



June 2022

# FFV Scorecard<sup>®</sup> Methodology:

Incorporating the USCCB's New  
*Socially Responsible Investment Guidelines*

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## Executive Summary

IWP Capital’s Faith & Family Values (FFV) Scorecard® is a turnkey set of 21 exclusionary business involvement screens rooted in the Catholic tradition. The screen set centers around five core themes – protecting human life, promoting human dignity, enhancing the common good, pursuing economic justice, and saving our global common home — and builds upon the United States Conference of Catholic Bishops’ (USCCB) landmark investing guidelines.

Our objective in developing this tool is to make Catholic values investing easier and more accessible. The FFV Scorecard® represents our best in thought approach. In providing this resource, it is our goal to help investors forge meaningful strategies aligned with their faith.

The ensuing document explains our approach to the FFV Scorecard® screen set, detailing an overview of the tool and the changes we have implemented in 2022. We explain each screen’s scope and criteria in depth. Information on the FFV Scorecard’s® coverage and our general screening procedures is available in the final section on screening Coverage & Procedures.

### Key takeaways:

- The FFV Scorecard® has **5 core themes**: protecting human life, promoting human dignity, enhancing the common good, pursuing economic justice, and saving our global common home.
- Investors have the choice to **divest, avoid investing in, or engage** with companies at odds with their values. The purpose of the FFV Scorecard® screen set is to inform divestment or exclusionary investing policies from a Catholic values perspective.
- We have **added 4 new screens** to the FFV Scorecard® in 2022: euthanasia and physician assisted suicide, sex reassignment treatments, whaling, and water privatization.
- We have **removed 5 screens** from the FFV Scorecard® in 2022: child labor usage, military weapons, Communist Chinese military companies, private security operations, and unsatisfactory CRA rating.
- **21 screens total** constitute the FFV Scorecard®.

Protecting Human Life	Protecting Human Dignity	Enhancing the Common Good	Pursuing Economic Justice	Saving Our Global Common Home
<ul style="list-style-type: none"> <li>- Abortion</li> <li>- Euthanasia &amp; Physician Assisted Suicide</li> <li>- Artificial Reproduction</li> <li>- Human Embryonic Stem Cells &amp; Fetal Tissue</li> <li>- Human Cloning</li> </ul>	<ul style="list-style-type: none"> <li>- Private Prisons</li> <li>- Adult Entertainment</li> <li>- Sex Reassignment Treatments</li> <li>- Contraceptives</li> </ul>	<ul style="list-style-type: none"> <li>- Controversial Weapons</li> <li>- Civilian Firearms</li> <li>- Gambling</li> <li>- Tobacco</li> <li>- E-Cigarettes</li> <li>- Cannabis</li> <li>- Opioids</li> </ul>	<ul style="list-style-type: none"> <li>- Predatory Lending</li> <li>- Third-Party Debt Collection</li> </ul>	<ul style="list-style-type: none"> <li>- Coal Mining</li> <li>- Whaling</li> <li>- Water Privatization</li> </ul>

## Overview

Launched in 2006, IWP Capital's Faith & Family Values (FFV) Scorecard® is a turnkey investment screening tool that represents our best in thought approach to Catholic values investing. The FFV Scorecard® contains 21 exclusionary business involvement screens centering around five core themes – protecting human life, promoting human dignity, enhancing the common good, pursuing economic justice, and saving our global common home.

Rooted in the Catholic tradition, the FFV Scorecard® draws heavily upon Church doctrine, encyclicals, Catholic teachings, and the U.S. Conference of Catholic Bishops' (USCCB) landmark *Socially Responsible Investment Guidelines* first published in 2003 and later updated in November 2021.

The bishops remind us in their guidelines that being responsible financial stewards requires wise and ethical investing. Three principles guide this investment strategy—avoid doing harm, actively work for change, and promote the common good. The FFV Scorecard® screen set is a direct application of the first principle to avoid doing harm. It serves as a tool to help investors identify which activities and companies are at odds with Catholic values so they may make morally informed investment decisions.

