

Morgan Stanley IM

Proxy Voting Policy Evolution: 2020-2025

Analysis of 5 policy versions across 4 revision cycles

Based on archived versions from the Wayback Machine
and Morgan Stanley IM's public website

Prepared March 2026

Executive Summary

This report analyzes 5 versions of Morgan Stanley IM's proxy voting guidelines spanning 2020-2025. Over this period, the guidelines decreased from 8 pages to 0 pages and the number of identifiable policy statements changed from 72 to 0. Policy revisions were detected in 4 of the 4 year-over-year transitions examined.

Over the 2020-2025 period, Morgan Stanley IM's guidelines have become more concise and principles-based, with policy statements decreasing from 72 to 0 - suggesting a shift from prescriptive rules to broader governance principles. Conversely, Board Composition & Diversity and Climate & Sustainability have seen reduced emphasis, consistent with broader industry trends.

The most significant revision occurred in 2024 (compared to 2022), with 30% textual similarity, 9 new statements added, and 13 removed. A second major revision occurred in 2021. These inflection points mark the key moments when Morgan Stanley IM substantively rethought its governance approach.

Key Observations

- Board Composition & Diversity: Notably reduced from 14 to 0 references, suggesting a deliberate de-emphasis that began after 2024 when coverage peaked at 28 references.
- Climate & Sustainability: Notably reduced from 14 to 0 references, suggesting a deliberate de-emphasis that began after 2022 when coverage peaked at 26 references.
- Executive Compensation: Notably reduced from 39 to 0 references, suggesting a deliberate de-emphasis that began after 2022 when coverage peaked at 40 references.
- Shareholder Rights & Proposals: Notably reduced from 27 to 0 references, suggesting a deliberate de-emphasis over this period.
- Board Independence & Oversight: Notably reduced from 13 to 0 references, suggesting a deliberate de-emphasis that began after 2021 when coverage peaked at 15 references.
- Human Capital Management: Notably reduced from 7 to 0 references, suggesting a deliberate de-emphasis that began after 2024 when coverage peaked at 13 references.
- Voting Approach & Engagement: Notably reduced from 41 to 0 references, suggesting a deliberate de-emphasis that began after 2024 when coverage peaked at 54 references.

Year-by-Year Policy Changes

2020

Document: 8 pages, 169 KB, approximately 7,094 words, 72 policy statements identified.

2021

Document: 9 pages, 172 KB, approximately 7,255 words, 75 policy statements identified.

A major restructuring or rewrite occurred compared to the 2020 edition (44% textual similarity). 5 policy statements were modified, 5 added, and 2 removed.

New Sections:

- "PROXY VOTING POLICY AND PROCEDURES"
- "PROXY VOTING POLICY AND PROCEDURES"
- "3. SHAREHOLDERS RIGHT TO CALL A SPECIAL MEETING:"

Notable Language Changes:

2020:

"We generally support proposals that if implemented would enhance useful disclosure, such as disclosures aligned with SASB (Sustainability Accounting Standards Board) and the TCFD (Taskforce on Climate-related Financial Disclosures) and proposals that aim to reduce or mitigate a company's impact on the global climate."

2021:

"ENVIRONMENTAL ISSUES: We generally support proposals that if implemented would enhance useful disclosure, such as disclosures aligned with SASB (Sustainability Accounting Standards Board) and the TCFD (Taskforce on Climate-related Financial Disclosures)."

2020:

"Retention and Oversight of Proxy Advisory Firms - Institutional Shareholder Service (ISS) and Glass Lewis (together with other proxy research providers as we may retain from time to time, the "Research Providers") are independent advisers that specialize in providing a variety of fiduciary-level proxy-related services to institutional investment managers, Morgan Stanley Investment Management..."

