

Session 1: TRI and the Private Sector

Sustainable Investing and TRI: An Indicator of Management

Lily Donge
Calvert Asset Management
Company, Inc.
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Introduction

- Founded in 1976
- Approximately \$14.8 billion in assets under management as of 10/25/10
- Developed first US-based SRI mutual fund in 1982
- First mutual fund to file a social shareholder resolution in 1986
- A total of 51 mutual fund portfolios, including 24 sustainable and responsible funds. Four global sustainable equity funds in the following sectors: large cap, small/mid cap, alternative energy and water.



Financial industry relies on information

Dow Tops 11,000, Treasuries Rise on Fed Easing Bets

By Rita Nazareth and Stephen Kirkland - Oct 8, 2010 4:11 PM ET

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A trader with Barclays Capital, works on the floor of the New York Stock Exchange in New York. Photographer: Ramin Talebi/Bloomberg



A stock trader works at his post on the floor of the New York Stock Exchange on May 6, 2010. Photographer: Ramin Talebi/Bloomberg

SEC Says Struggle to Collect Data on Stock Rout Illustrates Need for Audit

By Nina Mehta - Oct 14, 2010 12:01 AM ET

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Gregg Berman, senior adviser to the director of the SEC, speaks during a hearing on the May 6 crash.

The report by U.S. regulators on the May 6 plunge took almost five months to complete because the Securities and Exchange Commission lacks access to uniform data about quotes and trades, said Gregg Berman, senior adviser to the director of the SEC.

Data gaps a hurdle to tackling crisis - ECB

Updated: 19:36, Tuesday, 19 October 2010

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The global crisis has unveiled deep data gaps that officials must close to make effective decisions, the ECB chief said.

...port published by the SEC and Commodity Futures Commission on Oct. 1 found that a trader's routine losses helped set off a chain of events that sent the Industrial Average down as much as 998.5 points in the 104-page study. A mutual-fund manager on the Standard & Poor's 500 Index said that spread to the stock market, the

Analysts need quality, timely data - RBA

Kim Christian
October 20, 2010 - 1:49PM

AAP

Analysts need more high quality, timely data and analytics to identify vulnerabilities in the financial system, a senior bank official says.

Reserve Bank of Australia (RBA) head of financial stability



Jean-Claude Trichet - World Star tomorrow

What Information Do Investors Use?

	A. Percentage viewing at least one category item		B. Mean number of items viewed within category	
	Investment Professionals	Nonprofessional Investors	Investment Professionals	Nonprofessional Investors
All annual report categories	100%	99%	32.8	15.7
Financial Statements	94%	68%	5.3	2.4
Financial Statement Footnotes	68%	30%	4.4	1.7
Auditor and Management Reports	70%	60%	1.7	1.3
Management Discussion & Analysis	85%	59%	6.2	2.3
Business Data and Risk Factors	97%	82%	10.6	5.4
Other Required Information	58%	37%	2.7	1.5
Summary Information from Company Website	99%	79%	1.9	1.1

Source: Journal of Accountancy, *What Information Do Investors Use?*, August 2010
<http://www.journalofaccountancy.com/Web/20102682.htm>

