DOING BUSINESS THE RIGHT WAY

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Corporate Social Responsibility Report

I wasn’t very long ago, just 19 years at the most, when a typical CEO would answer questions about corporate social responsibility by saying that a company’s obligations are to make money, create jobs and obey the law. That’s it. Do business and commit no crimes and you could rightly claim the mantle of good corporate citizen. Needless to say, standards, and attitudes, have changed.

Today, social responsibility means protecting the environment—not just obeying environmental laws. It means providing a dynamic, healthy and rewarding workplace, not just a paycheck. And as big business has globalized, it means respecting human rights and accepting the challenge to be an active force for good in the world. It’s a tall order. Amazingly, more and more major companies are living up to those standards.

Over the past year, we have heard from readers that they want more information about the ethical and environmental track records of the companies they buy from and invest in. To that end, Maclean’s, in partnership with Jantzi Research, this week presents our first-ever ranking of the most socially responsible companies operating in North America. Jantzi Research is an independent investment research firm that evaluates the environmental, social and governance (ESG) performance of global companies, and has emerged as one of the most rigorous and respected names in the burgeoning field of such research. