



Taking a Stand Against Human Trafficking

Working in partnership with CBIS, Catholic institutions can leverage their power as shareholders to help companies join the fight against human trafficking and raise awareness of this terrible crime. Here's a snapshot of CBIS' work on this issue.

More than 20 million people worldwide are trapped in situations of forced labor, bonded labor, child labor and sexual servitude, according to the International Labor Organization (ILO), a United Nations agency. Many of these victims are children. This wide range of crimes and abuses falls under the term "human trafficking". Faith-based organizations have for many years been some of the strongest and most active opponents of human trafficking, raising awareness among the general public and offering aid and sanctuary to victims. But religious institutions can also use their influence as shareholders to oppose human trafficking by enlisting corporations as allies in the fight.

Christian Brothers Investment Services, Inc. (CBIS) has engaged with corporations on human rights issues since the late 1990s, often alongside and in partnership with other members of the Interfaith Center on Corporate Responsibility (ICCR). In response to heightened concern about human trafficking among CBIS participants, in 2009 CBIS created a broad multi-pronged approach to address the issue, including:

- Engaging with companies;
- Supporting anti-trafficking legislation; and
- Raising awareness among companies and consumers.

ENGAGING WITH COMPANIES

Following are examples of our work with companies:

Wyndham Worldwide (Child Sexual Exploitation) — For the past five years, CBIS has led a dialogue with Wyndham, one of the largest hospitality companies in the world, with 7,000 hotels in 65 countries. In 2011, after years of encouragement from investors, Wyndham agreed to sign the

Code of Conduct for The Protection Of Children From Sexual Exploitation In Travel And Tourism (known as The Code). While The Code has been signed by over 1,000 companies worldwide, Wyndham is only the 5th company in the U.S. to do so. By signing The Code, Wyndham will implement policies that condemn child trafficking, provide training that helps employees and franchisees identify and report trafficking activities, and raise awareness among business partners, franchisees, and customers.

Macy's (Child Labor) — In response to a CBIS-led dialogue, Macy's instructed its vendors to ensure that suppliers avoid using cotton from Uzbekistan (the world's third largest cotton exporting nation), where as many as two million children are forced to work for up to three months each year harvesting cotton. Macy's joined more than 50 major brands and retailers who called on their suppliers for similar action. Currently, practically no western company will allow suppliers to use Uzbek cotton, adding substantial economic weight to political pressures to improve working conditions and end child labor in that country.

Dillard's (Labor Standards) — In response to a CBIS-led shareholder resolution in 2007, Dillard's (one of the nation's largest fashion and home furnishing retailers) agreed to strengthen its code of conduct for supply chain labor standards and publicly issue an evaluation of factory compliance. The company now issues annual updates, including a summary of the major findings from the audits of its factories and the steps it is taking to address issues of concern. Since the company works with more than 250 factories worldwide, there is great potential for Dillard's to improve working conditions in these factories.

Nucor (Slave Labor) — In 2010, CBIS joined an ICCR investor group in withdrawing a shareholder resolution at Nucor, the largest steel maker in the U.S., after the company agreed to take action to stop the use of slave labor in Brazil by a Nucor supplier. The agreement is believed to be one of the most substantive among companies working in the industry. It committed Nucor to use suppliers licensed by the Brazilian government, to conduct random audits of suppliers, to partner with companies that certify that neither they nor any of their suppliers have used illegal or involuntary labor, and to publicly report on progress. We will continue to work with Nucor, monitor the agreement, and review annual progress reports.

SUPPORTING LEGISLATION

The vast majority of companies do not publicly report on how they are addressing human trafficking. As a result, CBIS has supported and promoted two important legislative measures calling for corporate transparency.

The **California Supply Chain law (SB 657)** — CBIS led a sign-on letter for investment firms that included 32 signatories with \$40 billion in assets under management to encourage the California governor to pass legislation (subsequently signed and enacted into law in 2010) that requires approximately 3,000 of the largest retailers and manufacturers in the world to publicly report on steps they are taking to combat human trafficking.

The Business Transparency on Trafficking and Slavery Act (H.R. 2759) — CBIS is working to enact this bill, which would require a wide range of companies to publicly disclose measures they have taken to identify and address human trafficking. In January 2012, CBIS and our SRI partners organized a letter signed by 80 signatories calling on Congress to take the steps necessary to quickly bring the bill before the House for a vote. CBIS was a featured panelist at a Congressional Briefing in July 2012 to express investor support for the proposed legislation.

To help companies comply with this new legislation, CBIS co-authored a guidebook, “Effective Supply Chain Accountability: Investor Guidance on Implementation of The California Transparency in Supply Chains Law and Beyond”.

RAISING AWARENESS

In order to raise awareness of human trafficking among consumers and corporations, CBIS has organized and led initiatives around the world in conjunction with major sporting events.

Recently, CBIS created a coalition of 37 U.S.- and U.K.-based children’s rights- and investor-focused organizations and socially responsible investors representing \$58 billion in assets under management in calling attention to human trafficking in advance of the **2012 London Olympics**. The coalition sent letters to 32 companies, including major London-area hotels and key sponsors of the Olympic Games that may be at a higher risk for on-premises child and labor trafficking and that have the potential to help raise public awareness of these crimes. Hotel chains were encouraged to sign The Code while Olympic sponsors were encouraged to train staff and suppliers to recognize and avoid the trafficking of workers into slavery and to monitor their supply chains.

In order to influence future Olympics, the coalition sent a letter calling on the International Olympic Committee to create human rights guidelines for all future Olympic sponsors and host cities. Nearly 1,000 people joined our call to action and sent an email to the IOC via the coalition’s consumer “Celebration Without Exploitation” website (http://www.iccr.org/issues/subpages/olympics_home.php), that includes fact sheets, anti-trafficking materials to download and bring to hotels, and letter-writing campaigns to join.

CBIS also led campaigns to combat trafficking in advance of the **2011 NFL Super Bowl** and the **2010 World Cup**, where 300 faith-based-groups joined CBIS’ call to action asking hotel chains throughout South Africa to sign The Code.

FOUNDERS AWARD FROM CAST

On May 12, 2011 CBIS received the 2011 Founders Award from the Coalition to Abolish Slavery and Trafficking (CAST) for our active ownership work on this issue. CAST is a Los Angeles-based NGO dedicated to spreading awareness about human trafficking and slavery and helping victims. CBIS is the only investment firm to have won the award.

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