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Key Updates in BlackRock's and Vanguard's 2026 US Proxy Voting Guidelines

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BlackRock and Vanguard have released their proxy voting guidelines for the 2026 proxy season. This alert highlights the key updates in BlackRock Investment Stewardship's (BIS) proxy voting guidelines for US securities and Vanguard Capital Management's (VCM) proxy voting policy for US portfolio companies.

Taken together, the 2026 updates from BIS and VCM largely reinforce the direction of last year's revisions – a stronger emphasis on financial materiality, a further pullback on personal-characteristic-based diversity considerations when assessing board composition, and more neutral, less prescriptive language that underscores a case-by-case evaluative approach. Although both firms have softened certain voting positions, their core policies remain largely unchanged, reflecting continuity in their principles-based approach to proxy voting.

Spotlight on stewardship team splits at BlackRock and Vanguard

Effective for the 2026 proxy season, both BlackRock and Vanguard have split their stewardship teams into two distinct groups, each with their own separate mandates, decision-makers and voting policies. BlackRock's stewardship team is now divided between BIS and BlackRock Active Investment Stewardship (BAIS), while Vanguard's is split between VCM and Vanguard Portfolio Management (VPM). In line with these changes, the firms have issued 2026 voting policies for BAIS and VPM in addition to the BIS and VCM policies discussed in this alert. These structural shifts mean companies should be mindful of which stewardship team they engage, and tailor their outreach to that team's specific voting policies and priorities. Notably, aside from the funds covered, the VCM and VPM policies for US portfolio companies are identical. For most public companies, we expect that the BIS policies will govern most BlackRock votes, given that BIS covers approximately 90% of assets under management, whereas for Vanguard, VCM represents approximately 75%.

BlackRock: What changed in 2026

Universal changes

BIS introduced several notable shifts in tone and framing across its 2026 guidelines. The firm replaced "vote against" with "not support" when describing potential voting actions and generally shifted away from normative phrasing toward more neutral, factual language when characterizing company actions (such as revising "where the board has failed to facilitate" to "where the board has not facilitated"). BIS also updated language throughout its guidelines to emphasize its focus on "financial" value and performance, replacing references to "long-term shareholder value" with "long-term financial value" and clarifying that executive pay should be tied to "operational and financial performance," narrowing the broader "company performance" concept used in prior years, which encompassed both financial and nonfinancial results. In addition, BIS expressly affirms compliance with the Securities and Exchange Commission's February 11, 2025, guidance on Schedule 13G eligibility, stating that it does not engage with companies "for the purpose, or with the effect, of changing or influencing control of any company."

Overboarding

While BIS's numerical overboarding thresholds remain unchanged, the guidelines now state that BIS "may consider the application of our regional voting guidelines" when evaluating directors who serve on non-US public company boards. This replaces prior language indicating that BIS would consider total board commitments "across our global policies." The revised formulation introduces some ambiguity regarding whether non-US limits could influence voting on US boards when directors of US companies sit on non-US boards.

Board composition

BIS removed the term "diversity" from its guidelines and eliminated the S&P 500 board diversity data included last year. The guidelines replace prior references to "diversity" with language like "various experiences, perspectives, and skillsets," and references to "professional and personal characteristics" have been replaced with "qualifications."

Nevertheless, for S&P 500 companies, BIS may not support nominating/governance committee members where the board is a "sustained outlier" relative to market practice in its mix of experiences, perspectives and skill sets. A footnote clarifies that relevant director attributes may include professional background and demographic characteristics such as "gender, race/ethnicity, disability, U.S. veteran status, LGBTQ+ identity, and national, indigenous, religious, or cultural identity." This overall approach is consistent with the 2025 removal of quantitative board diversity tests, in line with broader market practice.

Executive perquisites

BIS now explicitly references executive perquisites in its guidelines, noting that it seeks to understand the rationale for certain benefits, such as security, and whether the compensation committee regularly evaluates their appropriateness.

Sustainability disclosures

BIS replaced its prior transition-narrative framing around climate risk with a more targeted, materiality-driven approach to climate-related disclosures. For companies facing material climate-related risks, BIS notes that it is helpful when they publicly disclose how they intend to deliver long-term financial performance through the low-carbon transition. BIS also reiterates that robust, standardized disclosure helps investors assess how companies manage material sustainability-related risks and opportunities, and it identifies the International Sustainability Standards Board's (ISSB) International Financial Reporting Standards S1 and S2 standards as a useful (though not required) framework, while acknowledging that adoption will vary across markets. Given BlackRock's low support for environmental and social (E&S) shareholder proposals, discussed below, this policy language is likely to have limited, if any, impact on 2026 proxy voting.