IWP Capital has further developed a set of FFV proxy voting guidelines to mobilize shareholders for collective impact as we work for change and promote the common good. For more information on this product offering, please visit us at [www.iwpcapital.com](http://www.iwpcapital.com).

## What's different? Updates to the FFV Scorecard®

In line with the USCCB's 2021 revisions, we have updated the FFV Scorecard® in 2022 to reflect the dynamic needs of Catholic values investors.

IWP Capital has developed and added four new screens to the FFV Scorecard®:

- Euthanasia and Physician Assisted Suicide
- Sex Reassignment Treatments
- Whaling
- Water Privatization

Consistent with the USCCB's changes, we have made the thoughtful decision to remove five screens from the FFV Scorecard® screen set, though we will continue to engage on these issues through proxy voting and corporate dialogue. The removed screens include:

- Child Labor Usage
- Military Weapons
- Communist Chinese Military Companies
- Private Security Operations
- Unsatisfactory CRA Rating

Other changes we've implemented include:

- Consolidating the abortifacient production, abortion provider, and acute care facilities screens into one screen called **Abortion**.
- Consolidating the assisted reproduction treatment provider, embryo testing, and human reproductive material storage screens into one screen called **Artificial Reproduction**.
- Consolidating the human embryonic stem cell usage and human fetal tissue usage screens into one screen called **Human Embryonic Stem Cells and Human Fetal Tissue**.
- Incorporating the nuclear weapons screen into the existing **Controversial Weapons** screen.

## FFV Scorecard® Screens

### I. Protecting Human Life

In the Catholic tradition, the most fundamental right is to life itself.<sup>1</sup> Each distinct soul is considered sacred from conception until natural death. Putting this conviction into action, the FFV Scorecard® includes five screens dedicated to protecting human life by tracking company involvement in activities that threaten this most fundamental right. These screens include:

- Abortion
- Euthanasia and Physician Assisted Suicide
- Artificial Reproduction
- Human Embryonic Stem Cells and Fetal Tissue
- Human Cloning

#### Abortion

IWP Capital's Abortion screen identifies companies, acute care facilities, and surgical centers that provide abortion services or procedures, manufacture abortifacients, or have significant ownership in any such activity that results in the induced termination of a human pregnancy. Acute care facilities include specialized abortion clinics, nonspecialized clinics, hospitals, and physicians' offices. Significant ownership is defined as holding 10% or more of total company shares.

Insurance companies required by law to cover abortion services and companies that offer abortion-related travel allowances to their employees are not included in this screen. (USCCCB 2021 SRI Guidelines, Policy I. 1; Catechism of the Catholic Church [CCC], no. 2271)

Subscreens:

- Abortifacients
- Abortion Providers
- Acute Care Facilities

<sup>1</sup> Pope Benedict XVI, Address to Austrian Authorities and Diplomatic Corps, (7 September 2007). See also, Pope John XXIII, Pacem in terris, no. 11 and Pope Pius XI, Divini Redemptoris, no. 27

## Euthanasia and Physician Assisted Suicide

IWP Capital's Euthanasia and Physician Assisted Suicide screen tracks companies involved in the production of devices or substances specifically intended for the voluntary, non-voluntary, or involuntary termination of lives of handicapped, sick, or dying persons (CCC, no. 2277). Voluntary euthanasia is when the person who is dying consents to terminating his or her own life. Non-voluntary euthanasia is when consent cannot be given due to incapacitation. Involuntary euthanasia occurs when consent is denied. Specifically intended means produced and/or marketed for the specific purpose of euthanizing a human being or a physician assisted suicide. Companies with significant ownership, defined as owning 10 percent of the ownership interests, in another company participating in these activities will also fail this screen. (USCCCB 2021 SRI Guidelines, Policy I. 1; CCC, no. 2276-2277; 2679)

