



Sound Investments for a Prosperous Planet

Submitted via regulations.gov, September 18, 2020

Office of Regulations and Interpretations US Department of Labor
Room N-5655
200 Constitution Avenue NW Washington, DC 20210

RE: Proposed rule on Fiduciary Duties Regarding Proxy Voting and Shareholder Rights (RIN 1210-AB91)

To whom it may concern:

I write on behalf of Natural Investments LLC to oppose the Department of Labor's proposed rule, "Fiduciary Duties Regarding Proxy Voting and Shareholder Rights" (RIN 1210-AB91) (the "Proposal"). Because very few (13%) of Russell 3000 companies receive a shareholder proposal in a given year, and because the average Russell 3000 company receives such a proposal only every 7 years, this Proposal is a solution in search of a problem. As the Proposal does not describe a significant concern that needs to be remediated via regulatory rule, it should be withdrawn.

The Proposal provides no data to back up any of its assertions, which are wildly unfounded. The Proposal provides insufficient evidence for and a profound misunderstanding of the importance fiduciaries and other investors place on voting proxies in order to communicate their preferences to company management. These preferences are designed to help companies mitigate risk that is material to financial performance and share value. Quashing investor voice serves no purpose other than to protect companies from acknowledging such risks; allowing these risks to be ignored by preventing shareholder from making non-binding recommendations is, frankly, absurd. There are countless examples of companies ignoring social and environmental risks and facing severe financial consequences. There are countless examples of the relevance of such proposals on financial performance. The SEC even considers such information material in its filing requirements. Making proxy voting more difficult does not help companies, it will, in fact, hurt them because many of them are not interested in addressing such risks, even though research proves that doing so is a key element of effective corporate management.

The Proposal's requirements are cumbersome and costly for fiduciaries: explaining the economic impact calculations behind each vote is onerous and unworkable. The Department of Labor should not be making extra work for fiduciaries who are fulfilling their responsibility by acknowledging the myriad of risks affecting share value when they vote their proxies or subscribe to services that vote in alignment with their perspective. This sort of government overreach is astonishing for a GOP Administration. Please let corporate stakeholders jointly determine what is optimal corporate practice; the DOL is not needed as an arbiter of what is appropriate in this regard.

Sustainable and responsible investing is steadily increasing in popularity and becoming mainstream practice by conventional investment firms, it is not a fringe fad that regulators need to rein in.

Natural Investments is an investment advisor registered with the SEC. For 35 years the firm has managed over \$1 billion in sustainable, responsible, and impact investments for individuals and institutions nationwide.

The Proposal serves no reasonable purpose that helps institutional investors, so it should be withdrawn. Thank you for your consideration of these comments.

Sincerely,

A handwritten signature in cursive script that reads "Michael Kramer".

Michael Kramer

Managing Partner