emerging challenges.

And while it has given its backing to the transitional approach for assessments concerning the first year of reporting, the network has cautioned that the opportunity

“ Responsible stewardship must include consideration of companies' impact driving dangerous levels of global heating. ”

for resubmission should cease thereafter with standard assessment procedures reapplied, potentially resulting in the loss of signatory status, in order to maintain high standards.

### Flexibility without compromise

As the updated code takes effect on January 1 with a free pass to trial for existing signatories, the coming years will test whether its streamlining and increased flexibility can coexist with the high standards that have long defined U.K. stewardship. Despite any lingering concerns over potential dilution, the FRC has insisted the latest changes are designed to sharpen focus, not loosen standards. "We've listened to feedback in the consultation and used what we have seen in reporting to date to really focus on what's important – to reduce volume while keeping the information that comes from reporting insightful," said Nash.

---

# Scale research workflows with Diligent Market Intelligence data feeds, now available on Snowflake Marketplace.



# Activists move to unlock value in Germany

In conversation with Thyl Haßler and Frederic Wuensche, White & Case.



**Thyl Haßler**  
Partner, Düsseldorf  
thyl.hassler@whitecase.com



**Frederic Wuensche**  
Local partner, Frankfurt  
frederic.wuensche@whitecase.com

**Germany is considered one of the largest markets in Europe for shareholder activism with many high-profile targets. How has activism been evolving over recent years?**

**Dr. Thyl Haßler (TH):** Germany has become the second-largest target market for activist shareholders in Europe, just behind the U.K. Until 2023, the number of public campaigns remained consistent. In 2024, there was a slight decline and in the first half of 2025, only a few campaigns were made public. We consider it likely that this decline is due to various uncertainties affecting the German economy, such as declining industrial productivity, high costs, and geopolitical developments.

However, even though most activist approaches do not result in public campaigns, we believe that most publicly listed companies in Germany have been approached by activist shareholders in recent years. Recent activist campaigns have focused on increasing corporate value, with emphasis on breaking up conglomerates and the

composition of management and supervisory boards. ESG issues have taken a back seat over the past two years, as short-term financial performance has become a higher priority. A notable trend is the growing involvement of domestic institutional investors, who increasingly support activist campaigns.

**How are activists now perceived by boards at Germany-listed companies?**

**Frederic Wuensche (FW):** Historically, activist campaigns were rare and met with strong resistance from the conservative corporate culture in Germany, especially when using aggressive tactics, including public campaigns.

This has changed considerably. Successful campaigns leading to the breakup of conglomerates, better financial performance, improved governance, and a focus on ESG issues has shifted board perceptions of activism. Boards of publicly listed companies are now more open to engaging constructively with activists and considering their proposals.

“ German corporations are undervalued compared to other European markets, with low price-to-earnings ratios and valuation multiples. ”

This shift is due in part to activists’ “soft approach,” favoring private discussions with the board before public campaigns. Consequently, many boards now recognize activists as valuable sources of insight and strategies for enhancing corporate value and performance.

**Germany’s dual tier governance structure can present a unique challenge for activists. What barriers does this create when considering a campaign for board change?**

**FW:** Germany’s two-tier board system includes an executive board for day-to-day management and a supervisory board overseeing and advising it. The supervisory board is also able to appoint and dismiss executive board members.

Consequently, shareholders can only elect supervisory board members, not executive board members, limiting direct proxy fights against the latter. To influence the executive board, activists must first secure a seat on the supervisory board. They can do this by proposing candidates at the annual general meeting or having a company-nominated candidate. Once on the supervisory board, they can influence the executive board’s composition and management.

However, this process is lengthy and risky. Activist candidates often fail to get elected, as seen with Petrus Advisers’ candidates at Aareal Bank in 2019, PrimeStone Capital’s candidate at Brenntag in 2023, and Private Values Media’s candidates at Mister Spex in 2025.

