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New SEC Restrictions Leave Shareholders No Choice But to Vote Against Directors to Voice Concerns about Company Behavior

In response to the SEC's new rules restricting shareholder resolutions, Eli Kasargod-Staub, executive director of Majority Action, a nonprofit shareholder advocacy organization, made the following statement:

> *"The SEC's decision to limit shareholders' ability to file non-binding resolutions undermines the basic tenets of shareholder democracy, resulting in the shielding of corporate executives from accountability on climate change, racial justice, and other issues of critical importance at a time when oversight is needed most.*
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> *Shareholder discontent with corporate irresponsibility in the face of the escalating systemic risk of climate change is only going to grow, particularly as companies across climate-critical industries fail to address these undeniable and undiversifiable risks.*
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> *Shareholder resolutions have been a collaborative way for investors to raise their concerns to the companies they own through an advisory approach. Though the SEC has undermined the shareholder resolution mechanism, these draconian new rules will not succeed in silencing long-term investors. If shareholders cannot address their concerns through resolutions, they will have no alternative but to vote their shares against directors to express their discontent over corporate behavior that threatens their portfolios and the financial system at large."*

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