



July 30, 2020

Office of Regulations and Interpretations
Employee Benefits Security Administration
Room N-5655
U.S. Department of Labor
200 Constitution Avenue NW
Washington, D.C. 20210

Re: Financial Factors in Selecting Plan Investments
Proposed Regulation (RIN 1210-AB95)

Dear Assistant Secretary Wilson,

Mercy Investment Services, Inc. (“Mercy Investments”) is the asset management program for the collective investment and professional management of endowment, operating and other funds of the Sisters of Mercy of the Americas (the “Sisters of Mercy”) and participating ministries. The Sisters of Mercy seek a just world for people who are poor, sick and uneducated, and includes more than 2,500 women who have a tradition of serving communities throughout the United States and beyond. Today, Mercy Investments is also the asset management program for 46 of the Sisters of Mercy’s ministries, which are tax-exempt organizations engaged in religious and charitable activities, including education, social services and health care.

The mission of Mercy Investments is to enhance their investments through responsible financial stewardship, which includes actively engaging companies in our portfolios on environmental, social and governance (“ESG”) issues. We take this approach to responsible investing both because we believe that these issues can significantly impact the long-term value of our investment portfolio, and because we are called to promote the common good as reflected in the values and principles of the Sisters of Mercy. Our engagements with companies over the past three decades have included a focus on access to health care both in the United States and globally; protection of human rights of the vulnerable and disenfranchised; effective corporate governance practices including board diversity and reasonable executive compensation; and protection of the earth through care for the environment and water sustainability.

On behalf of Mercy Investments, I am writing to request that the proposed rulemaking “Financial Factors in Selecting Plan Investments” (the “Proposed Rule”), which was announced by the Employee Benefits Security Administration on June 23, 2020, be withdrawn.

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Mercy Investments believes the Proposed Rule erroneously characterizes ESG risks as extrinsic to the fiduciary concerns of investors. We concur with the many organizations and thought leaders in the investment field that have already sent comments that affirm that ESG risk is a proper concern for investors in and fiduciaries of ERISA plans.

Specifically, we concur with the Interfaith Center on Corporate Responsibility (ICCR), of which Mercy Investments is a long-standing member. ICCR urges the Department of Labor to withdraw the Proposed Rule because it “does not establish either that the Proposed Rule is necessary or that it would provide appreciable benefits, and it fails to analyze costs to plans and their participants and beneficiaries. These major shortcomings preclude an adequate cost-benefit analysis.”

Lastly, as a faith-based investor, Mercy Investments considers its responsibility to its stakeholders to include aligning its investments to its mission. Selecting investment managers that can use ESG factors to make investment decisions is a critical way for Mercy Investments to live into this responsibility.

Thank you for your consideration of this request to withdraw the Proposed Rule. If Mercy Investments can be of further assistance, please contact me at kmccloskey@mercyinvestments.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Katie McCloskey". The signature is fluid and cursive, written over a white background.

Katie McCloskey
Vice President of Social Responsibility