## Artificial Reproduction

IWP Capital's Artificial Reproduction screen examines companies that provide in vitro fertilization services, embryo testing, and/or storage of human reproductive materials. Companies that provide in vitro fertilization include hospitals, fertility clinics, and other settings that perform egg retrieval, fertilization, and embryo, egg, or sperm transfer procedures. Companies involved in embryo testing conduct genetic or any other type of testing on embryos with the end purpose of identifying which embryos will be utilized in assisted reproduction treatment and which embryos will be disposed. Companies offering human reproductive material storage store or bank human embryos, sperm, or eggs for future use or testing. Companies with significant ownership, defined as owning 10 percent of the ownership interests, in another company participating in these activities will also fail this screen. (USCCCB 2021 SRI Guidelines, Policy I. 3; CCC, no. 2376-2378).

Subscreens:

- In Vitro Fertilization
- Embryo Testing
- Human Reproductive Material Storage

## Human Embryonic Stems Cells and Fetal Tissue

IWP Capital's Human Embryonic Stem Cells and Fetal Tissue screen names companies that collect, sell, and/or use cells or cell lines sourced from a human embryo or human fetus.<sup>2</sup> A company with an explicit corporate policy that permits the usage of such cells in research and development, whether the company conducts such research in practice or not, fails this screen. Companies with significant ownership, defined as owning 10 percent of the ownership interests, in another company participating in these activities will also fail this screen. Adult stem cells, stem cells derived from umbilical cords, or enabling technologies are not tracked under this screen. An enabling technology is defined as laboratory equipment or medical supplies used for research purposes.

<sup>2</sup> Donum Vitae (Respect for Human Life) no. 5

IWP Capital likewise does not capture or estimate revenue amounts or percentages derived from human embryonic stem cell or human fetal tissue research and therefore cannot implement a revenue threshold for this screen. Involvement in these activities is often a research and development expenditure that is capitalized within intangible assets if a consequent product is successful or deducted from net income and retained earnings if not. (USCCB 2021 SRI Guidelines, Policy I.4; CCC, no. 2376-2378)

## Human Cloning

IWP Capital's Human Cloning screen identifies companies engaged in scientific research whose purpose is the cloning of human beings.<sup>3</sup> Companies with significant ownership, defined as owning 10 percent of the ownership interests, in another company participating in this activity will also fail this screen. (USCCB 2021 SRI Guidelines, Policy I.5)

## II. Promoting Human Dignity

Catholics believe that human dignity results from the image of God that each person bears. All of Catholic Social Teaching "rests on one basic principle: individual human beings are the foundation, the cause and the end of every social institution."<sup>4</sup> Because of this: "Whatever insults human dignity, such as subhuman living conditions, arbitrary imprisonment, deportation, slavery, prostitution, the selling of women and children; as well as disgraceful working conditions, where men are treated as mere tools for profit, rather than as free and responsible persons; all these things and others of their like are infamies indeed. They poison human society, but they do more harm to those who practice them than those who suffer from the injury."<sup>5</sup> IWP Capital has incorporated the following screens into the FFV Scorecard®:

- Private Prisons
- Adult Entertainment
- Sex Reassignment Treatments
- Contraceptives

### Private Prisons

IWP Capital's Private Prisons screen tracks companies that own, manage, or operate private for-profit prisons. Private Prisons are defined as correctional facilities not managed by government agencies. Companies with significant ownership, defined as owning 10 percent of the ownership interests, in another company participating in these activities will also fail this screen. IWP Capital developed this screen in response to persistent allegations of human rights abuses, physical and sexual assault, denial of medical care, substandard services, and inexperienced staff plaguing the for-profit prison industry as detailed in a 2016 U.S. Department of Justice Report. Moreover, private prisons earn revenue based on the number of prisoners housed in a facility, thereby rendering each prisoner into a product, a commodity, and offering little regard to their human dignity.<sup>6</sup> (USCCB 2021 SRI Guidelines, Policy II. 1)

<sup>3</sup> Document of the Holy See on Cloning; Donum Vitae (Respect for Human Life) no. 6

<sup>4</sup> Mater et Magistra (May 15, 1961) no. 219| John XXIII (vatican.va)

