

CBIS' Reflections on Racial Discrimination

CBIS CATHOLIC RESPONSIBLE INVESTMENTSSM

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Voices representing all walks of life have risen in unison to condemn the killing of George Floyd in Minneapolis—as both an act of evil, and a painful reminder of the systemic racism that continues to plague our society. Along with all of you, I watched with horror as police so cruelly and senselessly extinguished Mr. Floyd’s life. I understand this tragedy is emblematic of a larger, endemic problem. However, it is a problem CBIS is deeply committed to working to solve through a series of focused and concrete actions.

At CBIS, we are proud of our legacy of leadership in bringing people and groups together to oppose myriad forms of inequality for nearly 40 years. Many of those efforts have centered on fighting racial discrimination. In our firm’s early years, a top priority was bringing our capital to bear to pressure South Africa to abolish apartheid. For decades, we have pushed companies in our investment portfolio to be more inclusive in their hiring and appointing more diverse boards.

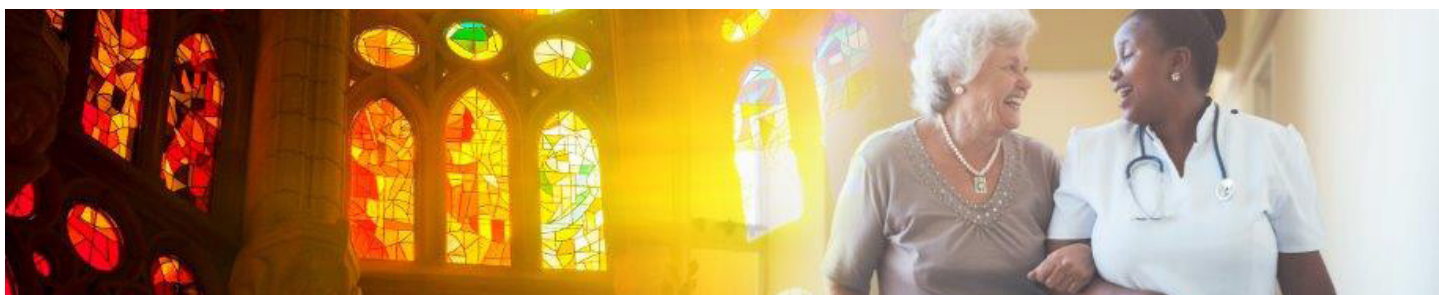
For all the hard-won progress we have made, we recognize CBIS can—and must—do more to address racism in our country. Before outlining what we will do, let me say a few words about why. Jesus tells us the two greatest commandments are the first, which calls us to love the Lord above all else, and the second—“You shall love your neighbor as yourself.” We fail to fulfill the word of God when we engage in discrimination or contribute through silent complicity. As Catholics, Pope Francis urges us to reject “the sin of racism,” cautioning that “we cannot close our eyes to any form of racism or exclusion, while pretending to defend the sacredness of every human life.”

As an investment manager, CBIS helps Catholic organizations worldwide grow the resources they need to continue their good works. We support Lasallian institutions in their mission to educate young people, particularly those oppressed by poverty and injustice. Our investors also provide important services such as caring for the sick, feeding the hungry and speaking for those whose voices must be amplified. In our role as their financial steward, we recognize diverse companies tend to make better, more informed decisions—and those that resist the growing movement to right centuries of wrongs will be left behind.

While we continue to finalize the details, I want to share the three pillars of our plan to contribute to the hard but necessary work of confronting systemic racism:

1. CBIS will organize internal discussions around our team members’ firsthand experiences with racial discrimination.

At CBIS, we focus on making decisions through discernment—the act of reflecting, listening and praying. However, in the daily bustle of the workplace, our interactions with our colleagues may be more superficial. We aim to foster a deeper understanding of one another, and especially the challenges many face as a result of social racism. This dialogue is likely to be difficult for all for different reasons but will undoubtedly help us grow as a company—and as people.



2. CBIS will form an internal working group to identify actions we will take to fight systemic racism. This effort will look both inward and outward. CBIS is extremely proud of our gender diversity, and our pioneering role in publicly reporting on staff demographics. However, people of color remain underrepresented at our firm. We must take steps to be more inclusive, such as reexamining our recruiting practices. Externally, CBIS will seek to leverage our influence over all companies we do business with—including our subadvisors—to ensure they share the same commitment to increasing workforce diversity. These dialogues will build upon our decades of active ownership work with CBIS portfolio companies.

3. CBIS will launch an internship program to create a path for young people of color to enter the field of investment management. Our industry is well aware of its lack of diversity. All too often, we talk about a “talent pipeline” problem—and the discussion ends there. It is past time to stop accepting that explanation as an answer and start using it as an inspiration to do better. CBIS maintains relationships with all Lasallian universities across the U.S. We will work with them and other Catholic schools to launch CBIS University, an internship program that prepares students of color for investment management careers at firms worldwide.

I am excited to share all three of these initiatives, particularly our effort to change the face of the historically white male-dominated investment industry. Now comes the hard work of putting our plan into action and committing the resources it will require in the years ahead. We look forward to updating you on our progress.

I invite you to join us as we embark on this journey to help build a more just and equitable society, and to better fulfill our obligations as Catholic investors. No longer can we consider it sufficient to simply avoid companies whose behavior runs counter to Catholic moral and social teaching. Instead, we are called upon to advocate for transformative change, and actively oppose all forms of racism.

Peace and blessings,

Jeffrey A. McCroy



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