THE SISTERS OF ST. FRANCIS OF PHILADELPHIA

January 27, 2020

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

Re: S7-23-19 Procedural Requirements and Resubmission Thresholds under Exchange Act Rule 14a-8

S7-22-19 Amendments to Exemptions from the Proxy Rules for Proxy Voting Advice

Dear Chairman Clayton,

The Sisters of St. Francis of Philadelphia strongly oppose the rules proposed by the Securities and Exchange Commission (SEC) on November 5th, 2019, which will severely limit the rights of shareholders to engage with corporations using the shareholder resolution process over issues with a distinct impact on long-term value.

The Sisters of St. Francis, a community of approximately 400 women religious, engage with companies in our portfolio to fulfill the congregation's mission to "direct our corporate resources to the promotion of justice, peace, and reconciliation" and thereby to effect change toward social and environmental justice. As long-term investors, we believe that the proposed rules are unnecessary, and will undermine a corporate engagement process that has been of great value to both companies and investors.

For decades, the shareholder proposal process has served to benefit issuers and proponents alike as an effective, efficient and valuable tool for corporate management and boards to gain a better understanding of shareholder priorities and concerns. The proposed rule changes will make companies far less accountable to shareholders, stakeholders, and the public at large.

The current ownership threshold of $2,000 ensures that a diversity of voices are heard, not just the biggest players. Small investors have contributed a multitude of now commonplace best practices, demonstrating that often, companies recognize these shareholder actions as valuable to communities, but to the company itself. For example, the Sisters of St. Francis of Philadelphia have engaged with the Kroger Company for the seven years on the rights of workers in their supply chain. Through numerous dialogues and shareholder resolutions, Kroger has transformed from a company without a comprehensive plan to address the myriad sustainability issues faced by all companies with global supply chains to being an industry leader, collaborating with governmental and non-governmental organizations on everything from sustainable fisheries to deforestation, food waste, dairy management, fair treatment of workers, food safety, as well as many other topics. Initially reluctant to speak with shareholders, the company agreed to meet with us as a result of our filing a shareholder resolution.

This corporate engagement helped push the company to adopt human rights policies and supplier codes of conduct that help minimize legal, reputational, and financial risks. Clearly these and other votes on critical matters signify that investors appreciate the value of the issues being raised in these resolutions. It can take some time for shareholders to get up to speed on emerging issues. The proposed changes could prevent significant topics from even being raised and considered, to the detriment of all stakeholders.

We engage as shareholders on ESG risks precisely because we are concerned about the long-term health of the companies in which we are invested. Many of the companies that we engage with understand that this engagement enables them to mitigate reputational, legal, and financial risks, and build value. The filing of shareholders resolutions by investors big and small is a crucial part of the engagement process.

For the above reasons, we strongly urge the SEC to reconsider the proposed rule changes.

Sincerely,

Tom McCaney
Associate Director, Corporate Social Responsibility
Sisters of St. Francis of Philadelphia