

PRI Reporting and Assessment survey 2011 Executive Summary

Your organisation:

Light Green Advisors

Governance, policy and strategy (Q 11)

LGA's policy is to integrate relevant ESG issues into our governance, investment policy, and portfolio management. Among ESG issues, LGA maintains a strong focus on projects and investment choices that actively benefit the environment.

We employ a variety of quantitative and qualitative methods to select the most environmentally responsible and foresighted companies for our flagship Eco Performance Portfolio. We use a "best-in-class" strategy, proven over ten years, which selects the top environmental performers in their respective sectors.

LGA manages interests in renewable power (solar) and energy efficiency ventures.

Principle 1 - We will incorporate ESG issues into investment analysis and decision-making processes (Q 19)

LGA was created to incorporate research into how ESG issues impact investment performance. LGA developed a multi-stage process to incorporate ESG issues relevant to financial performance of firms into the decision-making process for all asset management decisions.

LGA's process is premised on the finding that performance on several ESG issues is reflected in operational outcomes that pass through balance sheets of firms in our investment universe. LGA's approach to addressing these linkages involves abstraction of information on which factors are important, development of methods for comparing relevant information on a comparative inter-industry basis, evaluation of the strength of corporate programs, and a comparison of the financial impact of their relative positioning to competitors at a given point of time on an industry and size-neutral basis.

Principle 2 - We will be active owners and incorporate ESG issues into our ownership policies and practices (Q 26)

LGA believes in active ownership and incorporation of ESG issues into our ownership policies and practices. LGA believes many problems have emerged because corporations do not have active owners that are familiar with their businesses. As a consequence, LGA utilizes its expertise to go beyond mere voting of proxies, which was cutting edge thirty years ago.

LGA has, and will continue to, engage with the SEC regarding significant disclosure issues relevant to active owners.

Principle 3 - We will seek appropriate disclosure on ESG issues by the entities in which we invest (Q 52)

LGA analyzes every company in an industry sector and does not restrict its analysis to those that produce voluntary disclosures. As a consequence, LGA focuses its disclosure related efforts on mandatory disclosure by all companies within an industry. LGA has joined with institutional investors such as CalPERS, CalSTRS, and INCR to support the Rose Foundation petition for mandatory environmental disclosure.

Principle 4 - We will promote acceptance and implementation of the Principles within the investment industry (Q 58)

LGA has promoted acceptance and implementation of the principles through our interaction with plan sponsors and other investors.

LGA has adopted the PRI code and has publicized its adoption on its website and other communication pieces.

LGA views the PRI as an umbrella which more fairly reflects the views of progressive but pragmatic Responsible Investors than those of the traditional SRI industry groups.

Principle 5 - We will work together to enhance our effectiveness in implementing the Principles (Q 65)

We (LGA) have joined UNEP: FI and PRI specifically to enhance our effectiveness in implementing the Principles through joining forces with other similarly-minded investors.

Principle 6 - We will each report on our activities and progress towards implementing the Principles (Q 70)

LGA will utilize the UNEP PRI process to communicate and report on our activities and process towards implementing the PRI Principles.

LGA believes it is more effective for asset managers to report on progress as a group to facilitate use by the marketplace rather than forcing market participants to go to 500 web-sites to review 500 PDFs.