3 Avenues for Investors

1. Research

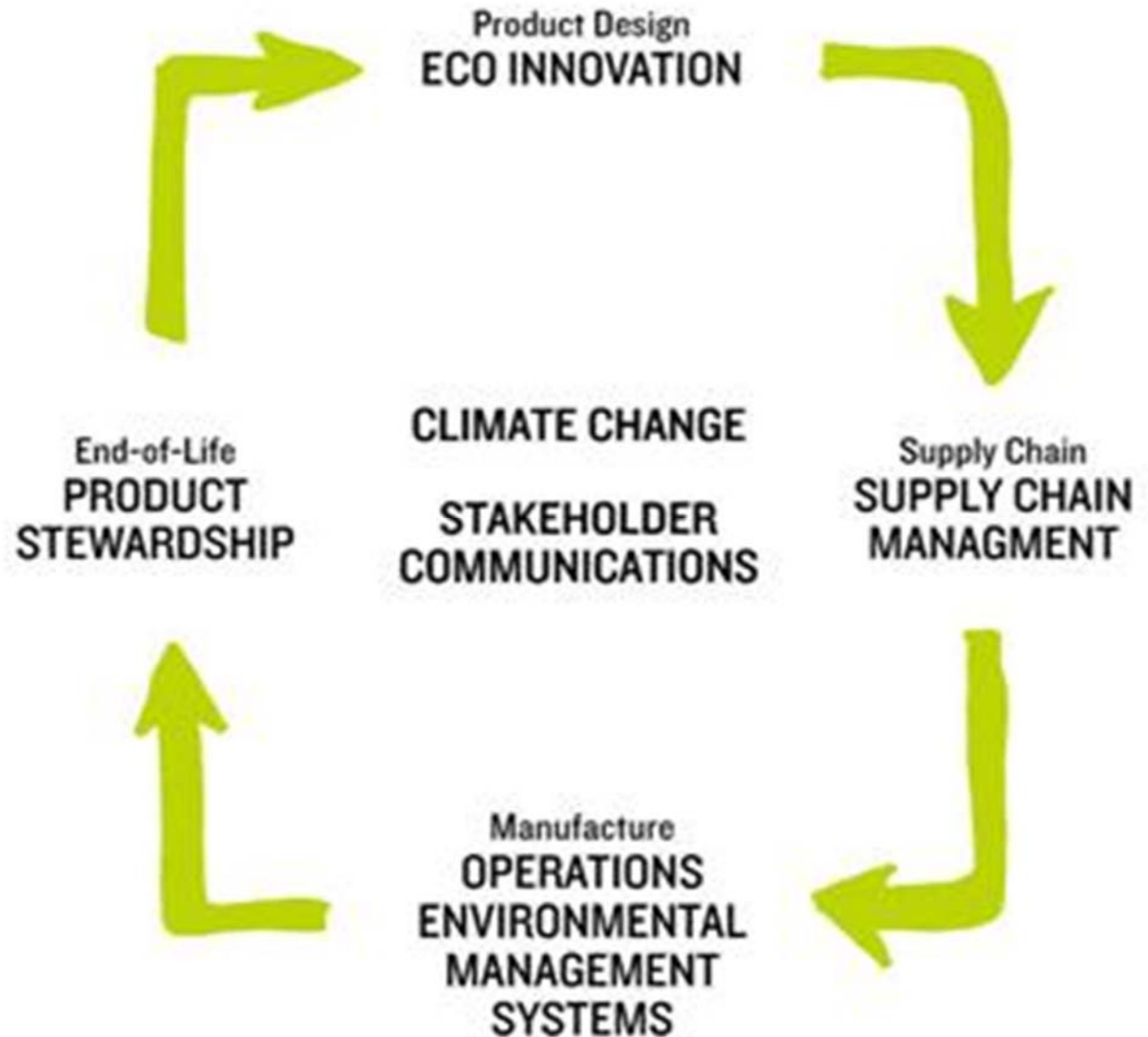
- Data point for Calvert's environmental audit
- Informs the overall impact
- Benchmarking

2. Advocacy

- Competitive risks require improvements

3. Policy

- Engagement to enable application of TRI broadly



Source: Formway, <http://www.formway.com/Environment/life-cycle-thinking.html>

Going further and forward

Like all financial or sustainability indicators, TRI data and what it is telling us about a particular company are constantly evolving.

- Understanding complexity of environmental conditions
- Knowing the place of pollution
- Making the link to markets, jobs, and livelihoods

PERI's Toxic 100 Air Polluters

TRI Rank	Corporation	Toxic score	EJ: Poor Share	EJ: Minority Share
1	Bayer Group	189,649	9%	33.8%
2	ExxonMobil	170,689	24.3%	65.2%
3	Sunoco	138,743	17.5%	38.5%
4	E.I. du Pont de Nemours	122,436	16.5%	38.3%
5	ArcelorMittal	117,510	21.4%	63.2%
6	Steel Dynamics Inc.	99,952	24.6%	11.4%
7	Archer Daniels Midland Co.	97,281	21.7%	28.7%
8	Ford Motor Co.	93,854	11.8%	24.4%
9	Eastman Kodak Co.	87,328	14.8%	29.5%
10	Koch Industries	84,044	11.4%	24.5%

Source: Political Economy Research Institute, *Toxic 100*, March 2010 <http://toxic100.org>;
EJ – Environmental Justice indicators

TRI Challenges and Competitive Opportunities

Challenges:

- *Timeliness and lack of recent information*
- *Who are the ultimate end users?*
- *Corporate involvement and experience is one dimensional*

We are looking for:

Leading indicators

New technologies and R&D

In finance, confidence and perception is everything



DISCLOSURE

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Calvert Asset Management Company, Inc., 4550 Montgomery Avenue, Bethesda, Maryland 20814, a subsidiary of Calvert Group, Ltd. #10565-201010



www.calvert.com
800.368.2748