



Proxy Advisors Undertook Changes in Response to U.S. Presidential Executive Orders on DEI

March 2025

Subsequent to President Donald Trump's executive orders to roll back diversity, equity, and inclusion (DEI) considerations, top proxy advisors Institutional Shareholder Services (ISS) and Glass Lewis have both undertaken swift responses to this new regulatory change.

ISS: In a February [press release](#), ISS indicated that for shareholder meeting reports published on or after February 25, it will *no longer* consider the gender and racial and/or ethnic diversity of a company's board when making vote recommendations with respect to directors at U.S. companies under its Benchmark and Specialty voting policies.

Glass Lewis: In early March, Glass Lewis conveyed its decision to implement a bifurcated approach to issuing voting recommendations on board elections and DEI-related shareholder proposals at U.S. companies. Beginning March 10, Glass Lewis will apply its U.S. Benchmark and thematic policy guidelines as initially published for the 2025 proxy season. However, all proxy papers for U.S. companies with a director AGAINST vote recommendation due to diversity will carry a "*For Your Attention*" (FYA) flag pointing clients to a supporting rationale they can leverage if they prefer to vote differently.

At this stage, proxy advisors have not indicated changes to their proxy voting guidelines pertaining to the Canadian market. Nevertheless, leading institutional investors Vanguard and BlackRock have already relaxed their proxy voting guidelines with respect to diversity for both U.S. and Canadian markets. For example, **Vanguard's** 2025 [Proxy voting policy for Canadian portfolio companies](#) removed its prior language: "a board should also, at a minimum, represent diversity of personal characteristics, inclusive of at least diversity in gender, race, and ethnicity on the board." Furthermore, the fund also removed its supporting language for "requests for disclosure of the company's approach to board composition, inclusive of board diversity," "the company's adoption of targets or goals related to board diversity," as well as DEI-related shareholder proposals. **BlackRock's** 2025 [Proxy voting guidelines for Benchmark Policies - U.S. securities](#) no longer require diversity targets on boards nor disclosure on approach to board diversity. In its revised policy, BlackRock may consider voting on a case-by-case basis against the nominating/governance committee members if "an S&P 500 company board is an outlier and does not have a mix of professional and personal characteristics that is comparable to market norms." Similarly, BlackRock's [2025 Proxy voting guidelines for Benchmark Policies - Canadian securities](#) adopt the same approach to the S&P/TSX Composite company boards. Looking forward, we expect proxy advisors will engage in further consultations with the Canadian institutional investors after the 2025 proxy season to determine if any changes to their Canadian proxy voting guidelines regarding diversity are warranted.



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