

State Street Global Advisors

Global Proxy Voting and Engagement Policy: March 2025 vs. March 2024

Global Proxy Voting and Engagement Policy

Effective March 25, 2024 compared with the March 2025 edition

Note: the file labelled "2026" in this archive is State Street's March 2025 policy.

It is dated and titled here by what the document actually is.

State Street deleted around twenty specific, index-anchored rules that told you exactly when it would vote against a named director. Almost nothing replaced them.

Source: the two published policy documents, read in full. Every quotation below is taken verbatim from them.
proxyvotesnow.com

A note on dates before we start

The two documents compared here are State Street's Global Proxy Voting and Engagement Policy effective 25 March 2024, and the edition dated March 2025.

The archive file for State Street labelled "2026" is not a 2026 policy. Its own first page reads "March 2025 Global Proxy Voting and Engagement Policy," and its document footer carries an expiry date of 31 March 2026, which is how it came to be filed under that year. There is no 2026 edition in the archive, and the separately collected 2025 file is a corrupt PDF that cannot be read.

So this report is March 2025 versus March 2024. The filename has been left unchanged so the policy library keeps working, but nothing below should be read as describing a 2026 policy.

The short version

Of the three large US index managers, State Street made the most drastic change - and it did so a year earlier than BlackRock and Vanguard. Its 2024 policy was the most mechanically specific in the industry: it named indices, set numerical thresholds, and said which director would lose its vote if a company missed them. The 2025 policy removes almost all of it.

The scale is easiest to see through the index names. In the 2024 policy, S&P 500, Russell 1000, Russell 3000, FTSE 350, FTSE 100, STOXX 600, S&P/TSX, ASX 200, ASX 300, TOPIX 100, TOPIX 500, Hang Seng and the Straits Times Index each anchored at least one voting rule. In the March 2025 policy, not one of those index names appears anywhere. Neither does TCFD, which was referenced 27 times in 2024. Neither do the words "female" or "racial."

What was deleted, in one list

- Every board diversity rule: the requirement for at least one woman on every listed board, the 30% female representation expectation across five major indices, and the requirement for at least one racially or ethnically underrepresented director at S&P 500 and FTSE 100 companies - each of which carried a named vote against the nominating committee.
- Every climate voting rule: the requirement to disclose board oversight of climate risk, Scope 1 and 2 emissions and climate targets across eight named indices, and the separate rule covering climate risk management at companies in a defined list of carbon-intensive GICS sub-industries.
- The numerical overboarding limits - two, three and four board seats depending on the role - across nineteen named markets.
- The rule against combining the chair and CEO roles without a lead independent director at S&P 500 and STOXX Europe 600 companies.
- The escalation after three consecutive years of voting against a company's pay proposal, and the rule on failing to respond to a majority-supported shareholder proposal.
- The EEO-1 workforce disclosure rule, the board demographic disclosure rule, the supermajority provisions, the poison pill terms, the auditor fee threshold, the financial statements test, the Japanese cross-shareholding rule and the dividend payout rule.

Direction of travel

From a rules-based policy to a principles-based one, in a single revision. The expectations mostly survive as statements of belief - State Street still says it wants diverse boards, climate disclosure and independent leadership. What it no longer says is what happens if a company ignores it. The one thing the 2025 policy adds is a repeated insistence that State Street does not seek to change or influence control of any portfolio company, and a new commitment not to apply any part of the policy in a jurisdiction where doing so might be read that way.

1. Board diversity: three rules, all gone

State Street was the firm that put a statue of a girl in front of the Wall Street bull in 2017 and then backed it with the bluntest voting rule in the industry. By March 2025 all three of its board diversity rules had been removed.

Rule 1: at least one woman on every board

2024, deleted:

"We expect boards of all listed companies to have at least one female board member. If a company does not meet the applicable expectation for three consecutive years, State Street Global Advisors may vote against all incumbent members of the nominating committee or those persons deemed responsible for the nomination process."

Rule 2: 30% female directors across five indices

2024, deleted:

"we expect the boards of companies in the following indices to be composed of at least 30-percent female directors [Russell 3000, TSX, FTSE 350, STOXX 600, ASX 300]. If a company does not meet the applicable expectation, State Street Global Advisors may vote against the chair of the board's nominating committee or the board leader in the absence of a nominating committee."

Rule 3: racial and ethnic representation

2024, deleted:

"We may withhold support from the chair of the nominating committee when a company in the S&P 500 or FTSE 100 does not have at least one director from an underrepresented racial/ethnic community on its board."

