



September 12, 2022

Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549-1090

Via Email at [rule-comments@sec.gov](mailto:rule-comments@sec.gov)

Re: File Number S7-20-22

Dear Madam Secretary:

Trillium Asset Management offers investment strategies and services that seek to advance humankind towards a global sustainable economy, a just society, and a better world. For nearly 40 years, the firm has been at the forefront of ESG thought leadership and draws from decades of experience focused exclusively on responsible investing. Devoted to aligning stakeholders' values and objectives, Trillium combines impactful investment solutions with active ownership. The firm delivers equity, fixed income, and alternative investments to institutions, intermediaries, high net worth individuals, and other charitable and non-profit organizations with the goal to provide positive impact, long-term value, and "social dividends". As of 6/30/2022 Trillium managed \$4.4 billion in assets and \$900 million in model assets.

At Trillium, we consider it fundamental to our mission and our fiduciary responsibility to engage with the companies that we hold on behalf of our clients and policymakers to press for positive change on ESG topics or opportunities that we believe will help improve ESG policies, performance, or impact. This approach has involved the regular use of shareholder proposals for decades.<sup>1</sup> In the most recent filing season Trillium filed 24 shareholder proposals on a variety of topics including racial justice, climate change, paid sick leave, political contributions, and toxic chemical policies.<sup>2</sup> As is evident from these referenced websites, this level of shareholder proposal use and subject matter is typical for Trillium over the past 20 years. We find shareholder proposals to be extremely useful in furthering positive developments with the companies with whom we engage.<sup>3</sup> Also, as a firm that votes in favor of many environmental, social, and governance shareholder proposal we find value in the act of reviewing, considering, and voting on shareholder proposals.<sup>4</sup>

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<sup>1</sup> <https://archive.trilliuminvest.com/shareholder-proposals/>

<sup>2</sup> [https://archive.trilliuminvest.com/shareholder-proposals/?wpcf-year%5B%5D=2022&wpv\\_aux\\_current\\_post\\_id=21702&wpv\\_view\\_count=21707-TCPID21702](https://archive.trilliuminvest.com/shareholder-proposals/?wpcf-year%5B%5D=2022&wpv_aux_current_post_id=21702&wpv_view_count=21707-TCPID21702)

<sup>3</sup> <https://www.trilliuminvest.com/esg/advocacy-policy>

<sup>4</sup> <https://www.trilliuminvest.com/esg/advocacy-policy#Proxy>

### Substantial Implementation

Trillium is supportive of the proposal to revise rule 14a-8(i)(12), substantial implementation, by establishing that a proposal will be considered substantially implemented if “the company has already implemented the essential elements of the proposal.” We believe this makes the rule less vague and will promote efficiency and clarity by focusing issuers and proponents on the “essential elements” of the shareholder proposal. Rather than the current standard of “essential purpose”, which leaves significant room for subjective interpretations by proponents, issuers, and CorpFin staff, this proposed rule, by encouraging proponents to identify and articulate the essential elements of the shareholder proposal will certainly lead clearer language and less opportunities for confusion.

### Substantial Duplication

Trillium is supportive of the proposal to revise rule 14a-8(i)(11), substantial duplication, to permit exclusion of a later-received proposal if it “addresses the same subject matter and seeks the same objective by the same means.” We believe the current rule, which employs a standard of the “principal thrust or focus” of the two proposals to decide if they are duplicative, allows for too much subjectivity as issuers can use the vagueness of the current standard to try and redefine the proposal in a no-action request. This puts the staff in impossible situation whereby they try to suss out additional meaning beyond the plain text of the proposal. The current rule is also problematic because it incentivizes extremely early filing of shareholder proposals in order not to be the later-received proposal subject to the currently vague rule. Trillium has felt this pressure on numerous occasions, particularly as so-called anti-ESG shareholder proposals that apparently seek to mimic authentic shareholder proposals have created confusion in this space.

### Resubmission

Trillium is supportive of the revision to the resubmission portion of the rule which largely tracks the revisions proposed for rule 14a-8(i)(11). We are supportive for the same reasons related to our concerns about what we believe is the vagueness and subjectivity of the current rule.

### Conclusion

Finally, we would observe that these proposed changes to the rule, in creating a more efficient and predictable process, are likely to reduce the no-action letter costs for both issuers and proponents. We believe the current rule incentivizes issuers to make increasingly baroque arguments in their no-action requests. Similarly, we believe that the current rule incentivizes proponents to rush to file proposals and to devote resources to responding to the gaming of the system led by other proponents. The proposed

amendments to the rule appear well designed to address these problems and while doing so seem likely to reduce the amount of time, resources, and money devoted to the no-action letter process.

For the reasons provided above, Trillium fully supports the adoption of the proposed rule.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jonas Kron', with a long horizontal flourish extending to the right.

Jonas Kron  
Chief Advocacy Officer