



Sisters of the Presentation  
of the Blessed Virgin Mary

*In Joyful Service*

December 3, 2018

SECURITIES AND EXCHANGE COMMISSION

[rule-comments@sec.gov](mailto:rule-comments@sec.gov)

SUBJECT: File No. 4-725

As a member of Interfaith Center on Corporate Responsibility (ICCR) and a faith-based investor, we **strongly support the ICCR letter sent on November 6, 2018** regarding File No. 4-725.

The Sisters of the Presentation of the Blessed Virgin Mary promote social and economic justice through their investments by striving to maintain an awareness of the social impact which is being made by those companies whose securities have been purchased, or that are under consideration.

As investors we value the **right to have shareholder engagements** with companies.

- Members of ICCR have been involved in the shareholder resolution process since 1971, giving us over 45 years of experience in shareowner engagement and the proxy process.
- The history of ICCR demonstrates literally hundreds of examples of companies changing their policies and practices in light of constructive engagement with shareowners, including the filing of resolutions. The process has served as an invaluable tool to both shareholders and companies to bring to light emerging risks and facilitate the mitigation before they result in negative consequences.
- Because of shareholder engagements and resolutions brought by ICCR members and other responsible investors, longer-term emerging risks with the potential to negatively impact people have been identified early and proactively managed to the financial benefit of hundreds of companies, the health of the environment, and the welfare of communities across the globe.
- Many of the companies that ICCR members engage recognize the value that engagement with shareholders brings.

**Ownership Thresholds** (minimum value of shares owned in order to file a shareholder proposal)

- The current ownership threshold of \$2,000 allows an important diversity of investors to be heard.
- Raising the threshold excludes smaller investors from participating in the proposal process.
- Time frame of holding shares for a year ensures that investors are concerned about the long term value of the company, there is no need to change it.

**Resubmission Thresholds** (question of whether to increase the minimum votes a proposal receives from all shareholders in order to re-submit a proposal)

- Current minimums of 3%, 6% and 10% (in the first, second and third year, respectively) votes have been successful in allowing time for emerging issues to increasingly receive support from investors while still ensuring that proposals that receive meaningful support are moved forward.

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- There are many examples in ICCR's history of issues that initially received little support but through investor education were eventually recognized as the important issues and risks to companies that they were. Issues originally brought to the attention of corporate boards and fellow shareholders through proposals resulted in companies adopting suggested practices, many of which are now seen as best practice.
- Important areas where progress has been made include: climate change, human rights risks assessments, financial practices and governance standards.

#### Other

- Trade associations such as Business Roundtable, U.S. Chamber of Commerce, and National Association of Manufacturers are creating a false sense that resolutions are a major burden on companies. However, the vast majority of companies never even receive a shareholder resolution. For those that do, it is notable that often times resolutions end up being withdrawn by the proponent because of conversations between them and the company. Many times this leads to changes beneficial to the company.
- The average company receives a shareholder proposal once every 7.7 years, and of those that do, the median number of proposals is one per year (ISS Voting Analytics).

Respectfully submitted,

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Socially Responsible Investing