What replaced them

The board composition section, in full

2024:

"We believe effective board oversight of a company's long-term business strategy necessitates a diversity of perspectives, especially in terms of gender, race and ethnicity. [followed by the three rules above]"

2025:

"We believe effective board oversight of a company's long-term business strategy necessitates a diversity of backgrounds, experiences, and perspectives, which may include a range of characteristics such as skills, gender, race, ethnicity, and age... We believe nominating committees are best placed to determine the most effective board composition and we encourage companies to ensure that there are sufficient levels of diverse experiences and perspectives represented in the boardroom."

Note what survived and what did not. Gender, race and ethnicity are still named in the 2025 text - State Street did not scrub the vocabulary the way BlackRock did. They moved from "especially in terms of" to one item in a list that begins with skills and ends with age. And the sentence that follows hands the judgement to the nominating committee. There is no threshold, no index, and no consequence.

The two disclosure rules went too

2024, deleted:

"If a company in the Russell 1000 or FTSE 350 does not disclose the gender, racial and ethnic composition of its board, we may vote against the Chair of the nominating committee."

2024, deleted:

"We may vote against the chair of the compensation committee at companies in the S&P 500 that do not disclose their EEO-1 reports."

The expectation itself survives in 2025, reduced to a single sentence under the heading "Board and Workforce Demographics": "We expect disclosure on the composition of both the board and workforce." No index, no definition of acceptable disclosure, no vote.

The contrast worth noticing

State Street removed its own diversity voting rules but kept the criteria it uses to judge other people's diversity proposals. Appendix A of the March 2025 policy still contains full assessment criteria for Diversity, Equity and Inclusion proposals, for Pay Equity proposals (including "disclosure of adjusted pay gaps related to race and gender"), and for Civil Rights proposals. So State Street will still evaluate a DEI shareholder proposal against a detailed rubric - it simply will no longer vote against a director over board composition on its own initiative.

2. Climate: from eight indices and TCFD to "the highest emitters"

The 2024 policy referenced the TCFD framework 27 times and built two separate voting rules on top of it. The March 2025 policy does not mention TCFD once.

The disclosure rule

2024, deleted:

"We may take voting action against directors serving at companies in the following indexes that fail to provide sufficient disclosure regarding: (i) board oversight of climate-related risks and opportunities; (ii) total direct and indirect GHG emissions ("Scope 1" and "Scope 2" emissions); (iii) climate-related targets, in accordance with the TCFD framework: S&P 500, S&P/TSX Composite, FTSE 350, STOXX 600, ASX 200, TOPIX 100, Hang Seng, Straits Times Index."

The oversight rule

2024, deleted:

"We may vote against directors due to failure to demonstrate effective oversight in the following three areas for relevant companies: Governance; Climate risk management at companies in carbon-intensive industries or companies receiving shareholder proposals that exhibit significant misalignment with our TCFD disclosure assessment criteria; Human capital management at our largest global holdings."

That second rule came with a footnote listing 36 named GICS sub-industries - electric utilities, integrated oil and gas, steel, airlines, cement, mining and so on - so a company could determine with certainty whether it was in scope. Both the rule and the list are gone. So is the human capital management limb, which had applied to State Street's largest global holdings.

What the 2025 policy says instead

The core climate expectation

2024:

"We believe all companies should provide public disclosures in accordance with the following four pillars of the Taskforce for Climate-related Financial Disclosures (TCFD) framework: Governance, Strategy, Risk Management, Metrics and Targets."

2025:

"For companies that have identified climate risk as material to their business, we expect the company to provide disclosure on climate-related risks and opportunities relevant to their businesses in line with applicable local regulatory requirements and any voluntary standards and frameworks adopted by the company."

Three separate narrowings in one sentence. The expectation now applies only to companies that have themselves decided climate risk is material; the benchmark is whatever local regulation requires; and beyond that, the benchmark is whatever framework the company has already chosen to adopt. A company that has adopted no framework and declared climate immaterial is, on this wording, fully compliant.

The Appendix A criteria moved the same way. In 2024 the climate criteria applied to "all companies" and were structured around the four TCFD pillars, with additional criteria for the defined carbon-intensive list. In 2025 the additional criteria apply "where a company is among the highest emitters" - a phrase the policy does not define.

Say-on-climate: the one supportive sentence was cut

Both editions say State Street does not endorse annual advisory climate votes, and both assess any such vote against the Appendix criteria. But 2024 contained one further sentence that 2025 does not:

2024, deleted:

"We would consider supporting a "Say-on-Climate" shareholder proposal if the company has not provided investors with meaningful climate-related disclosure in line with our expectations, nor signaled the intention to enhance disclosure in the future."

