

## Human Trafficking Tops Concerns of Catholic Institutional Investors

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WASHINGTON (CNS) -- Human trafficking topped the list of concerns identified in a survey of Catholic institutional investors polled by the New York-based Christian Brothers Investment Services.

The organization has already made adjustments in how it will approach companies in which it holds stock regarding the issues identified.

Abortion finished second in the poll, conducted roughly every four years; the most recent poll was taken in 2008. Placing third was concern about companies that support governments engaged in genocide or terrorism.

Access to water and responsible use of water finished fourth in the survey, followed by sweatshops and contract supplier standards, and environmental justice. Rounding out the top 10 list were military weapons contractors, global warming and climate change, production of pornography, and pharmaceutical prices and universal access to health care.

About 15 percent of Christian Brothers Investment Services' investment affiliates responded to the survey, "which in the world of surveying is very good," Frank Coleman, the organization's executive vice president, said in a March 12 telephone interview with Catholic News Service from his office in New York City.

He said each survey respondent listed up to 10 concerns. Issues at the top garnered about 70 percent of the responses, while those near the bottom of the top 10 still pulled in at least 30 percent of the responses.

Coleman identified human trafficking as "an issue we're this year going to do some active ownership engagement (on). We've started by identifying the hotel sector we're going to engage in this.

"Why the hotel sector? Trafficking shows up in a number of ways," he continued. "One is the truck that's loaded with refugees that crosses through a border town. But a lot of trafficking crosses through legitimate venues."

Hotel chains, Coleman added, "aren't complicit in this," but Christian Brothers Investment Services wants to "make sure that they're sensitized to the signals, the types of activity that show they're being used in this way."

With regard to the abortion issue, "we actually screen out those companies so they don't become part of our portfolio," Coleman said, although a recent wave of pharmaceutical mergers means there may be fewer such firms in which his organization's affiliates can ethically invest, since drug companies are often a staple of most portfolios.

"It makes it much more difficult," Coleman said of this consolidation's effect on investing. "When we have a company that was not involved in a life-ethics issue, we've been able to invest in it."

He added that Christian Brothers Investment Services planned to talk with representatives of merged firms about the issue. He said he hoped "it will cause them to think about the activities that are of concern to us."

Access to AIDS drugs had been a top concern in the 2004 survey, but did not make the 2008 survey's top 10 list. "A significant amount of work (has) been done by responsible investors, including the Interfaith Center on Corporate Responsibility, that's addressed this issue very seriously," Coleman said. "It remains an issue but it doesn't rise to the top level."

Coleman said the combined portfolio of his organization's affiliates stands at about \$3.2 billion, down from \$4 billion six months ago. While the 20 percent drop is sizable, it's not as big a dive as what other investors have faced since the Wall Street sell-off began late last year.

He said religious investors are no longer looked at as an oddball in the corporate boardroom.

"I remember going to an annual meeting at a company's headquarters. There were a lot of employees ... retirees were there. I asked the company to do whatever the issue was. I was like the pariah in the corner of the room," Coleman said.

"Now, it's more engagement; there's much more conversation. They've learned two things," he said. The first is companies have "learned that we're not flippant investors. We think we can make a very strong case. We focus on activities that affect the bottom line," he explained.

"The second: We engage with the company. Some of these companies are long-term plays for us. We're not short-term players. We're long-term. ... I hope companies see us as a valuable partner," Coleman said. "As long as they see that we're not crackpots."

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