

► CATHOLIC RESPONSIBLE INVESTMENTSSM PROGRESS REPORT

Impact and Justice

JULY 2019

Alignment with the Holy Father's Message

On the fourth anniversary of *Laudato Si'*, we reflect on its strong connection to our work at CBIS. This landmark encyclical is primarily an urgent call to action on safeguarding our environment. However, Pope Francis makes clear the challenge is not isolated, and we share that view. Climate change is a matter of human dignity much like our other focus issues, human trafficking and child sexual exploitation. As the Holy Father tells us, "we constitute a single human family, everything is interconnected."

□ LAUDATO SI' □

"We are faced not with two separate crises, one environmental and the other social, but rather with one complex crisis.... Strategies for a solution demand an integrated approach to combating poverty, restoring dignity to the excluded, and at the same time protecting nature."

Driving Progress



CLIMATE CHANGE



BP shareholders that supported our resolution seeking alignment with Paris Agreement goals for limiting global warming

FOUR OUT OF FIVE



Companies CBIS is engaging on climate issues that lobbied U.S. officials to institute a carbon tax in 2Q

Commitment to Responsible Investing Leadership

18,534 Proxies voted by CBIS from January through June 2019¹



CHILD SEXUAL EXPLOITATION

45+
million



Images and videos of child sex abuse material (CSAM) reported to the National Center for Missing and Exploited Children in 2018, double the number from 2017; tracing, removing and reporting CSAM is a core ask of our corporate engagements

941 million

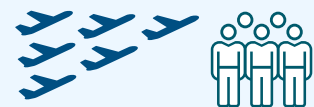
Shares that supported CBIS' resolution calling on **Verizon** to report on potential child sexual exploitation through its products and services



HUMAN TRAFFICKING

158,645

Total employees at our six focus airlines who could be trained to prevent human trafficking, a core ask of our engagements



7.6



Average score for recruiting practices that KnowTheChain gave our five focus companies in the apparel sector, a disappointing result for some of the world's largest brands and retailers²



“A sense of deep communion with the rest of nature cannot be real if our hearts lack tenderness, compassion and concern for our fellow human beings.”

□ LAUDATO SI' □

Taking Luxury Apparel Brands to Task

CBIS is spearheading an investor coalition to engage all 43 companies in KnowTheChain's 2018 Apparel & Footwear Benchmark, which rates efforts to address forced labor in supply chains. We met with **Hugo Boss** and **Inditex**, and sent letters to **Hermès** and **Fast Retailing** to:

- Recommend ways to strengthen policies and practices.
- Highlight positive steps taken by each company.

CBIS received an immediate reply from Fast Retailing with some initial questions. We look forward to a productive engagement.

“As an investor in Fast Retailing, we are greatly concerned by the company's poor rating.... Fast Retailing scored only 43 out of 100 possible points overall and 6 points out of 100 on recruitment.”

— CBIS letter to Fast Retailing co-signed by U.S. and European investors, 5/29/19



STARK INEQUALITIES IN HIGH FASHION

Our apparel industry campaign includes some of the biggest names in fashion. Their products command premium prices, but workers making them may toil in poverty.

For example, garment workers in Bangladesh struggle to earn a living wage while the luxury items they produce can sell for thousands of dollars apiece.



\$95/month (8,000 taka)

Minimum wage for garment workers in Bangladesh, where the sector accounts for 80% of exports¹

1. Source: [Thompson Reuters Foundation](#)

Enlisting Airlines Worldwide Against Human Trafficking



CBIS continues to build on our past successes with larger airlines by engaging small but significant carriers flying critical routes across Asia and

South America. After requesting information from **Copa Airlines**, CBIS was pleased to learn about the Panama-based company's initiatives, including:

- Specific procedures and mandatory training for front-line personnel.
- A dedicated section of its “Code of Ethics” applicable to all employees and vendors.
- Adoption of best practices from global industry associations.

In our discussions with **EasyJet**, we learned the company is also taking a multi-pronged approach, working to prevent human trafficking on flights while pressing suppliers on the issue. CBIS provided a list of best practices the U.K.-based carrier requested.

