



US Sustainable Investment Forum

Bryan McGannon, Managing Director of US Sustainable Investment Forum (US SIF), made the following statement:

The announcement on Monday by the Division of Corporation Finance essentially suspends the no-action process for the 2025-2026 proxy season. Issuers will be free to exclude most proposals without evaluation from the Corp Fin with their only obligation being to notify the Division that they intend to exclude a proposal.

The shareholder proposal process is a critical tool for investors to guard investment value from material risks and to protect the American public from corporate misconduct and egregious behavior.

The shareholder's right to place proposals on the proxy, and the freedom to express a collective voice by voting on such proposals, are part of the social and legal compact between investors and companies that maintains the trust needed for capitalism to thrive. This trust has resulted in the US becoming the largest and most envied capital market in the world.

Taking away the right to have shareholder proposals on the proxy will leave shareholder proponents with only costly and onerous options such as suing the issuers, books and records requests and voting against board directors.