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## 2026 State Street Investment Management Policy Updates

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## Key Policy Changes:

- **NEW – Appendix A:** Formal U.S. engagement protocol creating a listen-only posture on contested director elections, climate transition plans, emissions targets, Scope 3, and capital allocation discussions with U.S. portfolio companies.
- **NEW – Branding:** Policy renamed from "SSGA" to "SSIM" (State Street Investment Management).
- **Board Composition:** Removal of all specific gender, racial, or ethnic board diversity requirements for U.S. companies. Discussion is now limited to board composition as a range of "knowledge, expertise, experience, and perspectives with a focus on financial performance and oversight of strategy and risk.
- **Compensation and Remuneration:** Added a new explicit factor—company financial performance relative to its GICS sector based on total shareholder return—to its compensation assessment criteria.
- **Disclosure of Material Risks and Opportunities:** Adopts a more holistic materiality-driven approach for disclosure with expectations to align with industry and market peers. No endorsement of TCFD or SASB frameworks.
- **Special Meetings and Written Consent:** Removed the specific 25% threshold requirement.

**State Street Investment Management (SSIM) continues to emphasize its three core principles of 1) effective board oversight, 2) disclosure, and 3) shareholder protection - integrated across all its proxy voting and engagement activities. When applying its core principles across different markets, SSIM shall consider factors such as availability of data, resources, disclosure practices, and the size of its holdings position across client accounts.**

**Summarized below are SSIM's key policy changes to its Global Proxy Voting and Engagement Policy (effective for meetings as of April 1, 2026), related to topics including Board Composition, Compensation/Remuneration, Disclosure of Material Risks/Opportunities, Special Meetings/Written Consent, and Engagement, which may impact SSIM's approach to voting and engagement in the coming year.**

## Introduction of Appendix A: Engagement

- Appendix A has been added to its policy specifically pertaining to SSIM's Asset Stewardship Team engagement with U.S. public portfolio companies both during and outside of proxy season. This Appendix formalizes restrictions on what SSIM's Asset Stewardship Team may or may not discuss with U.S. issuers. SSIM explicitly states their intention is not to seek to influence or change control of any issuer.
- Under Appendix A, the Asset Stewardship Team retains the ability to discuss broad best practices on board oversight, disclosure of material risks, and shareholder protection. However, it explicitly will not:
  - Discuss how it intends to vote on any ballot item, nor its rationale for past votes.
  - Dictate or pressure U.S. companies to adopt or change any policies relating to climate, DEI, sustainability, or fundamental business choices like capital allocation.
  - Engage in discussions implying contingent voting or divestment if a company does not adopt SSIM's viewpoint.
  - Initiate agenda topics—all meeting agendas must be set by the U.S. portfolio company.
- The Appendix further establishes a formal "listen-only" posture during discussions of:
  - Contested director elections.
  - Adoption of a climate transition plan.
  - Adoption of specific emissions reduction targets.
  - Scope 3 emissions (policy, disclosure, or reduction).
  - Changes to the company's capital allocation.

Appendix A directly reflects the SEC's February 2025 guidance clarifying that institutional investors engaging with companies on specific governance or policy matters may trigger **Schedule 13D ("active") status** rather than 13G ("passive") status. This guidance prompted all three major passive asset managers—BlackRock, Vanguard, and State Street—to significantly curtail their engagement postures with U.S. companies. The addition of Appendix A is State Street's most explicit formalization of these constraints to date.

**These changes suggest that SSIM's revised approach to U.S. portfolio company engagement is likely to remain more re-active on the side of SSIM (particularly during proxy season). However, SSIM still expects to engage on topics that the company itself identifies as material, and retains a strong interest in board oversight quality, executive compensation structures, and shareholder rights practices. The key shift is that the companies must now drive the agenda.**

### Branding Change:

The 2026 Policy is issued under the name "State Street Investment Management" (SSIM), replacing the prior "State Street Global Advisors" (SSGA) branding.