That was the only circumstance in which State Street committed to considering support for a say-on-climate proposal. The technical content on emissions largely survives - both editions encourage Scope 1 and 2 disclosure, decline to be prescriptive on targets, expect interim targets from companies with net zero ambitions, and treat Scope 3 sceptically. What has gone is the

framework anchor and every voting consequence attached to it.

3. Director elections: the mechanical tests

Three more rules that produced predictable, countable outcomes were removed in the same revision.

Overboarding: numerical limits deleted

2024, deleted:

"State Street Global Advisors may take voting action against a director who exceeds the number of board mandates listed below: Named Executive Officers (NEOs) of a public company who sit on more than two public company boards; Non-executive board chairs or lead independent directors who sit on more than three public company boards; Non-executive directors who sit on more than four public company boards."

These applied across a named list of nineteen markets, with carve-outs for mutual fund, UK investment trust and SPAC boards, and a waiver where a director had publicly committed to a time-bound departure. All of it is gone. The 2024 policy also required S&P 500 companies to publish a director time-commitment policy containing a numerical limit, on pain of a vote against the nominating committee chair. That is gone as well. The 2025 replacement reads in full:

2025:

"We believe a company's nominating committee is best placed to determine appropriate time commitments for the company's directors."

Combined chair and CEO: the index rule deleted

2024, deleted:

"We may take voting action against the chair or members of the nominating committee at companies in the following indexes that have combined the roles of chair and CEO and have not appointed a lead independent director: S&P 500, STOXX Europe 600."

Both editions say State Street's focus is "strong independent leadership of the board" and that the board is generally best placed to choose its own structure. In 2024 that came with an outer limit. In 2025 it does not.

Board tenure: the trigger removed

Excessive average tenure

2024:

"We may withhold votes from directors if overall average board tenure is excessive. In assessing excessive tenure, we consider factors such as the preponderance of long tenured directors, board refreshment practices, and classified board structures."

2025:

"We believe that average board tenure should generally align with the length of the business cycle of the respective industry in which a company operates. In assessing excessive tenure, we consider factors such as the preponderance of long tenured directors, board refreshment practices, classified board structures and the business cycle for the industry in which a company operates."

The assessment factors survive - one is even added. The withhold has been removed. This is the pattern throughout the document: State Street kept its analysis and deleted its response.

What survived in director elections

The 75% board meeting attendance expectation is unchanged, and remains one of very few numerical tests left in the policy. The director independence criteria - related-party transactions, employment history, founder status, government representative, excessive tenure, relations with significant shareholders, family ties, cross-directorships, non-board compensation, and the company's own classification - carry over almost word for word, with the note that State Street's criteria "may be more rigorous than applicable local or listing requirements." The proxy contest factors are also carried over, with one addition in 2025: "Expertise of board members with respect to company industry and strategy."

4. Board responsiveness and executive pay

An entire sub-section called "Board Responsiveness to Advisory Votes" was removed. It contained the two rules that connected shareholder votes to director accountability.

2024, deleted:

"We may vote against the re-election of members of the compensation committee if we have serious concerns about remuneration practices and if the company has not been responsive to shareholder feedback to review its approach. In addition, if the level of dissent against a management proposal on executive pay is consistently high, and we have determined that a vote against a pay-related proposal is warranted in the third consecutive year, we may vote against the Chair of the compensation committee."

2024, deleted:

"We may withhold votes from directors of companies that have not been responsive to a shareholder proposal that received a majority shareholder support at the last annual or special meeting."

The second of these mattered a great deal to shareholder proponents. A proposal that wins a majority is advisory; the rule that gave it teeth was the prospect of large index managers voting against directors the following year if the board ignored it. State Street no longer commits to that.

Pay analysis itself: two sentences lighter

Consequences for a misaligned pay report

2024:

"We may oppose remuneration reports where pay seems misaligned with shareholders' interests. We may also consider executive compensation practices when re-electing members of the compensation committee."

2025:

"[both sentences deleted]"

What remains in 2025 is the philosophy - "there should be a direct relationship between executive compensation and company performance over the long term" - and the six assessment criteria (quantum relative to performance, vesting periods, the mix of performance, time and option-based units, special grants and one-time awards, retesting and repricing features, and disclosure). Those are unchanged. The two sentences that said what State Street would do about a bad outcome are not.

5. Shareholder protections: the quiet deletions

Section III lost most of its operative detail too. These changes have had less attention than the diversity and climate ones but they bear directly on takeover defences and audit quality.

