



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

March 9, 2023

Allison C. Handy  
Perkins Coie LLP

Re: PACCAR Inc (the "Company")  
Incoming letter dated December 23, 2022

Dear Allison C. Handy:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by Calvert Research and Management for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Proposal requests that the board of directors annually conduct an evaluation and issue a report describing if, and how, the Company's lobbying and policy influence activities (both direct and indirect through trade associations, coalitions, alliances, and other organizations) align with the goal of the Paris Agreement, and how the Company plans to mitigate the risks presented by any misalignment.

We are unable to concur in your view that the Company may exclude the Proposal under Rule 14a-8(i)(10). Based on the information you have presented, it appears that the Company's public disclosures do not substantially implement the Proposal.

Copies of all of the correspondence on which this response is based will be made available on our website at <https://www.sec.gov/corpfin/2022-2023-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: Stu Dalheim  
Calvert Research and Management

Allison C. Handy  
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D. +1.206.359.3295  
F. +1.206.359.4295

December 23, 2022

**VIA E-MAIL**

Office of Chief Counsel  
Division of Corporation Finance  
Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549

**Re: *Shareholder Proposal Submitted by Calvert Research and Management Pursuant to Rule 14a-8 Under the Securities Exchange Act of 1934, as Amended***

Ladies and Gentlemen:

This letter is to inform you that our client, PACCAR Inc (the “**Company**”), intends to omit from its proxy statement and form of proxy for its 2023 Annual Meeting of Stockholders (collectively, the “**2023 Proxy Materials**”) a shareholder proposal (the “**Proposal**”) and statements in support thereof received from Calvert Research and Management (the “**Proponent**”).

Pursuant to Rule 14a-8(j), we have:

- submitted this letter to the Securities and Exchange Commission (the “**Commission**”) no later than eighty (80) calendar days before the Company intends to file its definitive 2023 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponent.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“**SLB 14D**”) provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the staff of the Division of Corporation Finance (the “**Staff**”). Accordingly, we are taking this opportunity to inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should be furnished concurrently to the undersigned pursuant to Rule 14a-8(k) and SLB 14D. The Company intends to file its 2023 Proxy Materials with the Commission on or about March 15, 2023.

## THE PROPOSAL

The Proposal is set forth below:

RESOLVED: Shareholders request that the Board of Directors annually conduct an evaluation and issue a report (at reasonable cost, omitting confidential or proprietary information) describing if, and how, PACCAR Inc. lobbying and policy influence activities (both direct and indirect through trade associations, coalitions, alliances, and other organizations) align with the goal of the Paris Agreement to limit average global warming to “well below” 2°C above pre-industrial levels, and to pursue efforts to limit temperature increase to 1.5°C, and how PACCAR plans to mitigate the risks presented by any misalignment. In evaluating the degree of alignment, PACCAR should consider not only its policy positions and those of organizations of which PACCAR is a member, but also the actual lobbying and policy influence activities.

A copy of the Proposal, including the accompanying supporting statement, as well as related correspondence from the Proponent, is attached to this letter as Exhibit A.

## BASIS FOR EXCLUSION

The Company respectfully requests that the Staff concur with its view that the Proposal may be excluded from the 2023 Proxy Materials pursuant to Rule 14a-8(i)(10) because it has been substantially implemented.

## ANALYSIS

**The Proposal May Be Excluded Under Rule 14a-8(i)(10) Because It Has Been Substantially Implemented.**

### ***A. Guidance Regarding Substantial Implementation.***

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal from its proxy materials if the company has substantially implemented the proposal. The Commission stated in 1976 that the predecessor to Rule 14a-8(i)(10) was “designed to avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management.” *Exchange Act Release No. 12598* (July 7, 1976). Originally, the Staff narrowly interpreted this predecessor rule and granted no-action relief only when proposals were “‘fully’ effected” by the company. *Exchange Act Release No. 19135* (Oct. 14, 1982). In 1983, the Commission recognized that a formalistic application of the rule requiring full implementation “defeated [the rule’s] purpose” because proponents were successfully convincing the Staff to deny no-action relief by submitting proposals that differed from existing company policy by only a few words. *Exchange Act Release No. 20091* (Aug. 16, 1983) (the “**1983 Release**”). Therefore, in the 1983 Release, the Commission adopted a revised interpretation of the rule to permit the omission of proposals that had been “*substantially* implemented.” *Id.* (emphasis added). The Commission codified this revised interpretation in *Exchange Act Release No. 40018* (May 21, 1998).