2021:

"RETENTION AND OVERSIGHT OF PROXY ADVISORY FIRMS - Institutional Shareholder Service (ISS) and Glass Lewis (together with other proxy research providers as we may retain from time to time, the "Research Providers") are independent advisers that specialize in providing a variety of fiduciary-level proxy-related services to institutional investment managers, plan sponsors, custodians, consultants,..."

2022

Document: 10 pages, 198 KB, approximately 8,041 words, 82 policy statements identified.

A major restructuring or rewrite occurred compared to the 2021 edition (58% textual similarity). 6 policy statements were modified, 8 added, and 1 removed.

Notable Language Changes:

2021:

"We consider proposals on other social issues on a case by case basis but generally support proposals that seek to enhance useful disclosure on material issues such as human rights risks, supply chain management and human capital management."

2022:

"We consider proposals on these sustainability risks, opportunities and impacts on a case-by-case basis but generally support proposals that seek to enhance useful disclosure."

2021:

"RETENTION AND OVERSIGHT OF PROXY ADVISORY FIRMS - Institutional Shareholder Service (ISS) and Glass Lewis (together with other proxy research providers as we may retain from time to time, the "Research Providers") are independent advisers that specialize in providing a variety of fiduciary-level proxy-related services to institutional investment managers, plan sponsors, custodians, consultants,..."

2022:

"RETENTION AND OVERSIGHT OF PROXY ADVISORY FIRMS Institutional Shareholder Service ("ISS") and Glass Lewis (together with other proxy research providers as we may retain from time to time, the "Research Providers") are independent advisers that specialize in providing a variety of fiduciary-level proxy-related services to institutional investment managers, plan sponsors, custodians, consultants,..."

2024

Document: 10 pages, 207 KB, approximately 8,271 words, 78 policy statements identified.

A major restructuring or rewrite occurred compared to the 2022 edition (30% textual similarity). 8 policy statements were modified, 9 added, and 13 removed.

Key changes include: systematic replacement of 'vote against' with 'not support' (1 instances). This revision represents a significant inflection point in Morgan Stanley IM's governance approach.

New Sections:

- "Market expectations are incorporated into this analysis;"
- "8. PROPOSALS TO ELECT DIRECTORS MORE FREQUENTLY:"

Notable Language Changes:

2022:

"We also generally support proposals that aim to meaningful reduce or mitigate a company's impact on the global climate."

2024:

"We also generally support proposals that aim to ensure companies communicate credibly on their commitments to manage reputational risks."

2022:

"SOCIAL ISSUES: We generally support proposals that if implemented would enhance useful disclosure on employee and board diversity, including gender, race, and other factors."

2024:

"SOCIAL ISSUES: We generally support proposals that, if implemented, would enhance useful disclosure on employee and board diversity, including gender, race, and other factors, for companies where such issues could be considered by the investment teams as financially material."

2025

Document: 0 pages, 131 KB, approximately 0 words, 0 policy statements identified.

The file changed from 2024 (different hash), but full text extraction was not available for detailed comparison.

Thematic Evolution: Board Composition & Diversity

Morgan Stanley IM's emphasis on board composition & diversity declined over the 2020-2025 period, from 14 references in 2020 to 0 in 2025. The decline began after 2024, when coverage peaked at 28 references. This de-emphasis may reflect changing regulatory expectations, evolving industry norms, or a deliberate strategic repositioning.

2020 (14 references)

"Board diversity: We consider on a case-by-case basis shareholder proposals urging diversity of board membership with respect to gender, race or other factors. 4PROXY VOTING POLICY AND PROCEDURES MORGAN STANLEY INVESTMENT MANAGEMENT 5."

2021 (16 references)

"BOARD DIVERSITY: We generally support shareholder proposals urging diversity of board membership with respect to gender, race or other factors where we believe the board has failed to take these factors into account. 5."

[Significant language shift from prior year]

2022 (25 references)

"BOARD DIVERSITY: We generally support shareholder proposals urging diversity of board membership with respect to gender, race or other factors where we believe the board has failed to take these factors into account."

