



February 8, 2021

Ms. Vanessa Countryman
Secretary
Securities and Exchange Commission 100 F Street, Northeast
Washington, DC 20549

Dear Ms. Countryman:

On behalf of First Affirmative Financial Network, I wish to convey our support of petition 4 – 774 that requests a rulemaking on corporate Black Lives Matter (BLM) pledge disclosure. First Affirmative is focused on ESG issues as a primary driver of long-term sustainability and value, and racial inequality is an issue that we incorporate into our assessments as we make investment decisions on behalf of clients.

Many companies announced substantial commitments in the wake of widespread demonstrations following the death of George Floyd. These pledges were in support of third-party initiatives and implementing changes internally to combat systemic racism that continues to undermine our society and economy. We believe that the fulfillment of financial pledges and the implementation of promised policy and operational changes are financially material.

Investors must currently rely on voluntary disclosure in order to assess if companies are fulfilling their promises and if and how effectively the policies and programs implemented are improving corporate performance in this area over the long-term. With less than 10% of the dollars pledged actually verified as spent and inadequate information provided by many companies as to their progress on their pledges, we often have inadequate information available to us with which to make an appropriate assessment. Voluntary disclosure to date has clearly been inadequate. Companies whose reputations benefited from impressive pledges are certainly facing enhanced reputational and other material risks if they fail to follow up and demonstrate their fulfillment of such pledges.

Investors have been forced to rely on voluntary disclosure with regard to many critical environmental, social, and governance (ESG) issues, and we appreciate that the SEC is considering options for expanding disclosure requirements. Corporate pledges and actions designed to address inequality should be included. We believe that mandating disclosure standards for public companies that make pledges that are in response to addressing inequality should be inclusive, encompassing all underrepresented groups... and designed to live beyond the specific pledges arising from the BLM.

Regards,

A handwritten signature in black ink that reads "Holly A. Testa".

Holly A. Testa
Director, Shareowner Engagement