

Monthly GSS News Digest

Governance, Sustainability and Stewardship

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SpaceX IPO's Corporate Governance Concerns Abound



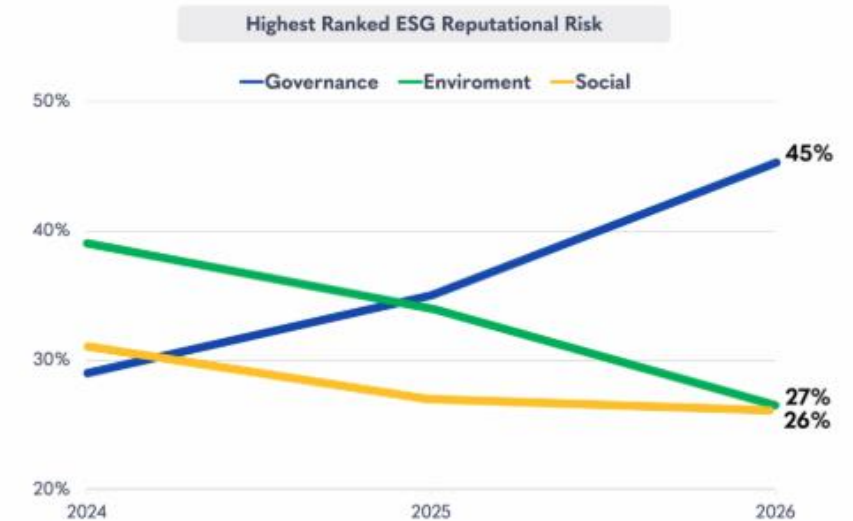
Governance Overtakes Environment as Top ESG Reputational Risk



Key Highlights

- For the first time, governance overtook environmental concerns as the top ESG reputational risk in the [GlobeScan survey](#) of 294 senior corporate affairs leaders across more than 50 markets for the first time.
 - Nearly half of respondents (45%) ranked governance as the greatest reputational risk, up from 29% in 2024, with the shift most pronounced among businesses in the Global South.
 - Environmental risk fell from 39% to 27% over the same period,
 - Social risk remained lowest at around 26%.
- GLOBESCAN said the shift is due to *“rising concern”* over corporate ethics and accountability and the need to strengthen ethics, transparency and oversight as core elements of reputation management.
- The same period saw Brazil’s Securities and Exchange Commission [drop](#) its planned mandatory ISSB-aligned reporting for 2026 in favor of a voluntary, comply-or-explain model from 2027.

Governance Now Leads ESG Reputational Risks for Corporate Affairs Leaders



Highest Ranked Reputational Risk, All Respondents, 2024–2026

Source: Oxford-GlobeScan Global Corporate Affairs Survey (survey of 294 Corporate Affairs practitioners in February – April 2026)



UK Investors Do Not Have the Same Understanding of Engagement

- A [study](#) of UK-active fund managers by sustainable finance fintech WeeFin, reported by Responsible Investor in May 2026, found wide "*disparities*" in how engagement is defined and reported.

Key findings:

- Definitions vary widely across managers, as there is little agreement on what counts as an engagement action.
 - Example: whether a dialogue held only to collect data should be reported as an engagement action.
- Engagement disclosures focus on the entity-level, 83% of funds that promote engagement in their pre-contractual annexes did not publish detailed engagement reports at fund-level.
- Monitoring of engagement activities and outcomes are not yet structured.

Corporate Governance Concerns Surround the SpaceX IPO



Ahead of a planned Nasdaq listing, corporate governance experts and watchdogs have identified an extensive list of weak investor protections and conflicts of interest in SpaceX's IPO filing.

There is a general consensus that that the board will be friendly to the founder and will favor him at the expense of shareholders.

Sources:
<https://www.morningstar.com/stocks/spacex-ipo-investors-long-list-unfriendly-shareholder-policies>
<https://www.cnbc.com/video/2026/05/27/none-of-the-fundamentals-of-corporate-governance-are-there-at-spacex-valueedge-advisors-nell-minow.html>
<https://www.tradingview.com/news/invezz:a6763f9e4094b:0-danish-pension-fund-rejects-spacex-ipo-over-valuation-and-governance-concerns/>
<https://fortune.com/2026/05/22/spacex-stock-ipo-price-elon-musk-shareholders/>

\$1.75T target valuation for what is expected to be the “largest stock offering” in history”.

7 years is the phase-out US public pension funds proposed for SpaceX's super-voting shares, urging a move to one share, one vote.

\$25B Danish pension fund AkademikerPension blacklisted SpaceX, calling its governance structure “catastrophic” and the stock grossly overvalued.

3 roles Musk would serve at once as CEO, CTO and board chair, alongside super-voting shares, mandatory arbitration and tighter limits on shareholder proposals under Texas law.

~6% of 2025 Cybertruck sales went to SpaceX, which bought \$131 million worth of Tesla vehicles, one of several overlapping-venture conflicts the board is meant to police.

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