2024 (28 references)

"As such we generally support shareholder proposals urging diversity of board membership with respect to gender, race or other factors where we believe the board has failed to take these factors into account."

[Significant language shift from prior year]

Why This Matters

Board composition and diversity language in proxy voting guidelines is one of the most politically sensitive areas, directly affecting how asset managers evaluate director nominees. Changes in this area signal how Morgan Stanley IM balances skills-based evaluation against demographic diversity expectations.

Thematic Evolution: Climate & Sustainability

Morgan Stanley IM's emphasis on climate & sustainability declined over the 2020-2025 period, from 14 references in 2020 to 0 in 2025. The decline began after 2022, when coverage peaked at 26 references. This de-emphasis may reflect changing regulatory expectations, evolving industry norms, or a deliberate strategic repositioning.

2020 (14 references)

"We generally support proposals that if implemented would enhance useful disclosure, such as disclosures aligned with SASB (Sustainability Accounting Standards Board) and the TCFD (Taskforce on Climate-related Financial Disclosures) and proposals that aim to reduce or mitigate a company's impact on the global climate."

2021 (15 references)

"ENVIRONMENTAL ISSUES: We generally support proposals that if implemented would enhance useful disclosure, such as disclosures aligned with SASB (Sustainability Accounting Standards Board) and the TCFD (Taskforce on Climate-related Financial Disclosures)."

2022 (26 references)

"ENVIRONMENTAL ISSUES: We generally support proposals that if implemented would enhance useful disclosure on climate, biodiversity, and other environmental risks, such as disclosures aligned with SASB (Sustainability Accounting Standards Board) and the TCFD (Taskforce on Climate-related Financial Disclosures)."

2024 (26 references)

"ENVIRONMENTAL ISSUES: We generally support proposals that, if implemented, would enhance useful disclosure on climate, biodiversity, and other environmental risks, such as disclosures aligned with SASB (Sustainability Accounting Standards Board) and the TCFD (Task Force on Climate-related Financial Disclosures) for companies for which such issues may be financially material."

Why This Matters

Climate and sustainability provisions are among the most closely watched elements of proxy voting guidelines, as they influence voting on shareholder proposals, risk oversight assessments, and disclosure expectations. The trajectory of Morgan Stanley IM's language in this area provides insight into the broader industry shift between prescriptive ESG frameworks and financial materiality approaches.

Thematic Evolution: Executive Compensation

Morgan Stanley IM's emphasis on executive compensation declined over the 2020-2025 period, from 39 references in 2020 to 0 in 2025. The decline began after 2022, when coverage peaked at 40 references. This de-emphasis may reflect changing regulatory expectations, evolving industry norms, or a deliberate strategic repositioning.

2020 (39 references)

"In the U.S. context, we generally vote against shareholder proposals requiring shareholder approval of all severance agreements, but we generally support proposals that require shareholder approval for agreements in excess of three times the annual compensation (salary and bonus) or proposals that require companies to adopt a provision requiring an executive to receive accelerated vesting of..."

2021 (39 references)

"In the U.S. context, we generally vote against shareholder proposals requiring shareholder approval of all severance agreements, but we generally support proposals that require shareholder approval for agreements in excess of three times the annual compensation (salary and bonus) or proposals that require companies to adopt a provision requiring an executive to receive accelerated vesting of..."

2022 (40 references)

"In the U.S. context, we generally vote against shareholder proposals requiring shareholder approval of all severance agreements, but we generally support proposals that require shareholder approval for agreements in excess of three times the annual compensation (salary and bonus) or proposals that require companies to adopt a provision requiring an executive to receive accelerated vesting of..."

2024 (40 references)

"In the U.S. context, we generally vote against shareholder proposals requiring shareholder approval of all severance agreements, but we generally support proposals that require shareholder approval for agreements in excess of three times the annual compensation (salary and bonus) or proposals that require companies to adopt a provision requiring an executive to receive accelerated vesting of..."

