



DIVISION OF  
CORPORATION FINANCE

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

January 27, 2025

Ning Chiu  
Davis Polk & Wardwell LLP

Re: Truist Financial Corporation (the "Company")  
Incoming letter dated January 22, 2025

Dear Ning Chiu:

This letter is in regard to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by Friends Fiduciary Corporation (the "Proponent") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. Your letter indicates that the Proponent has withdrawn the Proposal and that the Company therefore withdraws its December 6, 2024 request for a no-action letter from the Division. Because the matter is now moot, we will have no further comment.

Copies of all of the correspondence related to this matter will be made available on our website at <https://www.sec.gov/corpfin/2024-2025-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: Amy Carr  
Friends Fiduciary Corporation

December 6, 2024

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

Ladies and Gentlemen:

On behalf of Truist Financial Corporation, a North Carolina corporation (the “**Company**”), and in accordance with Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), we are filing this letter with respect to the shareholder proposal (the “**Proposal**”) submitted by Friends Fiduciary Corporation and co-filers (together, the “**Proponent**”) for inclusion in the proxy materials the Company intends to distribute in connection with its 2025 Annual Meeting of Shareholders (the “**2025 Proxy Materials**”). The Proposal is attached hereto as Exhibit A.

We hereby request confirmation that the Staff of the Division of Corporation Finance (the “**Staff**”) will not recommend any enforcement action if, in reliance on Rule 14a-8, the Company omits the Proposal from the 2025 Proxy Materials.

In accordance with relevant Staff guidance, we are submitting this letter and its attachments to the Staff through the Staff’s online Shareholder Proposal Form. In accordance with Rule 14a-8(j), we are simultaneously sending a copy of this letter and its attachments to the Proponent as notice of the Company’s intent to omit the Proposal from the 2025 Proxy Materials. This letter constitutes the Company’s statement of the reasons it deems the omission of the Proposal to be proper. We have been advised by the Company as to the factual matters set forth herein.

## **THE PROPOSAL**

The Proposal states:

Resolved: Shareholders request that Truist set and disclose near-term GHG reduction targets aligned with the Paris Agreement’s ambition to limit warming to 1.5 degrees Celsius and summarize plans to achieve them. The targets should address the bank’s most climate-critical financed emissions, including those associated with lending and investment activities for businesses in the highest emitting sectors.

## **REASON FOR EXCLUSION OF THE PROPOSAL**

The Company believes that the Proposal may be properly omitted from the 2025 Proxy Materials pursuant to Rule 14a-8(i)(7) because the Proposal deals with matters related to the Company’s ordinary business operations by seeking to micromanage the Company.

### ***The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because the Proposal Deals with Matters Related to the Company’s Ordinary Business Operations.***

Rule 14a-8(i)(7) allows a company to omit a shareholder proposal from its proxy materials if such proposal deals with a matter relating to the company’s ordinary business operations. The policy underlying the ordinary business exception is based on two central considerations: (i) that “[c]ertain tasks are so

fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight” and (ii) the “degree to which the proposal seeks to ‘micromanage’ the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” See Exchange Act Release No. 34-40018 (May 21, 1998) (the “**1998 Release**”); see also Staff Legal Bulletin No. 14L (Nov. 3, 2021) (“**SLB 14L**”).

***The Proposal Seeks to Micromanage the Company by Imposing Specific Methods for Setting and Disclosing Greenhouse Gas Reduction Targets.***

Based on the second policy consideration underlying the ordinary business exclusion and as reiterated by SLB 14L, the Company believes it may omit the Proposal pursuant to Rule 14a-8(i)(7) because it impermissibly seeks to micromanage the Company by imposing specific methods on management for setting and disclosing greenhouse gas (“**GHG**”) reduction targets.

***Background.***

In January 2022, the Company set a goal to achieve net zero GHG emissions by 2050. The goal was an extension of the Company having set its first Scope 1 and 2 goals in 2021. Since then, the Company has been working to build new capacity and integrate climate considerations into its risk management, strategy, and lines of business. As detailed in its 2023 TCFD Report from April 2024, the Company has obtained third-party verification of its 2023 Scope 1, Scope 2, and certain Scope 3 category GHG emissions.<sup>1</sup> In addition, the Company has set nearer-term goals to reduce both Scope 1 and Scope 2 (location-based) emissions by 35% by 2030 relative to a 2019 baseline.

Since joining the Partnership for Carbon Accounting Financials (“**PCAF**”) in October 2021, the Company has been working to measure and prepare for Scope 3 financed emissions disclosure in anticipation of publication in the Company’s 2025 TCFD report. The Company has prioritized the asset classes that are relevant to the Company and for which the PCAF Standard provides methodological guidance. Using the PCAF methodologies, the Company continues to work on improving its access to data, its ability to calculate these values, and its understanding of the variability of GHG emissions based on key inputs.

