INTERFAITH CENTER ON CORPORATE RESPONSIBILITY
Inspired by faith, committed to action.

September 19, 2017

Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Dear Mr. Secretary:

We write to join our colleagues at the Council of Institutional Investors (see CII letter dated August 21, 2017) and express our strong opposition to the July 17, 2017, "Request for rulemaking to amend Rule 14a-8 under the Securities Exchange Act of 1934 regarding resubmission of Shareholder Proposals" submitted by the Corporate Governance Coalition for Investor Value (Petition).

We believe the current rules governing the shareholder resolution process are both fair and comprehensive, and further, that the current vetting system at the SEC is rigorous enough to ensure shareholder-sponsored proposals are soundly presented, reasonable in their requests, and in the long-term best interests of the company. We do not believe that there is a need to revise the rules.

Members of the Interfaith Center on Corporate Responsibility (ICCR), a coalition of more than 300 faith- and values-driven institutional investors collectively representing over $400 billion in invested capital, have used the proxy process for over four decades to engage hundreds of multinational corporations on a host of environmental, social and governance topics in order to improve financial performance and promote greater sustainability.

As a direct result of shareholder engagements and resolutions brought by ICCR members and other responsible investors, longer-term emerging risks with the potential to negatively impact people most at risk 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. The history of ICCR beginning in 1971 demonstrates literally hundreds of examples of companies changing their policies and practices in light of constructive engagement with shareowners including the filing of resolutions. Examples of how shareholder proposals have served as early warning systems for companies and the broader market include:

- Resolutions on key governance issues such as annual election of directors, majority votes for directors, supporting meaningful succession planning, splitting the board chair and CEO roles, CEO pay and claw-back provisions tied to specific performance metrics, and disclosure of lobbying and political expenditures. These are issues that can improve corporate transparency and accountability and strengthen governance structures and long-term financial

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performance. There is a clear record of investor input stimulating significant constructive changes in corporate governance.

• Resolutions highlighting human rights risks in corporate operations and global supply chains with companies in the apparel, electronics, automotive and agricultural sectors, bringing human trafficking and forced labor, including forced child labor, into public view. As a result of issues raised through shareholder proposals, sector leaders such as Coca Cola, HP, Ford and Gap now have human rights policies and supplier codes of conduct that help them uncover and eradicate these violations from their supply chains - along with the legal, reputational and financial risks that these practices present.

• Resolutions with oil and gas majors beginning in 1998 requesting reporting on the risks of climate change. In the early years, these resolutions often received below 5% of shareholder support. Yet through the persistence of religious investors who are ICCR members as well as the broader responsible investment community, support has steadily grown into a clear mandate for climate action. And, as you are well aware, many mainstream investors are now highlighting the issue of climate risk. This proxy season saw a resolution requesting a business plan in alignment with the 2° C warming threshold established in the Paris Climate Agreement achieve a 67% vote at Occidental Petroleum, 62% at ExxonMobil, 50% at PNM Resources and 48% at Dominion Resources.

• Resolutions as early as 2005 with top U.S. banks on risk management calling for disclosures around high-risk mortgage products and how they were being collateralized. If banks had heeded the concerns of long-term investors, the financial crash may have been avoided. Instead, three years later we would see sub-prime lending bring our nation's economy to its knees and, shortly thereafter, the passage of Dodd-Frank financial reforms to curb excessive risk-taking and protect banks, their customers and the greater global economy.

It is also important to underscore that very often resolutions are withdrawn by their proponents after a productive dialogue and improved understanding with shareholders. Resolutions that are not withdrawn are voted on by all holders of voting stock – giving the board and management input far beyond that of resolution proponents. Moreover, it is important to understand that virtually all resolutions are advisory (not requiring mandatory company action).

The Petition fails to address these considerations and the many other improvements to corporate governance and corporate disclosure that have resulted from resolutions filed under Rule 14a-8. We do not believe it is appropriate or a good use of the Commission's time and resources to consider this Petition. The so called "abuses" addressed by the Chamber and BRT are hardly systemic problems affecting thousands of companies in the markets.

If, however, the Commission decides to consider a new rulemaking in response to the Petition, we concur with CII's recommendations and would respectfully request that the SEC staff broadly solicit input from investors, management and board representatives, and other market participants about their experiences with Rule 14a-8.

In summary, we believe the current proxy process does an effective job of facilitating communication between shareholders and the corporate boards and management of the companies they own and should be maintained and protected.

We welcome a conversation on this matter. Please feel free to contact me with any questions.

Sincerely,

Josh Zinner
Chief Executive Officer
Interfaith Center on Corporate Responsibility

CC: The Honorable Jay Clayton
The Honorable Michael Piwowar
The Honorable Kara Stein
William Hinman, Director, Division of Corporation Finance