**SSIM's core stewardship posture is now framed around fiduciary principles and financial materiality rather than sustainability advocacy. Companies that previously**

**prepared ESG-centric engagement materials for State Street meetings may find a less receptive audience for aspirational ESG narratives not tied to financial outcomes.**

### **Board Composition:**

The 2025 SSGA Policy had already removed specific gender and racial/ethnic diversity requirements from its global board diversity criteria. The 2026 SSIM Policy maintains this direction and goes further for U.S. companies through Appendix A: SSIM

- May not apply specific requirements of gender, racial, or ethnic diversity in connection with U.S. portfolio companies.
- Will not discuss such specific targets or thresholds during engagements with U.S. issuers.

SSIM may still discuss its belief that effective board oversight requires a range of "knowledge, expertise, experience, and perspectives," but this is now framed in non-prescriptive terms. For non-U.S. companies in certain indexes, below-threshold diversity may still trigger case-by-case disclosure review. SSIM has further added that "companies in certain established markets demonstrating underperformance relative to their Global Industry Classification Standard (GICS) sector (based on a total shareholder return metric), will be flagged for review of the company's disclosures related to board composition."

**This change completes the "Big Three" retreat from specific diversity mandates, following BlackRock's 2025 removal of the 30% women-director requirement and Vanguard's softened diversity language. The removal of diversity targets significantly reduces the risk of negative votes against nominating committee chairs. However, this does not remove investor scrutiny of board composition entirely. SSIM may still evaluate nominating committee governance, board refreshment practices, and the adequacy of the board's oversight of its own composition. Companies with long-tenured, homogeneous boards may still face questions—just framed around skills, expertise, and governance process rather than demographic representation.**

### **Compensation/Remuneration:**

- The 2026 SSIM Policy adds an explicit new factor to its executive compensation assessment criteria: the company's financial performance relative to its GICS sector, based on a total shareholder return (TSR) metric.

**The addition of a GICS-sector TSR comparison factor is in line with SSIM's broader 2026 shift toward using sector-relative financial performance as a primary accountability metric across multiple policy areas—including board composition review and oversight of strategy and risk. The explicit inclusion of GICS-sector TSR performance as a factor increases the risk of adverse say-on-pay votes at companies that have underperformed their sector peers, even where pay decisions appear reasonable against a narrower compensation peer group. Companies should assess their TSR performance against their GICS sector classification before**

**and consider articulating why pay decisions are appropriate in the context of sector-relative performance.**

### **Disclosure of Material Risks and Opportunities:**

- Removed prior references stating SSIM expectations for disclosure across a variety of specific topics including Board Oversight of Geopolitical Risks, Board and Workforce Demographics, Human Capital, Lobbying, Say-on-Climate, and other Climate-related Disclosures - such as specific expectations pertaining Scope 1, Scope 2, and Scope 3 emissions targets.
- Added language stating that where a company has identified a topic as material to its business, SSIM will assess the quality of disclosure against its evaluation criteria and peer/industry practice.
- Companies are expected to provide disclosure in line with applicable local regulatory requirements and any voluntary standards they have already adopted.

**This shift mirrors a broader move across the asset management and proxy advisory industry relating to ESG issues. A company that has not publicly disclosed climate, human capital, or other ESG topics as material risks is substantially less exposed to SSIM adverse votes on those topics. For those that have determined a topic is material to their business, their remains the expectation of effective disclosure of material risks in a timely manner.**

### **Special Meetings and Written Consent:**

- SSIM has removed its explicit **25% of outstanding shares ownership threshold** as the benchmark for evaluating special meeting and acting by written consent proposals.

**This change reflects SSIM's shift to apply a more case-by-case approach to evaluate proposals instead of bright-line tests. SSIM is likely to consider a number of company-specific factors, including shareholder ownership, history of responsiveness to shareholder concerns and the overall balance of shareholder rights at the company.**

Links to SSIM's updated 2026 Global Proxy Voting and Engagement Policy alongside their In-House Summary of Material Changes are available here:

[2026 Global Proxy Voting and Engagement Policy](#)

[Summary of Material Changes](#)

If you have questions or comments, please reach out to the authors:

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