INTERFAITH CENTER ON CORPORATE RESPONSIBILITY

09.01.26

The SEC has announced plans to rescind Rule 14a-8, which governs the submission of shareholder proposals, in an upcoming rulemaking. In response, Josh Zinner, CEO of the Interfaith Center on Corporate Responsibility (ICCR), issued the following statement:

"This SEC's announcement of its intent to rescind the obligation of companies to include shareholder proposals in their proxy statements is an attack on the fundamental rights of shareholders and the decades of precedent that has facilitated productive engagement between investors and companies. The move by the SEC also comes in the context of broader attacks on corporate accountability mechanisms that create sensible guardrails on corporate conduct for the benefit of the public.

Investors focused on safeguarding the long-term value of their holdings have used the shareholder engagement process as a key instrument for constructive dialogue between shareholders and executives for over 50 years. These engagements have led to many commonplace improvements in corporate risk mitigation and governance policies now considered best practices in a wide range of industries.

This unprecedented challenge to the rights of shareholders has created an all-hands-on-deck moment for investors, who we expect will respond vigorously to the SEC's attempt to remove a rule adopted eight decades ago to protect investors and ensure sound corporate governance and accountability. ICCR, together with our members and partners, is committed to taking steps to prevent the SEC from abdicating its investor protection mandate, and is actively considering multiple options."