Moreover, once elected, a candidate on the supervisory board cannot represent or take instructions from the activist to whom he is affiliated. However, some activists have managed to exert influence without formal representation. Recently, Active Ownership Capital successfully campaigned for the resignation of Gerresheimer AG’s CFO without having a seat on the supervisory board.

**U.S. activists continue to be drawn to the market with Sachem Head Capital Management and Inclusive Capital Partners among those to find success in gaining board representation in recent years. What is enticing such players to the market?**

**TH:** German corporations are undervalued compared to other European markets, with low price-to-earnings ratios and valuation multiples, offering lucrative opportunities. Additionally, Germany’s industrial sector faces challenges such as declining productivity, geopolitical issues, U.S. tariffs, high costs and lower demand, leading to weak returns on capital and slow valuation growth.

This volatility encourages continued activist engagement in Germany, further driven by a recovering M&A market.

**Leadership change and break-up campaigns have presented as some of the key demands in many headline campaigns in the market over recent years. How are these likely to continue to focus investors for the rest of the year and on into 2026?**

**FW:** We expect these demands to remain on activist agendas in the coming years, as evidenced by public campaigns in 2025. In April, 7Square called for the separation of DHL from Deutsche Post AG, arguing DHL was significantly more profitable than the rest of the group. Similarly, Gerresheimer AG faced demands from activists, including Active Ownership Capital, to sell its moulded glass business. This pressure led Gerresheimer AG to initiate a sales process for this division in August. In the summer of 2025, a group of activists, including Private Values Media, attempted to replace the executive and supervisory boards of the online eyewear retailer Mister Spex. Although their candidates were not elected, both the executive board and two supervisory board members resigned shortly after. These examples highlight the continued focus on these trends and suggest they will remain central to activist strategies.

# Activism in Germany

Outside the U.K., Germany provided one of the most active battlegrounds in Europe for shareholder activism this year as activists navigated its dual-tier governance structure in their bid to secure influence via the supervisory board.

Luxembourg-based Active Ownership Capital (AOC) was one of the most active pushing HelloFresh to rein in spending through marketing and personnel reductions as well as the consolidation of its operating sites. The firm subsequently secured a seat on the mealkit maker's board for its founder Florian Schuhbauer.

AOC also targeted packaging and medical equipment maker Gerresheimer with a call to carry out a strategic review while also applying pressure for the implementation of an efficiency program that would entail cost reductions in administration and business units.

Of other international activists to look to Germany, Elliott Management set its sights on energy company RWE observing a "compelling opportunity" for its existing share buybacks to be increased.

Westbourne River Partners has also sought opportunity in the market criticizing pharmaceutical company Biotest's backing of a delisting plan by its controlling shareholder Grifols and warning that it could be harmful to minority investors.

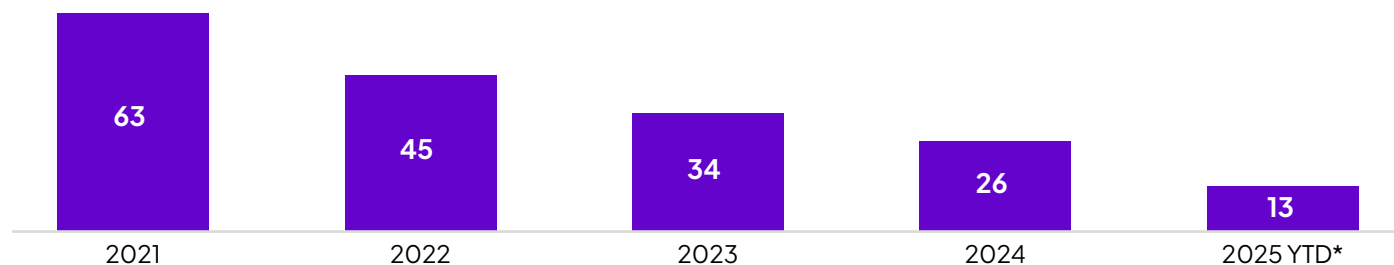
**No. Germany-based companies targeted by primary- and partial-focus activists, by year**

