



## **B Lab Statement on Light Warrior's B Corp Certification**

B Lab's independent Standards Advisory Council has rendered the following decision and guidance regarding eligibility for B Corp Certification for companies in the Wealth Planning Structures companies:

*"Wealth planning structures companies and other financial service companies that 1) operate in jurisdictions in the Tax Justice Network's Corporate Tax Haven Index with a 100 Haven Score and 2) do not exclusively serve clients physically resident in that jurisdiction are currently ineligible for B Corp Certification. All other wealth planning structures companies are eligible for B Corp Certification if they meet the following requirements..."*

Light Warrior is required to disclose a summary of how it complies with these industry requirements as a part of its B Corp Certification. For more information on the specific requirements, please refer to B Lab's position statement on Wealth Planning Structures Companies [here](#).

## **Summary of Company**

Light Warrior (LW aka Kednel Pty Ltd) is a private investment office with a portfolio of listed market assets and direct businesses holdings operating primarily in the following sectors: Health & Wellness, Funds Management, Social Housing & Disability Accommodation, Solar Assets, Education and Entertainment.

They have a small handful of major investments (in which they are a majority shareholder and founding investor) one of which is Conscious Investment Management (CIM). CIM is a leading global impact investment manager with a vision to unlock the power of mainstream markets to design, structure and make investments into assets that improve lives.

Light Warrior and CIM are both Australian based with investment portfolios that solely operate within Australia. For CIM, all investments are held on Australian soil and for Light Warrior (Kednel Pty Ltd), all operating venture businesses are headquartered in Australia. The nature of both LW and CIM operations are management and deployment of capital to investments.

Light Warrior doesn't have external clients per se however, they are accountable to our Board which includes Light Warrior's ultimate beneficiary, Radek Sali. CIM has several 'clients' at various points throughout an investment's lifecycle. These include:

- Investors – These are the individuals whose capital CIM is deploying.
- Impact Partners – These are the recipients of CIM Capital. Through CIM's impact partnership model these organizations support the delivery and management of CIM's assets (social housing, disability accommodation, solar farms etc.).



- End-User – These are the individuals who utilize and benefit from the assets CIM funds. For example, these include ultimate occupants of CIM-funded housing solutions, the students who benefit from the social impact bonds they invest in.

### **Light Warrior's Disclosure on Required Best Practices**

1. *Operations in jurisdictions that the OECD's Global Forum has rated as "Compliant" or "Largely Compliant" with the EOIR Standard.*

Light Warrior operates in Australia, which was rated as "Largely Compliant" in 2017 by the [OECD Global Forum](#).

2. *Demonstrate sufficient management practices in place to screen clients for criminal activities and compliance with relevant local and international regulations.*

Light Warrior does not have clients per se. It operates as the family office for Radek Sali, the ultimate beneficiary. The source of wealth is transparent as the ultimate beneficiary's primary source of wealth was from the sale of shares of a Swiss company in 2016.

As for Conscious Investment Management (CIM), which is part of Light Warrior Group, where external capital is accepted, extensive client screening is completed by distribution partner Channel Capital. Channel Capital's compliance and operational environment is regularly tested by auditors, institutional clients and consultants via internal controls (GS007) audits and operational due diligence (ODD) reviews.

Internally, CIM also holds 'Suitability Committees' as required to further review potential investors that meet industry screening practices but may be misaligned from a values perspective. These suitability committees comprise of the CIM Executive Chairman, CIM CIO, any CIM team member who wishes to attend, and invitations are also extended to all independent Investment Committee members. The suitability committee was founded to discuss incoming streams of capital from investors that have perhaps not aligned previously with the vision of CIM. This has included a company with media coverage suggesting a misalignment when it comes to the treatment of Indigenous lands or peoples. Given CIM's deep connection with this community it is important to acknowledge and discuss the implications of allowing an investor on the CIM journey to mainstream impact investing if their previous actions are misaligned with this mission.

To date no formal process or governance has been developed rather a case-by-case analysis takes place. For this reason, Light Warrior is currently only partially meeting this requirement but as an existing B Corp, the company has one recertification period (about three years) to meet



the requirement and thus will need to update its practices by its next recertification period in order to maintain the certification. Light Warrior commits to fulfill this gap, including a specific disclosure on this topic.

Light Warrior's team are exploring a number of avenues to improve the review process including implementing a traffic light analysis for incoming investors and creating a higher ethical threshold for trustees accepting capital to the fund. To date, no investors have been rejected. It has been noted in previous suitability committees accepting capital from industries such as gambling or accepting capital sourced from any form of human rights offense are both fundamentally unacceptable.

