

Glossary

Abbreviations, Acronyms and Definitions of SRI Terms

- **ADV:** form description, not an acronym
- **AFL-CIO:** American Federation of Labor, Congress of Industrial Organizations, national labor union umbrella organization.
- **Back Testing:** The process of testing a [trading strategy](#) on prior time periods. Instead of applying a strategy for the time period forward, which could take years, a trader can do a simulation of his or her trading strategy on relevant past data in order to gauge the its effectiveness.
- **Basis Points:** A basis point is one-hundredth of a percentage point. Used in the context of interest rates.
- **Bench Mark:** A standard by which something can be measured or judged
- **Calvert Group:** www.calvertgroup.com; one of the leading SR MF's; their Community Investment Notes can be in an IRA.
- **CERES:** a coalition of investment funds, environmental organizations, and public interest groups whose mission is to move businesses, capital, and markets to advance lasting prosperity by valuing the health of the planet and its people. The SIF grew out of CERES. www.ceres.org
- **CI:** Community Investing
- **CDFI:** Community Development Financial Institutions
- **CFS:** Center for Fiduciary Studies
- **Conflict of Interest:** Being in a position where your own needs and desires could possibly lead you to violate your duty to a person or entity who has a right to depend on you, or being a position where you try to serve two competing masters or clients.
- **Co-op America:** provides practical steps for using your consumer and investor power for social change; www.coopamerica.org \$20 per year.
- **CRA:** Community Reinvestment Act; The Community Reinvestment Act (CRA), enacted by Congress in 1977 (12 U.S.C. 2901) and implemented by Regulations 12 CFR parts 25, 228, 345, and 563e, is intended to encourage depository institutions to help meet the credit needs of the communities in which they operate
- **CRA Ratings:** Community Reinvestment Act (CRA) requires the federal financial institution supervisory agencies, in connection with their examinations of certain depository institutions, to assess the institutions' CRA performance. A financial institution's performance in helping to meet the credit needs of its community is evaluated in the context of information about the institution (capacity, constraints and business strategies), its community (demographic and economic data, lending, investment, and service opportunities), and its competitors and peers. Upon completion of a CRA examination, an overall CRA Rating is assigned using a four-tiered rating system. These ratings are: Outstanding, Satisfactory, Needs to Improve, and Substantial Noncompliance.

In the case of an interstate bank, the federal bank supervisory agencies are required by law to evaluate an institution's CRA performance in each state and metropolitan statistical area (MSA) in which it has a branch in addition to providing an overall rating for the bank's performance. The assessment of the bank's performance in these individual areas are appropriately weighted and considered in determining the overall rating.

- **CSRI of UUA:** Committee on Socially Responsible Investing.
www.uua.org/finance/sri
- **CUSIP:** Committee on Uniform Securities Identification
Procedures <http://www.sec.gov/answers/cusip.htm> ...
www.sec.gov/answers/cusip.htm -
- **“Due Diligence:** Most legal definitions of due diligence say something like "due diligence is a measure of prudence, activity, or assiduity, as is properly to be expected from, and ordinarily exercised by, a reasonable and prudent person under the particular circumstances; not measured by any absolute standard but depends on the relative facts of the special case." In other words, to a potential acquirer, due diligence means "making sure you get what you think you are paying for."

Practically speaking, for *any* company acquisition, due diligence would include fully understanding all of the obligations of the company: debts, pending and potential lawsuits, leases, warranties, long-term customer agreements, employment contracts, distribution agreements, compensation arrangements, and so forth. Source: <http://www.charlesmillsconsulting.com/due-diligence-definition.htm>

- **FAFN:** First Affirmative Financial Network; an independent investment advisory firm registered with the Securities and Exchange Commission (SEC); supports a nationwide network of investment professionals who specialize in helping clients engage in SRI. <http://www.firstaffirmative.com>
- **Fiduciary:** a person who manages money or property for another person and in whom that other person has a right to place great trust.
- **GA:** General Assembly of the UUA; the annual meeting for all UUs
- **G1, G2, G3:** versions of the GRI, *infra*.
- **GIF:** General Investment Fund of UUA; an endowment;
<http://www.uua.org/finance/sri/investing/uuainvest.html>
- **GRI:** The Global Reporting Initiative is a multi-stakeholder process & independent institution whose mission is to develop & disseminate globally applicable Sustainability Reporting Guidelines. Guidelines are for voluntary use by organizations for reporting on the economic, environmental, & social dimensions of their activities, products, & services; incorporates the active participation of representatives from business, accountancy, investment, environmental, human rights, research & labor organizations from around the world. GRI became independent in 2002, & is an official collaborating centre of the United Nations Environment Program (UNEP) and works in cooperation with UN Secretary-General's Global Compact.