2021	2022	2023	2024	2025 YTD*
3	4	5	3	4

\*YTD (January 1 - August 31)

Source: Diligent Market Intelligence / Activism

**No. campaigns launched by activists at Germany-based companies**



\*YTD (January 1, 2025 - August 31, 2025)

**Demand type breakdown at Germany-based companies, YTD\***

	2021 YTD	2022 YTD	2023 YTD	2024 YTD	2025 YTD
Appoint Personnel	3	0	1	2	1
Capital Structure	0	0	1	0	1
Divestiture	1	1	2	1	1
Governance	1	0	2	0	2
Operational	0	0	1	0	3
Oppose M&A	0	1	0	0	0
Push For M&A	0	0	1	0	1
Remove Personnel	2	1	2	1	1
Remuneration	0	1	1	0	0
Return Cash to Shareholders	0	1	3	0	1

\*YTD (January 1 - August 31)

Source: Diligent Market Intelligence / Activism

# Private dialogue preferred path for activists in France

In conversation with Diane Lamarche, Saam Golshani and Simon Martin-Gousset, White & Case.



**Diane Lamarche**  
Partner, Paris

diane.lamarche@whitecase.com



**Saam Golshani**  
Partner, Paris

saam.golshani@whitecase.com



**Simon Martin-Gousset**  
Associate, Paris

simon.martin-gousset@whitecase.com

**For activists operating in the French market, much of the engagement typically takes place behind the scenes. Is this less public approach likely to continue?**

**Diane Lamarche (DL):** Private engagement has consistently been the preferred approach for activist investors in France, proving faster, less costly, and more effective than public campaigns. This explains why the Autorités des Marchés Financiers (AMF) and various think-tanks actively encourage confidential preliminary exchanges ahead of any public campaign, a position further reinforced by Paris Europlace in its June 2024 Guide du Dialogue Actionnarial, which promotes early and constructive engagement with issuers.

This behind-the-scenes trend will likely continue for several compelling reasons. French listed companies have become increasingly sophisticated in handling activist situations, recognizing the strategic value of pre-empting public campaigns through early engagement. Additionally, activists are no longer viewed solely as adversaries. Lead

independent directors and board members now receive specific training on constructive dialogue with activists.

The approach delivers mutual benefits: activists achieve objectives efficiently while companies avoid reputational damage and market disruption. Successful recent high-profile cases of the French market demonstrate this model's effectiveness.

Given regulatory support, proven results, and growing corporate expertise, the decline in public campaigns reflects a maturing market where private engagement has become the established standard rather than a temporary phenomenon.

**What are the most common demands for activist investors when pushing for governance reforms at their target companies?**

**Saam Golshani (SG):** Activist investors targeting governance reforms typically focus on a set of well-established demands aimed at enhancing board accountability and transparency. In France, where



governance standards have undergone a significant upgrade over the past decade, such interventions are now less frequent, but still arise when companies underperform or resist change.

The most common governance-related demands include the separation of CEO and chairman roles to avoid concentration of power, as well as efforts to refresh the board. Others are focused on the creation of specialized committees to address conflicts of interest or oversee strategy. On executive pay, activists in the market are also increasingly pushing for enhanced disclosure.

**Simon Martin-Gousset (SMG):** Activists may also push for the appointment – or increasingly, the replacement – of a lead independent director to improve shareholder dialogue. These demands reflect global governance norms and are often a prelude to broader strategic critiques. French issuers increasingly anticipate these demands but remain exposed where governance misaligns with shareholder expectations.

**Many activists have used their position to take action to oppose spin-off plans with Ubisoft recently pushed to hold a shareholder vote on its plan to spin out three of its biggest games into a subsidiary. How do you expect such demands to feature in activist engagement for the year ahead?**

**DL:** Event-driven activism and opposition to complex transactions have been a consistent feature of activist campaigns for over a decade, remaining the primary form of activism in recent years. Historically, activists have frequently advocated for spin-offs to break up conglomerate structures and unlock value.

