Boston Trust Walden
Principled Investing.

September 12, 2022

Vanessa Countryman, Secretary
U.S. Securities and Exchange Commission (SEC)
100 F Street, NE
Washington, DC 20549-0609

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

Dear Ms. Countryman,

Boston Trust Walden is an independent, employee-owned investment management firm with approximately $12.7 billion in firm-wide assets under management.[1] We have been integrating environmental, social, and governance (ESG) factors into investment management decisions since 1975—one of the longest track records of any institutional manager.

At Boston Trust Walden, we seek to invest client assets in enterprises with strong financial underpinnings, sustainable business models, prudent management practices, and a governance structure that supports these objectives. Consideration of ESG factors is part of our fiduciary duty to ensure client assets are invested in a set of securities well positioned to minimize risk and produce sustainable returns. Additionally, we seek to meet our client's unique investment needs through both standard and customized ESG strategies.

We write to express our support for the SEC's Notice of Proposed Rulemaking "Substantial Implementation, Duplication, and Resubmission of Shareholder Proposals Under Exchange Act Rule 14a-8 " (File No. S7-20-22) ("Proposal"). 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 not being properly addressed. We appreciate the SEC's efforts via this Proposal to strengthen shareholder rights and increase transparency regarding the substantive bases for exclusion of shareholder proposals, as this will allow investors to better utilize the proxy process to exercise their shareholder rights.

At Boston Trust Walden, we believe integrating ESG considerations into investment decision-making and actively engaging companies to improve sustainable business practices is critical to managing risk and producing attractive, long-term investment results. For more than four decades, Boston Trust Walden has employed a multi-faceted approach to active ownership in order to amplify the scope and scale of our impact, combining ESG analysis, direct company engagement, proxy voting, public policy, and shareholder resolutions. Among our active ownership tactics, the shareholder resolution process has consistently proven to be one of the most effective tools for engagement.

[1] Includes assets managed by Boston Trust Walden Company and its wholly owned investment adviser subsidiary, Boston Trust Walden Inc. as of June 30, 2022.

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We appreciate the Proposal's respectful recognition of the value and importance of the shareholder resolution process when it states on page 5, "The shareholder proposal process has become a cornerstone of engagement between shareholders and company management. Shareholder proposals provide an important mechanism for investors to express their views, provide feedback to companies, exercise oversight of management and raise important issues for the consideration of their fellow shareholders in the company's proxy statement." In addition, the SEC recognizes "…investor support for shareholder proposal campaigns over the years has helped to shape many corporate practices and policies." Since 1987, Boston Trust Walden has filed more than 550 shareholder resolutions. In every case, our primary objective is withdrawal resulting from a meaningful agreement on the part of the company to address our concerns as shareholders. In 2022, Boston Trust Walden filed 15 shareholder resolutions, and 11 were successfully withdrawn.

We support the Proposal's new standard defining "substantially implemented" resolutions. Historically, SEC staff have articulated varying definitions and standards for determining when a resolution has been "substantially implemented," including subjective interpretations of whether the company's actions addressed the resolution's "underlying concerns" or satisfied its "essential objectives." For example, Boston Trust Walden has experienced issuer requests of No Action to resolutions requesting detailed disclosure of direct and indirect lobbying activity (inclusive of trade associations). In a request for No Action, issuers pointed to examples of general lobbying disclosure that fell short of the requests included in the resolution. The Proposal's new standard, allowing exclusion only if the company has "implemented the essential elements of the proposal," enables the focus to remain on the specific actions requested and removes the need for subjectivity on the part of either the issuer or the SEC staff.

Additionally, the SEC's caveat that "as the proponent identifies more elements, each becomes less essential" seems to be a very prudent and reasonable carve out, and one that theoretically would encourage proposals with more specific requests. This is a benefit to companies in their consideration of the resolution, and to investors in assessment of the requests.

We support the Proposal's new standard addressing duplicate resolutions. The proposed new standard appropriately clarifies duplicate resolutions as those that "address the same subject matter and seek the same objective by the same means." The current approach for determining duplication relies upon a subjective assessment of the "principal thrust or focus" of two or more resolutions. And, as the SEC notes in its release, this approach limits the ability of shareholder proponents to suggest "competing approaches to addressing important issues." The proposed standard would enable investors to vote on a diversity of approaches to a single issue, allowing the market to determine the most meaningful and appropriate option. For example, this proxy season we witnessed an increase in nearly identical shareholder proposals, but where the accompanying rationales were antithetical to one another. For instance, in one shareholder proposal seeking an audit of corporate diversity training materials, the rationale focused on assessing the perceived negative impact of these programs on "non-diverse" employees, rather than how they support greater diversity, equity, and inclusion. In the case of Boston Trust Walden, these competing resolutions did not create confusion, but rather affirmed our deliberative approach to consider each individual proposal and evaluate the merit of the request to address significant ESG risks and opportunities and foster creation of long-term shareholder value.

Importantly, the Proposal would also remove incentives for early filing, which we have seen used as a tactic by shareholder proponents to block future proposals. Appropriately, the new standard would permit exclusion of a later-received proposal only if it "addresses the same subject matter and seeks the same objective by the same means." This strengthens the existing rule and eliminates the race to be "first in line". Notably, it also supports Boston Trust Walden's approach to active ownership, whereby we prioritize and exhaust engagement first, only utilizing the shareholder resolution process in cases where escalation is necessary.

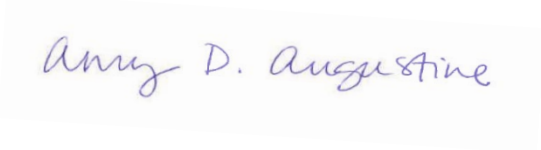
We generally support the Proposal's new standard for resolution resubmission. The 2020 amendments to rule 14a-8 sharply elevated thresholds for resubmission of a proposal previously voted on. As we communicated in our letter submitted to the SEC on January 31, 2020, shareholder support for resolutions that seek to address emerging risks often take time to build via shareholder and issuer education. We remain concerned, however, that the new thresholds of 5% in the first year of a proxy resolution, 15% in the second year, and 25% in the third year and beyond will cut short engagement on emerging, material ESG topics that deserve shareholder attention.

We do agree with the SEC's assessment that resolutions "that address the same subject matter but call for different actions may receive significantly different shareholder votes, which could suggest that shareholders view such proposals as raising different issues." The rule's current focus on "subject matter" creates an overly large umbrella and does not allow for nuance of approach. We agree that subject matter alone should not determine whether a proposal can be resubmitted; the means by which the proponent seeks to address the subject matter is critically important. Just as with duplication, this proposed amendment related to resubmission will enable SEC staff and issuers to focus on the specific actions requested under a particular resolution, and importantly it will allow for the evolution and refinement of shareholder requests over time.

Together, these proposed amendments will improve clarity in both the interpretation and enforcement of rule 14a-8. The Proposal is responsive to input and feedback received from the investment community and better reflects a more nuanced understanding of the shareholder proposal process. We support the SEC's objectives to create "greater certainty and transparency" and to "enhance the ability of shareholders to express diverse objectives and various ways to achieve those objectives through the shareholder proposal process." The proposed amendments will support our rights and responsibilities as investment fiduciaries and will appropriately give shareholders greater choice and flexibility to determine the most effective strategies for addressing material issues facing the companies in which we invest.

We appreciate the opportunity to participate in this rulemaking and thank you for consideration of our comments.

Sincerely,



Amy D. Augustine
Director, ESG Investing