



Justice, Peace and
Care of our Common Home
Sisters of Charity - Halifax
85-10 61 Road
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USA

December 5, 2018

Hon. Jay Clayton
Chairman
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: File 4- 725 -- Staff Roundtable on the Proxy Process

Dear Chairman Clayton,

In response to your July 30th statement announcing a Staff Roundtable on the Proxy Process, the Sisters of Charity – Halifax join with the Interfaith Center on Corporate Responsibility (ICCR) to affirm the current shareholder proposal process as effective, efficient and beneficial to both shareholders and the long-term well-being of the companies they own.

We have personally seen the tremendous value in shareholder engagement, and many of the companies that ICCR members engage recognize the value that engagement with shareholders brings.

The Sisters of Charity – Halifax is an international religious congregation. Our U.S. Sisters currently live and serve in Massachusetts and New York and have done so for over 130 years. We have been members of ICCR for 35 years, ICCR and its other members have been involved in the shareholder resolution process since 1971, giving us over 45 years of experience in shareholder engagement and the proxy process. The history of ICCR demonstrates 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.

We believe the thresholds now in place allow for shareholders big and small to make valuable contributions to the companies that they own. 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. Requiring the holding of shares for at least a year ensures that investors are concerned about the long term value of the company, there is no need to change it.

The question of whether to increase resubmission thresholds has also been brought to the table. 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. 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. Progress made concerning climate change, human rights risks assessments, financial practices, and governance standards are only a few of the examples where this can be highlighted.

It is alarming that 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. 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.

Statistics show that 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). We, and other shareholders like us, should not be limited in our ability to engage with the companies we own. We press companies on environmental, social, and governance risks because we care about people, the world AND the long-term health of the companies in which we are invested for our financial well-being.

We appreciate this opportunity to provide input.

Sincerely,



Melissa A. Gibilaro

Coordinator of Justice, Peace and Care of Our Common Home

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