The core objective of financial activists remains unchanged: maximizing shareholder value. This can manifest itself in two ways in the context of event-driven activism: either proposing strategic transactions (M&A, spin-offs, carve-outs, divestitures), as seen with Pernod Ricard and BP, or opposing management's proposed deals (or the initial proposed terms of such deals), as seen with Ubisoft and Vivendi.

**SG:** Looking ahead, we expect activists to continue scrutinizing complex transactions on a case-by-case basis rather than systematically opposing spin-offs. Their stance depends entirely on whether the proposed structure maximizes value. The Vivendi example demonstrates that aggressive legal activism can effectively achieve activist objectives whether temporarily or permanently.

**Amid political and regulatory changes, markets such as the U.S. have seen support for ESG proposals lose traction with a notable drop off this season. How are such issues being received by investors in the French market?**

**SMG:** ESG-focused activism has lost momentum in France, mirroring a global pullback, especially in the U.S., amid shifting investor and societal priorities. Several factors are seen as contributing to this retreat.

First, European and France's French regulatory frameworks (SFDR, CSRD, Article 29 LEC) impose extensive ESG disclosures, reducing the need for activist pressure. Companies have therefore pre-emptively adapted, anticipating scrutiny through enhanced transparency.

Secondly, economic uncertainty has led both financial and retail investors to prioritize short-term corporate profitability and purchasing power over climate ambitions. Shareholders themselves increasingly urge management to focus on core business performance rather than allocate resources to transition plans.

Thirdly, legal constraints under French corporate law limit the binding force of ESG resolutions, and recent doctrinal positions have challenged shareholder competence in this field, pending potential legislative clarification.

Finally, political ambiguity across Western countries makes it difficult for activists to assess the long-term economic impact of ESG policies. As a result, ESG activism in France now reflects a more cautious, pragmatic stance.

# Activism in France

Although behind-the-scenes engagement remains the most favored and efficient path in France, recent years have seen activists grow bolder when pushing for greater board accountability and transparency.

Of the demands to feature in the first eight months 2025, an investor coalition led by Slovakia-based AJ Investments called on Ubisoft to hold a shareholder vote on its plan to spin out three of its biggest games into a subsidiary backed by Tencent. The group raised concerns that the deal was designed to entrench control by the Guillemot family, cited to hold less than 10% of the company's economic interest.

At Carrefour, Whitelight Capital went on the offensive, pressing the retailer to adapt its business model, improve franchisee relationships, and make room for the activist fund's founder, Kevin Romanteau, on the board.

And while local firms such as Charity Investment Asset Management (CIAM) continue to use activism as a lever, the landscape is increasingly attracting international attention.

At Esso, U.S.-based Fir Tree Partners last year came out in support of a shareholder motion for a dividend lift while pointing to a perceived lack of transparency regarding the company's relationship with controlling investor ExxonMobil.

U.K.-based Petrus Advisors has also sought opportunity in the market advancing a 2024 campaign to push digital performance marketing company Criteo to refresh its board and accelerate share buybacks through a self-tender.

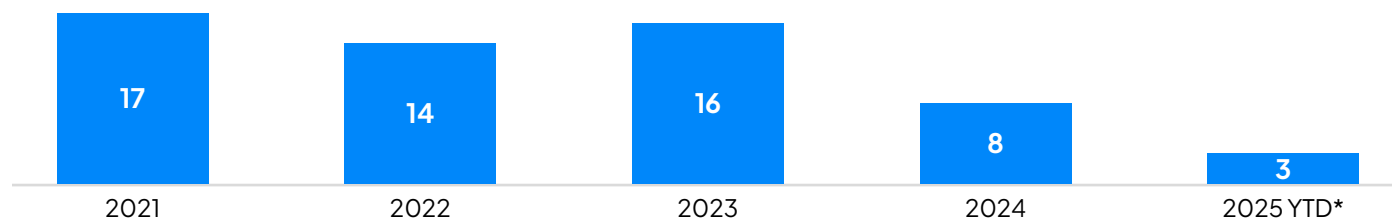
**No. France-based companies targeted by primary- and partial-focus activists, by year**

