

Calling all company secretaries and directors of London Stock Exchange listed companies – does your next annual reports and accounts implement the FRC's guidance on reporting on shareholder engagement?

The FRC issued its annual review of corporate governance reporting in November 2024, which highlighted a number of areas for improvement. This post focuses on the FRC's comments with respect to shareholder engagement.

Principle D states that in order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties.

The FRC noted that they saw little improvement on the reporting of shareholder engagement, with most companies offering few details on the engagement, feedback received from shareholders or examples of outcomes.

Best reporters explained the:

- Frequency of the engagement.
- Methods of engagement.
- Topic engaged on and whether this was a priority for their shareholders.
- Feedback from investors.
- Outcome of the engagement and whether it has made a difference to the decision-making process.

The FRC also stated that reporting on shareholder engagement by committee chairs on significant matters related to their areas of responsibility should include outcomes where possible.

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