

2026 Stewardship Priorities

NEW YORK STATE COMMON RETIREMENT FUND



New York State Comptroller
THOMAS P. DiNAPOLI

APRIL 2026

The background features a large, light gray watermark of the Seal of the New York State Common Retirement Fund. The seal is circular with a decorative border. At the top, the word "STATE" is written in an arc. At the bottom, the word "FUND" is written in an arc. In the center, a female figure stands holding a staff topped with a bell in her right hand and a scroll in her left. The scroll has the word "EX" visible. The figure is dressed in a long, flowing gown.

The New York State Common Retirement Fund’s Corporate Governance Program actively engages with its public equity portfolio companies to foster the development of robust governance practices while encouraging prudent management of environmental and social factors. The Fund is committed to communicating its priorities in a transparent way to encourage open engagement with our portfolio companies.

Governance, Accountability & Responsible Business Practices

Sound governance, responsible business practices, and sustainable executive compensation programs are imperative to well-functioning companies and the creation of shareholder value. It is essential that companies maintain autonomous boards composed of diverse, well-qualified directors who engage in rigorous oversight and risk supervision. Equally crucial is the thorough disclosure of risks, enabling investors to make informed choices. Effectively managing controversies can demonstrate a company's commitment to addressing concerns transparently and taking proactive corrective actions. By adhering to these practices, companies can attract investment, enhance their reputation, and navigate a dynamic business environment with resilience and sustained integrity.

- **Board independence and accountability:** Advance best practices, including independent leadership and structures that protect shareholder rights.
- **Executive compensation and clawbacks:** Promote sustainable compensation practices aligned with long-term performance, and advocate for enhanced clawback policies that support accountability.
- **Political spending transparency:** Promote comprehensive political spending disclosure so investors can assess risk and alignment with business strategy.

- **Customer impact and controversy management:** Engage companies on governance and accountability related to deceptive business practices, and other practices that may damage relationships with customers, including disclosure of corrective actions and oversight improvements.
- **Differential voting rights and one share, one vote:** Promote shareholder rights and transparency, including engagement on multi-class structures and disclosure of voting results by share class.

The Fund's Proxy Voting Guidelines have been updated for 2026 to: vote against director nominees who serve as the company's Chief Financial Officer; withhold support where reincorporation or jurisdictional changes result in weakened shareholder protections absent a compelling rationale disclosed by the board; enhance expectations and disclosure considerations for related-party transactions, including internal review, approval, and monitoring policies and potential withholds where oversight or disclosure is inadequate.

Workforce Management

A company's ability to establish and maintain constructive relationships with its workers is a hallmark of a company with a sound, sustainable and profitable long-term strategy. Workforce management best practices prioritize the protection of health, safety, fair compensation, reasonable benefits, and the rights of companies' workers. Implementing workforce management best practices can create an engaged and stable workforce that can in turn provide a competitive advantage for companies. Boards and management must play an active role in setting high standards for workforce management and establishing a company culture that values and develops its workforce.

- **Workforce disclosure and oversight:** Promote disclosure of workforce composition, retention, pay equity, and advancement indicators; have board oversight of workplace harassment and discrimination risk.
- **AI and automated algorithmic systems in workforce management:** Engage on transparency, accountability, and governance where algorithmic tools impact pay, scheduling, discipline, or deactivation-type decisions.
- **Freedom of association and labor rights:** Reinforce the Fund's expectations around labor rights and human rights across operations and supply chains.

The Fund's Proxy Voting Guidelines have been updated for 2026 to provide further details on expectations around successful workforce management practices, reporting and disclosure.

Artificial Intelligence (AI) & Cybersecurity

As AI adoption continues to accelerate, organizations must develop comprehensive strategies that address both the opportunities and risks it presents, particularly its impact on cybersecurity. This includes investing in AI-powered security tools while also protecting AI systems themselves from unwanted manipulation. Companies and investment managers must also focus on building AI-literate security teams that provide human oversight, establishing robust governance frameworks for AI deployment, and maintaining human oversight of automated security systems. Success in this new landscape requires a balanced approach that leverages AI's strengths and capabilities while remaining vigilant about its potential security implications and risks.

- **AI governance and transparency:** Encourage adoption of responsible AI policies and transparency regarding AI use in material operations, particularly in sensitive or high-impact functions.

- **Board oversight structures:** Promote clear board-level technology and cyber oversight, including consideration of dedicated expertise or committee structures where appropriate.
- **Cyber governance:** Encourage adoption of board oversight and disclosures that foster resilience through secure-by-design principles and robust incident response/recovery.
- **Infrastructure and workforce disruption risks:** Engage on managing adverse impacts of AI-related infrastructure growth and workforce disruption risks.

The Fund's Proxy Voting Guidelines have been updated for 2026 to describe expectations for responsible AI use, governance, oversight, and safety, including support for proposals seeking transparency reports on AI use and/or adoption of a responsible AI policy.

Climate Change & Environmental Stewardship

Climate change poses physical, transition, and systemic risks to the economy, financial markets, and the Fund's investments, while also creating opportunities in the transition to a low-carbon economy. The Fund remains committed to its goal of aligning the portfolio with net-zero greenhouse gas emissions by 2040, consistent with its Climate Action Plan.

- **Transition plan credibility and implementation:** Engage high-emitting companies on 1.5°C-aligned transition planning, meaningful interim targets, and alignment of strategy and capital allocation with stated climate goals.
- **Physical risk and resilience:** Encourage robust physical climate risk assessment, disclosure of adaptation strategies, and board oversight of climate risk governance.

- **Water risk:** Engage priority companies on water risk assessment, disclosure, and management.
- **Data center growth risks:** Advance disclosure and governance around environmental risks associated with data center growth, including how those risks are properly integrated into risk management and climate transition planning.

The Fund's Proxy Voting Guidelines have been updated for 2026 to provide clarifications on expectations for physical risk management and disclosure of transition and adaptation plans; and added expectations regarding assessment and disclosure of environmental risks of data center growth and integrating those risks into risk management and climate transition planning.

Diversity & Inclusion

A diverse and inclusive workforce is a hallmark of companies with sustainable long-term strategies. Companies can gain a competitive advantage by designing diversity and inclusion initiatives that ensure equal opportunities and inclusive workplaces conducive to attracting and retaining a wide range of talent and expertise. This may include implementing strategies to recruit from the broadest possible pool, investing in inclusive employee benefits, and creating a workplace where everyone can excel and perform to their highest potential. Conversely, companies lacking well designed and properly implemented workplace initiatives that foster diversity and inclusion may put themselves at a competitive disadvantage while exposing themselves to unnecessary risks.

- **Workforce demographic transparency:** Promote comprehensive demographic reporting across the workforce (including EEO-1 type disclosure where appropriate).
- **Pay equity and outcomes:** Encourage pay equity reporting and disclosure of measurable outcomes of D&I programs.
- **Board diversity practices:** Promote inclusive director search practices and disclosure of nomination criteria and processes that generate broad and diverse candidate pools.

The Fund's Proxy Voting Guidelines have been updated for 2026 to provide further details on expectations around diversity and inclusion practices, reporting and disclosure. The guidelines also outline how the Fund determines whether a board is not diverse and/or insufficient efforts have been taken to address diversity.

Background

[Proxy Voting Guidelines \(Updated February 9, 2026\)](#)

[2025 Corporate Governance Stewardship Report](#)

[2025 Climate Action Plan – Update and Progress Report](#)

[New York State Common Retirement Fund’s ESG Strategy](#)

Contact

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Prepared by the Bureau of Corporate Governance | New York State Common Retirement Fund