The Staff has provided no-action relief under Rule 14a-8(i)(10) when a company can demonstrate it has satisfied the “underlying concerns” and “essential objectives” of a shareholder proposal and thus has “substantially implemented” the proposal. *See, e.g., Quest Diagnostics, Inc.* (Mar. 17, 2016); *Exelon Corp.* (Feb. 26, 2010); *Anheuser-Busch Companies, Inc.* (Jan. 17, 2007); *ConAgra Foods, Inc.* (July 3, 2006); *Johnson & Johnson* (Feb. 17, 2006); *Talbots* (Apr. 5, 2002); *Masco Corp.* (Mar. 29, 1999); *The Gap, Inc.* (Mar. 8, 1996). The Staff has noted that a “determination that the company has substantially implemented the proposal depends upon whether [the company’s] particular policies, practices and procedures compare favorably with the guidelines of the proposal.” *Walgreen Co.* (Sept. 26, 2013); *Texaco, Inc.* (*avail.* Mar. 6, 1991, *recon. granted* Mar. 28, 1991). However, a company is not required to take the exact action requested by the proponent or implement the proposal in every detail, but a company is permitted to exercise discretion in determining how to implement a proposal. *See, e.g., Salesforce.com, Inc.* (Apr. 20, 2021); *Apple Inc.* (Dec. 17, 2020); *Wal-Mart Stores, Inc.* (Mar. 25, 2015); *Entergy Corp.* (Feb. 14, 2014); *Duke Energy Corp.* (Feb. 21, 2012); *Exelon Corp.* (Feb. 26, 2010).

Applying these standards, the Staff has consistently concurred with the exclusion of shareholder proposals that, like the Proposal, request a report containing information that a company has already publicly disclosed, even if not issued in the form of a report in response to a proposal. *See, e.g., Exxon Mobil Corporation* (Mar. 20, 2020) (concurring with the exclusion of a proposal requesting that the company issue a report describing its plans to align its operations and investments with the goal of maintaining global temperature rise well below 2 degrees Celsius, where the company published an annual energy and carbon summary report addressing the topics raised in the proposal); *PPG Industries Inc. (Congregation of the Sisters of St. Joseph of Peace)* (Jan. 16, 2020) (concurring with the exclusion of a proposal requesting that the board of directors prepare a report on the company’s processes for “implementing human rights commitments within company-owned operations and through business relationships” where the requested information was already disclosed in the company’s global code of ethics, global supplier code of conduct, supplier sustainability policy, sustainability report, and other public disclosures addressing the requested information); *Hess Corporation* (April 11, 2019) (concurring with the exclusion of a proposal requesting that the company issue a report on how it can reduce its carbon footprint in alignment with greenhouse gas reductions necessary to achieve the Paris Agreement’s goals where the company had already provided the requested information in its sustainability report and CDP report); *The Dow Chemical Co.* (*avail.* Mar. 18, 2014, *recon. denied* Mar. 25, 2014) (concurring with the exclusion of a proposal requesting that the company prepare a report assessing short- and long-term financial, reputational and operational impacts that the legacy Bhopal disaster may reasonably have on the company’s Indian and global business opportunities, and reporting on any actions the company intends to take to reduce such impacts, where the company had published a “Q and A” regarding Bhopal and disclosed other actions it had taken and would continue to take); *Mondelez International, Inc.* (Mar. 7, 2014) (concurring with the exclusion of a proposal requesting that the board produce a report on the company’s process for identifying and analyzing potential and actual human rights risks in the company’s operations and supply chain, where the company already disclosed its risk management process and the framework it used to assess potential human rights risks); *Pfizer Inc.* (*avail.* Jan. 11, 2013, *recon. denied* Mar. 1, 2013) (concurring with the exclusion of a