***1. The Level of Granularity Sought in the Proposal Inappropriately Limits the Company’s Discretion.***

According to SLB 14L, the determination of whether a proposal impermissibly micromanages the Company “will focus on the level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management.” The Staff further clarified that this approach is “consistent with the Commission’s views on the ordinary business exclusion, which is designed to preserve management’s discretion on ordinary business matters but not prevent shareholders from providing high-level direction on large strategic corporate matters.”

The Staff has consistently concurred with the exclusion of proposals that inappropriately limit management’s discretion and micromanaged the companies, including proposals prescribing specific actions related to companies’ management of climate change. See, e.g. *JP Morgan Chase & Co* (Mar. 29, 2024) (concurring that a proposal sought to micromanage the company because it would have required the company to adopt a specific methodology for sector-by-sector achievement of emissions targets within its investment portfolios); *Morgan Stanley* (Mar. 29, 2024) (same); *Wells Fargo & Co.* (Mar. 6, 2024) (same); *The Goldman Sachs Group, Inc.* (Mar. 4, 2024) (same); *Bank of America Corp.* (Feb. 29, 2024) (same); *Chevron Corp.* (Mar. 29, 2024) (proposal requesting a report on divestitures of assets with material climate

<sup>1</sup> Available at: [https://filecache.investorroom.com/mr5ir\\_truist/877/Truist2023TCFD.pdf](https://filecache.investorroom.com/mr5ir_truist/877/Truist2023TCFD.pdf).

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impact, including whether each asset purchaser discloses its GHG emissions and has GHG reduction targets, was excludable as it micromanaged the company); *Tractor Supply Co.* (March 18, 2024) (concurring that a proposal micromanaged the company by requesting disclosure of GHG emissions from Use of Sold Products, including a breakdown of emissions by product category); *Tesla, Inc.* (Mar. 27, 2024) (concurring that a proposal micromanaged the company by requesting the redesign of company vehicle tire products to avoid pollution from chemicals); *The Home Depot, Inc.* (Mar. 21, 2024) (concurring that a proposal micromanaged the company by requesting a report assessing the benefits and drawbacks of permanently committing not to sell certain company paint products containing titanium dioxide); *The Sherwin-Williams Co.* (Feb. 21, 2024) (same); *The Chemours Company* (Feb. 22, 2024) (concurring with exclusion of a proposal seeking a report assessing the benefits and drawbacks of certain actions regarding the company's acquisition of titanium and the risks to the company associated with same); and *The Kroger Co.* (Apr. 25, 2023) (concurring with exclusion of a proposal based on micromanagement requesting the company's pilot participation in the Fair Food Program for purchasing tomatoes).

The Staff has also previously concurred that proposals prescribing specific methodologies with respect to the reduction of GHG emissions micromanaged companies and were excludable under Rule 14a-8(i)(7). For example, in *Valero Energy Corporation* (Mar. 22, 2024), the Staff permitted exclusion of a proposal requesting that the company adopt a 1.5° C-aligned, near-term emissions reduction target that did not include the use of carbon offsets and avoided emissions. In *Amazon, Inc.* (Apr. 7, 2023), the Staff permitted exclusion under Rule 14a-8(i)(7) of a proposal requesting that the company measure and disclose scope 3 GHG emissions from its full value chain inclusive of its physical stores and e-commerce operations and all products that it sold directly as well those sold by third-party vendors, where the proposal imposed a specific method for defining the activities excluded in the company's scope 3 GHG emissions reporting. In *Chubb Ltd.* (Mar. 27, 2023), a proposal that requested the adoption and disclosure of a policy for the time-bound phase out of the company's underwriting risks associated with new fossil fuel exploration and development projects, aligned with the IPCC's recommendation to limit global temperature rise to 1.5°C, that would have prohibited new types of specific projects, was excludable.

The Proposal micromanages the Company by prescribing a specific method for how the Company should set near-term GHG reduction targets by dictating that such targets must address financed emissions. Moreover, those financed emissions must include activities in both lending and investment for businesses in "the highest emitting sectors." Therefore, similar to the proposal in *Valero Energy Corporation* noted above, the Proposal micromanages the Company by impermissibly limiting management's discretion in addressing the complex topic of reporting on and reducing Scope 3 emissions by prescribing a specific methodology: that it must not only include specific types of the Company's business activities, but also that within those activities, the Company must explicitly include distinct and discrete industries.