<sup>5</sup> Pastoral Constitution on the Church in the Modern World-Gaudium et Spes no. 27 (vatican.va)<http://www.ichatholic.org/article/are-forprofit-detenAre>

<sup>6</sup> For-profit Detention Centers Morally Just? - Intermountain Catholic (icatholic.org)

## Adult Entertainment

IWP Capital's Adult Entertainment screen identifies companies involved in the production of pornographic materials or have a significant ownership stake in such activities. Significant ownership is defined as owning 10% or more of a company's ownership shares. Pornographic materials include but are not limited to print or digital media that depicts sexually explicit images, content rated NC-17 by FCC or MPA, content rated AO by the ESRB, full nude live performances, burlesque shows, peep shows, strip clubs or gentlemen's clubs, and/or web-cam solicitation sites. Content that is clearly educational, medical, scientific, or artistic is not included in the screen. (USCCB 2021 SRI Guidelines, Policy II. 6; CCC, no. 2354)

## Sex Reassignment Treatments

IWP Capital's Sex Reassignment Treatments screen identifies companies, namely hospitals and clinics, that perform sex reassignment surgeries or prescribe hormone therapies specifically marketed for the purpose of altering one's biological sex. Sex reassignment surgeries under this screen include phalloplasties, metoidoplasties, vulvoplasties, vaginectomies or other operations to physically change one's sex ("bottom" surgeries). Companies with significant ownership, defined as owning 10 percent of the ownership interests, in another company participating in these activities will also fail this screen. (USCCB 2021 SRI Guidelines, Policy II. 8; CCC, no. 364, 1907, 2297, 2333, 2393, 2521-2523)

## Contraceptives

IWP Capital's Contraceptives screen examines companies that manufacture contraceptives or derive more than 10% of their revenues from the sale of contraceptives, namely distributors and retailers. Contraceptives are defined as devices or substances used to prevent conception, including but not limited to oral hormonal pills, diaphragms, intrauterine devices (IUDs), condoms, implantable rods, and "Plan B". Companies with significant ownership, defined as owning 10 percent of the ownership interests, in another company participating in these activities will also fail this screen. (USCCB 2021 SRI Guidelines, Policy II. 11; CCC, no. 2370, 2399)

Subscreens:

- Contraceptive Production
- Contraceptive Sales > 10%

## III. Enhancing the Common Good

If all individuals are sanctified as bearers of God's Image, it is both the goal and duty of every Catholic to enact Christ's command to "Love thy neighbor" (Mark 12:31). In choosing to love our neighbors, we will their good by working toward the common good. Coming out of the Second Vatican Council, *Gaudium et spes* ("Joy and Hope") no. 26 defines the common good as "the sum of those conditions of social life which allow social groups and their individual members relatively thorough and ready access to their own fulfillment."



The FFV Scorecard® incorporates six screens aimed at reducing addictive materials, harmful habitual behaviors, and arms production from investor portfolios so that their capital may work to enhance the common good of all. The six screens include:

- Controversial Weapons
- E-Cigarettes
- Civilian Firearms
- Cannabis
- Gambling
- Opioids

## Controversial Weapons

IWP Capital's Controversial Weapons screen flags companies involved in the manufacturing or distribution of weapons inconsistent with the Catholic Church's teaching on war. Such weapons include but are not limited to anti-personnel landmines, biological and chemical weapons, cluster munitions, depleted uranium, nuclear weapons, their inputs, and specialized vehicles of delivery. Any company having a significant ownership stake in such activities will likewise be recommended for divestment under the Controversial Weapons screen. Significant ownership is defined as owning 10% or more of the involved company's ownership shares. (USCCB 2021 SRI Guidelines, Policy III. 1; CCC, no. 2314)