CopaAirlines 

easyJet



“What kind of world do we want to leave to those who come after us, to children who are now growing up? This question not only concerns the environment in isolation; the issue cannot be approached piecemeal.”

□ LAUDATO SI' □

Historic Initiatives on Both Sides of the Atlantic

Filed first shareholder resolution on the issue at Verizon



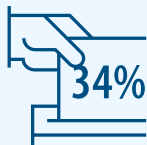
Organized U.K.'s first investor briefing on the issue

Our approach to combating child sexual exploitation online combines a spectrum of strategies, including filing shareholder resolutions and educating investors. In May, CBIS made history on both fronts—on two continents.

Making Inroads with Tech & Telecom Leaders in the U.S.



Strong support for our resolution at **Verizon** will send a signal to the telecom sector that companies need to take aggressive action against child sexual exploitation.



OF VERIZON SHAREHOLDERS VOTED FOR OUR LANDMARK RESOLUTION—A SIGNIFICANT LEVEL OF SUPPORT FOR A SOCIAL ISSUE.



CBIS met with **Apple** representatives about preventing and detecting child sexual exploitation online. The company recently strengthened its privacy policies and app developer guidelines pertaining to child sex abuse imagery.



CBIS continues to work with **AT&T**. This year the company stopped advertising on YouTube in the wake of a scandal over sexually abusive comments on videos of children.

Uniting Stakeholders at the U.K. Parliament



Our groundbreaking investor briefing included UNICEF, child protection experts and U.K. government officials. The event was hosted by Baroness Glenys Thornton of the House of Lords.

How to prevent child exploitation online:

A CALL TO ACTION FOR INVESTORS



Watch the global webinar hosted by Principles for Responsible Investment at: <https://bit.ly/2Y9OzRr>

□ LAUDATO SI' □

“We have to realize that a true ecological approach always becomes a social approach; it must integrate questions of justice in debates on the environment, so as to hear both the cry of the earth and the cry of the poor.”

□ LAUDATO SI' □



Conclusion: Laudato Si' & CBIS, Focused on Human Dignity

In his June 2015 encyclical, Pope Francis urges us to join the fight against climate change as part of a larger calling. The overarching theme of this historic missive—and our active ownership initiatives at CBIS—is preserving human dignity. Our Catholic Responsible InvestmentsSM team has engaged companies for nearly three decades to confront this complex challenge in its many interrelated forms. That linkage drives our global and holistic approach as we continue working to protect our environment as well as the marginalized and defenseless.

Investor Spotlight

To amplify our message to companies, CBIS frequently partners with like-minded investors and fellow members of the Interfaith Center on Corporate Responsibility. We appreciate our longtime collaboration with the Socially Responsible Investment Coalition, based in San Antonio, TX, which recently co-signed letters with CBIS to Fast Retailing and Hermès outlining ways to prevent human trafficking in the apparel supply chain.



Anna Falkenberg, Executive Director of the Socially Responsible Investment Coalition, an industry pioneer with a deep history of integrating mission and values into investing¹

IMPORTANT DISCLOSURES

The securities identified and described do not represent all of the securities purchased, sold or recommended for CUIT Funds, CBIS Global Funds and separate managed accounts. The reader should not assume that an investment in the securities identified was or will be profitable.

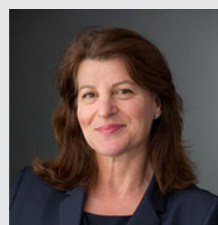
This is for informational purposes only and does not constitute an offer to sell any investment. The Funds are not available for sale in all jurisdictions. Where available for sale, an offer will only be made through the prospectus for the Funds, and the Funds may only be sold in compliance with all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

1. It is not known whether or not the person identified approves or disapproves of CBIS.

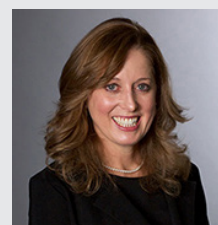
Contact Us

We want to hear from you! If you have questions or want more information on any of our engagements, please reach out to our Catholic Responsible InvestmentsSM team at:

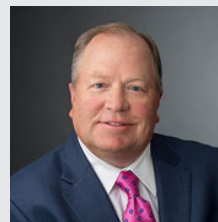
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