



CLIMATE TRANSPARENCY REPORT 2020

Christian Brothers Investment Services, Inc.

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-/DF91861C-BA84-4732-9EE2-7929AD1A07A8/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2020 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	-	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	✓	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	-	Public				
SG 15.3	-	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	Christian Brothers Investment Services, Inc.
Signatory Category	Fund of funds, manager of managers, sub-advised products - Majority
Signatory Type	Investment Manager
Size	US\$ 5 - 9.99 billion AUM
Main Asset Class	>50% Listed Equity Externally Managed
Signed PRI Initiative	2014
Region	North America
Country	United States
Disclosure of Voluntary Indicators	96% from 38 Voluntary indicators

Christian Brothers Investment Services, Inc.

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01	Mandatory	Public	Core Assessed	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1	Indicate if you have an investment policy that covers your responsible investment approach.
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SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 01.6 CC	Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.
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Yes

	Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.
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ateCBIS has identified some climate risks and opportunities across the portfolio of Funds, but because of our structure as a manager-of-managers with existing requirements already in place for those manager contracts, we have opted at this time to focus more on understanding what our external managers are doing on climate-related issues through ongoing meetings and surveys, and share our findings on risk or opportunity to given securities, sectors, or business lines. We also regularly update our managers on our climate-related engagement efforts and the companies we focus on. We now query our managers on their support for the TCFD, or reporting that aligns with it.

While we have done carbon footprinting for several of our funds, climate scenario testing for those same funds using data from Carbon Delta, and analyzed some short-, medium- and long-term risks from climate change to the portfolio, specific sectors, and some individual securities, we have not incorporated those risks into security selection because all investments are made by the sub-advisers (external managers). We work with our sub-advisers to determine what is possible from a manager-of-managers structure in better incorporating and sharing climate change risks/opportunities. We are preparing to rate/rank the environmental, social and ethical performance of the companies that we own across all funds, so that managers have access to that data and can choose (with other factors being equal) the securities with higher Environmental Stewardship, Human Dignity, Human Rights or Economic Justice performance records.

CBIS additionally engages with companies and regulators on climate change, climate risk, and climate policy and shares pertinent learnings with our managers where appropriate. We have engaged companies on climate change for over 20 years. We ask our managers for information on how they voted on ESG proxy ballots for other clients, to get an indication of how they are supporting and changing their views on particular climate-related issues (as CBIS votes all of its own ballots in-house, and has its own proxy voting guidelines).

Climate-related risks identified and discussed internally by CBIS include:

1. Specific extreme weather events impacting geographic regions, supply chains, natural resources, and specific business types.
2. Litigation risks to certain sectors or business lines.
3. Risks to a company's or industry's license to operate from not taking climate change into account, or not adapting quickly.
4. Regulatory risks to specific industries from slow rate of response, adaptation, or mitigation.
5. Dislocation of people caused by weather disasters, natural resource shortages, and related issues, and accompanying human rights and social risks to them from dislocation.
6. Biodiversity impacts and species losses stemming from climate change.
7. Just Transition workplace equity issues.

Opportunities:

1. Technologies that can benefit companies or industries if implemented, but may be costly short-term.
2. First-mover advantage in certain sectors.

3. Opportunities to avoid costly infrastructure build-out by deploying decentralized low-carbon technologies.
4. Health, mobility, and related benefits from low-carbon, lower pollution, and changing business models that incorporate significant climate emissions reductions.
5. Business model evolution away from high-carbon or high-emissions strategies.

No

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
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Yes

	Describe the associated timescales linked to these risks and opportunities.
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Our Voting and Engagement staff are assessing risks out for approximately one year, 5 years, 10 years, and some out to 2040, but only at the level of individual securities or clusters of securities, and not the entire portfolio at this time. We study macroeconomic data and trend reports, industry level trends, company benchmarking reports, and the confluence of multiple sets of trends in our assessments. License to operate, physical risk, adaptability of the business model, regulatory backlash, technological costs and progress, and impacts to vulnerable populations are considered in our overall assessment.

No

SG 01.8 CC	Indicate whether the organisation publicly supports the TCFD?
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Yes

No

SG 01.9 CC	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.
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Yes

	Describe
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CBIS has been sharing climate engagement priorities and risks with sub-advisers, while encouraging them in similar efforts where possible. We currently manage climate-related risks to the portfolio through:

- Engagement with select sectors and securities, including some fixed income assets
- Engagement with our sub-advisers on their own climate efforts, and their ability to report back to us on climate issues and performance impacting our managed funds
- Proxy voting in support of climate related proposals and candidates for boards
- Support for consistent public policy on climate change (like a uniform price on carbon)
- Supporting improved reporting by companies and debt-providers on climate risks, transition strategies, and opportunities.

No

**SG 1.10
CC**

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

specify

- Our website and quarterly newsletters. Questionnaires and RFPs.
- We currently do not publish TCFD disclosures

Governance and human resources

SG 07 CC

Mandatory to Report Voluntary to Disclose

Public

Descriptive

General

**SG 07.5
CC**

Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or heads of departments

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

External managers or service providers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other role, specify (1)

Investment Management Department

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

**SG 07.7
CC** For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

In 2019, the Catholic Responsible Investing and Investment Management teams merged into one cohesive Catholic Responsible Investments team. The team was merged to better facilitate the integration of our ESG/CRI work into the portfolios, and to improve and better assess the CRI/ESG performance of our sub-advisers. The result is that climate change-related impacts are more regularly being brought to the CIO and investment staff, and being raised more routinely with sub-advisers now. Climate-related portfolio issues are aired, when necessary, in weekly CRI team meetings that include the CIO.

**SG 07.8
CC** Indicate how your organisation engages external investment managers and/or service providers on the TCFD recommendations and their implementation.

