



Tax Justice

Ensuring that companies pay both an appropriate level of taxation and in the right jurisdiction, has become an issue of increasing focus over the last few years. The media spotlight has been on a number of companies whose tax affairs may be considered questionable.

At the CFB, we feel this is an important ethical issue, and in 2020 we became the first fund manager in the UK to secure the **Fair Tax Mark**.

The Fair Tax Mark is an independent certification scheme that was launched in February 2014. It seeks to encourage and recognise organisations that pay the right amount of corporation tax at the right time and in the right place. National brands and some FTSE listed companies, including **SSE** and **Marshalls Plc.**, have also obtained the certification.

Tax Justice has become one of a long list of ethical matters on which we engage with the management of our investee companies. We were delighted to have our first success in this regard during the last few months. We raised the Fair Tax Mark with **MJ Gleeson**, a UK house builder that we hold in our portfolios, to raise awareness of the scheme. Since then, they have become accredited with the Fair Tax Mark, noting they are the first in their sector to do so.

We are proud to have joined the growing movement of responsible businesses who 'say what they pay with pride' and will continue to engage widely on this important issue on behalf of our charity clients.

“We will not stop there. We are committed to the Fair Tax Mark and shall encourage our investee companies to secure this certification as well”



David Palmer
Chief Executive Officer

Principles of Responsible Investment

The Principles for Responsible Investment (“PRI”) is a UN-supported network of investors, working to promote sustainable investment through the incorporation of environmental, social and governance factors in their investment processes.

The **PRI** runs an annual survey for investment firms and asset owners to outline their responsible investment activities. The CFB takes its obligations as a PRI signatory seriously and recognises the importance of integrating ESG issues across all decision-making processes.

“The CFB scored above the median rating across all categories”

As a result of our commitment to responsible investing, we are pleased to have received an A+ score from PRI for both our Strategy and Governance and Listed Equities. In fact, we scored above the median rating across all categories. This is a positive independent assessment of our Christian ethical investment approach, which we undertake on behalf of all our clients. Our summary scorecard can be seen below.

AUM	Module Name	CFB Score	Median Score
< 10%	Strategy and Governance	A+	A

Direct & Active Ownership Modules

10-50%	Listed Equity - Incorporation	A+	A
10-50%	Active Ownership	A	B
< 10%	Fixed Income - SSA	A	B
< 10%	Fixed Income - Corporate Financial	A	B
< 10%	Fixed Income - Corporate Non-Financial	A	B

Indirect - Manager Selection

< 10%	Listed Equity	A+	A
< 10%	Property	Not applicable	

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Modern Slavery

Modern slavery and how to tackle it, was our lead article in the January 2019 edition of **Christian Ethics in Practice**.

The Modern Slavery Act 2015 aims is to ensure that businesses are managing their supply chains effectively, keeping them free from slavery and human trafficking.

In a bid to tackle Modern Slavery, we work as part of the **Find It, Fix It, Prevent It** programme, which was set up in 2019. This engagement asks companies **“Have you found modern slavery in your operations or supply chain this year?”**. This aim is to challenge companies to take the issue seriously and to identify and mitigate any potential modern slavery that could be occurring. We are currently engaging with two companies within the hospitality sector: **Compass Group** and **InterContinental Hotels Group**, on this important area, and met both of them during the second half of 2020.

Mining - Tailings Dam

The CFB continues to participate in the **Investor Mining and Tailings Safety Initiative**. A recent success as part of this initiative has been the launch of the **Global Industry Standard on Tailings Management** in August 2020, which established a global standard on tailings management for existing and future tailings facilities.

This standard was originally called for by the **Investor Mining and Tailings Safety Initiative**, in response to the disaster at the Córrego do Feijão iron ore mine in Brumandinho, Brazil in January 2019. There, a tailings dam collapsed, releasing toxic mud into the surrounding areas, which caused the loss of over 250 lives as well as the destruction of homes and farms.



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