proposal requesting that the board issue a report detailing measures implemented to reduce the use of animals and specific plans to promote alternatives to animal use, where the company cited its compliance with the Animal Welfare Act and published a two-page “Guidelines and Policy on Laboratory Animal Care” on its website); *MGM Resorts Int’l* (Feb. 28, 2012) (concurring with the exclusion of a proposal requesting a report on the company’s sustainability policies and performance, including multiple objective statistical indicators, where the company published an annual sustainability report); *Duke Energy Corporation* (Feb. 21, 2012) (concurring with the exclusion of a proposal requesting that an independent board committee prepare a report on the company’s action to reduce greenhouse gases and other emissions where the company had provided disclosures regarding its energy efficiency programs and regulatory targets for renewable generation sources in its filings and on its website).

***B. The Company Has Satisfactorily Addressed the Proposal’s Underlying Concerns and Implemented its Essential Objectives.***

The essential objective of the Proposal is for the Company to evaluate and report on whether its policy engagement activities (directly and through trade associations) align with the Paris Agreement’s goal to limit average global warming to well below 2 degrees Celsius above pre-industrial levels. Specifically, the Proposal asks the Company to report on (1) “if, and how, [the Company’s] lobbying and policy influence activities . . . align with the goal of the Paris Agreement,” and (2) “how [the Company] plans to mitigate the risks presented by any misalignment.”

The Company addresses this essential objective in its 2022 TCFD-CDP Report (the “***TCFD-CDP Report***”), which is posted on the Company’s investor relations website<sup>1</sup>. The Company reports to CDP annually (since 2014) and earned the highest possible score of “A” in 2022, placing the Company in the top two percent of over 15,000 reporting companies around the world. PACCAR has earned an “A” or “A-” score for the past eight years.

Section C12.3 of the TCFD-CDP Report addresses the first element of the Proposal. Subsection C12.3a discusses the Company’s direct engagement with policy makers on fuel economy and transport emissions regulations. This engagement comprises engagement with multiple regulatory and governmental bodies in the U.S. and Europe regarding fuel-efficient freight, carbon neutral transport and infrastructure. Subsection C12.3a states that the Company has evaluated whether its engagement on policies, laws, and regulations that may impact the climate are aligned with the goals of the Paris Agreement and has determined that they are aligned. Subsection C12.3b of the TCFD-CDP Report addresses the Company’s engagements with trade associations on climate-related matters and reports that the Company engages with the Engine Manufacturers Association and the European Automobile Manufacturer’s Association. Subsection C12.3b states that the Company has evaluated whether its engagements with these trade associations are aligned with the goals of the Paris Agreement and has determined that they are aligned.

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<sup>1</sup> Available at: <https://www.paccar.com/about-us/environmental-social-and-governance/>

The second element of the Proposal requests that the Company report on how it plans to mitigate risks presented by a misalignment between the Company's policy engagement activities and the goals of the Paris Agreement. As discussed above, Section C12.3 of the TCFD-CDP Report discloses that the Company has evaluated its policy engagement activities (both directly and indirectly through trade associations) and determined that they are aligned with the Paris Agreement. Any future misalignment would be evaluated and disclosed as part of a future TCFD-CDP report. As a result, the second element of the Proposal is not relevant to the Company.

Although the second element of the Proposal is not currently relevant to the Company, the TCFD-CDP Report discloses that the Company has procedures in place to align the Company's direct and indirect policy engagement activities with the Company's overall climate change strategy. This strategy, as disclosed in the TCFD-CDP Report, includes the Company's commitment "to science-based targets to limit global warming to well below 2°C" in accordance with the Paris Agreement. *See the cover page of the TCFD-CDP Report.* Section C12.3 of the TCFD-CDP Report specifically addresses the call for information regarding the Company's processes to ensure that its policy engagement activities are consistent with its overall climate change strategy. The Company addresses the second essential objective of the Proposal by describing the processes it has in place to mitigate the risk of potential misalignment.