2021	2022	2023	2024	2025 YTD*
6	3	3	4	2

\*YTD (January 1 - August 31)

Source: Diligent Market Intelligence / Activism

**No. campaigns launched by activists at France-based companies**



\*YTD (January 1, 2025 - August 31, 2025)

**Demand type breakdown at France-based companies, YTD\***

	2021 YTD	2022 YTD	2023 YTD	2024 YTD	2025 YTD
Appoint personnel	1	0	0	1	1
Divestiture	2	2	0	0	1
Governance	3	0	0	1	0
Operational	0	1	0	0	1
Push For M&A	0	0	1	0	0
Remove personnel	3	1	0	0	0
Remuneration	1	0	0	0	0
Return cash to shareholders	1	0	0	2	1
Social	0	1	0	0	0

\*YTD (January 1 - August 31)

Source: Diligent Market Intelligence / Activism

# Activism in Italy

Activists are quietly reshaping Italian boardrooms with the country's unique slate voting system playing a pivotal part in seat gains.

Three Italy-based companies operating across finance, industrials and technology were subject to campaigns involving primary- and partial-focus activists in the first eight months of this year, up from two in the same period of 2024 and one in 2023.

And although the number of such public campaigns continues to trend low in the jurisdiction, the volume of seats secured by activists in the period was the second highest in the wider European region, trumped only by Germany, where six seats were won.

All demands to surface in Italy over the period to the end of August saw activists focus on appointing new personnel with the country's "voto di lista" system providing a mechanism to ensure minority shareholders have a fair chance at board representation. This allows for multiple lists from major shareholders and other smaller alliances.

Amber Capital saw opportunity in the market and was behind most of the board gains in the period, securing five seats at the three companies it targeted.

Three of these were secured on the board of Infrastrutture Wireless Italiane after the U.K.-based investment firm advanced its slate at the Italian telecommunications tower operator's April annual meeting, while holding a 1.1% stake. The activist was competing against two separate 10-person slates. The other 10 seats were evenly split by 34% shareholder Central Tower Holding Company, an entity controlled by Vodafone and a group of private equity investors, and 31% shareholder Daphne 3, a vehicle controlled by French private equity firm Ardian.

Amber also secured two seats on the board of digital payment solutions provider Nexi where it headed a group of shareholders controlling a combined 1.4% stake. The April gathering also saw the election of an 11-person slate put forward by investors holding 53% of shares and led by private equity firm Hellman & Friedman and state-backed lender and investor CDP.

## No. campaigns launched at Italy-based companies

2022	2023	2024	2025 YTD*
2	4	3	4

## No. Italy-based companies targeted by primary- and partial-focus activists (YTD\*)

2022 YTD	2023 YTD	2024 YTD	2025 YTD
1	1	2	3

\*January to August 31, 2025

Source: Diligent Market Intelligence / Activism

## No. Italy-based companies targeted by primary- and partial-focus activists (full year)

2021	2022	2023	2024
3	1	2	2

Source: Diligent Market Intelligence / Activism

## No. seats won at Italy-based companies, by method, YTD\*

	2022 YTD	2023 YTD	2024 YTD	2025 YTD
Settlement	0	0	0	0
Vote	0	4	4	5

\*January to August 31, 2025

Source: Diligent Market Intelligence / Activism

## Demand type breakdown of demands made at Italy-based companies, YTD\*

	2022 YTD	2023 YTD	2024 YTD	2025 YTD
Appoint Personnel	1	1	2	3
Governance	0	0	0	0
Oppose M&A	0	0	0	0
Remove Personnel	0	0	1	0

\*January to August 31, 2025

Source: Diligent Market Intelligence / Activism



# European indices leapfrog UK as CEO pay gap widens

While the U.K.'s transatlantic pay gap with the U.S. has dominated much of the conversation around executive compensation and the competitiveness of its capital markets, London is now being squeezed on both sides with key European indices closing in, writes Will Arnot.