## Civilian Firearms

IWP Capital's Civilian Firearms screen flags companies involved in the manufacturing or distribution of civilian firearms and ammunitions, including but not limited to handguns, assault-weapons or semi-automatic rifles, and large capacity magazines.<sup>7</sup> Any company with significant ownership in such activities will likewise be recommended for divestment. Significant ownership is defined as owning 10% or more of the involved company's ownership shares. (USCCB 2021 SRI Guidelines, Policy III. 2; CCC, no. 2263-2264)

## Gambling

IWP Capital's Gambling screen includes the production or operation of online betting, digital terminals, equipment & hardware, table games, bingo, sports betting, lotteries, slots, and any game classified under the Indian Gaming Regulatory act as a Class II or Class III game. Sports betting, with the exception of fantasy sports, is included in the Gambling screen. Sports betting is defined as a game of chance by the U.S. courts, and IWP Capital considers all gaming activities deemed to be games of chance as gambling. Companies with significant ownership, defined as owning 10 percent of the ownership interests, in another company participating in these activities will also fail this screen.

The screen does not include real estate operations where the only revenue derived from the business is rent nor does it include casino games that are played at no cost or for charitable donation. Social gambling, typically casual mobile apps where no money is staked, are not included. (USCCB 2021 SRI Guidelines, Policy III.3; CCC, no. 2413)

<sup>7</sup> Response to the Plague of Gun Violence, 2019, Bishop Frank J. Dewane; USCCB Committee on Domestic Policy -- Responsibility, Rehabilitation, and Restoration: A Catholic Perspective on Crime and Criminal Justice, 2000)

## Tobacco

IWP Capital's Tobacco screen covers companies involved in the farming of tobacco plants and production of tobacco products, such as vapor cartridges, cigarettes, cigars, snuff, chew, dip, dried leaves, pipes, and/or pouches. Companies with significant ownership, defined as owning 10 percent of the ownership interests, in another company participating in these activities will also fail this screen.

The Tobacco screen does not include companies that produce ancillary components to tobacco products, such as papers, adhesives, ink, printing, and filters. (USCCB 2021 SRI Guidelines, Policy III.3; CCC, no. 2290)

## E-Cigarettes

IWP Capital's E-Cigarettes screen identifies companies that produce electronic cigarettes or water vapor smoking devices. This includes reusable vapes, single use products, and cartridges. Companies with significant ownership, defined as owning 10 percent of the ownership interests, in any other company participating in these activities will also fail this screen. E-cigarettes contain nicotine, one of the most highly addictive and most difficult to quit drugs.<sup>8</sup> (USCCB 2021 SRI Guidelines, Policy III.3; CCC, no. 2290 & 1809)

## Cannabis

IWP Capital's Cannabis screen tracks companies involved in the cultivation, research, production, or retail of recreational cannabis products. Recreational cannabis is defined as any and all parts of the genus cannabis plant and consequent products derived from it containing a THC content greater than the federal legal limit of 0.3%.

IWP Capital's cannabis screen includes raw cannabis, cannabis flowers, cannabis seeds, cannabis growing/farming, cannabis infused edible products, cannabis pills, cannabis oils, cannabis vapors or electronic cigarettes, pre-rolled joints, and cannabis infused beverages. Companies with significant ownership, defined as owning 10 percent of the ownership interests, in any other company participating in these activities will also fail this screen. (USCCB 2021 SRI Guidelines, Policy III.3; CCC, no. 2290 & 1809) Guidelines, Policy III.3; CCC, no. 2413)

IWP Capital does not include:

- Ancillary products that may be used in cannabis consumption including pipes, bongs, lighters, and rolling papers.
- Agricultural products used in the growing and farming of cannabis in the cannabis screen, such as hydroponic systems, irrigation, lights, fertilizer, and soil.
- Industrial hemp or CBD products that contain less than 0.3% of THC.
- Medical marijuana licensed, produced, and/or regulated for legitimate pharmaceutical applications.

