

Active Ownership Engagements

MARCH 2017

Active Ownership is a critical element in CBIS' Catholic Responsible InvestingSM (CRI) approach, aimed at helping improve the strategies, policies, and practices of corporations in our portfolios. As responsible shareholders, we believe that we are called upon to be active owners and raise corporate awareness on issues of importance to Catholic investors. Our active ownership program is shaped by Catholic teaching and leverages a variety of tools in our daily efforts, including ongoing dialogue with corporate management and submitting shareholder resolutions.

CORPORATE RESOLUTIONS

COMPANY	ISSUE	OVERVIEW	GOAL
ExxonMobil	Environmental Stewardship: Climate Change	Given its size and dominance, ExxonMobil can play an important role in addressing climate change and providing leadership for a transition to a low-carbon economy. The resolution we are co-filing asks the company to publish an annual assessment of potential long term portfolio impacts of climate change policies.	Convince ExxonMobil to annually assess its oil and gas reserves and business strategy against anticipated major changes in public policy and investment resulting from a 2 degrees or less emissions target highlighted in global public policy.

CORPORATE ENGAGEMENTS

(N) denotes new dialogue

COMPANY	ISSUE	OVERVIEW	GOAL
Anadarko Petroleum	Environmental Stewardship: Hydraulic Fracturing	Impacts on local communities and the environment from hydraulic fracturing must be managed responsibly to minimize adverse consequences. We will monitor Anadarko's implementation of its human rights policy, which promotes the well-being of local communities and expands disclosure of environmental impacts.	Implement a human rights policy, engage stakeholders, and expand disclosure of practices to help protect the environment.
Anglo American	Environmental Stewardship: Environmental Justice	A pattern of unrest exists across some mine sites due to labor and environmental issues. The company has the complex challenge of meeting demand while reducing impacts on the environment and maintaining social license to operate. Improvements have been registered but progress has been inconsistent at the 5th largest mining company in the world.	Strengthen labor relations and environmental standards focused on water stewardship to help significantly improve community and worker relationships across operations globally.
Apple Inc.	Human Dignity: Pornography and Child Sexual Exploitation	The Internet has transformed the availability of pornographic images and accessibility to child victims, creating a dire need for increased security and monitoring. Apple has a responsibility to ensure that users of its web browser Safari, Apple-related apps, and digital storage are properly protected, illegal images are rapidly discovered, and child pornography and trafficking perpetrators are found and brought to justice.	Create a code of ethics that is clear in combating child pornography, expand parental controls, and streamline the process for identifying and removing exploitative content and providing it to third parties or authorities when possible.
AT&T	Human Dignity: Pornography and Child Sexual Exploitation	Telecom companies serve as a key intersection in the debate about widespread accessibility to pornography and the rising rates of children being victimized online for commercial sex acts. Such companies' technologies enable porn's proliferation and child trafficking through their devices, data plans, and cloud storage, and give access to the public platforms that allow children to be victimized, but companies are in a key position to foster tools that combat abuses as well.	Block content of illegal images, strengthen parental controls, educate device users to the problem, report abuses to authorities or third parties to enable prosecution of perpetrators, and launch solutions to combating illegal images or assisting victims.

