

A conversation with Julie B. Tanner, Managing Director, Catholic Responsible Investments, and Lisa A. Cox, Director, Catholic Responsible Investments



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Julie B. Tanner
Managing Director



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Lisa A. Cox
Director

Ms. Tanner: Lisa, a focus area for the Impact and Justice team is the apparel sector, where fair treatment of workers is an ongoing concern. Are we making progress on the issue?

Ms. Cox: Absolutely. One of our main asks of companies in the sector has been to identify where the greatest risks to workers lie along their supply chains. We've seen a marked improvement in this area with more companies reporting on their production partners and committing to tracing their material suppliers. Several companies have also committed to ensuring that workers throughout their supply chains are paid a living wage.

Ms. Tanner: COVID-19 laid bare many of the inequities in the industry's global apparel supply chain. What effect do you think this will have on the industry?

Ms. Cox: As it happened, when the pandemic hit and stores were shuttered, brands cancelled billions of dollars' worth of finished and in-production orders of goods from their factories and suppliers. The more responsible factories and brands struggled to keep workers employed and paid. Through our apparel engagements, we urged companies to safeguard the health and livelihoods of their workers and honor their obligations to suppliers and workers.



“Above all else, we want the companies we work with to succeed.”



“When we receive reports of progress on the issues we’re focused on, we know we’re making a positive impact.”

Ms. Cox: Several new initiatives were developed that facilitate a more equal partnership between brands and suppliers. Most notable, perhaps, is the Model Contract Clause project, which offers practical tools to help buyers and suppliers protect the human rights of workers in international supply chains.

Ms. Tanner: We have several apparel companies in our portfolios. Is there one that might be representative of the group?

Ms. Cox: I’ll suggest Hugo Boss. It’s a well-known apparel company that we’ve been working with for a while, and we have made progress. Among other things, the company has increased transparency of its supply chain, initiated a supplier financing program to ensure that suppliers are paid on time, improved its systems for reporting grievances, and committed to paying workers throughout the supply chain a living wage. It is also a signatory to the International Accord for Health and Safety, which aims at making apparel factories safer in Bangladesh.

Ms. Tanner: What, ultimately, is our goal with the company?

Ms. Cox: In addition to following responsible purchasing practices, we want the company to commit to a no-worker-paid-fees policy that ensures migrant workers don’t end up in debt to their recruiters. And we’d like to see the company sign on to the new Pakistan Accord for Health and Safety.



Ms. Tanner: How does I&J Team change corporate behavior?

Ms. Cox: We take a cooperative approach in all our engagements. In our communications, whether letter writing or meetings, we talk about possible solutions. And we share tools and other best practices that we think could help the company improve its practices as well as the lives of workers who make its products. When progress stalls we may file resolutions or other strategies to effect change.

Ms. Tanner: How is success measured?

Ms. Cox: For every engagement, we develop specific measurable goals and focused strategies to improve policies and practices. To drive positive outcomes, we assess company performance against peers and benchmarks and annually report on our progress.



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