[Significant language shift from prior year]

Why This Matters

Executive compensation language directly affects how Morgan Stanley IM votes on say-on-pay proposals and equity plan approvals - among the most common and consequential proxy votes. Evolving expectations here have immediate practical implications for corporate boards and compensation committees.

Thematic Evolution: Shareholder Rights & Proposals

Morgan Stanley IM's emphasis on shareholder rights & proposals declined over the 2020-2025 period, from 27 references in 2020 to 0 in 2025. This de-emphasis may reflect changing regulatory expectations, evolving industry norms, or a deliberate strategic repositioning.

2020 (27 references)

"Shareholder rights plans: We generally support proposals to require shareholder approval or ratification of shareholder rights plans (poison pills)."

2021 (27 references)

"SHAREHOLDER RIGHTS PLANS: We generally support proposals to require shareholder approval or ratification of shareholder rights plans (poison pills)."

2022 (26 references)

"SHAREHOLDER RIGHTS PLANS: We generally support proposals to require shareholder approval or ratification of shareholder rights plans (poison pills)."

2024 (27 references)

"SHAREHOLDER RIGHTS PLANS: We generally support proposals to require shareholder approval or ratification of shareholder rights plans (poison pills)."

Thematic Evolution: Board Independence & Oversight

Morgan Stanley IM's emphasis on board independence & oversight declined over the 2020-2025 period, from 13 references in 2020 to 0 in 2025. The decline began after 2021, when coverage peaked at 15 references. This de-emphasis may reflect changing regulatory expectations, evolving industry norms, or a deliberate strategic repositioning.

2020 (13 references)

"At a company with a shareholder or group that controls the company by virtue of a majority economic interest in the company, we have a reduced expectation for board independence, although we believe the presence of independent directors can be helpful, particularly in staffing the audit committee, and at times we may withhold support from or vote against a nominee on the view the board or its..."

2021 (15 references)

"At a company with a shareholder or group that controls the company by virtue of a majority economic interest in the company, we have a reduced expectation for board independence, although we believe the presence of independent directors can be helpful, particularly in staffing the audit committee, and at times we may withhold support from or vote against a nominee on the view the board or its..."

2022 (15 references)

"At a company with a shareholder or group that controls the company by virtue of a majority economic interest in the company, we have a reduced expectation for board independence, although we believe the presence of independent directors can be helpful, particularly in staffing the audit committee, and at times we may withhold support from or vote against a nominee on the view the board or its..."

2024 (13 references)

"At a company with a shareholder or group that controls the company by virtue of a majority economic interest in the company, we have a reduced expectation for board independence, although we believe the presence of independent directors can be helpful, particularly in staffing the audit committee, and at times we may withhold support from or vote against a nominee on the view the board or its..."

Thematic Evolution: Human Capital Management

Morgan Stanley IM's emphasis on human capital management declined over the 2020-2025 period, from 7 references in 2020 to 0 in 2025. The decline began after 2024, when coverage peaked at 13 references. This de-emphasis may reflect changing regulatory expectations, evolving industry norms, or a deliberate strategic repositioning.

2021 (10 references)

"We consider proposals on other social issues on a case by case basis but generally support proposals that seek to enhance useful disclosure on material issues such as human rights risks, supply chain management and human capital management."

2022 (11 references)

"We consider proposals on other social issues on a case by case basis but generally support proposals that: PROXY VOTING POLICY AND PROCEDURES - Seek to enhance useful disclosure or improvements on material issues such as human rights risks, supply chain management, workplace safety, human capital management and pay equity."

[Significant language shift from prior year]

2024 (13 references)

"We consider proposals on other social issues on a case-by-case basis but generally support proposals that: - Seek to enhance useful disclosure or improvements on material issues such as human rights risks, supply chain management, workplace safety, human capital management and pay equity in line with local rules."