Stakeholder impacts

BIS added that it may express concerns about board oversight of material risks related to key stakeholders (employees, business supply chains, clients and consumers, regulators, and the communities in which they operate) through director votes or support for business-relevant shareholder proposals where the board, in BIS's assessment, is not acting in shareholders' long-term financial interests.

Human capital management

BIS removed its expectation that companies disclose their approach to diversity, equity and inclusion practices and their workforce demographics. Instead, to understand a company's approach to managing risks and opportunities associated with human capital, BIS states it finds it helpful when companies disclose matters such as "workforce size, composition, compensation, engagement, turnover, training and development, working conditions and health, safety and wellbeing, among other possible topics." Similar to the above topics, it is unlikely that this policy will have direct impacts on proxy voting for most companies in 2026.

Shareholder proposals

BIS expanded its discussion of shareholder proposals, reaffirming its case-by-case approach and providing further guidance on its evaluative framework. BIS indicates that it assesses whether a shareholder proposal addresses a material risk that may impact a company's long-term financial performance; does not support proposals it views as inconsistent with long-term financial value or that seek to micromanage companies; and considers the legal effect of the proposal, which may be advisory, binding or illegal, depending on the applicable jurisdiction.

BlackRock's 2025 Global Voting Spotlight reported support for fewer than 2% of E&S proposals globally, citing concerns that many lacked economic merit, were overly prescriptive or sought to address risks already being managed by the company. The updated policy language largely reiterates this existing posture and is unlikely to materially affect BIS's support levels in 2026.

Vanguard: What changed in 2026

Universal changes

Across several core topics, including independent board leadership, director accountability and overboarding, VCM removed prior examples illustrating specific items it considers when analyzing those topics. As a result, the 2026 policy presents a more generalized, principles-based articulation of VCM's approach. For example, prior references to specific unilateral board actions or responsiveness failures (such as unilateral actions limiting shareholder rights or "zombie" directors) have been deleted, though such matters will likely continue to be evaluated under VCM's director accountability framework.

Board composition

VCM no longer identifies personal characteristics (such as age, gender or race/ethnicity) as a relevant consideration in assessing board composition. Similar to BlackRock, this approach is consistent with Vanguard's removal of quantitative board diversity language in 2025. In addition, VCM shifted its view on board skills matrices from something companies "should" provide to something they "may" provide.

Overboarding

VCM replaced "will" with "may" when describing potential votes against directors who either serve as a public company executive and sit on more than two public company boards or serve on more than four public company boards. VCM also removed examples of company-specific facts and circumstances that could influence its assessment of an overboarded director.

E&S proposals

VCM's updated discussion on E&S proposals places greater emphasis on financial materiality and removes a prior reference to disclosure frameworks "endorsed or already referenced by VCM's Investment Stewardship program," though the ISSB framework remains cited. Similar to BIS, VCM has not voted for any US E&S shareholder proposals during the last two proxy seasons, and as such, this policy language should not be interpreted as signaling a change in VCM's voting practices.

E&S metrics in incentive plans

When nonfinancial metrics (such as environmental, social and governance metrics) are incorporated into incentive plans, VCM now states that such metrics should demonstrate the same alignment with "shareholder returns" as financial metrics. The policy continues to emphasize rigor, disclosure and alignment with key strategic goals and material risks in its assessment of nonfinancial factors, while adding a clearer focus on financial materiality. This update aligns with prior Vanguard guidance, including its 2023 Do's & Don'ts, which underscored the importance of rigor and relevance in incentive design.

Anti-takeover provisions

VCM replaced "will" with "may" when describing potential support for shareholder proposals seeking to opt out of state-law anti-takeover provisions.

Exclusive forum provisions

VCM removed language indicating that it would consider withholding support from governance committee members when a company unilaterally adopts an exclusive forum provision without a compelling rationale. However, such unilateral action will likely still be evaluated under VCM's director accountability policy, as it was among the examples referenced in the 2025 policy.

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Cooley's corporate governance and securities regulation team is available to help you understand how these revised policies may affect your particular circumstances. If you would like assistance or have any questions, please contact one of the Cooley lawyers listed below.

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