Continued

CORPORATE ENGAGEMENTS | Continued

(N) denotes new dialogue

COMPANY	ISSUE	OVERVIEW	GOAL
BP	Environmental Stewardship: Climate Change	Climate change may create material risks for investors. BP is among the companies with the highest carbon footprints in the FTSE100 and can play a key role in a global energy transition. BP's board supported the resolution that CBIS co-filed in 2015 asking for disclosure by the company on the potential risks from climate change, and the company released a report in 2016 that shed light on steps that are taking. CBIS believes the reporting was inadequate, and we are pressing for evidence that the company is preparing for an energy transition and potential public policy to come.	Issue annual reporting on high cost, high carbon projects and plans to address a low-carbon business environment—including executive compensation incentives for such a transition.
Campbell Soup	Human Life and Dignity: Human Trafficking	Human trafficking is rife in the production of palm oil in Indonesia and Malaysia. More than 3 million workers that toil to meet growing global demand obtain their jobs through labor brokers, some of whom have exploitative labor practices. Campbell's has taken steps to make its palm oil sustainable. We will continue to press Campbell's to create new policies to protect workers and eliminate human trafficking.	Develop comprehensive policies to prevent human trafficking and robust management systems which will ensure that workers in their immediate and extended supply chains are not forced to pay for employment.
Conagra Brands (N)	Environmental Stewardship: Water Sustainability	Agriculture is by far the greatest consumer of water of any industrialized activity. Agricultural activities also contribute to water quality issues as they produce equally large amounts of effluent into waterways, such as pesticides and nitrates, both of which can be harmful in high concentrations. Very often these operations coalesce in rural communities around the globe, where access to clean water may already be limited.	Conduct water risk assessments, outline actions and policies for assessing and managing water risks, disclose quantified targets for reducing wastewater and water use, and provide comprehensive data on suppliers' water performance.
China National Offshore Oil Corp. Ltd.	Environmental Stewardship: Climate Change	China is the 2nd largest economy in the world and emits more greenhouse gases than any other country. The country, and one of its largest oil & gas companies, CNOOC, can play a critical role in a transition to a low-carbon economy. While the Chinese government has set ambitious targets to lower emissions, and invest in cleaner technologies, CNOOC Ltd. has made only modest progress in emissions reductions and has poor disclosure of its risk or performance stemming from climate change and related policy.	Create targets to measure emissions reductions and to report progress. Report on reserves and strategy resilience in light of shifting policy and investments in the sector.
Deutsche Bank (N)	Economic Justice: Responsible Banking	Nearly 21 million refugees around the world have been forced from their homes. To integrate into new communities, having a bank account is often a critical and necessary step to access money from jobs and to complete applications for such things as apartments and phone service. Without access to funds, refugees may go into debt or be forced into homelessness. Lack of documentation is a major stumbling block, and bank staff frequently turn away refugees for fear of non-compliance with anti-money laundering rules, without knowing what documentation is an acceptable alternative.	Hire multilingual employees, train staff on account opening requirements, streamline the account process, and create technology that allows beneficiaries with no banking relationship to more easily access funds.
Ford Motor Co.	Environmental Stewardship: Climate Change	Specific climate change-related issues that affect Ford include vehicle fuel efficiency, greenhouse gas emissions, and climate policy. Ford has made significant progress improving fleet fuel efficiency and reducing emissions from its production facilities. In addition, Ford is encouraging its suppliers to address these issues and is collaborating with a subset of suppliers on greenhouse gas emissions reduction projects. With plans for autonomous fleets and new auto technologies by 2021, CBIS is pressing the company to achieve breakthroughs on design, clean car demand and emissions reductions simultaneously.	Encourage Ford to promote its fuel-efficient vehicles to gain greater market acceptance and to take stronger steps to address climate change through public policy and product design.
Gilead	Economic Justice: Access to Health	Gilead Sciences is a global biopharmaceutical company that discovers, develops and commercializes medicines in areas of unmet medical need. The company's mission is to advance the care of patients suffering from life-threatening diseases worldwide, and yet many patients cannot afford or access the drugs that could save them or improve their quality of life.	Evaluate reduced pricing options to expand coverage for patients of both HIV and Hepatitis C.