[Significant language shift from prior year]

Thematic Evolution: Voting Approach & Engagement

Morgan Stanley IM's emphasis on voting approach & engagement declined over the 2020-2025 period, from 41 references in 2020 to 0 in 2025. The decline began after 2024, when coverage peaked at 54 references. This de-emphasis may reflect changing regulatory expectations, evolving industry norms, or a deliberate strategic repositioning.

2020 (41 references)

"We consider withholding support from or voting against a nominee if we believe a direct conflict exists between the interests of the nominee and the public shareholders, 3PROXY VOTING POLICY AND PROCEDURES MORGAN STANLEY INVESTMENT MANAGEMENT including failure to meet fiduciary standards of care and/or loyalty."

2021 (40 references)

"We consider withholding support from or voting against a nominee if we believe a direct conflict exists between the interests of the nominee and the public shareholders, including failure to meet fiduciary standards of care and/or loyalty."

2022 (47 references)

"We consider withholding support from or voting against a nominee if we believe a direct conflict exists between the interests of the nominee and the public shareholders, including failure to meet fiduciary standards of care and/or loyalty."

2024 (54 references)

"We consider withholding support from or voting against a nominee if we believe a direct conflict exists between the interests of the nominee and the public shareholders, including failure to meet fiduciary standards of care and/or loyalty."

Why This Matters

The evolution of Morgan Stanley IM's voting approach and engagement language is foundational - it shapes how every other governance topic is addressed. Shifts from prescriptive to principles-based, or from adversarial to collaborative, affect the entire stewardship posture.

Overall Assessment

Over 5 versions spanning 2020-2025, Morgan Stanley IM's proxy voting guidelines reveal a pattern of active evolution. Of the 4 year-over-year transitions examined, 4 involved policy changes. The evolution of these guidelines provides a window into how one of the industry's institutional investors has adapted its governance expectations in response to changing market conditions, regulatory developments, and stakeholder demands.

The pace of change accelerated in the latter half of the period, with more revisions in recent years (3 changes in 2022-2025 vs 1 in 2020-2021). This acceleration likely reflects increasing regulatory and market attention to proxy voting, the rise and subsequent recalibration of ESG-focused stewardship, and growing political scrutiny of institutional investors' governance role.

The number of actionable policy statements decreased from 72 to 0, suggesting a shift toward more principles-based, less prescriptive governance guidelines. This transition from rules to principles gives Morgan Stanley IM more flexibility in voting decisions while potentially reducing predictability for companies.

1. Evolving Governance Priorities

The thematic analysis reveals reduced attention to Board Composition & Diversity (14->0 refs), Climate & Sustainability (14->0 refs), Executive Compensation (39->0 refs). These shifts map the changing landscape of Morgan Stanley IM's governance priorities and provide companies with a roadmap for understanding what governance areas will receive the most scrutiny going forward.

2. Revision Patterns and Inflection Points

The most significant revision years were 2024, 2021, 2022. These inflection points often correspond to external catalysts: changes in the regulatory environment, major governance failures in the market, or shifts in the political landscape around institutional stewardship. Understanding when and why an asset manager revises its guidelines helps governance professionals anticipate future changes.

The evolution of Morgan Stanley IM's proxy voting guidelines over 2020-2025 reflects the broader transformation of institutional stewardship from a compliance exercise into a strategic governance function. As the regulatory and political landscape continues to shift, these guidelines will likely continue to evolve. Governance professionals, corporate secretaries, and investor relations teams should monitor these changes to anticipate Morgan Stanley IM's governance expectations and voting behavior.

Source Documents

All documents were retrieved from the Wayback Machine (web.archive.org) and the manager's public website:

Year	Pages	Size	Words	Statements	Source
2020	8	169 KB	7,094	72	Wayback Machine
2021	9	172 KB	7,255	75	Wayback Machine
2022	10	198 KB	8,041	82	Wayback Machine
2024	10	207 KB	8,271	78	Wayback Machine
2025	0	131 KB	0	0	Wayback Machine