As the principal piece of Australian legislation protecting the handling of personal information about individuals, both Light Warrior and CIM adhere to The Privacy Act 1988. This includes the collection, use, storage and disclosure of personal information in the federal public sector and in the private sector. As such, both CIM and Light Warrior strive to not hold personal or sensitive information on file and outsource the handling of such information to external partners, like Channel Capital and impact partners to manage.

Light Warrior Group has never received any sanctions or fines. To the best of its knowledge, CIM would claim that criminal activities are not being undertaken through its practices.

3. *Publicly available tax policy statement approved by the highest level of governance (e.g. Board of Directors) within the company, that appropriately reflects and confirms alignment with the principles contained in the B Lab tax framework that the taxes paid over time by their clients are representative of the business's or the individual's actual income and operations in each jurisdiction. This statement should also include acknowledgment that their own engagement with governments and tax regulators should also align with the above policy. The company should also have processes in place to manage and maintain compliance of their services, recommendations, and government and tax regulator engagement with their tax policy.*

In alignment with the requirements and principles stated in B Lab's position statement for Companies in the Wealth Planning Structures Industry, Light Warrior has a tax philosophy statement which aligns with B Lab's [tax framework](#) and informs Light Warrior's engagement with governments and tax regulators. The tax philosophy statement is part of a tax policy that has been approved by the Board of Directors.

The philosophy statement reads as follows:



*“Light Warrior was founded on the principle that businesses have a wider responsibility to consciously contribute to society and should not exist purely for commercial profit. We respect that the tax we pay is an important contribution to our wider economic and social impact playing a key role in the development of Australian communities.*

*Our tax policy is founded on the following key principles:*

*Compliance – Ensure LWG complies with all Australian tax obligations.*

*Risk Management – Ensure LWG has robust controls to manage our tax risk.*

*Transparency – Ensure LWG deals with all relevant tax authorities in an open, regular & transparent manner.*

*Commerciality – Ensure LWG is tax efficient such that it may claim any legitimate tax incentives or reliefs that are in line with Australian tax legislation. We do not use artificial tax structures that are intended for tax avoidance.”*

The statement is not currently featured on their website, but the company plans to do so until their next recertification.

Light Warrior Group appreciates that tax is inherently complex. Light Warrior, therefore, invests significant resources to manage and monitor their tax risk to ensure that they pay the right amount of tax. As such, Light Warrior incurs significant expenditure (both through the internal development of their finance function and engaging external tax service providers) to ensure expert management of LWG’s tax compliance affairs. Light Warrior’s finance function provides high level briefs to team members on areas of taxation that are relevant to their roles to further support best practice in record keeping, reporting and compliance.

From a CIM client perspective, clients are required to provide their tax file number (TFN) freely and willingly during the Due Diligence process to ensure all investments are transparently communicated to the Australian Taxation Office and can, therefore, be taxed appropriately for their investment. As part of the Know-Your-Client process the client is screened for any suspicious activity.

- 4. Commitment to support public policies designed to address concerns related to the industry, including beneficial ownership and wealth sources transparency, exchange of tax-related information, and wealth inequality.*

Light Warrior supports public policies and international frameworks to de-risk the lack of transparency in the asset management and private wealth sector. To this effect, Light Warrior has adopted a corporate structure to facilitate business operations of portfolio companies, to streamline legacy and succession planning.



Examples of this include the willing disclosure of tax file numbers (both corporate and for directors) to all potential funds management businesses during Diligence processes. This ensures all holdings are transparently held and visible to the Australian tax office.

Both LW and CIM support and address wealth inequality through their close partnerships with community-minded ventures. Complementary to this, they are privileged to walk alongside their trusted charitable partners who are dedicated to enhancing the lives of their community's most marginalized individuals, who bear the brunt of wealth inequality.

5. *Offer client services that incorporate positive impact-focused strategies (e.g. dedicated resources that advise clients on how to use their wealth to have a positive impact; and / or separate product offering for positive impact-focused services that compose a substantial portion of their services).*

The purpose of the Light Warrior Group is dedicated to finding and supporting businesses that share the same philosophy – businesses that are consciously contributing to society and the environment. The entirety of CIM's product offering is to invest external capital in socially responsible investments.

Light Warrior was founded on the principle that businesses have a wider responsibility to consciously contribute to society and should not exist purely for commercial profit. Conscious Investment Management is a prime example of embodying this vision as its sole purpose and mandate is to find and invest in opportunities that don't simply address a societal problem but are additive to their solution. An example of this is, rather than purchasing existing assets, CIM funds the creation of additional affordable housing and solar farms.

Alongside its investment activities, the LWG (encompassing CIM) actively walks alongside their charitable partners supporting the Group's philanthropic goals. Contributions to LWG charitable partners include cash and in-kind donations, team time and use of LWG assets. This incorporates targeted cash gift giving to deductible gift recipients via our own private ancillary fund, the Lightfolk Foundation.