The TCFD-CDP Report addresses other underlying concerns of the Proposal expressed in its accompanying supporting statement. The supporting statement states that "PACCAR does not have a public commitment to conduct policy and regulatory activities in line with the goals of the Paris Agreement." While the Company does not currently have a written policy, Section C12.3 of the TCFD-CDP Report states that the Company has a plan to implement such a policy within the next two years. The supporting statement also states that "[i]nvestors currently lack sufficient information to understand how PACCAR ensures its direct and indirect lobbying through trade associations, align with the Paris Agreement's goals." The disclosures regarding the Company's process for "ensuring consistent climate strategy across business units and geographies" address this concern. Finally, Section C3.1 of the TCFD-CDP report describes the Company's comprehensive feedback mechanism to continually engage with investors regarding its climate transition plan and science-based targets to meet the goals of the Paris Agreement.

The Company's disclosures in the TCFD-CDP Report address the essential objective of the Proposal and further respond to other underlying concerns in the supporting statement accompanying the Proposal for the reasons described above.

***C. The Conclusion that the Proposal Has Been Substantially Implemented is Consistent with Prior Staff Responses to Substantially Similar Proposals.***

The Staff has previously concurred with the exclusion of proposals that, like the Proposal, request a report containing information that a company has already publicly disclosed. Also as discussed above, a company is not required to "take the exact action requested by the proponent" or "implement the proposal in every detail." Instead, a company may "exercise...discretion in determining how to implement the proposal," and actions by a company must "compare

Office of Chief Counsel  
Division of Corporation Finance  
December 23, 2022  
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favorably with the guidelines” of the proposal. The Company’s comprehensive reporting on its policy engagement activities and their alignment with the Paris Agreement address the essential requests of the Proposal.

### CONCLUSION

Based upon the foregoing analysis, the Company respectfully requests that the Staff concur that it will take no action if the Company excludes the Proposal from its 2023 Proxy Materials.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should be sent to me at [AHandy@perkinscoie.com](mailto:AHandy@perkinscoie.com). I am also available by telephone at (206) 359-3295.

Sincerely,



Allison C. Handy

Enclosures

cc: Calvert Research and Management  
Mike Walton, General Counsel of PACCAR Inc  
Mike Beers, Corporate Secretary of PACCAR Inc

**EXHIBIT A**

**(Proponent's Proposal and Related Correspondence)**



November 10, 2022

M. R. Beers  
Corporate Secretary  
PACCAR Inc.  
P.O. Box 1518  
Bellevue, Washington 98009

Dear Mr. M. R. Beers,

Calvert Research and Management (“Calvert”) is a leader in Responsible Investing, with over \$32.6 billion of mutual fund and separate account assets under management as of June 30, 2022.

Our clients are the beneficial owners of at least \$25,000 in market value of securities entitled to be voted at the next shareholder meeting. Supporting documentation is included. Our clients have held these securities continuously for at least one year, and intend to continue to own the requisite number of shares in the Company through the date of the 2023 annual meeting of shareholders.

We are notifying you, in a timely manner, of the enclosed shareholder proposal for vote at the upcoming stockholders meeting. We submit it for inclusion in the proxy statement in accordance with Rule 14a-8 under the Securities Exchange Act of 1943 (17 C.F.R. § 240.14a-8).

Calvert is serving as the lead filer for the enclosed resolution requesting that PACCAR Inc. report on climate lobbying.

If prior to the annual meeting you agree to the request outlined in the resolution, we believe that this resolution would be unnecessary. We are available to meet on Monday, November 28 at a mutually convenient time. If this date does not work, we are happy to find a mutually convenient time.

Please direct any correspondence to Stu Dalheim at [REDACTED], or contact him via email at [REDACTED].

We appreciate your attention to this matter and look forward to working with you.

*Stu Dalheim*

Stu Dalheim  
Executive Director, Engagement

## **Report on corporate climate lobbying in line with Paris Agreement**

WHEREAS: The United Nations Framework Convention on Climate Change asserts that greenhouse gas emissions must decline by 45 percent from 2010 levels by 2030 to limit global warming to 1.5 degrees Celsius. If that goal is not met, even more rapid reductions, at greater cost, will be required to compensate for the slow start on the path to global net zero emissions.

Even with the recent passage of the Inflation Reduction Act, critical gaps remain between Nationally Determined Contributions set by the US government and the actions required to prevent the worst effects of climate change. Companies have an important and constructive role to play in enabling policymakers to close these gaps.