In prescribing its own specific judgments with respect to how the Company should report on and set GHG emissions reduction targets, the Proponent seeks to limit the discretion of the Company's board of directors and management with respect to the most effective strategy to achieve such reductions. The Company's GHG emissions reduction targets and the related reporting, in line with its business strategy, have been carefully developed by the Company's management, under the oversight of the board of directors, through informed and extensive analysis that balances highly complex, technical, and competing considerations. Further, requiring the Company to set targets for emissions associated with lending and investment activities for businesses in "the highest emitting sectors" inappropriately interferes with the discretion of the board and management to make complex business decisions on how to manage emissions reductions for any industry in the Company's portfolio balanced against considerations of financial performance, operations, business strategy and client and community relationships.

Moreover, unlike in *ConocoPhillips Co.* (Mar. 19, 2021), the Proposal would require the Company to fix and disclose targets with respect to its financed emissions in a way that specifically takes into account businesses it underwrites and in "the highest emitting sectors." The Proposal would therefore require the

Company to measure emissions, set emissions targets and disclose emissions reductions in activity-specific and sector-specific ways. The Proposal also expressly recommends using target-setting methodologies developed by groups such as the Science Based Targets Initiative, the Glasgow Financial Alliance for Net Zero and the Transition Plan Taskforce to do so. These standards evolve, and forcing the Company to abide by specific approaches for target setting interferes with management's ability to implement and adapt what in their business judgment would be best for the Company. The Proposal further asks that the Company alter its accounting to reflect emissions facilitated by its underwriting activities when methodologies for such accounting become available. The Proposal's prescriptive approach conflicts with the Company's existing methodologies and therefore replaces management's judgment on complex matters.

In contrast to the prescriptive approach that would be required by the Proposal, the Company recognizes that the path to achieving net-zero financed emissions from its lending activities is complex and evolving. The Company supports an orderly transition and accepts that, in some cases, lending to companies that are transitioning may result in its financed emissions increasing in the short term or over certain periods.

## **2. The Proposal Probes Matters "Too Complex" for Shareholders, as a Group, to Make an Informed Judgment.**

The micromanagement element of the ordinary business exception under Rule 14a-8(i)(7) is also based on whether a proposal probes matters "too complex" for shareholders, as a group, to make an informed judgement. SLB 14L, citing the 1998 Release. According to SLB 14L, in making this determination as to whether a proposal probes matters "too complex" for shareholders, the Staff may consider "the sophistication of investors generally on the matter, the availability of data, and the robustness of public discussion and analysis on the topic," as well as "references to well-established national or international frameworks when assessing proposals related to disclosure, target setting, and timeframes as indicative of topics that shareholders are well-equipped to evaluate." The Staff has consistently granted no-action relief for shareholder proposals that probe matters too complex for shareholders. *See, e.g. The Procter & Gamble Company* (Aug. 14, 2024) (concurring that a proposal asking the company to adopt as policy, and amend the governing documents as necessary, to require each year that director nominees furnish the company information about their political and charitable giving sought to micromanage the company); *NetApp, Inc.* (Jul. 19, 2024) (concurring that a proposal requiring director compensation to be fixed at \$1 for any given fiscal year unless such compensation was disclosed to shareholders in advance of the fiscal year, submitted to shareholders for an approval vote at an annual or special meeting of shareholders, and approved by shareholder vote sought to micromanage the company); *Delta Air Lines, Inc.* (Apr. 24, 2024) (permitting exclusion of a proposal requiring a report regarding "union suppression expenditures," including internal and external expenses, because it sought to micromanage the company); *Paramount Global* (Apr. 19, 2024) (concurring with the exclusion of a broadly phrased proposal for detail on charitable contributions that would result in the disclosure of intricate details about the Company's policies and practices); *Walmart Inc.* (Apr. 18, 2024) (permitting exclusion of a proposal requiring a breakdown of GHG emissions for different categories of products in a manner inconsistent with existing reporting frameworks); *Deere & Company* (Dec. 29, 2023) (permitting exclusion of a proposal seeking a report assessing the benefits and drawbacks of opposing "Right to Repair" regulation, as well as the financial and reputational risk associated with such opposition); *GameStop Corp.* (Apr. 24, 2023) (concurring with exclusion of a proposal requesting the company to create a service and provide a daily report on certain shareholding information, a service that was not related to any existing business offering of the company); *Phillips 66* (Mar. 20, 2023) (concurring with exclusion of a proposal requesting the company to disclose specific and detailed information related to the undiscounted expected value to settle obligations for asset retirement obligations with indeterminate settlement dates); and *Valero Energy Corporation* (Mar. 20, 2023) (same).

