



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

Submitted electronically via rule-comments@sec.gov

Re: File No. S7-20-22

October 3, 2023

Dear Chairman Gensler,

We write in support of the proposed rulemaking on Substantial Implementation, Duplication, and Resubmission of Shareholder Proposals Under Exchange Act Rule 14a-8.

Tara Health Foundation is dedicated to improving the health and well-being of women and girls through the creative use of philanthropic capital. Over the past four years, Tara Health has filed shareholder proposals at a number of the companies it invests in. Many of these proposals are successful, with productive negotiations resulting in withdrawals.

However, we write today concerning an existing issue with the duplication and resubmission exclusions under 17 CFR § 240.14a-8 (“Rule 14a-8”). Currently, under the duplication exclusion rule, shareholders risk having their proposals excluded if another proponent first files a proposal that could arguably have the same, subjective “principal thrust or focus.” Other comments have noted that the current rules create an incentive for a “race to file” and also allows for the potential gaming of the system. A shareholder could file a proposal with the sole purpose of “blocking” a proposal they disagree with from being submitted that proxy season, or even the next proxy season if their “blocking” proposal gets sufficiently low votes. We echo those concerns and provide an illustrative case example from our 2022 proxy season, below.

Case Example

In 2021, we filed a shareholder proposal at Pfizer, Inc. asking for increased transparency related to the Company’s political spending. In our proposal, we included examples of Pfizer’s political contributions which, in our view, misalign with the company’s publicly stated values and interests. These include contributions to politicians who opposed the Affordable Care Act, access

to reproductive health care, and measures to oppose climate change. The proposal was strongly supported by investors, receiving 47.23% of the shareholder vote.

Building upon that strong support and the continued need for disclosure, we resubmitted the proposal for Pfizer's 2022 proxy ballot.

Prior to our resubmission, the National Center for Public Policy Research ("NCCPR") filed a proposal that used the exact resolved clause of our 2021 proposal for the 2022 ballot. The non-resolved clause portions of the proposal forwarded an entirely different slate of concerns, at least one of which stood in direct opposition to our proposal's stated concerns about Pfizer's support for anti-choice politicians and political organizations conflicting with its position as a manufacturer of a widely used abortifacient.

NCPPR's 2022 proposal received 10.41%. Given NCPPR's exact replication of our 2021 resolved clause, it is only logical to conclude that the dramatic dropoff in support is attributable to the issues championed by NCPPR (such as its anti-choice stance, and accusation that Pfizer has supported legislation that affirms "facial discrimination against white and male employees.")

Due to concerns regarding the duplication exclusion rule as currently stated, we withdrew our proposal. Had the proposed rulemaking been in effect, our proposal likely would have remained on the proxy statement and investors would have had a choice between our proposal and the less popular NCPPR proposal. (It is also likely that NCPPR would not have filed the duplicative proposal to begin with.) Investors were effectively deprived of demonstrating their support again for a highly popular proposal.

Notably, NCPPR has acknowledged that it intentionally files duplicative proposals in order to keep proposals it disagrees with off the ballot. In a March 2023 article for Responsible Investor,¹ Scott Shepard, fellow at the NCPPR, referred to this method as "blocking proposals." He explained: "One of the reasons everybody engages in these shareholder proposals is to influence companies to move in the way that the proposals want. We think that a lot of the left-of-centre proposals are bad ideal, so if we can keep one of them off, or at least keep the rhetoric in our direction, [we will]."

Shepard went so far as to admit that the proposed rule change would hinder NCPPR's ability to file these blocking proposals but stated that they have "lots of other tactics."² Even from NCPPR's perspective, the current rule allows for this blocking tactic. Rule 14a-8 was implemented to allow for the consideration of serious shareholder proposals. The proposed rule

¹ Responsible Investor, "'Anti-ESG proposals' up 60 percent this year, despite low support in 2022" Paul Verney (March 27, 2023) accessible at: <https://tinyurl.com/4u8ederf>

² *Id.*

would help to reduce the gamesmanship that appears to be the driving if not sole motivation of NCPPR and its potential imitators.

We ask that the Commission adopt the proposed rule change to protect investor rights, reject the current incentive to “race to file” proposals as quickly as possible, and discourage gaming of the shareholder proposal system.

Sincerely,

A handwritten signature in black ink, enclosed in a dashed rectangular box. The signature appears to read "Ruth Shaber".

Dr. Ruth Shaber
Founder and President, Tara Health Foundation