



1 Ecolab Place
St. Paul, MN 55102

February 3, 2020

Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: File No. S7-22-19: *Amendments to Exemptions from the Proxy Rules for Proxy Voting Advice*
and
File No. S7-23-19: *Procedural Requirements and Resubmission Thresholds under Exchange Act Rule 14a-8*

Dear Ms. Countryman:

Ecolab Inc. appreciates the opportunity to provide comments to the Securities and Exchange Commission on File No. S7-22-19, *Amendments to Exemptions from the Proxy Rules for Proxy Voting Advice*, and on File No. S7-23-19, *Procedural Requirements and Resubmission Thresholds under Exchange Act Rule 14a-8*.

A trusted partner at nearly three million commercial customer locations, Ecolab Inc. (NYSE: ECL) is the global leader in driving business performance while protecting people and vital resources. With annual sales of \$15 billion and 50,000 associates, Ecolab delivers comprehensive solutions, data-driven insights and on-site service to advance food safety, protect public health, optimize water and energy use, and to improve operational efficiencies for customers in the food, healthcare, energy, hospitality and industrial markets in more than 170 countries around the world.

The success of innovative companies like Ecolab in the United States and the investment returns of American investors depend on capital markets that support capital formation and long-term growth. As a public company, the proxy process is one of the primary ways we communicate with our investors about key aspects of our business and corporate governance. We support a proxy process that is open and efficient, and we appreciate the Commission's ongoing efforts to institute proxy reforms that balance the interests of investors and issuers and maintain the efficiency of public capital markets.

For reasons described below, we support the proposed rules in File No. S7-22-19 and in File No. S7-23-19.

Though we support the proposed rules and believe they move us in the right direction, we see an opportunity for further updates. Given significant changes in economics and market practices that have occurred since the current rules were passed, additional updates to the proposed rules should be considered. With respect to File No. S7-23-19, we support an ownership requirement of at least \$25,000 of the company's securities entitled to vote on the proposal for at least one year. We also support exclusion of a proposal addressing substantially the same subject matter as a proposal previously included in the company's proxy within the preceding five calendar years if the proposal received less than 5% or 30% of the votes cast if voted on once or two or more times, respectively, because continuously resubmitting unpopular proposals is costly and distracting.

Support for Amendments to Exemptions from the Proxy Rules for Proxy Voting Advice

Proxy firms have significant influence on proxy voting and results, and issuers are forced to consider the proxy firms' guidelines or risk an adverse recommendation and corresponding vote against the company on the proxy ballot.

If finalized, the proposed rule would provide more transparency and balance to the influence of proxy advisory firms. Proxy firms would still be able to provide research and voting recommendations to their institutional investor clients, but with enhanced transparency about their conflicts of interest, methodologies and sources of information, as well as a new process for issuer engagement to improve the accuracy and reliability of their recommendations.

We support the core provisions of the proposal, including the clarification that furnishing proxy voting advice constitutes a solicitation, conditioning exemptions to Rule 14a-2(b) on proxy firms disclosing their conflicts of interest and engaging with issuers and the enhancements to Rule 14a-9's antifraud provisions.

Ecolab is particularly interested in issuer engagement. Proxy firms tend to follow a one-size-fits-all approach to corporate governance that does not consider differences in companies' business models or the flexibility allowed under corporate and securities laws. Proxy firm reports commonly contain factual errors, and their recommendations and ratings appear in some cases to lack transparency and reliability. In addition to their benchmark guidelines, proxy firms now offer a wider variety of guidelines, reports, recommendations and ratings on different topics and for different clients. Without effective issuer engagement, the risk of investors voting based on inaccurate, unclear or unreliable information increases.

Support for Procedural Requirements and Resubmission Thresholds under Exchange Act Rule 14a-8

Shareholder proposals remain an important way for shareholders to raise issues with other shareholders and with company management. However, the shareholder ownership thresholds have not been updated since 1998, and the resubmission thresholds have not been updated since 1954. Also, a small subset of investors now dominates the shareholder proposal system, leaving the remaining investors to bear the costs of proposals not supported by them. Repeated submissions by shareholders without a meaningful investment interest of proposals not supported by most investors are costly, distracting and do not contribute to the returns or performance of companies receiving these proposals.

If finalized, the proposed rule would help restore a measure of balance in this area in a way that does not "disenfranchise" shareholders with a meaningful long-term interest or prevent them from engaging with management.

We support the core provisions of the proposal, including the modified eligibility requirements under Rule 14a-8(b), expanding the eligibility and disclosure requirements for shareholders that use a representative to submit a proposal for inclusion in a company's proxy statement, amending Rule 14a-8(b) to add a shareholder engagement component to the current eligibility requirements, amending Rule 14a-8(c) to clarify the "one proposal" rule and increasing in the resubmission thresholds under Rule 14a-8(i)(12).

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We encourage the Commission to finalize these proposed rules after reviewing the comments received in response to the proposing releases. We believe the proposed rules address legitimate concerns in a way that balances the interests of investors and issuers and maintains the efficiency of public capital markets

Thank you for taking our comments.

Sincerely,

A handwritten signature in blue ink, appearing to read 'M. McCormick', with a long horizontal flourish extending to the right.

Michael C. McCormick
Executive Vice President,
General Counsel and Secretary
ECOLAB INC.

Cc: Douglas M. Baker, Jr., Chairman and Chief Executive Officer