Corporate lobbying that is inconsistent with the Paris Agreement presents increasingly material risks to companies and their shareholders, as delays in emissions reductions undermine political stability, damage infrastructure, impair access to finance and insurance, and exacerbate health risks and costs.

Further, companies face increasing reputational risks from consumers, investors, and other stakeholders, if they appear to delay or block effective climate policy.

Of particular concern is PACCAR's membership in a trade association that has actively sought to impede proposed clean truck regulations. In contrast, emerging competitors in the truck market, such as Tesla, have supported efforts by California and other states to set rules that grow the market for medium and heavy-duty clean trucks.

PACCAR does not have a public commitment to conduct policy and regulatory activities in line with the goals of the Paris Agreement. Competitor Volvo has a specific commitment to conduct its direct and indirect lobbying (through trade associations) in line with the goals of the Paris Agreement.

Investors currently lack sufficient information to understand how PACCAR ensures its direct and indirect lobbying through trade associations, align with the Paris Agreement's goals, and what actions the company is taking to address any misalignments.

Demand for electric trucks is projected to exceed supply in the decade ahead. Allowing its trade association to slow progress while the company continues to rely upon diesel powered trucks may put the company out of line with market trends.

RESOLVED: Shareholders request that the Board of Directors annually conduct an evaluation and issue a report (at reasonable cost, omitting confidential or proprietary information) describing if, and how, PACCAR Inc. lobbying and policy influence activities (both direct and indirect through trade associations, coalitions, alliances, and other organizations) align with the goal of the Paris Agreement to limit average global warming to "well below" 2°C above pre-industrial levels, and to pursue efforts to limit temperature increase to 1.5°C, and how PACCAR plans to mitigate the risks presented by any misalignment. In evaluating the degree of alignment, PACCAR should consider not only its policy positions and those of organizations of which PACCAR is a member, but also the actual lobbying and policy influence activities.

January 24, 2023

Via e-mail at [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov)  
Securities and Exchange Commission  
Office of the Chief Counsel  
Division of Corporation Finance  
100 F Street, NE  
Washington, DC 20549

Re: Request by PACCAR Inc. to omit proposal submitted by Calvert Research and Management

Ladies and Gentlemen,

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, Calvert Research and Management (the “Proponent”) submitted a shareholder proposal (the “Proposal”) to PACCAR Inc. (“PACCAR” or the “Company”). The Proposal asks PACCAR to report to shareholders on if, and how, PACCAR’s direct and indirect lobbying and policy influence activities align with the goal of the Paris Agreement, taking into account not only stated positions but also actual lobbying activities, and the steps PACCAR plans to take to mitigate any misalignment(s).

In a letter to the Division dated December 23, 2022 (the “No-Action Request”), PACCAR stated that it intends to omit the Proposal from its proxy materials to be distributed to shareholders in connection with the 2023 annual meeting of shareholders. PACCAR argues that it is entitled to exclude the Proposal in reliance on Rule 14a-8(i)(10), asserting that the Company has substantially implemented the Proposal. As discussed more fully below, PACCAR has not met its burden of proving its entitlement to exclude the Proposal on that basis, and the Proponent asks that the Company’s request for relief be denied.

### **The Proposal**

The Proposal states:

**RESOLVED:** Shareholders request that the Board of Directors annually conduct an evaluation and issue a report (at reasonable cost, omitting confidential or proprietary information) describing if, and how, PACCAR Inc. lobbying and policy influence activities (both direct and indirect through trade associations, coalitions, alliances, and other organizations) align with the goal of the Paris Agreement to limit average global warming to “well below” 2°C above pre-industrial levels, and to pursue efforts to limit temperature increase to 1.5°C, and how PACCAR plans to mitigate the risks presented by any misalignment. In evaluating the degree of alignment,

PACCAR should consider not only its policy positions and those of organizations of which PACCAR is a member, but also the actual lobbying and policy influence activities.

### **Substantial Implementation**

PACCAR argues that it is entitled to exclude the Proposal in reliance on Rule 14a-8(i)(10), which permits omission of a proposal that has been substantially implemented. Although a company need not implement a proposal exactly as it is drafted, the company's actions must satisfy the proposal's "essential objective" in order to justify exclusion.