<sup>8</sup> Why it's so hard to quit smoking | American Heart Association

## Opioids

IWP Capital's Opioid screen tracks companies that produce opioid pharmaceutical drugs. Opioids include prescription medications used to treat pain such as fentanyl, codeine, methadone, oxycodone, and hydrocodone. Companies with significant ownership, defined as owning 10 percent of the ownership interests, in any other company participating in these activities will also fail this screen. IWP Capital developed this screen in response to widespread addiction and the endemic abuse of opioid prescription drug in the United States. (USCCB 2021 SRI Guidelines, Policy III. 3-4; CCC, no. 2290-2291)

## IV. Pursuing Economic Justice

As the Catholic Church pursues the good of all persons, one of its main focuses is the preferential option for the poor. As the pastoral letter Economic Justice for All proclaims, "The needs of the poor take priority over the desires of the rich."

To that aim, the FFV Scorecard® maintains two screens related to economic justice:

- Predatory Lending
- Third-Party Debt Collection

### Predatory Lending

IWP Capital's Predatory Lending screen identifies companies that offer predatory loans. Predatory loans are defined as consumer cash advances, title loans, tax refund advances, settlement advances, pawn loans, payday loans, and home collection loans. Companies with significant ownership, defined as owning 10 percent of the ownership interests, in any other company participating in these activities will also fail this screen. IWP Capital does not include business lending, check cashing, money orders, point of sale lenders, lease-to-own retailers, or pawn shops in the Predatory Lending screen. (USCCB 2021 SRI Guidelines, Policy IV. 5; CCC, no. 2409)

### Third-Party Debt Collection

IWP Capital's Debt Collection screens cover companies that acquire consumer loans from a third party and service the outstanding debt through collections or asset recovery operations. Loans covered include personal, medical, student, auto, and housing debt.<sup>9</sup> Companies with significant ownership, defined as owning 10 percent of the ownership interests, in any other company participating in these activities will also fail this screen. (USCCB 2021 SRI Guidelines, Policy IV. 5)

## V. Saving Our Global Common Home

St. Francis of Assisi reminds us, "Our common home is like a sister with whom we share our life and a beautiful mother who opens her arms to embrace us." As the pinnacle of God's creation, it is humanity's duty to care for and protect our common home, the environment.

<sup>9</sup> Compendium of the Social Doctrine of the Church, no. 341

The 2021 USCCB SRI Guidelines highlight climate change, biodiversity, water and natural resources, technology, and environmental impact as five factors to consider in making investment decisions. These topics are strongly suited for shareholder activism, and thus we have taken a cautious approach to such investment screening as it is exceptionally difficult to create accurate, transparent lists of bad actors when it comes to companies' environmental impacts. The sheer lack of corporate reporting and disclosure coupled with greenwashing and selective reporting make for inconsistent data. Inconsistent data leads to poorly informed decisions. We certainly seek to avoid solving for one problem only to create another.

We believe investors can have a profound impact on protecting the environment engaging as shareholders through proxy voting and corporate dialogue. Voting for increased transparency and reporting, demanding science-based environmental policies consistent with Catholic teaching, and aggressively pressuring boards to address the environmental consequences of their companies' operations all serve as impactful ways to enact change. As company disclosures increase and more data becomes available, we will consider additional environmental screens aimed at protecting our global common home.

IWP Capital has developed three screens that we believe capture the spirit of the bishops' guidelines and remain well suited to investment screening. They include:

- Coal Mining
- Whaling
- Water Privatization

## Coal Mining

IWP Capital's Coal Mining screen names companies directly involved or having a significant ownership in the extraction of thermal coal. Significant ownership is defined as owning 10 percent or more of the ownership shares of the involved company. Coal is the most carbon-intensive fossil fuels, and the combustion of coal is the largest single source of global warming. UN Secretary General António Guterres has called the phasing out of coal the single most effective way of moving towards achieving the goals of the Paris Agreement.<sup>10</sup>(USCCB 2021 SRI Guidelines, Policy V. 2, CCC, no. 339-341)

