



Ad Maiorem Dei Gloriam

December 19, 2019

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

Rule 14a-8 File No: S7-23-19/S7-22-19

Dear Chairman Clayton,

On behalf of the Maryland (MAR) and USA Northeast (UNE) Provinces of the Society of Jesus, I write to oppose the November 5, 2019 rules proposed by the Securities and Exchange Commission (SEC). The MAR and UNE Provinces are active members of the Interfaith Center on Corporate Responsibility, using corporate shareholder advocacy to promote responsible, sustainable, and faith-consistent corporate activity. We are among many Jesuit institutions that believe these rules will stifle dialogue between companies and shareholders. Less conversation with shareholders will limit the ability of companies to learn: from stakeholders on the ground where they operate; about best practices in responding to ESG concerns; and with potential collaborators in the investor and nonprofit world. Loss of these conversations will reduce shareholder value over the long-term as companies are less able to focus on environmental and social issues.

The MAR and UNE provinces are members of the Jesuit Committee on Investment Responsibility (JCIR), among the 5 regions in the U.S. and Canada using our endowment investments to encourage social-environmental justice through corporate actions. This work is a response to our Catholic faith, respecting human life and dignity, caring for the environment, promoting an integral ecology that includes sustainable development, and protecting the rights of workers and communities. Our socially responsible investing work, including shareholder advocacy, benefits the bottom line of the company, shareholders and serves the interest of all community stakeholders.

The amount of shares held by an investor does not impact the potential benefits that can come from shareholder dialogue. Under the proposed rule changes, which would increase the required amount of shares held and time-frame of continuous ownership, many deeply committed faith-based shareholders would be unable to enter into dialogues with companies because they would not yield the power of a resolution. In my 9 years leading MAR and UNE's shareholder advocacy, the focus of my work has been coordinating mutually beneficial conversations with senior corporate leaders, members of corporate board of directors and faith-based investors. However, the possibility of filing a resolution as a shareholder allows us to ensure response and engagement from companies. For example, MAR and UNE was deeply involved in shareholder advocacy on the human right to water at Bunge and Ingredion, two agricultural product companies whose businesses faced significant water risks. With each company, we framed the issue using the U.N. Guiding Principles, introduced water risk analysis tools, connected the companies with corporate leaders in the sector, and offered evidence of how risk assessment, disclosure to investors and proper planning gave the companies competitive advantage. Collectively,



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over 16 years of engaged dialogue with Bunge and Ingredion, we did not file a single shareholder resolution. Looking back on these dialogues, both Bunge and Ingredion express gratitude for value they brought to the company. The MAR and UNE provinces are committed long-term investors in these companies and we firmly believe that they will produce better returns on investment because they are incorporating environmental and social issues into management practices.

It takes a significant amount of time to educate shareholders and corporate executives on environmental and social issues through our dialogues. The proposed increase in resubmission thresholds for shareholder resolutions does not take this learning curve into account. For example, if the Maryland and Northeast Jesuits Provinces had to file a resolution in our first year of conversation with Ingredion on addressing risks to the business due to water scarcity it likely would have failed simply because stakeholders lacked awareness on this issue. The dialogue would have ended without the company looking seriously at water withdraws in severely stressed watersheds. It took time for Ingredion to look beyond its own business needs and regulatory requirements, as well as pressure from customers who demanded sustainable agriculture in their supply chain. Faith-based shareholders connected to local communities where companies operate are often ahead of the curve on material environmental and social issues. This increase in thresholds to resubmit a shareholder resolution will slow down progress on these issues as investors will be reluctant to file, negatively impacting investors, the company and community members.

Our experience engaging companies as active shareholders points to an overall trend: shareholder proposals are only a nominal fraction of the issues and proxy votes companies address at annual meetings. Furthermore, our resolutions empower companies to respond to potential environmental, social and governance risks. These rule changes will limit the many benefits that currently emerge from these engagements. Because of this, the Maryland and Northeast Jesuit Provinces request that the SEC withdraw rulemaking proposals S7-23-19 and S7-22-19.

Sincerely,

A handwritten signature in black ink that reads "Nicholas Napolitano".

Nicholas Napolitano
Assistant for Social Ministries
Maryland and USA Northeast Province of the Society of Jesus