



ISS (Institutional Shareholder Services)

Locations: Maryland (HQ)

Industries: Commercial and Professional Services

RISK LEVEL:



Medium Risk

View this company on 1792 Exchange: <https://1792exchange.com/company/iss-institutional-shareholder-services/>

DESCRIPTION:

Institutional Shareholder Services (ISS) is Medium Risk. The company often yields to political activism in shaping corporate governance, potentially alienating consumers, dividing employees, and harming shareholders. The company implements race and identity-based policies that replace merit, excellence, and integrity with preferential treatment and outcomes. ISS occasionally embraces corporate initiatives that redirect its central focus from business goals to partisan policies and divisive issues at times. This approach fails to safeguard free exercise, free speech, and free enterprise.

Corporate Weaponization

Has canceled customers, suppliers, or vendors due to their political views or religious beliefs OR Medium Risk corporately boycotts, divests, or sanctions regions, people groups, or industries.

In 2023, Attorney General Paxton and Utah Attorney General Sean Reyes sent a letter to ISS stating it "potentially violated both federal law and their contractual duties". The company allegedly recommend its shareholders to vote outside their best financial interests and to vote for directors based on DEI standards (1). In 2025, the company sued Texas "to block a first-of-its-kind state law limiting their ability to advise shareholders on diversity, environmental and governance practices" (2). The company is a signatory of the Principles for Responsible Investment, incorporating ESG issues into investment analysis, decision-making, and other business practices (3)(4). The company integrates ESG into its business practices. From its Supplier Code of Conduct: Suppliers are required by 2026 to "[Feature] a plan to start reporting Greenhouse gas (GHG) emissions to the Carbon Disclosure Project" and "[obtain] a Carbon Disclosure Project (CDP) Climate Change questionnaire score of at least B, or feature a plan to do so" (5). The company integrates ESG into its proxy voting guidelines. From its 2025 Proxy Voting Guidelines: "Generally vote for resolutions requesting that a company disclose information on the financial, physical, or regulatory risks it faces related to climate change on its operations and investments or on how the company identifies, measures, and manages such risks" (6). The company promotes divisive sex and gender policies. Its Supplier Code of Conduct requires international vendors to include sexual orientation in their nondiscrimination policy (7). However, in 2025, the company joined ADL and JLens (an affiliate of ADL) to recommend its investors to vote against "[anti-Israeli] shareholder proposals" (8).

Charitable giving (including employee matching programs) policies or practices discriminate against charitable organizations based on views or religious beliefs. Lower Risk

ISS does not appear to discriminate against charitable organizations based on views or beliefs (1).

Employment policies fail to protect against viewpoint or other discrimination and/or are ideological in nature.

High Risk

ISS appears to prioritize diversity over merit in its leadership composition proxy voting. From its 2025 Proxy Voting Guidelines: Voters should "Generally vote for requests for reports on a company's efforts to diversify the board" (1). The company also recommends proxy voters to "Generally vote for proposals seeking to amend a company's EEO statement or diversity policies to prohibit discrimination based on sexual orientation and/or gender identity, unless the change would be unduly burdensome" (2). The company does not provide viewpoint protections for its employees (3). The company had a history of recommending shareholder voters to vote "against or withhold from the chair of the nominating committee (or other directors on a case-by-case basis) where the board has no apparent [gender,] racially or ethnically diverse members". However, in February 2025, the company pledged to "indefinitely [halt] the consideration of the [gender,] racial and/or ethnic diversity of a company's board when making vote recommendations" (4)(5)(6).

Corporate Governance and Public Policy

Uses corporate reputation to support causes, organizations, or policies hostile to freedom of expression.

Medium Risk

ISS recommends its proxy voters to vote for carbon emissions reporting. From its 2025 Proxy Voting Guidelines: Voters are recommended to "Generally vote for proposals requesting a report on greenhouse gas (GHG) emissions from company operations and/or products and operations" (1). The company supports ESG proxy voting within its business practices. From its 2025 Proxy Voting Guidelines: Voters should "Vote case-by-case on proposals seeking a report or additional disclosure on the company's approach, policies, and practices on incorporating environmental and social criteria into its executive compensation strategy" (2). Otherwise, there are no publicly known cases of the company using its reputation to advance ideological causes or policies (3).

Uses corporate funds to advance ideological causes, organizations, or policies hostile to freedom of expression.

Lower Risk

ISS has not used corporate funds to advance ideological causes, organizations, or policies (1).

Uses corporate political actions and/or financial contributions for ideological, non-business purposes.

Lower Risk

ISS does not operate a PAC at this time and has not used its lobbying for ideological purposes (1)(2)(3).

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