



Via email to rule-comments@sec.gov

September 12, 2022

Vanessa A. Countryman
Secretary Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

RE: Substantial Implementation, Duplication, and Resubmission of Shareholder Proposals Under Exchange Act Rule 14a-8 (File No. S7-20-22)

Dear Ms. Countryman:

On behalf of Domini Impact Investments, I welcome the opportunity to provide this comment letter in response to the Notice of Proposed Rulemaking “Substantial Implementation, Duplication, and Resubmission of Shareholder Proposals Under Exchange Act Rule 14a-8” (File No. S7-20-22) (“Proposal”).

As an impact investor, Domini expresses support for the Proposal, as it is an important step in providing investors and companies more clarity on three exclusions included in Rule-14a-8: substantial implementation, duplication, and resubmission. The Proposal will enhance our ability to evaluate proxy items, vote proxies, and submit shareholder proposals.

Domini seeks to identify investment opportunities for each Domini Fund that create positive environmental and social outcomes for people and the planet while seeking competitive financial returns (“Impact Investing”). All of the investment and/or eligibility selections made by Domini are based on the evaluation of environmental and social factors, including the core business in which a company engages and/or how a company treats its key stakeholders, such as customers, employees, suppliers, ecosystems, local, national and global communities, and/or investors (“environmental and social factors”). Domini’s analysis generally includes studying the company, issuer or bond, its industry, products and services, and/or competitors, and with respect to companies that demonstrate a commitment to sustainability solutions, financial criteria, and/or quality of a company’s management practices. Domini votes proxies on behalf of its Funds using voting guidelines that are aligned with the Domini Impact Investment Standards. When appropriate, Domini may engage in dialogue with the management of companies or issuers encouraging them to address the environmental and social impacts of their operations. Domini may seek to raise issues of environmental and social performance with the management of certain companies through proxy voting, dialogue with management, and/or by filing shareholder proposals on behalf of a Fund, where appropriate. We have filed over 300 shareholder proposals.

The shareholder proposal rule (Rule 14a-8 of the Securities Exchange Act of 1934) is a vitally important, market-based mechanism for shareholders to communicate with boards, management, and other shareholders on important corporate governance risks as well as social and environmental issues that are not being properly addressed. For decades, the shareholder proposal process has been one of the most

visible and effective ways in which investors can practice active ownership. It provides shareholders the ability to file resolutions at companies' annual meetings. As engagement and the subject matter of investor dialogue and proposals has become more mature and evolved to meet the current state of corporate practice and investor expectations on social and environmental matters, the room for interpretation of the shareholder proposal process has, at times, created some inefficiency and limited the ability of investors to pursue multiple strategies to achieve the appropriate goal. Domini supports the Proposal and changes with respect to substantial implementation, duplication, and resubmission, which we believe will enhance certainty and transparency in the no-action process and enable proponents to express differing objectives and perspectives in the shareholder proposal process, enhance predictability, and reduce subjectivity.

Considering our role as a proponent of shareholder proposals, the Proposal may enhance the efficiency, effectiveness, and impact of our engagement process and reduce uncertainty associated with shareholder proposal filing. The increased clarity on the rules governing "substantial implementation" which are contemplated in the Proposal will enable us to draft clear, effective, and specific proposals on the topics we may seek to address in a proposal. In our experience, this may allow us to refine our approach and influence the types of proposals that we write and may reduce the likelihood of a time-consuming and ineffective no-action process, where the lack of consistency and clarity on the rules may lead to vastly different interpretations between issuers and proponents on what constitutes "substantial implementation". Clear guidelines to distinguish between "multiple proposals" will enhance our ability to file proposals that are additive to our engagement, without the risk of duplication of another proposal that may seek a different objective or action through a different means. Finally, on "resubmission", the Proposal will likely enhance our ability to submit proposals in subsequent years on a similar subject matter (e.g. human capital management or climate change), but file a proposal that addresses a different request (e.g. disclosure v. policy adoption) or means to achieve that request (e.g. designate appropriate committee for board oversight v. disclose progress over time). The ability to choose the appropriate subject and strategy in a proposal will enhance the effectiveness of the shareholder proposal process in communicating with companies, other shareholders, and achieving our engagement objectives.

In our role in proxy voting, Domini has proxy voting guidelines to guide our voting practices and has effective systems in place. We already evaluate and vote on shareholder proposals and have an efficient process, so if the Proposal may lead to an increase in the number of shareholder proposals considered on a ballot, any costs associated with the Proposal are expected to be marginal. The Proposal may also provide increased opportunities to vote on proposals that are on a similar general subject (e.g. climate change or racial justice), but have different strategies, considerations, timelines, and motivations, which might otherwise be at risk of being omitted if they address similar subject-matter. This may enable us and other shareholders to support either more ambitious or more measured progress, and will likely thereby improve the interpretative value on a vote on a proposal. For example, a higher vote on a proposal requesting time-bound science-based GHG emission targets over a proposal requesting intensity GHG emission targets, will enable a company to understand that its shareholders support ambitious science-based climate action. If only one of the proposals were permitted, a company may only be able to draw the conclusion that some (regardless of ambition or quality) action on climate change is supported. The benefits of choice on these proposals, to both shareholders and issuers, outweighs any marginal cost

associated with voting on multiple proposals at one issuer. This may also enable us to develop finer points to inform our proxy voting guidelines in support of our Impact Investment Standards.

The SEC should move to finalize these sensible amendments to Rule 14a-8. These changes will make the shareholder proposal process more efficient, objective, and predictable.

We thank you for the opportunity to comment and for your attention to this important matter.

Sincerely,

Carole Laible
Chief Executive Officer
Domini Impact Investments LLC