

Northern Trust Proxy Voting Policies & Procedures

March 2026 vs. September 2024: what changed, and what it means for your ballot

Northern Trust Corporation
Proxy Voting Policies & Procedures
Effective 5 September 2024 compared with effective 2 March 2026

Two real changes in an otherwise untouched document: ERISA plans may no longer choose the Climate voting guidelines, and Northern Trust will now abstain on its own stock.

Source: the two published policy documents, read in full. Every quotation below is taken verbatim from them.
[proxyvotesnow.com](https://www.proxyvotesnow.com)

A note on dating

The two documents compared here carry effective dates of 5 September 2024 and 2 March 2026. The earlier file is archived under a 2025 label, but the document itself states "Effective Date 9/05/2024," and that is how it is described throughout this report. The comparison spans roughly eighteen months, not twelve.

The short version

Sections 1 through 7 of Northern Trust's proxy voting policy - the Proxy Committee, the guidelines framework, the use of third-party proxy voting services, how the guidelines are applied, Proxy Voting Choice, conflicts of interest and recordkeeping - are unchanged. A word-level comparison of Sections 1 to 4 returns exactly one difference: the word "Nothorn" was corrected to "Northern."

Everything substantive happened in two places.

- ERISA plans were carved out of the Climate guidelines. The Proxy Voting Choice menu still lists five guideline sets, including Climate, and any other investor may still select it. But an ERISA plan fiduciary may now choose guidelines other than the fund default "except for the Climate guidelines." Four words, and they remove an option that existed in September 2024.
- Northern Trust will now abstain on its own shares. A new sentence in the conflicts section says that for proxies issued by Northern Trust Corporation held in discretionary accounts, Northern Trust "will generally abstain from voting on all votable ballot items."

Alongside those, Section 8 (ERISA Accounts) was rewritten and roughly doubled in length. The rewrite is not cosmetic - it replaces a two-sentence gloss on Department of Labor expectations with a five-part fiduciary checklist lifted almost verbatim from the DOL's proxy voting regulation, and it adds an explicit statement that ERISA fiduciaries may decide not to vote at all.

Direction of travel

Narrower for retirement plans, more cautious about Northern Trust's own conflicts, unchanged for everyone else. The document is now more explicit that cost and financial effect can justify not voting an ERISA plan's shares, and less willing to let a plan fiduciary pick a climate-oriented voting policy. Nothing in the underlying voting guidelines themselves - the Proxy Guidelines, SRI, Taft-Hartley, Board Aligned and Climate guideline sets in Exhibit A - was changed or removed.

1. ERISA plans can no longer choose the Climate guidelines

This is the change with a direct, mechanical effect on how shares get voted, and it is easy to miss because it is inserted mid-sentence.

What an ERISA plan fiduciary may select from the Proxy Voting Choice menu

September 2024:

"For pooled investment vehicles that have implemented "Proxy Voting Choice," the fiduciary of an investing plan may chose guidelines other the Default Proxy Guidelines described in Section 5."

March 2026:

"For pooled investment vehicles that have implemented "Proxy Voting Choice," the fiduciary of an investing plan may choose guidelines other the Default Proxy Guidelines described in Section 5, except for the Climate guidelines."

Exhibit A, which lists the five guideline sets available on the menu, is otherwise identical in both editions. The Climate guidelines are still described there in the same words - built by a third party "to be consistent with widely recognized climate frameworks including the TCFD, GRI, and SASB standards," intended to balance climate-risk disclosure against "evaluation of a company's preparedness to face and mitigate climate risks in a low carbon economy." They remain available to non-ERISA investors. They are simply off-limits to retirement plans.

The same paragraph gained two sentences confirming the mechanics that apply once a selection is made: proxies are voted "on a pro-rata share basis in accordance with the guidelines that were selected," and the fund's default applies to anyone who does not elect. Both restate what Section 5 already said; neither changes anything.

Why this matters

Proxy Voting Choice is the mechanism through which a US pension plan or its participants can direct how their pooled-fund shares are voted on climate resolutions, director elections at high-emitting companies and similar items. Removing the Climate option for ERISA plans is the single edit in this document that will change ballots - and given that the responsibility for confirming a chosen policy is ERISA-consistent still sits with the plan fiduciary, Northern Trust has taken the decision out of the fiduciary's hands rather than leaving it to their judgement. It follows two years of litigation risk and state-level pressure around ESG-linked voting in US retirement plans.

2. Abstention on Northern Trust's own stock

The conflicts of interest section already named "securities issued by Northern Trust Corporation or its affiliates" as a category of material conflict, and already offered four ways to resolve one. It did not previously say which of the four applied to its own shares. Now it does.

March 2026, new:

"For proxies issued by the Northern Trust Corporation that are held in accounts where Northern Trust has voting discretion, Northern Trust will generally abstain from voting on all votable ballot items."

This is the only addition to Section 6, and the rest of the section is untouched - including the four resolution routes (following an independent fiduciary's recommendation, voting per client direction, abstaining, or mirror voting), and the four illustrative conflict categories.

The choice of abstention over mirror voting is worth noting. Mirror voting - casting shares in the same proportion as unaffiliated holders - preserves the client's economic voice while removing the manager's discretion. Abstention removes the voice entirely. Northern Trust Corporation is a large-cap US bank whose own shares sit in index and balanced portfolios across its client base, so this applies to a meaningful number of accounts. It is the more conservative choice on conflicts and the less client-protective one on representation.

