

Cohen & Steers Global Proxy Voting Policy

The 2023 review vs. March 2021: a hard gender-diversity rule and a climate test added

Cohen & Steers Capital Management, Inc. and affiliated advisers
Global Proxy Voting Policy
"Last Updated: March 2021" compared with "Last Reviewed: 2023"

Cohen & Steers went the other way from most of the industry. It added a bright-line vote against nominating-committee chairs at all-male boards, a climate-oversight test for director elections, and a substantially expanded case for supporting environmental disclosure proposals.

Source: the two published policy documents, read in full. Each prints its own date. Every quotation below is taken verbatim from them.

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A note on dates, and why they matter here

The file published as the current policy states "Last Reviewed: 2023" on its cover; the earlier archived file states "Last Updated: March 2021." This report is titled accordingly. The 2023 document is still the one in circulation, so the positions described below are Cohen & Steers' stated positions today.

That timing is the key to reading this report. The changes were made in 2023, before the sharp retreat from diversity and climate language seen in several large managers' 2025 and 2026 guidelines. Cohen & Steers has not published a revision since, which means it has not followed that retreat - but it also means these guidelines have not been tested against it.

Direction of travel

Stricter, in four distinct places, and looser in none. The 2023 review added a new director-election rule, a new climate criterion for voting against directors, a much fuller framework for environmental and social proposals, and a far more specific conflicts-of-interest regime. Nothing was softened or deleted.

1. A new bright-line rule on all-male boards

The single most consequential change is a new standalone guideline, inserted as item 2 in the board and director section. It converts a vague consideration into a testable rule.

2023, new guideline:

"Board Composition and Gender Diversity - CASE-BY-CASE. We encourage companies to continue to evolve diversity and inclusion practices. We generally vote against the chair of the nominating committee (or other directors on a case-by-case basis) at companies where the post-election board contains no female directors if the board has not included a female director during the last 12 months and the company has not articulated a plan to include a qualified female nominee."

Note how the test is built. The trigger is objective - zero women on the board after the election. Two carve-outs then apply: a twelve-month look-back, so a board that has recently lost its only female director is not caught, and an articulated-plan exception, so a company that has publicly committed to appointing a qualified female nominee is not caught either. That is the same architecture the large index managers used before they removed it.

Separately, the existing consideration in the uncontested-director-election guideline was sharpened in the same direction:

The diversity factor in director elections

March 2021:

"In the case of a nominee that is the chair of the nominating committee (or other directors on a case-by-case basis), whether there is a lack of diversity on the company's board."

2023:

"In the case of a nominee that is the chair of the nominating committee (or other directors on a case-by-case basis), whether the company's board lacks diversity including, but not limited to, diversity of gender, ethnicity, race and background."

Why this matters

"Lack of diversity" is unfalsifiable; "no female directors" is a fact you can check from a proxy statement, and "gender, ethnicity, race and background" tells a company which dimensions are being measured. The 2021 policy gave Cohen & Steers discretion to raise diversity if it chose. The 2023 policy gives an all-male board a default outcome. On a real ballot at a small or mid-cap REIT - Cohen & Steers' core universe, where all-male boards are not rare - this is the difference between a vote that might happen and a vote that is expected to.

2. Climate oversight became a reason to vote against a director

In 2021, the criteria for voting against a director in an uncontested election ended with a general reference to "material failures of governance, stewardship, risk oversight, or fiduciary responsibilities," with examples confined to a footnote. In 2023 the examples were promoted into the body of the policy and a wholly new climate criterion was added beneath them.

The promoted footnote list is unchanged in content - bribery, large or serial fines from regulatory bodies, demonstrably poor risk oversight of environmental and social issues including climate change, significant adverse legal judgments or settlements, and hedging or significant aggregate pledging of company stock by employees, officers or directors. Moving it from a footnote into the numbered list of voting criteria is a presentational change with real effect: it is now one of the things Cohen & Steers says it looks at, rather than an illustration of a phrase.

