

# Glass Lewis 2025 U.S. Proxy Voting Policies: Key Updates on AI Oversight and Board Responsiveness

NOVEMBER 26, 2024

On November 14, 2024, Glass Lewis (GL), one of the leading proxy advisory firms, unveiled its 2025 U.S. proxy voting policies. These new [guidelines](#) will apply to shareholder meetings starting January 1, 2025. While there are several updates and clarifications to GL's existing policies, two changes stand out: Board oversight of artificial intelligence (AI) and board responsiveness to shareholder proposals.

## **1. Board Oversight of AI: Material Incidents Could Lead to Adverse Vote Recommendations**

Glass Lewis recognizes the rapid growth and integration of AI technologies across businesses and acknowledges the potential for these technologies to drive significant efficiencies and productivity gains when managed properly. However, in the event of a major AI-related incident that harms shareholders, GL will review the company's governance of AI and may recommend voting against directors who have failed to ensure adequate oversight.

In the absence of such incidents, GL will not base its voting recommendations solely on a company's AI governance practices or disclosures. This highlights the need for boards to implement strong AI oversight protocols and ensure that their members possess the necessary expertise to effectively manage AI risks.

## **2. Board Responsiveness to Shareholder Proposals: Engagement and Disclosure with 30%+ Support**

When a shareholder proposal garners significant backing—typically more than 30% but less than a majority—Glass Lewis expects the board to engage with shareholders on the issue and provide clear disclosures regarding the board's response and outreach efforts. This underscores the fact that even when a company “wins” a shareholder proposal vote, the work is not over. Boards may need to take further action to engage with shareholders and ensure transparency about how concerns are being addressed.

We expect to see updated voting guidelines from Institutional Shareholder Services (ISS) and the largest institutional shareholders, such as BlackRock, Vanguard and State Street, later this year or in early 2025, so stay tuned for additional updates.

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