3. The ERISA section, rewritten around the DOL rule

Section 8 was expanded from about 350 words to about 700. The new material is almost all regulatory scaffolding, but the direction it points is consistent and worth reading.

The deleted sentence

September 2024, deleted:

"The Department of Labor has indicated that the voting decisions of ERISA fiduciaries must generally focus on the course that would most likely increase the value of the stock being voted."

That single sentence was the whole of the 2024 document's treatment of the DOL's position on proxy voting. It has been replaced by a structured obligation with five named duties:

March 2026, new:

"Specifically, when deciding whether to vote on a proxy, a fiduciary must: act solely in accordance with the economic interest of the plan and its participants and beneficiaries; consider any costs involved; not subordinate the interests of the participants and beneficiaries in their retirement income or financial benefits under the plan to any other objective; evaluate relevant facts that form the basis for any particular proxy vote or other exercise of shareholder rights; and exercise prudence and diligence in the selection and monitoring of persons, if any, selected to exercise shareholder rights or otherwise advise on or assist with exercises of shareholder rights."

This tracks the Department of Labor's proxy voting regulation closely, including the two clauses that have been most contested politically: consider the costs, and do not subordinate participants' financial interests to any other objective.

Not voting is now explicitly permitted

March 2026, new:

"ERISA fiduciaries may decide not to vote on a proxy or exercise a shareholder right."

And the document sets out the cost-benefit test in both directions - the policy does not preclude a vote where the fiduciary has "prudently determined that the matter being voted upon will have a significant effect on the value of the investment, or the investment performance of the plan's assets, after accounting for the costs involved," and does not require one where the fiduciary has determined it will not. There was no equivalent in September 2024.

Two smaller additions

- The fiduciary standards that apply where Northern Trust has sole voting discretion are now named: "the fiduciary duty of prudence, the exclusive benefit rule, and the duty to act in accordance with the plan documents." 2024 said only "the fiduciary responsibility standards of ERISA."
- A new paragraph makes proxy-adviser selection an ERISA fiduciary act in its own right: a fiduciary engaging a proxy voting service "must first determine that such proxy advisor firm or service provider's proxy voting guidelines are consistent with the fiduciary's obligations described above," with Northern Trust's own annual review of its Proxy Guidelines and Proxy Voting Services cited as the mechanism.
- A new set of bullets allocates voting responsibility between trustee, named fiduciary and investment manager - describing when a trustee's exclusive responsibility to vote is displaced by a delegation or a retained direction right.

One phrase came out of the employer-securities paragraph. 2024 said "Consistent with Labor Department positions, it is the policy of Northern Trust to follow the provisions of a plan's governing documents in the voting of employer securities." 2026 says simply "It is the policy of Northern Trust to follow the provisions of a plan's governing documents." The policy is the same; the appeal to the Labor Department's authority is gone - the same move made twice in this section, where a regulator's stated view has been replaced by the regulation's own words.

4. What did not change

This is most of the document, and it is worth being specific, because the ERISA rewrite makes the update look larger than it is.

- Section 1, the Proxy Committee: composition, quorum, ability to approve votes telephonically or electronically between meetings, and the documentation requirement.
- Section 2: annual Proxy Committee review of the Proxy Guidelines and notification of material revisions to clients.
- Section 3, third-party proxy voting services: the instruction that the service "not to exercise any discretion" and to seek Northern Trust's guidance on anything the guidelines do not cover or where they are unclear; the fallback to an internal proxy analyst; and the four-factor annual review of the service provider, including its conflicts management.
- Section 4: the statement that the guidelines "will be applied with a measure of flexibility" and the Proxy Committee's power to vote contrary to the service provider's recommendation, including the passage about judging proposals "in full context" rather than stand-alone.
- Section 5, Proxy Voting Choice: the whole mechanism, including account-level application, multiple elections across accounts, the default where split voting is not permitted, and the Proxy Committee's vetting of third-party policies.
- Section 6, other than the new abstention sentence.
- Section 7, records and client disclosures - including the policy of not disclosing voting records to third parties except where required by law.
- Sections 9 and 10: mutual funds, share blocking, and the securities lending position, including the right to recall loaned shares "on a best efforts basis" where the benefit of voting outweighs the cost of terminating the loan.
- Exhibit A in full: the same five guideline sets - Northern Trust Proxy Guidelines, Socially Responsible Investor, Taft-Hartley, Board Aligned and Climate - with identical descriptions.

The house guidelines are also described in the same terms in both editions: developed by the Proxy Voting Committee, taking into account "common and best market practice standards in governance to promote total shareholder value and risk mitigation while applying a thoughtful and considered approach to environmental and social issues."

The bottom line

For a taxable client, a foundation or an endowment, this update changes nothing at all except that Northern Trust will now sit out votes on its own stock.

For a US retirement plan, it changes two things. The Climate guidelines are no longer selectable, which narrows the range of voting outcomes available to plan fiduciaries and participants. And the standard against which any voting decision is judged has been restated in the DOL's own language, with explicit permission not to vote where the cost of voting outweighs the expected financial effect.

Neither change touches the substance of how Northern Trust votes on directors, pay or shareholder proposals - that sits in the separate Proxy Guidelines, which Exhibit A confirms were carried forward unamended. What moved is who gets to choose which of those guideline sets applies to their money.

What to watch

Whether the Climate carve-out is extended. It currently applies only to ERISA plans and only to one of five guideline sets. The mechanism that produced it - a fiduciary-risk judgement about climate-oriented voting policies - would apply equally to the SRI and Taft-Hartley guidelines if Northern Trust chose to take it further.