Clarifying the terminology

Sustainable Capitalism - A more long term and responsible form of capitalism that seeks to maximize long-term economic value creation by reforming markets to address real needs while considering all costs and stakeholders. It applied to the entire investment value chain from entrepreneurial ventures to publically traded large cap companies, from investors providing seed capital to those focused on large stage growth oriented opportunities, from company employees to CEO, from activists to policy makers and standard setters. Sustainable Capitalism transcends borders, industries, forms of ownership, asset classes and stakeholders.

Some people also like to use the term **Conscious Capitalism**, though in the US this is a fast growing association with annual conferences and groups in various cities (see www.consciouscapitalism.org)

CSR – Corporate Social Responsibility is a commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large. CSR may also be referred to as corporate citizenship and can involved incurring short-term costs that do not provide an immediate financial benefit to the company, but instead promote positive social and environmental change.

CSV – Creating Shared Value
Shared value is a management strategy focused on companies creating measurable business value by identifying and addressing social problems that intersect with their business. The shared value framework creates new opportunities for companies, civil society organizations, and governments to leverage the power of market-based competition in addressing social problems. The concept was defined in the Harvard Business Review article "Creating Shared Value" (January/February 2011), by Professor Michael E. Porter and Mark R. Kramer.

SRI investing is an investment discipline that considers environment and corporate governance criteria to generate long term competitive financial returns and positive societal impact. Some investors are driven by their personal goals and values, their institutional mission or the demand of clients or constituents. They aim for strong financial performance, but also believe that these investments should be used to seek and contribute to advancements in societal or environmental and governance practices. Depending on the emphasis, SRI investors may use such labels as "community investing", ethical investing, green investing, impact investing, mission related investing, values based investing. Practitioners of SRI investing may also include negative (avoidance) criteria as part of their investment decisions (alcohol, guns, no nuclear, fossil fuels). References to "SRIs" can also refer to a type of ethically invested mutual fund (as opposed to institutional investors).

Impact investing is one form of socially responsible investing and serves as a guide for various investment strategies. Impact investors are primarily distinguished by their intention to address social and environmental challenges through their deployment of capital. For example, criteria to evaluate the positive social and/or environmental outcomes of investments are an integrated component of the investment process. Impact investors actively seek to place capital in businesses, nonprofits, and funds that can harness the positive power of enterprise. Impact investing occurs across asset classes; for example, private equity/venture capital, debt, and fixed income.

ESG (Environmental. Social, Governance) – an investment discipline that socially conscious investors use to screen investments. Environmental criteria look at how a company performs as a steward of the natural environment. Social criteria examine how a company manages relationships with its employees, suppliers, customers and the communities where it operates. Governance deals with a company's leadership, executive pay, audits and internal controls, and shareholder rights. Investors who want to purchase securities that have been screened for ESG criteria can do so through socially responsible mutual funds and exchange-traded funds

UNPRI - The United Nations-supported Principles for Responsible Investment (PRI) Initiative is an international network of investors working together to put the six Principles for Responsible Investment into practice. Its goal is to understand the implications of sustainability for investors and support signatories to incorporate these issues into their investment decision-making and ownership practices. In implementing the Principles, signatories contribute to the development of a more sustainable global financial system. The Principles are voluntary and aspirational. Currently there are 1260 signatories with under $45 t assets under management.

SASB (Sustainable Accounting Standards Board) – An independent 501 (c) 3 non profit. SASB's mission is to develop and disseminate sustainability accounting standards that help public corporations disclose material, decision-useful information to investors. That mission is accomplished through a rigorous process that includes evidence based research and broad, balanced stakeholder participation.

A **Social Enterprise** is an organization that applies commercial strategies to maximize improvements in human and environmental well-being, rather than maximizing profits for external shareholders. Social enterprises can be structured as a for-profit or non-profit, and may take the form of a co-operative, mutual organization, a social business, or a charity organization.

Many commercial enterprises would consider themselves to have social objectives, but commitment to these objectives is motivated by the perception that such commitment will ultimately make the enterprise more financially valuable. Social enterprises differ in that, inversely, they do not aim to offer any benefit to their investors, except where they believe that doing so will ultimately further their capacity to realize their social and environmental goals.

A **certified B Corporation** is a company that has been certified by B Lab, a United States-based non-profit organization, based on its social and environmental performance. To be granted and to preserve certification, companies must receive a minimum score on an online assessment, satisfy the requirement that the company integrate B Lab commitments to stakeholders into company governing documents, and pay an annual fee ranging from $500 to $25,000.

Certification term is two years. The community of B Corporations is expanding globally; to date there are 1160 B corps in 35 countries. Unlike a Benefit corp (see next definition), a company can become a B corp after having been incorporated as a regular corporation.

Benefit corporations (example of US form)
A benefit corporation is a corporate form available in certain US States, designed for for-profit entities that wish to consider society and the environment in addition to profit in their decision making process (the difference with B corps is that they declare this as their mission from the company founding). Shareholders with proper standing, judge the company's qualitative performance based on the benefit corporation's stated goals as well as financial performance. Ben and Jerry's is the first wholly owner subsidiary (Unilever) to obtain B-certification.