The role of financial institutions in decarbonization and in achieving net zero GHG emissions is highly complex, rapidly changing, and greatly dependent on evolving policies and incentives. Shareholders would

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not be able to make an informed assessment of what steps the Company can or should take to meaningfully analyze its decisions with respect to Scope 3 Category 15 financed emissions. Setting targets and calibrating high quality public disclosure in this area relies on technical methodologies and models that are subject to constant adjustment. Industry-specific data varies widely. Accordingly, the Proposal would improperly micromanage the Company by delegating to shareholders supervision over emissions-related financing, an area where shareholders are not well positioned to make an informed judgment.

### **3. The Proposal is Excludable Under Rule 14a-8(i)(7) Regardless of Whether It Touches Upon a Significant Policy Issue.**

A proposal that seeks to micromanage a company's business operations is excludable under Rule 14a-8(i)(7) regardless of whether or not the proposal raises issues with a broad societal impact. See Staff Legal Bulletin No. 14E (Oct. 27, 2009), at note 8, citing the 1998 Release for the standard that "a proposal [that raises a significant policy issue] could be excluded under Rule 14a-8(i)(7), however, if it seeks to micromanage the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." Since the issuance of SLB 14L, the Staff concurred with the exclusion of proposals addressing how companies interact with their shareholders on significant social policy issues because the proposals sought to micromanage how the companies addressed those policy issues. See *Amazon.com, Inc.* (Apr. 7, 2023) (concurring that a proposal requesting the company report Scope 3 emissions from "its full value chain" was excludable for attempting to micromanage the company). Thus, the fact that the Proposal references policy issues such as climate change and climate risk does not preclude its exclusion under Rule 14a-8(i)(7).

## **CONCLUSION**

The Proposal micromanages the Company by imposing precise, granular requirements for establishing and publishing near-term GHG reduction targets and plans to achieve them, which improperly limits the board and management's discretion over ordinary business matters and probes matters too complex for shareholders to make an informed judgment upon.

For the reasons set forth above, the Company believes that the Proposal may be excluded from its 2025 Proxy Materials pursuant to Rule 14a-8(i)(7).

Respectfully yours,



Ning Chiu

Attachment

cc w/ att: Curt Phillips, Truist Financial Corporation

Amy Carr, Friends Fiduciary Corporation

## Proposal

### Managing Climate Risk Through Greenhouse Gas (GHG) Targets and Transition Planning

WHEREAS: The Intergovernmental Panel on Climate Change says global GHG emissions must be cut in half by 2030 to achieve net zero emissions by 2050, meet the Paris Agreement's goal to limit warming to 1.5 degrees Celsius, and avoid the worst impacts of climate change. At current emissions trajectories, an estimated 10 percent of global economic value could be lost by 2050.<sup>1</sup>

Banks play a critical role in limiting global temperature rise, and may face serious business risks associated with financing projects or companies lacking alignment with the Paris Agreement's goals.<sup>2</sup> Financing high-emitting activities poses systemic risks to the global economy, portfolio-wide risks to diversified investors, and serious risks to banks' own operations (e.g., stranded assets).

While Truist has set 2030 targets for operational emissions, those targets do not include financed emissions. CDP has found that reported financed emissions are on average over 750 times larger than reported operational emissions for financial institutions.<sup>3</sup> So any bank targets that do not include financed emissions are not meaningful.

In its 10-K, Truist recognizes the physical and transition risks associated with climate change that may negatively impact its business, operations, reputation, and clients.<sup>4</sup> The bank also views climate risk as a transverse risk, "meaning it can be a driver of risk across all...primary risk types."<sup>5</sup> Yet recent reporting has shown the bank is continuing to increase its fossil fuel financing.<sup>6</sup>

Truist currently ranks first out of the sixty biggest banks globally in terms of its fossil fuel financing as a percentage of its assets. Truist's financing of fossil fuels reached \$14.2 billion in 2023, with a total of \$105.3 billion between 2016-2023.<sup>7</sup>

Conversely, competitors have taken risk mitigation steps. For example, Truist's self-identified peers, including JPMorgan Chase, Bank of America and Wells Fargo, have set 2030 targets to reduce their financed emissions associated with high-emitting sectors like energy and power generation, adding credibility to their 2050 net zero commitments.<sup>8</sup>

RESOLVED: Shareholders request that Truist set and disclose near-term GHG reduction targets aligned with the Paris Agreement's ambition to limit warming to 1.5 degrees Celsius and summarize plans to achieve them. The targets should address the bank's most climate-critical financed emissions, including those associated with lending and investment activities for businesses in the highest emitting sectors.