Supermajority provisions: no longer addressed

2024, deleted:

"We generally vote against amendments to bylaws requiring super-majority shareholder votes to pass or repeal certain provisions. We generally vote for the reduction or elimination of super-majority vote requirements, unless management of the issuer was concurrently seeking to or had previously made such a reduction or elimination."

The 2025 policy contains no supermajority provision at all. This is a standard ballot item at US companies every season.

Poison pills: the qualifying terms deleted

The 2024 policy set out precisely when it would support an amended rights plan: a minimum 20% trigger, a maximum three-year term, no dead hand, slow hand or no hand features, and a shareholder redemption feature allowing 10% of shares to call a special meeting to rescind the pill if the board refused to redeem it within 90 days of a qualifying offer. The 2025 anti-takeover section is three sentences long and contains none of this:

2025:

"We generally believe shareholders should have the right to vote on reasonable offers. Our approach to anti-takeover issues may vary by local market and jurisdiction, due to regional nuances."

Also dropped: the 2024 statement that State Street "will generally support mandates requiring shareholder approval of a shareholder rights plan" and repeals of anti-takeover provisions.

Auditors: the threshold went, the exception to it stayed

2024, deleted:

"We generally do not support resolutions if adequate breakdown is not provided and/or if non-audit fees are more than 50 percent of audit fees. In addition, we may vote against members of the audit committee if we have concerns with audit-related issues or if the level of non-audit fees to audit fees is significant."

This produces an oddity worth pointing out. The March 2025 policy still carries, word for word, the detailed carve-out explaining when fees relating to IPOs, bankruptcy emergence and spin-offs may be excluded "for purposes of determining whether non-audit fees are excessive." But the sentence that defined excessive - the 50% threshold - has been removed. The exception survives its own rule.

Financial statements: the voting test removed

2024, deleted:

"we may vote against the approval of financial statements if (i) they have not been disclosed or audited; (ii) the auditor opinion is qualified/adverse, or the auditor has issued a disclaimer of opinion; or (iii) the auditor opinion is not disclosed."

2025 retains only the belief that timely reliable financial statements are imperative and that "we expect external auditors to provide assurance of a company's financial condition." This one matters mostly outside the US, where approval of the accounts is a routine ballot item.

Unilateral bylaw amendments, virtual meetings, and two Japan rules

- 2024: "We may withhold votes from directors of companies that have unilaterally adopted/amended company bylaws that negatively impact shareholder rights (such as fee-shifting, forum selection, and exclusion service bylaws) without putting such amendments to a shareholder vote." 2025 keeps the belief that such amendments "should be put to a shareholder vote" and drops the withhold.

- Virtual meetings: the four best practices survive in both editions - equal rights for virtual attendees, time-bound renewal of five years or less, a written record of all questions posed, and compliance with local law. 2024 added: "If a company breaches any of the criteria above, we may vote against the chair of the nominating committee." Deleted in 2025.
- Japanese cross-shareholdings: 2024 said State Street "may vote against the board leader at the TOPIX 500 companies where the 'cross-shareholdings' (strategic listed shares) held by a company exceed 30 percent of the company's net assets," with waiver conditions and 2025 reduction deadlines. 2025 keeps the two-sentence description of why cross-shareholdings are problematic and deletes the rule.
- Dividends: 2024 applied a 30% payout expectation globally and could vote against a payout "if the dividend payout ratio has been consistently below 30 percent without adequate explanation." 2025 narrows the section to "Dividend Payouts (Japan Only)" and removes the vote-against trigger.

One thing got broader

Proxy access was headed "Proxy Access (North America Only)" in 2024. In 2025 the regional restriction is dropped, so the case-by-case approach and the statement that proxy access is "a fundamental right and an accountability mechanism for all long-term shareholders" now apply globally. It is the only genuine expansion in the document.

6. What was added: passivity, and a narrower door for other investors

The March 2025 policy adds very little, and what it does add points in one direction: distance between State Street and any suggestion that it influences the companies it holds.

A new opening declaration

2025, new:

"The State Street Global Advisors Global Proxy Voting and Engagement Policy (the "Policy") contains certain policies that State Street Global Advisors will only apply in jurisdictions where permitted by local law and regulations. State Street Global Advisors will not apply any policies contained herein in any jurisdictions where State Street Global Advisors believes that implementing or following such policies would be deemed to constitute seeking to change or influence control of a portfolio company."