Continued

CORPORATE ENGAGEMENTS | Continued

(N) denotes new dialogue

COMPANY	ISSUE	OVERVIEW	GOAL
JBS SA (N)	Environmental Stewardship: Water Sustainability	Agriculture is by far the greatest consumer of water of any industrialized activity and global meat production is no exception, as it produces large amounts of effluent into waterways that can be harmful in high concentrations. Very often livestock operations coalesce in rural communities around the globe, where access to clean water may already be limited. JBS is the largest cattle feeder in the world, and in a prime position to implement best practices, which will impact the water performance of many suppliers.	Assess water quality-related risks, adopt and implement a comprehensive water stewardship policy designed to reduce these risks by improving management and conservation of water resources along the beef production value chain, from feed production to water quality impacts of beef processing.
Nucor	Human Life and Dignity: Human Trafficking	CBIS will continue to engage Nucor regarding forced labor in the production of steel in Brazil, a situation that was uncovered following a media investigation of steel manufacturers and companies that use it in production. While Nucor has made progress, efforts must continue. Brazil's ministry of labor recently uncovered instances of slave labor across sectors, including charcoal production. Due to changes in government and in the industry, we will encourage Nucor to strengthen ties to the Institute for the National Pact to Eradicate Slave Labor, which can help with audits and training.	Evaluate and strengthen the audit process, assess training for suppliers, and receive from the board a report on the implementation of and risks associated with the company's pig iron procurement policies.
Papa John's International (N)	Economic Justice: Food Waste and Feeding the Hungry	One third of all food produced for human consumption is lost or wasted between the farm and someone's plate. While 800 million people are undernourished, more than one billion tons of food never reaches them each year due to wasteful practices. Such inefficient use of food and water resources has financial impacts as well as serious effects on global health and nutrition. Restaurant chains have made little progress in tackling the challenge, and Papa John's has an opportunity to make improvements in logistics, technology and local partnerships to combat the issue.	Set waste reduction targets, measure waste, educate consumers, create improved labeling and refrigeration techniques, and create plans for reusing leftover ingredients or donating leftover foods to food banks.
Royal Dutch Shell	Environmental Stewardship: Climate Change	Since climate change may create material risks for investors, CBIS co-filed a shareholder resolution in 2015 at Shell, among the companies with the highest carbon footprints in the FTSE100, seeking additional climate risk disclosures. Shell's board promised improvements in reporting in 2016, but we are still pressing for greater disclosure of compensation incentives to reduce climate risk and transition to a lower carbon strategy.	Issue a report on high cost, high carbon projects and any transition risks, including compensation incentives to address a shift in climate policy.
Sanderson Farms (N)	Economic Justice: Worker Rights and Safety	Improvements in working conditions in poultry processing lines have not kept pace with the rapid growth of the industry. Poultry workers typically earn low wages of diminishing value, suffer elevated rates of injury and illness, and often experience a climate of fear in the workplace. Of critical concern are the escalating rates of repetitive motion injuries that can cause workers to become permanently disabled.	Implement cross-training to alleviate repetitive motion risks; allow adequate breaks for employees; and implement public reporting on safety performance and worker satisfaction.
Siemens	Human Life and Dignity: Human Rights in Conflict Areas	We are in dialogue with the company regarding its ongoing and future efforts to ensure the company's products are not exposed to conflict minerals sourced from conflict areas around the world, primarily from mines in the Democratic Republic of the Congo (DRC). Funded in major part by profits from mineral production the humanitarian crisis in eastern DRC perpetuates extreme violence, labor abuses, and environmental degradation. CBIS is addressing the four main minerals with Siemens, tin, tungsten, tantalum and gold, as well as a mineral of increasing interest, cobalt, that has also been linked to abuses in the DRC and other parts of the world.	Issue a report on steps being taken to ensure conflict minerals do not enter the supply chain.
Sprint	Human Dignity: Pornography and Child Sexual Exploitation	Telecom companies serve as a key intersection in the debate about widespread accessibility to pornography and the rising rates of children being victimized online for commercial sex acts. Such companies' technologies enable porn's proliferation and child trafficking through their devices, data plans, and cloud storage, and give access to the public platforms that allow children to be victimized, but companies are in a key position to foster tools that combat abuses as well.	Block content of illegal images, strengthen parental controls, educate device users to the problem, report abuses to authorities or third parties to enable prosecution of perpetrators, and launch solutions to combating illegal images or assisting victims.