## Whaling

IWP Capital's Whaling screen examines company involvement or significant ownership in the commercial hunting, killing, and/or sale of whales, whale meat, blubber, or other related derivatives. Whales are an endangered species that play a critically important role in the marine ecosystem. At the top of the food chain, whales ensure a stable aquatic food supply and protect the overall health of our oceans. In addition, whales naturally capture significant carbon emissions from the atmosphere, thus playing an important role in protecting the environment. IWP Capital developed this screen in an effort to protect the endangered species, preserve biodiversity, and ensure the health of our marine ecosystems and common home at large. (USCCB 2021 SRI Guidelines, Policy V. 4, CCC, no. 339-341)

<sup>10</sup>UN Chief Calls for Immediate Global Action to Phase Out Coal | UNFCCC

## Water Privatization

IWP Capital's Water Privatization screen monitors companies that own or operate privatized water facilities. Pope Francis calls access to safe drinkable water "a basic and universal human right, since it is essential to human survival."<sup>11</sup> By refraining from investing in this activity, our intent with this screen is to discourage the commercialization, commoditization, and/or exploitation of our planet's most essential, life-sustaining natural resource.<sup>12</sup> (USCCB 2021 SRI Guidelines, Policy V. 6, CCC, no. 339-341)

## Screening Coverage

The FFV Scorecard® is a dynamic investment screening tool. We update each screen annually as we strive to meet the needs of our changing landscape.

### Investible Universe

IWP Capital maintains designated screening research on active, investible companies within five key proxy indices. We review each proxy index's holdings on a quarterly basis to coincide with regular quarterly market index reviews. Changes are implemented at the close of business on the first business day of January, April, July, and October. Indices covered include:

- SPDR® S&P 500 ETF Trust (SPY)
- iShares Russell 3000 ETF (IWW)
- iShares Core US Aggregate Bond ETF (AGG)
- iShares MSCI EAFE ETF (EFA)
- iShares MSCI Emerging Markets ETF (EEM)

### Scope

IWP Capital may narrow or broaden the scope of a given screen over time. Some screens may cease to be offered or maintained. Screens are only added or removed from the FFV Scorecard® screen set on an annual basis through an official decision by IWP Capital's internal research department.

### Ownership Thresholds

When a company owns 50% or more of another company, IWP Capital considers the companies to have a parent-subsidary relationship. A subsidiary company fails for any involvement of its parent and vice versa. When a company owns between 10% and 49% of another company, IWP Capital considers the companies to have a parent-child relationship. Parent companies fail for any involvement of their child companies. Child companies do not fail for the involvement of their parent companies if they do not similarly participate in the controversial activity.

<sup>11</sup> Laudato Si': On Care for Our Common Home, 2015, para.

<sup>12</sup> 30 Rethinking private sector participation in the water sector :: IRC (ircwash.org); Private-sector participation in the water and sanitation sector | Annual Review of Environment and Resources (annualreviews.org)

## Mergers, Acquisitions, Divestitures & Spinoffs

When a company acquires or merges with another company, IWP Capital will evaluate both companies involved to determine if the resulting entity should fail any screens.

When a company divests or spins off a business unit, IWP Capital will evaluate which elements of the company belong to each entity. IWP Capital will then determine whether either, both, or none of the companies fails any screens.

In all cases, IWP Capital will hold all screening constant until evidence is obtained, whether through research or engagement, to substantiate screening changes. Companies that merge will continue to fail for whichever screen they currently fail. Companies that are spun off will pass unless any evidence is obtained indicating a reason to fail a given screen.

## Other Asset Classes

Mortgages, mortgage-backed securities, and government backed mortgages are automatically listed as passes and are not screened individually. Corporate credit, loans, notes, bonds, and preferred stock are screened according to the status of the equity issuer.

United States Treasury and other government debt, including foreign government debt, is automatically listed as a pass and is not screened.

All currencies, including cash, cryptocurrency, and money markets, are listed as pass and are not screened.