This appears on the first page, before the introduction. The phrase "we do not seek to change or influence control" then recurs in the introduction, in the engagement section and in the description of equity engagements - three times in a document where it previously appeared once, attached only to director elections. This is the same regulatory current that produced BlackRock's new Schedule 13G footnote: US asset managers restating that their stewardship is passive ownership.

Engaging with activists and proponents: a new precondition

Talking to other investors

2024:

"We believe it is good practice for us to speak to other investors that are running proxy contests, putting forth vote-no campaigns, or proposing shareholder proposals at investee companies. However, we generally limit such discussions with investors to one engagement with the proponent unless we believe that it is necessary for us to have a follow-up discussion, and will seek to also engage with the company. We welcome the opportunity to review materials sent in advance."

2025:

"While it may be helpful to speak to other investors that are running proxy contests, putting forth vote-no campaigns, or proposing shareholder proposals at investee companies, we limit such discussions to investors who have filed necessary documentation with regulators and engage in these discussions at our own discretion."

"Good practice" became "may be helpful." A one-meeting norm with an openness to follow-ups became a regulatory-filing precondition plus unfettered discretion. The commitment to review materials sent in advance, and to also engage with the company, is gone. For a shareholder proponent without the resources to make regulatory filings, this closes the door.

Two renamings that say something

- The internal body overseeing stewardship strategy was the "ESG Committee" in 2024. In 2025 it is the "Global Fiduciary and Conduct Committee." Same function, described in near-identical words.
- R-Factor, State Street's own SASB-aligned sustainability scoring system for 12,000 companies, had its own sub-section in 2024 explaining its use in prioritising engagements. It is not mentioned in the 2025 policy at all.
- The "Proxy Voting Program" became the "Proxy Voting Choice Program" - the client-directed voting option, which is unchanged in substance.

7. What did not change

The 2025 policy is not empty, and several important things carry over untouched.

- The three governing principles - effective board oversight, disclosure, and shareholder protection - are unchanged, as is the statement that one share should carry one vote.
- The 75% board meeting attendance expectation.
- The four-part framework for assessing a board's oversight of risk: oversees long-term strategy, demonstrates an effective oversight process, ensures effective leadership, ensures disclosure of material information. Carried over in full, minus the 2024 line expecting disclosure against the four TCFD pillars.
- The director and committee independence criteria, in full.
- The proxy contest evaluation factors, plus one addition.
- The special meeting and written consent threshold of "25% of outstanding shares or less," and the 14-day minimum notice for general meetings.
- Annual elections of the full board and a majority vote standard for director elections.
- The merger and acquisition considerations, related-party transaction expectations, and indemnification position.
- The securities lending recall framework, unchanged word for word.
- Board oversight of geopolitical risk - one of the few 2024 sections that survives verbatim.

And the whole of Appendix A

The assessment criteria for judging shareholder proposals survive across every topic: climate transition plans, methane, nature and biodiversity, human capital management, diversity equity and inclusion, pay equity, civil rights, human rights, political contributions, lobbying (including the \$50,000 trade association disclosure threshold) and trade association alignment. If anything the climate transition plan criteria are more detailed in 2025, covering capital allocation, climate policy engagement, physical risk and stakeholder engagement.

The shape of what is left

State Street will still judge a shareholder proposal against a detailed rubric. What it will no longer do is initiate. In 2024 the policy was a set of standards State Street applied to companies whether or not anyone put a resolution on the ballot. In 2025 it is largely a framework for responding to what other people put in front of it.

The bottom line

This is the most complete rules-to-principles conversion of the three large US index managers, and it happened first.

The chronology is worth holding onto. State Street made these changes in March 2025. BlackRock's comparable revision took effect in January 2026, and Vanguard's in January 2026. Read in sequence, State Street's March 2025 policy looks less like a response to its peers and more like the opening move.

The substance is consistent across all three, but State Street had further to fall because it had committed to more. A policy that named indices and set percentages is a policy a company can fail publicly and measurably - and one an asset manager can be held to publicly and measurably. Removing the numbers removes both exposures at once.

What has not changed is the description of what good governance looks like. State Street still says boards benefit from diverse backgrounds and experiences, still wants climate disclosure where climate risk is material, still wants independent board leadership, still expects directors to turn up, and still maintains one of the most detailed sets of criteria in the industry for assessing what a good climate transition plan or human capital disclosure contains. The change is almost entirely in the enforcement layer.

What to watch

Two things will show whether this changed outcomes. First, State Street's published voting record on nominating committee chairs at companies that would have failed the 2024 diversity and climate tests. Second, whether a 2026 edition restores any of the specificity - at the time of writing, none has appeared in this archive, and the March 2025 document remains the current policy on file.