Median realized CEO pay at both Germany's DAX and at Paris' CAC 40 surpassed the FTSE 100 in 2024 with the London index reaching 4.3 million pounds (\$5.8 million).

According to DMI data, the median CEO realized pay awarded at the DAX in the period was 5.8 million euros (\$6.8 million) – 18% higher than that recorded by the FTSE 100.

For CAC 40 counterparts, realized pay stood at a median of 5.4 million euros (\$6.3 million), 10% ahead of London's premier index.

With the U.S.' unique approach to long term incentives (LTIs) as one of the market's main differentiators, Europe's key indices have also seen a change in approach. Just over 50% of the median realized pay received by CEOs in the FTSE 100 was derived from LTIs in 2024, compared to 45% in 2022. The CAC 40 also saw LTIs reach 51% in 2024 while the DAX saw the figure jump from 29% in 2022 to 34% last year.

“ Even as other indices edge closer, the U.K. continues to hold the spotlight when it comes to the wider debate around competitiveness. ”

## Anglo alignment

Overall, Europe is considered to have moved much slower than the U.K. when it comes to redesigning CEO pay to follow the U.S. model. Even as other indices edge closer, the U.K. continues to hold the spotlight when it comes to the wider debate around competitiveness versus the U.S. According to Mercer's European Executive Compensation Practice Leader Peter Boreham, this is in large part due to cultural similarities as well as the sectorial alignment at the top end of the indices.

And according to DMI data, the thesis holds true. The industrials sector is home to the first and second highest paid FTSE 100 CEOs – BAE Systems' Charles Woodburn, who earned 27.1 million pounds in realized compensation and Melrose Industries' Pete Dilnot, who earned 26.5 million pounds. The sector is also home to the second highest

earner in the S&P 500 – General Electric's Larry Culp – whose realized compensation was \$344 million, which also made him the third highest earner in the Russell 3000.

Other sectors such as energy and information technology also feature with both ranked within the top four industries for realized CEO pay across the FTSE 100, S&P 500 and Russell 3000. Healthcare and consumer staples round out the top four in the U.K.'s premier index and are similarly ranked at the leading U.S. indices.

The U.K. market has also stood out from the wider European region due to continued pressure to arrest the decline in U.K. listings in the face of competition from financial centers in the U.S. “A series of stakeholders began to worry about the competitiveness of the U.K. stock market over recent years, thanks to companies such as ARM Holdings choosing to go public in the U.S. rather than on a local index,” recalled Mercer's Boreham.

AstraZeneca's late-September decision to list its shares directly on the New York Stock Exchange was one of the latest structural reviews to spark concern over a perceived pull of liquidity from London. The Capital Markets Industry Taskforce has been vocal on the issue pushing for bold reforms, including higher CEO pay to attract global talent and the Investment Association has listened with a late-2024 move to simplify pay guidelines and support hybrid compensation models for U.S.-exposed issuers.

## Sharper resistance

And as U.K. companies take advantage of such increased flexibility by moving to carve out a structure that best fits their business, the investor base appears to have been more understanding in accepting reforms than other European markets. While investor confidence in the U.K. held relatively steady as CEO pay trended up with average support at the FTSE 100 at 93.7% in the first eight months of 2025, support at the DAX was the lowest at Europe's major indexes in the period at 90.9%, compared to 93.6% for the CAC 40.

Several European countries have also seen a decline in average support for remuneration proposals in the period including Italy, Denmark, Sweden and Belgium.

In Germany, boards are facing mounting pressure to justify pay with investors pushing hard for pay structures that align with long-term performance. Meal-kit distributor HelloFresh was one of four companies to see investors reject their remuneration proposal in the eight-month period, with Norges Bank Investment Management making the case for a “substantial proportion” of annual remuneration to be provided as shares “that are locked in for five to 10 years.”

Going forward, sources told DMI that navigating investor expectations on executive pay is likely to prove even more challenging in parts of Europe where the landscape has tighter bounds and less pressure to bow to the gravitational pull of the U.S. market.

“European companies can find it challenging to meet investors’ expectations on pay, given that U.S. companies are perceived as having fewer restrictions on the topic.

