



BOSTON COLLEGE
CARROLL SCHOOL OF MANAGEMENT

Center for Corporate Citizenship

**Institute for
Responsible Investment**

What do we do with the business case for Responsible Investment?

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What is the business case?

“There is a growing view among institutional investors that environmental, social, and corporate governance (ESG) issues can affect the performance of investment portfolios. The Principles for Responsible Investment provide a framework to assist investors in considering these issues....[A]pplying the Principles should not only lead to better long-term financial returns but also a closer alignment between the objectives of the institutional investor and those of society at large”



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What is the business case?

“Climate Risk presents enormous opportunities for investors. Climate Risk is now embedded in portfolios, as companies worldwide face regulatory, legal, physical and competitive risks. But where there are risks, there are also opportunities. The next 50 years will require a massive shift to cleaner energy sources and technologies to avoid massive climate disruption. Legendary venture capitalist John Doerr recently called finding solutions to climate change “the biggest opportunity of the 21st century.”



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Where does it come from?

- Path dependence:
 - Social Investment
 - Shareholder Activism
- The Need for Narrative:
 - Growth as narrative technique
 - Inexorability as rhetorical tool
 - The breakthrough model



Why do we use it?

- Offense:
 - Justification and attack
 - Big tent
 - Public cover
 - Climate change to climate risk: subversion and the inside track



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Why do we use it?

□ Defense:

- Standing on heads not shoulders
- Dissociation (hippies and nuns)
- “Hardcore,” “rigor,” “real”
- Maturation as insiderism
- Negotiating theory, coursework, and training



Unintended? consequences

- ❑ Maturation: reinforcing norms
- ❑ Outsourcing agency
- ❑ The Venn diagram of policy and finance
- ❑ What happens to systemic change?
- ❑ One bottom line to rule them all



Is this true in practice?

- Yes it is
- No it isn't
- It is too
- Well OK, So what are you getting done?



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What do we do with the business case?

- I don't know
- Some questions to ask:
 - Motives
 - Interventions
 - Path dependence
 - Crisis



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