

# CBIS' Commitment to PRI

FEBRUARY 2017

We apply each of the Principles for Responsible Investment (PRI) to our work; they are embedded in all that we do.



Catholic  
Responsible  
Investing

## OVERVIEW

CBIS became the first U.S. Catholic PRI signatory in 2014. The PRI is an investor effort in partnership with the UN Environment Program Finance Initiative and UN Global Compact. CBIS maintains its commitment to the Principles through its multi-tiered Catholic Responsible Investing<sup>SM</sup> (CRI) approach and annual PRI assessment. CRI integrates our manager-of-manager investment products with rigorous, research-driven Catholic investment screens and active corporate engagement. We seek to deliver holistic solutions for Catholic organizations in line with Catholic teaching and the six PRI Principles.

Signatory of:



## PRINCIPLE 1

WE WILL INCORPORATE ESG ISSUES INTO INVESTMENT ANALYSIS AND DECISION-MAKING PROCESSES.

We address Environmental, Social and Governance (ESG) integration, in part, through our manager selection and monitoring processes as well as with our investment screening and active ownership efforts. Our decision to hire managers and conduct ongoing evaluations are dependent on their ability to work with our [CRI approach](#). We survey managers about their ESG integration activities and review PRI reporting for those managers that are signatories. We conduct training with our investment managers on ESG issues related to our [screens](#) and screening protocols. Our screening criteria are applied across all asset classes, including fixed income,

and are designed to help Catholic organizations avoid investing in companies that run counter to Catholic ethical and social teaching. The screening process examines not only Church teaching, but also the United States Conference of Catholic Bishops (USCCB) investment guidelines, current ESG research, and periodic surveys of Catholic institutional investors. We monitor portfolio companies' products and services globally to help identify possible issues and we incorporate ESG factors into our active ownership engagements and proxy voting process (see *Principle #2*).

PRINCIPLE 2

WE WILL BE ACTIVE OWNERS AND INCORPORATE ESG ISSUES INTO OUR OWNERSHIP POLICIES AND PRACTICES.

Our **active ownership** work is organized around three themes or pillars: economic justice, human dignity, and environmental stewardship. CBIS' active ownership promotes positive change on a wide range of issues, and ESG factors, and seeks systemic change that improves the lives of communities and individuals, particularly the poor. When selecting companies, we consider the strategic importance of a company to the industry, and the performance of the company within the sector as a leader or laggard. Engagement may

include filing shareholder resolutions (when we believe a company has not engaged in good faith or has not set clear goals for achieving progress), attending shareholder meetings or company road shows, and meeting privately with companies and/or their board members. CBIS also votes more than 3,000 proxy ballots each year based on our positions on governance, compensation, shareholder rights and ESG performance. We publish our proxy voting record on our website in near real-time.



PRINCIPLE 3

WE WILL SEEK APPROPRIATE DISCLOSURE ON ESG ISSUES BY THE ENTITIES IN WHICH WE INVEST.

Our corporate engagement, proxy voting, and regulatory advocacy all support our efforts to seek ESG disclosure from the market, and to improve upon it over time. We engage with companies directly on gaps in ESG disclosure, communicate our disclosure needs through letters and proxy votes, and engage with industry associations and non-profit organizations to improve disclosure. We also

communicate with regulatory agencies, such as the U.S. Securities and Exchange Commission, and the London and Italian Stock Exchanges, to enhance corporate ESG reporting. We joined the PRI Corporate Bondholder Working Group to help improve ESG disclosure in the debt markets.



PRINCIPLE 4

WE WILL PROMOTE ACCEPTANCE AND IMPLEMENTATION OF THE PRINCIPLES WITHIN THE INVESTMENT INDUSTRY.

CBIS attends PRI regional events and annual conferences, as well as webinars and working group meetings, to understand the various work streams within the PRI, and how to best implement the Principles. We promote PRI in public speeches, events we participate in, webinars, and on our website, and assist PRI in forming key partnerships. We partner

and collaborate with a broad spectrum of investors—both faith-based and large institutional players—to drive best practices globally on CRI and ESG issues.



PRINCIPLE 5

WE WILL WORK TOGETHER TO ENHANCE OUR EFFECTIVENESS IN IMPLEMENTING THE PRINCIPLES.

CBIS collaborates with a broad range of organizations on our engagements, on our ESG priorities and to expand our capabilities through core partnerships, including:

- The Interfaith Center on Corporate Responsibility (ICCR)
- US Forum for Sustainable and Responsible Investment (US SIF)
- Ceres and Ceres' Investor Network on Climate Risk (INCR)

- The PRI, and its Collaborative Engagement platform
- PRI Corporate Bondholder Working Group
- PRI-coordinated engagement on water risks in agricultural supply chains
- CDP (formerly Carbon Disclosure Project) on climate, water, forestry initiatives
- Ecumenical Council for Corporate Responsibility (ECCR)

- Shareholder Association on Research and Engagement (SHARE)
- The Extractives Industry Transparency Initiative (EITI)
- ShareAction
- ECPAT U.S.A. and International on child trafficking and sexual exploitation

PRINCIPLE 6

WE WILL EACH REPORT ON OUR ACTIVITIES AND PROGRESS TOWARDS IMPLEMENTING THE PRINCIPLES.

We report progress in implementing the Principles in a variety of ways, including in our annual PRI assessment, and in our extensive selection of literature, such as quarterly engagement progress reports, issue reports, webinars, and our previously mentioned proxy voting record. Our speaking engagements at conferences like Responsible Investor Americas, SRI Conference, Diocesan Fiscal Management Conference, and others, make everyone aware of our CRI engagements, ESG efforts, and leadership on key committees and on the boards of leading responsible investment institutions.



Important Information

This is for informational purposes only and does not constitute an offer to sell any investment. Our Funds are not available for sale in all jurisdictions. Where available for sale, an offer will only be made through the prospectus for the Funds, and the Funds may only be sold in compliance with all applicable country and local laws and regulations.