PACCAR claims to have substantially implemented the Proposal through its TCFD-CDP report. PACCAR points out that it has received an A or A- grade from CDP over the past eight years,<sup>1</sup> but omits the fact that both CA100+ and InfluenceMap, which analyzes corporate public policy activities, rate PACCAR poorly: As of December 2022, InfluenceMap had assigned a D- rating to PACCAR's climate lobbying activities, down from a C+ two years earlier. InfluenceMap characterized PACCAR's climate policy engagement as mixed to negative, citing the Company's opposition to California's Advanced Clean Trucks regulation and the Environmental Protection Agency's ("EPA's") "Clean Trucks Plan."<sup>2</sup> Similarly, CA100+ graded PACCAR at 55% for its level of support for Paris-aligned climate policy.<sup>3</sup>

PACCAR's most egregious shortcoming is the complete lack of analysis, which is the Proposal's core request. PACCAR incorrectly frames the Proposal's purpose as "for the Company to evaluate and report on whether its policy engagement activities . . . align with the Paris Agreement's goal." But that framing is too narrow, focusing only on the "if." The Proponent's objective is to provide shareholders with the Company's alignment analysis—the "how" of alignment, not just the "if." An analysis of how lobbying activities are aligned would require PACCAR to set forth factual information regarding the stated positions and actual lobbying activities for both PACCAR itself and the trade associations to which it belongs and to explain how those activities support achievement of the Paris Agreement's goals. It has not taken either of those steps.

Two recent determinations illustrate that a company may not substantially implement a proposal calling for an analysis by furnishing only factual information. In *Eli Lilly*,<sup>4</sup> the Staff declined to concur with the company's claim that it had substantially implemented a proposal asking it to conduct a review of the degree of alignment between its lobbying activities and its public positions and statements, including "making medicines more accessible and affordable to

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<sup>1</sup> No-Action Request, at 4.

<sup>2</sup> <https://lobbymap.org/company/PACCAR-48e918779dd0d348cd39c7cd0cbf77b8/projectlink/PACCAR-in-Climate-Change-ff939962b600f88fd0826821352a411b>

<sup>3</sup> <https://www.dimateaction100.org/company/paccar-inc/#skeletabsPanel6>

<sup>4</sup> *Eli Lilly and Company* (Mar. 8, 2022).

patients.” Eli Lilly argued that its existing factual disclosures regarding its lobbying activities allowed shareholders to assess alignment for themselves; the proponent countered that Eli Lilly had provided no analysis, which was the goal in submitting the proposal. The Staff declined to grant the relief Eli Lilly sought.

Likewise, a proposal submitted to Sempra Energy<sup>5</sup> asked the company to “evaluate and issue a report (at reasonable cost, omitting proprietary information) describing if, and how, Sempra’s lobbying activities (direct and through trade associations) align with the Paris Agreement’s goal to limit temperature rise to 1.5 degrees and how Sempra plans to mitigate risks presented by any misalignment.” The proponent argued that Sempra’s failure to address the “how” element of the proposal—the analysis—meant it had not been substantially implemented. The Staff did not allow Sempra to exclude the proposal.

Turning to specifics, PACCAR urges that its disclosures in sections C12.3 and C12.3a of its TCFD-CDP report satisfy the element of the Proposal asking the Company to analyze whether and how its own lobbying and public policy activities align with the temperature goal of the Paris Agreement. The question in section C12.3 to which PACCAR points, however, asks companies to describe the process(es) they have in place to ensure that their policy engagement activities are consistent with their own climate goals, not those of the Paris Agreement. Unsurprisingly, then, PACCAR’s response to that question focuses on reporting relationships designed to achieve consistency across the organization in terms of business strategy, which does not satisfy the Proposal’s request.

What’s more, PACCAR does not identify any specific legislation or regulation on which it has lobbied or the positions it took, which is a necessary part of an alignment analysis. There is evidence that PACCAR has engaged in lobbying that is inconsistent with meeting the Paris Agreement’s temperature goal: PACCAR opposed an EPA effort to strengthen greenhouse gas (“GHG”) regulations last year, as well as initiatives in three states to adopt California’s Advanced Clean Truck rule.

