

To Whom It May Concern:

As Director of Socially Responsible Investments for Trinity Health, I thank you for the opportunity to give feedback on the proposed changes to ISS' 2025 US Benchmark Policy. ISS' work provides an important tool in Trinity Health's SRI approach.

Given all the global challenges affecting the planet and people, and whether/how corporations are attentive to those challenges, I was surprised to see that ISS did not recommend any changes to its US Benchmark Policy on such topics as the climate crisis and racial equity and/or civil rights audit guidelines.

I would assume that many of ISS' clients are investors with diversified portfolios; as such, diversified investors like Trinity Health mainly depend on the performance of the market, not on individual companies. I believe the social and environmental costs created by companies who do not take environmental and social factors into account can be a burden to the whole economy.

Corporate policies and practices that perpetuate systemic racial inequities can create risks and harms at both the issuer and portfolio levels – ameliorating those disparities can lead to opportunities and benefits for issuers and portfolios. I encourage ISS to modify its Benchmark Policy to generally recommend votes in favor of proposals asking a company to conduct an independent racial equity and/or civil rights audit. The company must implement the proposal by hiring a qualified independent third party to perform a comprehensive racial equity audit that evaluates not only diversity, equity and inclusion (“DE&I”) programs and philanthropic efforts but also impacts of the company's business operations and activities on external stakeholders; an audit assessing only DE&I/non-discrimination policies and programs and/or philanthropic efforts is not considered comprehensive.

I encourage ISS to generally recommend votes in favor of shareholder proposals that substantially foster racial and social equity, including those that call for further action or disclosure related to racial equity or civil rights audits, board diversity, political spending and lobbying activity, human capital management, consumer product safety, climate and environmental justice, executive compensation, and oversight of tech company product and services.

Regarding climate, I strongly support analysis on company climate performance in ISS Benchmark reports to assess whether a company's current and future business plans, capital allocation, and political activity are aligned with a 1.5°C scenario and/or science-based sectoral decarbonization plans. The scope of companies considered to be high-emitting should include financial sector

actors such as banks and insurance companies, in virtue of their financed, facilitated, and/or insured emissions.

Companies' climate transition plans should include, at minimum, all of the following:

- Acceptable emissions targets – both medium-term targets that are compatible with the global imperative to cut absolute emissions in half by 2030, and a net-zero commitment by 2035 at the latest for OECD utilities or 2050 at the latest for all companies.
- Corporate strategy that is aligned with achieving these targets.
- Capital expenditure plans that are consistent with achieving the targets.
- Political spending and lobbying policies and practices that are consistent with the targets.

Failing to meet these standards should result in ISS making a recommendation to vote against responsible board members at the company in question on the basis of inadequate climate performance.

-

Thank you in advance for your attention to this feedback.

Trinity Health