- Request that external managers and/or service providers incorporate TCFD into mainstream financial filings (annual financial reports, other regulatory reporting or similar)
- Request incorporation of TCFD into regular client reporting
- Request that external managers complete PRI climate indicator reporting
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner Guide
- Other

Specify

We engage our sub-advisers on their understanding and support for the TCFD, and at what level they are committing to report.

- We do not engage with external managers and/or service providers on the TCFD recommendations and their implementation

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1 Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities

Describe

CBIS undertook climate scenario analysis for several of our funds in 2019. We also discuss climate risk and scenario analysis issues with our managers, and what abilities they may have to perform such analysis across our fund offerings.

- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.2 Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

SG 13 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 13.4 CC Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.

- Initial assessment

Describe

CBIS has completed carbon footprinting and climate scenario analysis across several but not all funds. We reviewed the results with the manager, which did shed light on where carbon exposure was currently, and in which sectors, and highlighted policy risks related to climate change from large weightings within the selected funds.

- Incorporation into investment analysis
- Inform active ownership

Describe

Several companies in the footprinting assessment were already on our climate focus list for engagement. However, it was interesting to see small positions of some companies produce outsized carbon impacts, so it gave us additional information, when combined with the scenario assessment, on whether any targeted action in subsectors might be warranted in the future if emissions are not driven down by technology or business model shifts. It also gave us insights into international climate policy initiatives that we may want to focus on, for particular geographies (like physical risks and impacts to emerging markets).

Other

**SG 13.5
CC**

Indicate who uses this analysis.

- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

**SG 13.6
CC**

Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

Yes

Describe

We have evaluated climate risk impacts for certain sub-sectors, but not yet the portfolio as a whole. We have engaged major fossil fuel companies and auto makers for over 20 years on climate risk and strategy, and the scenarios checked in SG 13.7 CC below are the ones we discuss with them, and our managers, to better understand the trajectory and risk for the whole industry, and industries and asset classes dependent on them.

Other than sector specific risks, climate change impacts all asset classes and securities, and asset allocation and portfolio construction. As a manager of managers, it has been difficult to understand future climate risks to the overall portfolio because we are not selecting the securities for each fund. We have, however, begun the methodology and data provider scoping to rate each of our corporate securities across a spectrum of environmental, ethical, and human rights criteria, which will be provided to managers when completed in 2021 (the Catholic Score). All things being equal, we are encouraging our managers to select the securities with the higher-rated human rights and environmental scores. Once that exercise is commonplace across our funds, we will be in a better position to understand some climate risks and opportunities across the portfolio, and individual funds themselves.

No

**SG 13.7
CC**

Indicate whether a range of climate scenarios is used.

- Analysis based on a 2°C or lower scenario
- Analysis based on an abrupt transition, consistent with the Inevitable Policy Response
- Analysis based on a 4°C or higher scenario
- No, a range is not used

Provider	Scenario used
IEA	<input checked="" type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario
IEA	<input checked="" type="checkbox"/> Sustainable Development Scenario (SDS)
IEA	<input checked="" type="checkbox"/> New Policy Scenario (NPS)
IEA	<input checked="" type="checkbox"/> Current Policy Scenario (CPS)
IRENA	<input type="checkbox"/> RE Map
Greenpeace	<input checked="" type="checkbox"/> Advanced Energy [R]evolution
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)
Bloomberg	<input checked="" type="checkbox"/> BNEF reference scenario
IPCC	<input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5
IPCC	<input type="checkbox"/> RPC 6
IPCC	<input type="checkbox"/> RPC 4.5
IPCC	<input type="checkbox"/> RPC 2.6
Other	<input type="checkbox"/> Other (1)
Other	<input type="checkbox"/> Other (2)
Other	<input type="checkbox"/> Other (3)

SG 14

Mandatory to Report Voluntary to Disclose

Public

Additional Assessed

PRI 1

SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)

other description (1)

Energy transition and job training versus job loss.

- Other, specify(2)

other description (2)

Global health impacts and ICT industry user privacy and safety.

- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify

other description

Used climate data and risk analysis in our engagement and proxy voting actions.

- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify

other description

We engage high-risk companies we own to stress-test their portfolios against a 2-degree or less scenario and to support robust public policy.

- None of the above

SG 14 CC	Voluntary	Public	General
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SG 14.6 CC Provide further details on the key metric(s) used to assess climate-related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Better understanding of fund risk.		
Exposure to carbon-related assets	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Better understanding of fund risk.		

SG 14.8 CC Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.

- Processes for climate-related risks are integrated into overall risk management
- Processes for climate-related risks are not integrated into overall risk management

	Please describe
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We are currently assessing how our manager-of-managers structure, with a multi-manager strategy for most of our funds, can systematically and consistently apply a climate risk process and risk methodology for the entire portfolio, which is difficult. We have started the process of querying managers on their climate capabilities, to better determine what can happen across our assets on a consistently-applied basis.

SG 14.9 CC	Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.
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Yes

	Please describe
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We focus on engaging top fossil fuel producers and auto makers in our climate engagements--both through the CA 100+ initiative, and as stand-alone discussions. We ask every company engaged on climate risk to support the TCFD and to report in alignment with it. We make space in our dialogues to review with companies any challenges presented by the TCFD, and we have taken the time in 2018-2019 to have more in-depth conversations with companies about the expectations placed on investors, and not just themselves, to more accurately report on climate related risks, actions, and response. That has typically changed the conversation, when companies know that we as investors are also being held to account for climate performance, and that those reporting and accountability expectations are growing for the company's investor base.

- No, we do not undertake active ownership activities.
- No, we do not undertake active ownership activities to encourage TCFD adoption.

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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- Yes
- No