Instead, the Company offers vague subject matter descriptions such as “developing fuel-efficient freight, carbon neutral transport and infrastructure” and “[i]mproving fuel economy and the commercialization of alternate fuels,” which fall short of what the Proposal requests. PACCAR neither assigns a timeline for those aspirations, nor provides any information about their scope or ambition, both of which would be needed to evaluate consistency with the Paris Agreement’s objectives.

Section C12.3a asks companies to state if they have evaluated whether their policy engagement is aligned with the Paris Agreement’s goal. It is worth noting that the question posed

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<sup>5</sup> Sempra Energy (Mar. 12, 2021).

by TCFD-CDP does not ask companies to explain the basis for their conclusions. PACCAR responded to that question by stating, “Yes, we have evaluated, and it is aligned.” While that response may satisfy TCFD-CDP, it fails to implement the Proposal’s request to describe how PACCAR’s activities are so aligned. That analysis would involve identifying the activities themselves in greater detail—including specific legislative/regulatory matters and the positions PACCAR has advanced—and an analysis of the ways in which those activities align (or do not align) with the temperature goal of the Paris Agreement. PACCAR’s response does not provide the factual basis for PACCAR’s conclusion. Given PACCAR’s failure to identify specific legislation or regulations, the meaning of PACCAR’s statement that it “supports with no exceptions” the “policy, law or regulation” is unclear.

Section C.12.3b deals with indirect lobbying, that done through trade associations and organizations that lobby or engage in public policy advocacy. Here, again, PACCAR’s responses fall short of what the Proposal requests.

PACCAR’s answer to the TCFD-CDP’s request to “[p]rovide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate” was as vague as its answer to the question about direct lobbying activities discussed above. As was the case with its disclosures about its own lobbying activities, PACCAR’s response did not identify specific legislation or regulations on which trade associations lobbied, relying instead on vague statements. Reports indicate that the Partners for a Zero Emission Vehicle Future coalition, which PACCAR co-founded, lobbied against the Advanced Clean Truck Rule in three states,<sup>6</sup> though that organization is not mentioned in the No-Action Request or PACCAR’s TCFD-CDP report.

PACCAR’s response stated that one trade association, the Engine Manufacturers Association (“EMA”), “works cooperatively with regulatory agencies” to “develop and implement cost-effective and technologically feasible emissions, fuel efficiency and safety regulations that result in fewer emissions, better fuel efficiency, and enhanced safety.” That aspirational description communicates nothing about lobbying positions on any specific measures and does not disclose a timeline for these efforts. EMA led efforts to lobby against more stringent GHG emissions standards in EPA’s most recent truck standards regulation and opposed Advanced Clean Truck regulation in eight states.

PACCAR’s response describes the actions taken by another trade association, the European Automobile Manufacturers’ Association, in similarly vague terms. In both cases, PACCAR claims it is aligned with the activities of the trade associations, stating that “we have evaluated, and [PACCAR’s involvement with this trade association] is aligned.” Absent from the response,

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<sup>6</sup> <https://influencemap.org/EN/report/US-Heavy-Duty-Transport-Climate-Change-20434>

however, is any analysis of how PACCAR came to this conclusion, a key element of the Proposal.

PACCAR's failure to analyze alignment between its lobbying activities and the Paris Agreement's temperature goal in its current disclosures precludes a conclusion that it has satisfied the essential objective of the Proposal—which focuses solely on such alignment—or that its disclosures compare favorably to the guidelines of the Proposal. Accordingly, PACCAR has not met its burden of showing that it is entitled to omit the Proposal in reliance on Rule 14a-8(i)(10).

\* \* \*

For the reasons set forth above, PACCAR has not satisfied its burden of showing that it is entitled to omit the Proposal on substantial implementation grounds. The Proponent thus respectfully requests that PACCAR's request for relief be denied.

The Proponent appreciates the opportunity to be of assistance in this matter. If you have any questions or need additional information, please contact me at (202) 238-2208.

Sincerely,

*Stu Dalheim*

Stu Dalheim  
Executive Director, Engagement

cc: Allison C. Handy  
AHandy@perkinscoie.com