

## JOURNEYING

On the five-year anniversary of *Laudato Si*, the Vatican released “Journeying Towards the Care for Our Common Home.” This document serves as a “user's guide” and identifies many ways in which to implement the teachings.

Over the last 30 years, CBIS has been addressing climate change by leading shareholder engagements with the largest players in the oil and gas sector to influence the industry towards a transformation to a low carbon future.



### After a careful review of “Journeying,” CBIS identified several key takeaways:

- A call for active engagement in the companies in which we invest, reinforcing the activity that CBIS has been leading for decades
- Amplifies that everything is connected
- Legitimizes the right to choose among the less harmful fossil fuel alternatives
- Recommends a progressive plan to divest from fossil fuels

"Journeying" calls on all of us, which inspires us to embark on our own journey.

## ACTIVE OWNERSHIP

Our focus on active ownership continues today. We continue to engage, particularly in the energy and transportation sectors, to protect our common home.

Active ownership must be focused, targeted and use innovative strategies.



20-year engagement has shown this potential:

- Boost in renewable power generation twentyfold
- Increase investment in low-carbon technologies tenfold
- Shrink oil and gas production by 40% from 2019



We have filed a groundbreaking resolution seeking two things:

- An audited report on financial impacts from climate change scenarios in line with the Paris Agreement
- Assessment of the risks from a low fossil fuel demand scenario

“Journeying” calls us to do more. CBIS has introduced a targeted divestment from a subset of fossil fuel producers and users. We have implemented a screen to exclude those companies that have the highest impact on carbon emissions and who we believe are unable to adapt their business model to be part of the solution to climate change. Specifically, we are restricting companies who generate more than 10% revenue from the mining and processing of thermal coal, the extraction and processing of oil sands, or the burning of thermal coal for power generation.

To develop this screen, we focused on four questions:

**Q To what extent is the company part of the problem?**

Analysis of revenues from the coal / oil sands as well as carbon intensity of the power generation and coal plant capacity for utilities

**Q To what extent is the company management incorporating climate risk into their business model?**

Analysis to determine if there are formal structures in place for managing risks from climate change

**Q To what extent is the company part of the solution?**

Analysis of revenues from renewable energy, whether there is a company commitment to reduce emissions and the extent to which a company's carbon intensity is trending downwards

**Q To what extent has the company had any other egregious controversies?**

Analysis to determine whether the company in question has serious controversies related to environmental, social, or governance issues which give us reason to retain a restriction on the company

### Our next actions and goals...

- In cases where a company demonstrates sufficient progress, the company would be approved for investment in CBIS' portfolios
- A structured, active ownership and engagement outreach to accelerate a company's progress to decarbonization and their business model
- Focus on coal and oil sands as this first step to progressive divestment
- Sending important signals that reinforce our active ownership and engagement work

### Did you know...

**Targeted Fossil Fuels Screens' Restrictions Represent:**

**.75%** of the global investable universe

**~22%** of the energy sector

**16** companies divested from CBIS' portfolios

**5** companies moved to our engagement list

If you have any other questions on CBIS' active ownership, fossil fuel divestment or responsive "Journeying," please reach out to your Relationship Manager. We would be happy to follow up.

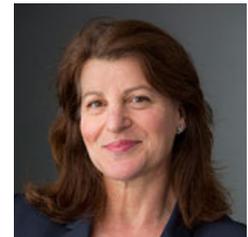
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