<sup>1</sup> <https://www.ipcc.ch/report/ar6/wg3/>.

<sup>2</sup> <https://www.ceres.org/resources/reports/measuring-and-addressing-climate-risk-banks>.

<sup>3</sup> <https://www.cdp.net/en/research/global-reports/financial-services-disclosure-report-2022>.

<sup>4</sup> <https://www.sec.gov/ix?doc=/Archives/edgar/data/92230/000009223024000010/tfc-20231231.htm>.

<sup>5</sup> <https://www.truist.com/content/dam/truist-bank/us/en/documents/disclosures/non-lob/truist-2023-corporate-responsibility.pdf>.

<sup>6</sup> <https://www.bloomberg.com/news/articles/2024-09-10/bankers-doing-oil-deals-others-won-t-are-redrawing-an-old-map>.

<sup>7</sup> [https://www.bankingonclimatechaos.org/wp-content/uploads/2024/07/BOCC\\_2024\\_vF3.pdf](https://www.bankingonclimatechaos.org/wp-content/uploads/2024/07/BOCC_2024_vF3.pdf).

<sup>8</sup> <https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/Climate-Report-2023.pdf> (p.27); [https://about.bankofamerica.com/content/dam/about/report-center/esg/2024/Sustainability\\_at\\_Bank\\_of\\_America\\_2024\\_Report.pdf](https://about.bankofamerica.com/content/dam/about/report-center/esg/2024/Sustainability_at_Bank_of_America_2024_Report.pdf) (p.19); <https://www08.wellsfargomedia.com/assets/pdf/about/corporate-responsibility/climate-disclosure.pdf> (p.50-52)

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SUPPORTING STATEMENT: In assessing targets, proponents recommend, at Board and management discretion:

- Developing a transition plan that describes how the company will meet both its near-term targets and its previously announced 2050 net zero commitment;<sup>9</sup>
- Considering target-setting approaches used by advisory groups such as the Science Based Targets initiative and transition plan guidance published by the Glasgow Financial Alliance for Net Zero and the Transition Plan Taskforce.
- Accounting for facilitated emissions (e.g., from underwriting) in the Company's disclosure and target-setting as methodologies become available.<sup>10</sup>

<sup>9</sup> <https://ir.truist.com/2022-01-27-Truist-Announces-Goal-of-Net-Zero-Greenhouse-Gas-Emissions-by-2050>

<sup>10</sup> <https://carbonaccountingfinancials.com/files/PCAF-PartB-Facilitated-Emissions-Standard-Dec2023.pdf> (p.26)

January 22, 2025

Re: Truist Financial Corporation  
Withdrawal of No-Action Request Dated December 6, 2024 Regarding Shareholder Proposal  
Submitted by Friends Fiduciary Corporation and Co-filers

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

Dear Sir or Madam:

On behalf of Truist Financial Corporation (the “**Company**”), and in reference to our letter, dated December 6, 2024 (the “**No-Action Request**”), pursuant to which we requested that the Staff of the Office of Chief Counsel of the Securities and Exchange Commission concur with our view that the Company may exclude the shareholder proposal (the “**Proposal**”) submitted by Friends Fiduciary Corporation (the “**Proponent**”) from the proxy materials it intends to distribute in connection with its 2025 Annual Meeting of Shareholders, we submit this withdrawal request.

Attached as Exhibit A is a letter, dated January 22, 2025 (the “**Withdrawal Communication**”), sent via electronic mail to the Company by the Proponent, in which the Proponent voluntarily agrees to withdraw the Proposal. In reliance on the Withdrawal Communication, we hereby withdraw the No-Action Request.

Please contact the undersigned at (212) 450-4908 or ning.chiu@davispolk.com if you should have any questions or need additional information. Thank you for your attention to this matter.

Respectfully yours,



Ning Chiu

Attachment: Exhibit A

cc: Curt Phillips, Trust Financial Corporation  
Amy Carr, Friends Fiduciary Corporation

**Withdrawal Communication**

[REDACTED]

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**From:** Amy Carr [REDACTED]  
**Sent:** Wednesday, January 22, 2025 10:20 AM  
**To:** [REDACTED]  
**Subject:** Friends Fiduciary resolution withdrawal notice

Dear Curt,

In light of our ongoing discussions Friends Fiduciary Corporation, as lead filer of the proposal for inclusion in Truist Financial Corporation's 2025 proxy statement, withdraws that proposal.

Thank you,  
Amy

Amy Carr (she/her)  
Senior Shareholder Advocate  
FRIENDS FIDUCIARY CORPORATION