The new criterion is separate from it:

2023, new:

"Whether the board has oversight of material climate-related risks and opportunities including, but not limited to: the transition and physical risks the company faces related to climate change on its operations and investment in terms of the impact on its business and financial condition, including the company's related disclosures; how the board identifies, measures and manages such risks; and the board's oversight of climate-related risk as a part of governance, strategy, risk management, and metrics and targets."

The four-part structure - governance, strategy, risk management, and metrics and targets - is the TCFD framework, imported without being named. Applied to real estate and infrastructure securities, where physical climate risk is directly balance-sheet relevant, this is a substantive test rather than a gesture: a board with no identifiable process for measuring flood, heat or transition exposure now falls within a stated reason to vote against its directors.

3. Environmental and social proposals: a fuller, more balanced framework

This section was rebuilt. The preamble grew from two principles to eight, and the environmental guideline roughly tripled in length.

The framing changed from value-impact to risk-management

What Cohen & Steers expects of a well-managed company

March 2021:

"We believe that well-managed companies should be evaluating and assessing how environmental and social matters may enhance or protect shareholder value."

2023:

"We believe that well-managed companies should be identifying, evaluating and assessing environmental and social issues and, where material to its business, managing exposure to environmental and social risks related to these issues."

The 2021 formulation asked whether these matters affect value. The 2023 formulation asks whether the company is managing the exposure - a management obligation rather than an analytical observation, qualified by materiality.

Two evaluation principles became eight

In 2021 the guiding principles were only "whether implementation of a proposal is likely to enhance or protect shareholder value and whether a proposal can be implemented at a reasonable cost." Both survive. Six were added, and they do not all point the same way.

- Favouring support: "The current level of publicly available disclosure from the company or other publicly available sources, including if the company already discloses similar information through existing reports or policies" - a disclosure-gap test.
- Favouring support: "Whether the information requested concerns business issues that relate to a meaningful percentage of the company's business."
- Favouring support: "The degree to which the company's stated position on the issues raised in the proposal could affect its reputation or sales."
- Cutting against: "Whether the company has already responded in some appropriate manner to the request embodied in the proposal."
- Cutting against: "What other companies in the relevant industry have done in response to the issue addressed in the proposal" - a peer-practice benchmark, which by construction favours whatever the sector already does.
- Cutting against: "Whether implementation would reveal proprietary or confidential information that could place the company at a competitive disadvantage" - carried over from the 2021 environmental guideline and promoted to the general list.

The environmental guideline got a climate section

What an environmental disclosure proposal must show

March 2021:

"We acknowledge that environmental considerations can pose significant investment risks and opportunities. Therefore, we generally vote in favor of proposals requesting a company disclose information that will aid in the determination of shareholder value creation or destruction"

2023:

"We acknowledge that environmental considerations can pose significant risks and opportunities. Therefore, we generally vote in favor of proposals requesting a company disclose information that will aid in the determination of material environmental issues impacting the company and, where material to its business, how the company is managing exposure to environmental risks related to these issues"

The object of the disclosure shifted from an abstract value judgement to identifiable environmental issues and the company's management of them. Beneath it sits a new paragraph making climate explicit: "In particular in relation to climate-related risk

and opportunities material to its business, we expect companies to help their investors understand how they may be impacted by such risk and opportunities, and how these factors are considered within strategy in a manner consistent with the company's business model and sector," followed by the same four-part climate criteria applied to directors in section 2.

Two 2021 factors that could be used to refuse support were dropped from the environmental guideline and not replaced in the same form: whether "the disclosure is available to shareholders from the company or from a publicly available source," and the competitive-disadvantage test. Both concepts reappear in the general eight-factor list above, but as one consideration among many rather than as one of only three gatekeepers.