## Appendix A: FFV Scorecard® Summary

Category	Screen	Policy	A company will fail the screen if they are a...
<b>Protecting Human Life</b>	Abortion	Companies that provide abortion services or procedures, manufacture abortifacients, or have significant ownership in any such activity that derives revenue from the induced termination of a human pregnancy	Manufacturer, provider, or significant owner
	Euthanasia and Physician Assisted Suicide	Companies that produce devices or substances specifically intended for the voluntary, non-voluntary, or involuntary termination of lives of handicapped, sick, or dying persons	Manufacturer, provider, or significant owner
	Artificial Reproduction	Companies that provide in vitro fertilization services, embryo testing, and/or storage of human reproductive materials	Provider or significant owner
	Human Embryonic Stem Cells and Fetal Tissue	Companies that collect, sell, and/or use cells or cell lines sourced from a human embryo or human fetus	Manufacturer or significant owner
	Human Cloning	Companies engaged in scientific research whose purpose is the cloning of human beings	Provider or significant owner
<b>Promoting Human Dignity</b>	Adult Entertainment	Companies involved in the production or sale of pornographic materials or have a significant ownership stake in such activities	Provider or significant owner
	Contraceptives	Companies that manufacture or sell devices or substances used to prevent conception	Manufacturer; retailer or distributor deriving > 10% revenues; or significant owner
	Sex Reassignment Treatments	Companies that perform sex reassignment surgeries "bottom surgeries" or prescribe hormone therapies specifically marketed for the purpose of altering one's biological sex	Manufacturer or significant owner
	Private Prisons	Companies that own, manage, or operate for-profit prisons	Operator or significant owner
<b>Enhancing the Common Good</b>	Controversial Weapons	Companies involved in the manufacturing or distribution of weapons inconsistent with the Catholic Church's teaching on war: anti-personnel landmines, biological and chemical weapons, cluster munitions, depleted uranium, nuclear weapons, their inputs, and specialized vehicles of delivery	Manufacturer or significant owner
	Civilian Firearms	Companies involved in the manufacture or distribution of civilian firearms, including but not limited to handguns, assault weapons or semi-automatic rifles, & large capacity magazines; ammunition included	Manufacturer, distributor, or significant owner
	Cannabis	Companies involved in the cultivation, research, production, or retail of recreational cannabis products	Supplier, manufacturer, retailer, or significant owner
	E-Cigarettes	Companies that produce electronic cigarettes or water vapor smoking devices	Manufacturer or significant owner

Category	Screen	Policy	A company will fail the screen if they are a...
<b>Enhancing the Common Good</b>	Gambling	Companies that produce or operate games of chance, such as online betting, digital terminals, equipment & hardware, table games, bingo, sports betting, lotteries, slots, and any game classified under the Indian Gaming Regulatory act as a Class II or Class III game	Manufacturer, retailer, significant owner
	Opioids	Companies that produce opioid pharmaceutical drugs	Manufacturer or significant owner
	Tobacco	Companies involved in the farming of tobacco plants and production of tobacco products	Supplier, manufacturer, significant owner
<b>Pursuing Economic Justice</b>	Predatory Lending	Companies that offer predatory loans defined as consumer cash advances, title loans, tax refund advances, settlement advances, pawn loans, payday loans, and home collection loans	Provider or significant owner
	Third-Party Debt Collection	Companies that acquire consumer loans from a third party and service the outstanding debt through collections or asset recovery operations	Provider or significant owner
<b>Saving Our Global Common Home</b>	Coal Mining	Companies directly involved or having a significant ownership in the extraction of thermal coal	Supplier or significant owner
	Whaling	Companies that hunt, sell, or manufacture products derived from whales	Supplier, manufacturer, or significant owner
	Water Privatization	Companies that own or operate privatized water facilities	Operator or significant owner



## Contact Us

For more information, please contact a member of our team or visit us at [www.iwpcapital.com](http://www.iwpcapital.com).

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## About IWP Capital

IWP Capital provides Catholic values research and proxy voting services to faith-based investors. Our clients include Catholic dioceses, parishes, educational institutions, healthcare providers, charities, foundations, and high net worth individuals. To learn more, please visit [www.iwpcapital.com](http://www.iwpcapital.com).

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