Continued

CORPORATE ENGAGEMENTS | Continued

(N) denotes new dialogue

COMPANY	ISSUE	OVERVIEW	GOAL
T-Mobile	Human Dignity: Pornography and Child Sexual Exploitation	Telecom companies serve as a key intersection in the debate about widespread accessibility to pornography and the rising rates of children being victimized online for commercial sex acts. Such companies' technologies enable porn's proliferation and child trafficking through their devices, data plans, and cloud storage, and give access to the public platforms that allow children to be victimized, but companies are in a key position to foster tools that combat abuses as well.	Block content of illegal images, strengthen parental controls, educate device users to the problem, report abuses to authorities or third parties to enable prosecution of perpetrators, and launch solutions to combating illegal images or assisting victims.
Target	Human Life and Dignity: Human Trafficking	Over the past four years, human trafficking abuses in the shrimp supply chain in Thailand have been well documented. After several years of engagement, Target made progress by joining The Seafood Task Force, an influential, diverse coalition in Thailand tackling human rights and environmental issues. We will look to Target to publicly report on its progress and to join additional programs that help migrant workers choose good employers, find safe work and living conditions, and avoid exploitative labor brokers. We believe these improvements can serve to reduce risk, protect workers, and strengthen the seafood supply chain.	Conduct internal and third-party audits of suppliers and risk assessments to eliminate the potential for abuses of labor and human rights; create goals and objectives annually and disclose information documenting progress.
Thai Union	Human Life and Dignity: Human Trafficking	Despite steps taken by leading companies like Thai Union Group, the largest seafood company in the world, investigations of the \$7 billion seafood industry in Thailand continue to reveal instances of child and forced labor. For its part, Thai Union has committed to a host of new policies and programs. It will be important for the company to demonstrate robust implementation and progress towards delivering real and lasting change.	Report on progress eliminating recruitment fees charged to workers in factories and processing plants; source tuna from fisheries that meet high human rights standards.
United Continental Holdings	Human Dignity: Human Trafficking	Busy airports can be natural distribution hubs for human trafficking. Airport personnel are in a unique position to discern possible trafficking situations. The industry has the potential to play a vital role in identifying and assisting trafficking victims. While United has a human rights policy, implementation is unclear. There are compelling reasons to take action -- Delta is training staff, American Airlines is educating travelers, and the United States has signed a convention calling on airlines to prevent trafficking.	Train flight attendants, develop programs with law enforcement to aid victims and identify traffickers, raise awareness with travelers and report on progress annually.
Verizon Corp.	Human Dignity: Pornography and Child Sexual Exploitation	Telecom companies serve as a key intersection in the debate about widespread accessibility to pornography and the rising rates of children being victimized online for commercial sex acts. Such companies' technologies enable porn's proliferation and child trafficking through their devices, data plans, and cloud storage, and give access to the public platforms that allow children to be victimized, but companies are in a key position to foster tools that combat abuses as well.	Block content of illegal images, strengthen parental controls, educate device users to the problem, report abuses to authorities or third parties to enable prosecution of perpetrators, and launch solutions to combating illegal images or assisting victims.
WH Group (N)	Environmental Stewardship: Water Sustainability	Agriculture is by far the greatest consumer of water of any industrialized activity and global meat production is no exception, as it produces large amounts of effluent into waterways, which can be environmentally harmful in high concentrations. Very often livestock operations coalesce in rural communities around the globe, where access to water may already be limited. WH Group is the largest pork producer in the world, and parent of Smithfield Foods, and in a prime position to implement best practices, which could impact the water performance of many suppliers.	Assess water quality-related risks, adopt and implement a comprehensive water stewardship policy designed to reduce these risks by improving management and conservation of water resources along the beef production value chain, from feed production to water quality impacts of beef processing.

Important Information

This is for informational purposes only and does not constitute an offer to sell any investment. The 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.