Social proposals

The social guideline gained the same risk-management framing, and the diversity commitment was made specific: 2021's "we generally vote in favor of proposals that seek to increase board and workforce diversity" became "proposals that seek to increase board and workforce diversity including, but not limited to, diversity of gender, ethnicity, race and background." The residual case-by-case treatment of political and charitable contributions, lobbying, and gender equality and the gender pay gap is unchanged.

4. Conflicts of interest: from two examples to eight

The 2021 policy described conflicts in two sentences - a client's management soliciting proxies, and a personal or familial relationship between a Cohen & Steers employee or director and an issuer's management. The 2023 policy replaces them with a named list.

- Cohen & Steers has a pecuniary interest in the matter voted upon, or a material financial relationship with the issuer.
- A member of the board of Cohen & Steers or Cohen & Steers, Inc. is a senior executive or director of the issuer.
- An employee is a senior executive or director of the issuer, or an immediate family member of one where "such family member could foreseeably receive material non-public information about the issuer."
- "Cohen & Steers or a collective investment vehicle sponsored by Cohen & Steers has a direct or indirect material interest in a joint venture in which the issuer soliciting the vote is a joint venture partner."
- "The issuer soliciting the vote is a significant shareholder of Cohen & Steers, Inc."
- The issuer soliciting the vote is Cohen & Steers, Inc. itself.

The joint-venture and significant-shareholder items are specific to a listed real-assets manager that co-invests alongside the companies it votes on, and naming them is a meaningful disclosure. The process also tightened: the Proxy Committee now evaluates identified conflicts "in consultation with the Legal & Compliance Department," a step the 2021 text did not require.

5. One change that looks substantive and is not

Worth separating out, because it is the kind of edit that can be misread as a loosening.

Employee stock purchase plans

March 2021:

"we generally believe the discounted purchase price should not exceed 15% of the current market price"

2023:

"we generally believe the purchase price should be equal to or higher than 85% of the current market price"

A maximum 15% discount and a minimum 85% price are the same test written from opposite ends. Nothing changed. The 2023 phrasing is clearer, since it states the number an investor would actually find in a plan document.

6. What did not change

The great majority of the guideline table is identical, including every numerical director test.

- Overboarding: still a vote-against consideration where a nominee who is a chairman or CEO of a publicly traded company serves on more than two public company boards, and where any other nominee serves on more than four.
- Tenure: still assessed against tenure limits recommended by local corporate governance codes, with the UK nine-year reclassification still carried as a footnote example.
- Board independence: still "we believe that boards should have a majority of independent directors" and a vote FOR shareholder proposals requiring it, with independence defined by local codes or listing standards.
- Related-party transactions, material conflicts of interest, poor corporate or strategic decisions, and actions on other boards remain vote-against considerations in the same wording.
- Separation of chairman and CEO, independent chairman, lead independent director, majority vote requirements, board size, classified boards, tiered boards, independent committees and the Japan-specific and other non-US guidelines are unchanged.
- The compensation section - say-on-pay, additional pay disclosure, golden parachutes, option repricing, 401(k) plans, non-US pension arrangements - is unchanged apart from the ESPP rewording above.
- Capital structure, anti-takeover, mergers, auditor, shareholder access and miscellaneous guidelines are unchanged, including the bundled-proposal rule that a slate is supported "only if we would have otherwise voted for each director on an individual basis."
- The procedural framework - Proxy Committee, Proxy Administration Group, foreign securities, registered investment companies, securities lending, recordkeeping and pre-solicitation contact - is unchanged.

The bottom line

Cohen & Steers is an outlier among the managers reviewed on this site, and the reason is timing as much as conviction: it tightened in 2023 and has not revisited the document since. An all-male board at a company it holds now has a stated consequence; a board without a climate-risk process has a stated consequence; and an environmental disclosure proposal is now judged against eight criteria rather than two. The open question is not what the policy says but whether a 2023 policy is still being applied unchanged in a 2026 proxy season - which only the voting record can answer.