

Scott Foglietta and Prue Brady Examine Implications of SEC Policy Shift for Institutional Investors in *Pensions & Investments*

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BLB&G Partner Scott Foglietta and Associate Prue Brady examine the implications of the Securities and Exchange Commission's ("SEC") ESG policy shift for investors in the article "Shareholder engagement or 'influencing control' — the SEC's new guidance on active engagement," [published](#) by *Pensions & Investments*.

The authors highlight the SEC's new guidance on Schedule 13G filings, noting changes for large investors engaging with public companies on ESG issues. They explain that the new interpretation broadens what qualifies as "exerting pressure" on management, emphasizing this shift may deter open shareholder dialogue and discourage investors from acquiring large stakes in companies due to increased compliance risks. They conclude by weighing options for large investors that still wish to engage with companies on ESG issues, including to limit ownership below five percent, embrace more burdensome Schedule 13D reporting, or adjust engagement strategies to avoid potential enforcement actions.