- **ICCR:** Interfaith Center on Corporate Responsibility; a UUA partner in SRI.
www.iccr.org
- **IFC:** The International Finance Corporation (IFC) promotes sustainable private sector investment in developing countries as a way to reduce poverty and improve people's lives. IFC is a member of the [World Bank Group](http://www.worldbank.org). It shares the primary objective of all World Bank Group institutions: to improve the quality of the lives of people in its developing member countries. www.IFC.org
- **Investment Committee of UUA:** The Investment Committee is appointed by the Board of Trustees of the UUA. The Committee's primary responsibility is the management of the General Investment Fund. This fund holds the assets of the UUA's endowment and assets of UUA congregations and has an investment goal of providing for long-term growth.
- **ISS:** Institutional Shareholder Services, a proxy voting service;
www.issproxy.com
- **KLD:** KLD Research & Analytics, Inc. promotes global socially responsible investing by providing corporate social research products and services to institutional investors. www.kld.com
- **Lazard Frere:** Lazard is organized into four major business areas: Investment Banking, Asset Management, Capital Markets and Alternative Investments.
www.lazard.com
- **Lipper:** a Reuters Company in the investor services business which provides research and analysis covering more than 130,000 mutual funds and other collective investments worldwide. www.lipperweb.com (Not involved in social screening; financial returns only)
- **MFIW:** Ministerial Financial Integrity and Wellbeing; www.uuma.org
- **Morningstar:** a financial returns only investment company that provides research and analysis of mutual funds and other investments. www.morningstar.com
- **NAICS -- North American Industry Classification System** is the North American Industry Classification System -- the new industry classification that replaces the SIC -- Standard Industrial Classification System
- **NCCA:** National Community Capital Association; www.communitycapital.org; an association for CI companies.
- **NEPC:** New England Pension Consultants; <http://www.nepc.com/>
- **NGO:** non-governmental organization <http://www.gdrc.org/ngo/>
resolution (corporate): A written document that describes an action taken by the board of directors of a corporation. For example, when a corporation issues a stock dividend, the declaration of the dividend is a corporate resolution.
www.nolo.com
- **NLRB:** National Labor Relations Board
- **OSHA:** Occupational Safety and Health Administration
- **Prospectus:** A legal document [offering securities](#) or [mutual fund shares](#) for sale, required by the [Securities Act of 1933](#). It must explain the [offer](#), including the [terms](#), [issuer](#), [objectives](#) (if [mutual fund](#)) or planned use of the money (if securities), [historical financial statements](#), and other information that could help an individual decide whether the [investment](#) is appropriate for him/her.
www.investorwords.com)

- **Proxy:** A written authorization given by a [shareholder](#) for someone else, usually the company's [management](#), to cast his/her vote at a shareholder meeting or at another time. [www.investorwords.com](#)
- **Proxy vote:** A vote that is cast by one entity on behalf of another. In securities, [shareholders](#) often give company management the right to cast their vote at a shareholder's meeting. [www.investorwords.com](#)
- **SCREENING:** A tool investors can use to filter stocks given certain criteria of their choice. A preliminary assessment of [investment](#) opportunities based on specified criteria.
[www.investopedia.com](#) and [www.investorwords.com](#)
- **SIC:** Standard Industrial Classification
- **SIF:** Social Investment Forum: national nonprofit membership organization promoting the concept, practice and growth of socially responsible investing ; <http://www.socialinvest.org/>
- **SIRS:** Social Investing Research Service; a division of ISS.
- **Social Funds:** Shorthand for socially responsible mutual funds.
Second:[www.socialfunds.com](#) large personal finance website devoted to SRI.
- **SRI News:** [www.srinews.com](#);
- **SRI:** Socially Responsible Investing (Investor, Investment)
- **SRI World Group:** comprehensive personal finance site devoted to socially responsible investing including complete coverage of social mutual funds, community investment, and shareowner action. SRI World Group Inc. is a provider of social investing and corporate social responsibility information.
[www.sriworld.com](#)
- **The Global Sullivan Principles**
The Principles: As a company which endorses the Global Sullivan Principles we will respect the law, and as a responsible member of society we will apply these Principles with integrity consistent with the legitimate role of business. We will develop and implement company policies, procedures, training and internal reporting structures to ensure commitment to these Principles throughout our organization. We believe the application of these Principles will achieve greater tolerance and better understanding among peoples, and advance the culture of peace. Accordingly, we will:
 - Express our support for universal human rights and, particularly, those of our employees, the communities within which we operate and parties with whom we do business.
 - Promote equal opportunity for our employees at all levels of the company with respect to issues such as color, race, gender, age, ethnicity or religious beliefs, and operate without unacceptable worker treatment such as the exploitation of children, physical punishment, female abuse, involuntary servitude or other forms of abuse.
 - Respect our employees' voluntary freedom of association.
 - Compensate our employees to enable them to meet at least their basic needs and provide the opportunity to improve their skill and capability in order to raise their social and economic opportunities.

- Provide a safe and healthy workplace; protect human health and the environment; and promote sustainable development.
 - Promote fair competition including respect for intellectual and other property rights, and not offer, pay or accept bribes.
 - Work with governments and communities in which we do business to improve the quality of life in those communities — their educational, cultural, economic and social well-being — and seek to provide training and opportunities for workers from disadvantaged backgrounds.
 - Promote the application of these Principles by those with whom we do business.
 - We will be transparent in our implementation of these Principles and provide information which demonstrates publicly our commitment to them
- **Transparency: Transparency Pays**
 Mounting evidence suggests that the market gives a higher value to firms that are upfront with investors and analysts. Transparency pays, according to Robert Eccles, author of *[Building Public Trust – The Value Reporting Revolution](#)*. Eccles shows that companies with fuller disclosure win more trust from investors. Relevant and reliable information means less risk to investors and thus a lower [cost of capital](#), which naturally translates into higher [valuations](#). The key finding is that companies that share the key metrics and performance indicators that investors consider important are more valuable than those companies that keep information to themselves.
<http://www.investopedia.com/articles/fundamental/03/121703.asp>
 - **UUAHC:** Affordable Housing Corporation; www.uuahc.org; a community investment.