

September 12, 2022

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

Re: Proposed rule on 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 the Union of Concerned Scientists (UCS), we are writing in support of the Proposed Rule on Substantial Implementation, Duplication, and Resubmission of Shareholder Proposals Under Exchange Act Rule 14a-8 proposed by your agency on July 13, 2022.

With the support of half a million scientists and members, UCS is the leading science-based nonprofit working for a healthy planet and a safer world. We are also an institutional investor. UCS researches and educates the public about the dangers of climate change, including the unequal burdens borne by people of color and low-income communities. We also advocate for building resilience to climate change through actions taken at every level of government, as well as within the U.S. financial system. As an active member of several networks of sustainable and responsible investors, UCS provides scientific advice and analysis to shareholder advocates to promote climate action and corporate transparency.

The shareholder resolution process is a critical part of investor engagement and corporate governance and, therefore, the economy. Shareholder proposals bring concerns to light before they become crises that erode shareholder value, increase reputational risk, and harm communities. Issues that stand at the forefront of today's market considerations, such as climate change and corporate transparency on lobbying and political spending, began as shareholder proposals with only modest support.

Since the adoption of the Paris agreement in 2015, shareholder proposals calling for improved climate disclosure have won majority support in sectors such as electric utilities and oil and gas. These resolutions have contributed in some cases to more comprehensive reporting and more ambitious corporate commitments. For example, shareholder resolutions compelled ExxonMobil to disclose lobbying activities and expenditures as well as its oversight process for lobbying decisions.¹

¹ Mulvey, K. 2019. "Votes of No Confidence in ExxonMobil's Climate Leadership." The Equation (blog). June 4. <https://blog.ucsusa.org/kathy-mulvey/votes-of-no-confidence-in-exxonmobils-climate-leadership/>; Peterson, L. 2022. "ExxonMobil Shows its Lobbying Hand but Hides Some Cards," The

As investors and scientists working in the public interest, we have observed and participated in the resolution process over several years. We have seen companies try to exclude legitimate resolutions from their proxy statements, and opposed rules imposed by the previous administration that would severely limit shareholder rights, curtail corporate action on environmental, social, and governance (ESG) issues, and move corporate engagement with shareholders backwards. By clarifying the parameters of these exclusions, the current proposed rule will result in stronger resolutions, fewer no-action letters, and fewer discretionary decisions by SEC staff. These results are a win-win for investors, companies, and the public.

Sincerely,

A handwritten signature in cursive script that reads "Laura Peterson".

Laura Peterson

Corporate Analyst & Advocate

Union of Concerned Scientists