

## **Boston Trust Walden Supports Investor Action to Overturn SEC Rule Revision that Curtails Shareholder Rights**

Boston, MA (June 15, 2021)—Today investors filed a complaint in the U.S. District Court for the District of Columbia challenging the Security and Exchange Commission (SEC’s) recent changes to the 14a-8 rule governing the filing of shareholder proposals. The complaint seeks a judgment declaring the SEC’s final rule, promulgated under the prior administration, unlawful under the Administrative Procedure Act.

For decades, the 14a-8 rule has proven to be an effective process for shareholders to provide useful input to company management and boards of directors. In September 2020, the SEC imposed a new rule sharply restricting shareholders’ ability to submit proposals, asking companies to consider additional disclosures, policies, or governance changes. While the SEC positioned the new rule as a cost-savings measure, the plaintiffs argue that it significantly undermines shareholder rights—particularly the rights of long-term investors—and are seeking to have the rule vacated. See the press release issued by the lead plaintiff, the Interfaith Center on Corporate Responsibility (ICCR), [here](#). Boston Trust Walden supports this action along with a large community of institutional investors representing trillions of dollars in assets.

Boston Trust Walden is an investment management firm with a 45-year history of leadership in active ownership that is committed to ensuring the shareholder resolution process is fair and reasonable. It views the suit as essential to protecting shareholder rights and it encourages the SEC to put a stay on its implementation of the new rule while the suit is being adjudicated.

Boston Trust Walden has utilized the shareholder resolution process to promote more sustainable business policies and practices since filing its first resolution in 1987. Over the past three decades, Boston Trust Walden has filed more than 500 shareholder resolutions on an array of issues, including climate risk, equality, and executive compensation—with more than 40% withdrawn with negotiated agreements. The firm believes engagement with companies has a meaningful and positive impact on company decision-making.

“As long-term investors, we seek to foster more sustainable and resilient businesses. We encourage companies to address ESG risks that have the potential to significantly erode long-term shareholder value,” said Amy D. Augustine, Director of ESG Investing. “Engagement with companies has led to an impressive track record of improved corporate oversight and management of material risks. Evidence abounds in this proxy season alone, in which dozens of proposals were withdrawn as a result of negotiated agreements between company management and shareholders. This suit is essential to keeping the former process intact.”

Boston Trust Walden’s support of this suit is a continuation of its decades-long advocacy at the SEC. “Boston Trust Walden has been a vigorous champion of shareholder rights for many years,” said Tim Smith, Director of ESG Shareowner Engagement. “In 1993, our company (then named United States Trust Company of Boston) was a plaintiff in a [suit against the SEC](#) for a violation of the Administrative Procedural Act stemming from a new, more restrictive interpretation of proxy rules. Nearly thirty years later investors are again compelled to turn to the courts to protect our rights as shareowners.”

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### **About Boston Trust Walden**

Boston Trust Walden is an independent, employee-owned firm with a 45-year track record of authentic commitment to impact investing. It seeks to advance solutions to the world’s most urgent sustainability challenges by engaging portfolio companies directly, voting proxies responsibly, advocating for smart public policy, and contributing to industry best practices related to climate, equality, and governance.