



Investment  
Asset Management

# SRI vs Impact Investing

---

SRI booklet n° 1

# 1. Socially Responsible Investment

## Definition

According to the Sustainable Real Estate Observatory (OID), "**Socially Responsible Investment** (SRI) is based on the systematic and traceable consideration of environmental, social and governance criteria (ESG) into financial management."

SRI promotes a responsible economy by encouraging portfolio management companies (PMS) to **consider extra-financial criteria** when selecting securities for their financial assets.

Therefore, investments made can ensure a **financial profitability while contributing to sustainable development.**

## 2. The impact investing

### Definition

As Novethic explains it, there is no definition of SRI common to all investors. However, we can distinguish **different approaches**.

« We can consider that SRI management is based on the adoption by one or several standard approaches (exclusion, ESG integration, impact investing, thematic...) », AMF report on SRI.

➔ So Impact investing is an **approach to SRI**.

« The impact investing involves to target investments in order to solve social or environmental problems », AMF.

➔ It aims to generate **a positive and measurable as environmental or social impact and along with financial performance**.

### 3. What's the difference between both ?

Based on the Novethic study on investment strategies in search of impacts

#### ISR / SRI

---

A SRI fund seeks **to maximize its financial performance** while taking into account ESG criteria. There is no direct impact on the fund financial management of the fund.

The purpose is **to invest in a profitable funds which is more responsible than a classic funds**, and so having less negative impacts.

#### IMPACT INVESTING

---

Impact investing seeks **to maximize its social and environmental impact** while ensuring the mission realization. The social and environmental goals are in this way predefine.

The goal is **to invest in a funds which provides solutions to social and environmental challenges** along with financial return.