However, when European companies engage extensively and openly with their institutional investors, they tend to navigate these differences successfully,” said Daniel Veazy, corporate governance manager at Georgeson.

Sector with largest realized CEO pay in 2024, by index

Index	Sector	Median realized pay
CAC 40 (€M)	Healthcare	10.6
DAX (€M)	Communication services	11.3
FTSE 100 (£M)	Energy	7.1
Russell 3000 (\$M)	Consumer staples	6.3
S&P 500 (\$M)	Technology	27.4

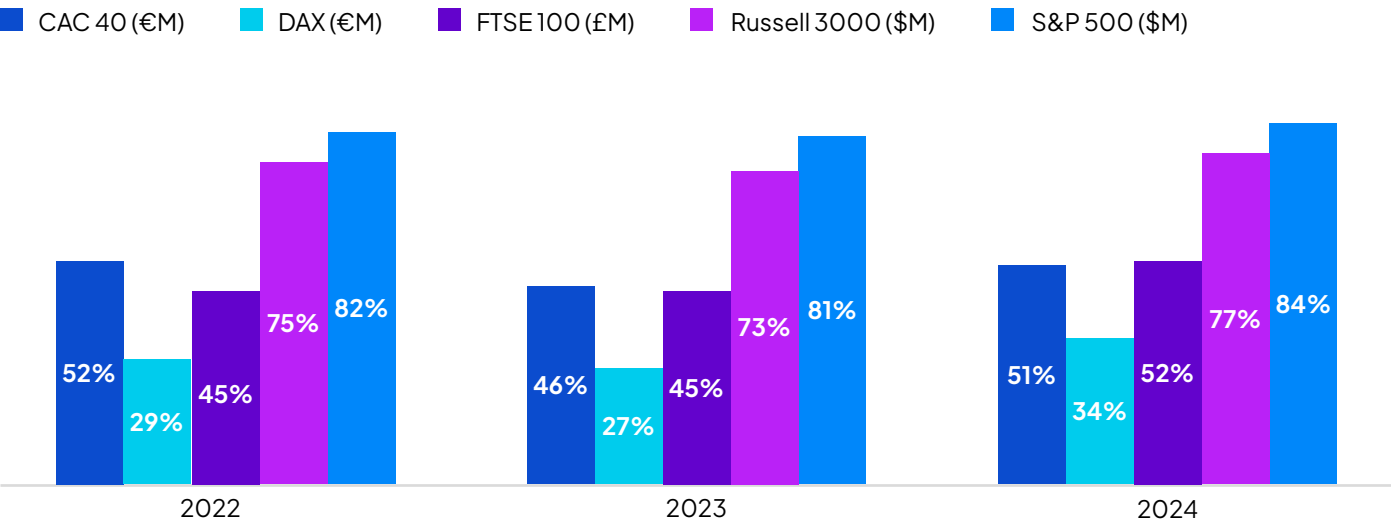
Source: Diligent Market Intelligence / Compensation

Median CEO total realized pay, by index and year

Index	2023	2024	23–24 %
CAC 40 (€M)	5.08	5.40	↑ 6.40
DAX (€M)	5.29	5.84	↑ 10.60
FTSE 100 (£M)	3.87	4.27	↑ 10.20
Russell 3000 (\$M)	4.27	5.10	↑ 19.30
S&P 500 (\$M)	16.80	18.17	↑ 8.10

Source: Diligent Market Intelligence / Compensation

LTI as a % of realized pay, by index, year



Source: Diligent Market Intelligence / Compensation





# About Diligent Market Intelligence

Diligent Market Intelligence is the leading provider of corporate governance, shareholder engagement and investor stewardship data. Trusted by advisors, investors and issuers globally, the Diligent Market Intelligence platform equips firms with the necessary information to proactively manage shareholder pressures, mitigate governance risks, and maintain a competitive edge in the market.

For more information or to request a demo:

[dmi.info@diligent.com](mailto:dmi.info@diligent.com)