

PROGRESS REPORT

Project number: 315930
Project title: Benefit corporations
Project manager: Eckbo, B. Espen
Activity / Programme: FINANSMARK
Project owner: Institutt for finans
Project period: 01.06.2021 - 31.05.2024
Report period: 01.06.2021 - 30.09.2021

1. **Popular science presentation:** I understand that the text of the popular science presentation will be made publicly available* Completed
2. **Results:** Has information on publications been provided? Yes
3. **Performance indicators:** All results data that have emerged from the project are to be reported. Has this been done? Yes
4. **Fellowship grants:** Information regarding all fellowship grants must be complete and correct. Have you updated the man-months and other information for each fellowship-holder? Yes
5. **International:** The extent of international cooperation is to be indicated. Has any international cooperation taken place during the report period? Yes
6. **Special reports:** If any requests for special reports have been put forth by the case officer at the Research Council, these must be fulfilled. Have special reports been submitted? No

Popular science presentation

Popular science presentation (Norwegian)

Prinsippet om at styrets oppgave først og fremst er å maksimere aksjeverdien møter ofte kritikk blant de som mener at andre interessegrupper (eng. «stakeholders») enn aksjonærene (ansatte, kreditorer, leverandører, politikere) skal være med å ta selskapets investeringsbeslutninger. Men, dette kan jo lett føre til paralysering av styrebeslutninger.

Det er på denne bakgrunn interessant med en ny og lite kommentert selskapsform som vi kan kalle en «sosialøkonomisk bedrift» (eng. benefit corporation). En sosialøkonomisk bedrift har et aksjonær-drevet styre som vanlige selskaper. Men selskapets statutter gir styret ikke bare fullmakt til å plassere aksjekapitalen i ESG prosjekter (eng. environmental, social and governance), men faktisk krever at styret gjør slike ESG mer sosialt preget investeringer.

Selskapsformen er ment å avhjelpe det velkjente faktum at det er umulig å privat-finansiere samfunnsmessig attraktive prosjekter dersom den forventede private avkastningen er for lav. Sosialøkonomiske bedrifter forsøker derfor å reise aksjekapital fra investorer som personlig verdsetter ESG og andre mer samfunnsøkonomiske prosjekter spesielt høyt, til tross for en lavere

forventede avkastningen. Dette prosjektet vil analysere hvordan slike styrever kan beslutte hva man skal investere i, dvs. hva som skal maksimeres.

Popular science presentation (English)

The main purpose of this research project is to analyze the growing use of so-called benefit corporations (B Corps) in funding environmental, social, and governance (ESG) investments globally and with a particular focus on Scandinavia. In the classical for-profit corporation, the corporate charter—the legal document stating the company's founding purpose and allocation of control rights—cements the principle of shareholder value maximization as a guiding principle for the firm's investment activities. This principle works well when a company's profits and social objectives are separable.

However, this is not always the case: Firms may be more efficient advocates for social reforms on behalf of its shareholders than individual shareholders themselves. In the B Corp, the corporate charter explicitly authorizes its board of directors to consider social issues in addition to the objective of maximizing the shareholder value. It includes a positive impact on society and the environment in addition to profit as its legally defined goals. Rather than simply allowing management to take other considerations (e.g., ethical ones) into account, the B Corp requires them to take particular ones into account. Such social issues may benefit not just shareholders but also other of the firm's stakeholders, such as employees, customers, community members, and the environment. Under this new charter, the firm may legally direct funds away from dividends and towards ESG investments, while still maintaining its core duty toward shareholders.

On the other hand, precisely because the charter allows the firm to divert profits to social causes. Capital market participants may be reluctant to fund the firm. The project will analyze these offsetting benefits and costs, with the objective of determining the prospect for B Corps to fund projects with significant societal value, particularly in the development of green technology, and within the Scandinavian political system.

Popular science presentation - Updated (Norwegian)

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Popular science presentation - Updated (English)

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| 1. I understand that the text of the popular science presentation will be made publicly available* | Completed |
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Message to the Research Council of Norway

Results

Please provide information about scientific publications, other publications and lectures by retrieving information registered in CRISTin. Manual registration by 'Select type' must only be used if the publication cannot be registered in CRISTin pursuant to the applicable rules.

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|---------------------------------------------------|-----|
| 1. Has information on publications been provided? | Yes |
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Performance indicators

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| 1. All results data that have emerged from the project are to be reported. Has this been done? | Yes |
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Fellowship grants

Fellowship grants funded under the project

- | | |
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| 1. Information regarding all fellowship grants must be complete and correct. Have you updated the man-months and other information for each fellowship-holder? | Yes |
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International cooperation

International cooperation funded under the project (in NOK 1000)

Amount in NOK 1000

Country	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
United States of America	100									

1. The extent of international cooperation is to be indicated. Has any international cooperation taken place during the report period? Yes

Special reports

Alternative 1:

Alternative 2:

Original file :

File reference:

1. If any requests for special reports have been put forth by the case officer at the Research Council, these must be fulfilled. Have special reports been submitted? Not applicable