



# MARYKNOLL—SISTERS

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June 17, 2022

Vanessa A. Countryman  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

*Via email [rule-comments@sec.gov](mailto:rule-comments@sec.gov)*

Re: File No. S7-10-22: The Enhancement and Standardization of Climate-Related Disclosures for Investors

Dear Ms. Countryman,

On behalf of the Maryknoll Sisters of St. Dominic, Inc, I submit this comment in support of File No. S7-10-22: The Enhancement and Standardization of Climate-Related Disclosures for Investors (the “Proposed Rule”).

The Maryknoll Sisters are a Catholic missionary organization with approximately 300 sisters serving in over 24 places around the world. Maryknoll Sisters give witness to God’s love as nurses, doctors, teachers, social workers, environmentalists and pastoral workers. Their investments play a key role in funding their ministries, the needs of retired Sisters, and of the Congregation in general.

We are members of the Interfaith Center of Corporate Responsibility (ICCR), a 50-year-old coalition of more than 300 faith- and values-based institutional investors representing over \$4 trillion in assets under management who engage with hundreds of corporations on their environmental and social impacts. We are also affiliated with Investor Advocates for Social Justice, a non-profit organization that represents investors with faith-based values who seek to leverage their investments to advance human rights, climate justice, racial equity, and the common good.

The Maryknoll Sisters’ investment guidelines state: “The Congregation will use its role of shareholder to foster positive change in company policies and practices”. Our criteria includes seeking to invest in companies that demonstrate “sensitivity to ecological balance, commitment to a low carbon future, care of the environment, development of renewable energy sources, and use of recycled materials.” We deeply appreciate the Commission and staff’s work on the Proposed Rule, and that the Commission understands the urgency of companies disclosing climate-related risks.

We believe the Proposed Rule will fill gaps in climate-related disclosures in an efficient manner. This will be very helpful to us as investors. For several years, we have asked our asset managers to track the ‘carbon footprint’ of our investment portfolio, and we engage with companies we own on what steps they are taking to reduce their greenhouse gas emissions. Therefore, we support requiring companies, in a phased-in process, to disclose Scope 1 and Scope 2 greenhouse gas emissions – and that the ‘limited assurance’ attestation requirement should be replaced with ‘reasonable assurance’, to give investors more confidence in a company’s reporting.

We also support mandatory disclosure of Scope 3 emissions for all registrants, with phased in attestation. The Scope 3 safe harbor should be phased out over time. Campbell Soup Company, which we have engaged for years on water and climate issues, has committed to reduce absolute Scope 3 greenhouse gas emissions – specifically from ingredients, packaging and upstream transportation and distribution 25% (from 2020 levels) by 2030, and has already been reporting Scope 3 metrics for two consecutive fiscal years.<sup>1</sup> At least more than a dozen other food and beverage companies disclose Scope emissions – demonstrating that such disclosure is possible.<sup>2</sup> Given that food and beverage companies are major greenhouse gas emitters, and that they are widely held, mandatory disclosure of Scope 3 emissions will enable investors like ourselves to understand better how these companies are addressing climate risks.

We believe that if a company does not find its Scope 3 emissions to be material, it should disclose the basis for that determination. As shareholders, we have engaged financial institutions on their financed emissions footprint. The Maryknoll Sisters were part of a successful engagement with JPMorgan Chase, which agreed in 2020 to assess and disclose GHG emissions attributable to its financed activities for the oil and gas, electric power and automotive manufacturing sectors.<sup>3</sup>

Another area we are engaging companies in multiple sectors is asking them to disclose their lobbying positions on climate change. We believe this is important because as companies set climate goals they need a responsive legal and regulatory environment. Public policy plays a key role in establishing the rules for a transition to a low-carbon economy. We ask companies to provide more information about their climate-related lobbying activity. We respectfully ask the SEC for a change in the proposed rule to address climate policy in disclosures regarding risk management, business strategy and transition plans and targets. As investors, we think companies should disclose whether it supports climate policy consistent with its transition plan, and discuss how its positions in direct and indirect lobbying are aligned with its own Net Zero commitments and strategies, including alignment with the Paris Agreement.

Board oversight is a key component for a company's implementation of its climate commitments. We believe that companies with such commitments should disclose in their annual reports and board governance documents whether specific directors or board committees have oversight and accountability for company climate lobbying and alignment with its climate policy strategy, and for review of trade association memberships.

Thank you for this opportunity to comment on the Proposed Rule, which we support and trust will have a positive impact helping investors better understand the climate risks their portfolio companies face, and what these companies are doing to address the climate crisis.

Sincerely,

  
Sister Darlene Jacobs, MM.

Treasurer, Maryknoll Sisters of St. Dominic, Inc.

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<sup>1</sup> <https://campbellsoupcompany.com/wp-content/uploads/2022/03/2022-Corporate-Responsibility-Report.pdf>

<sup>2</sup> <https://engagethechain.org/top-us-food-and-beverage-companies-scope-3-emissions-disclosure-and-reductions>

<sup>3</sup> <https://www.jpmorganchase.com/impact/sustainability/es-commitments#paris-aligned>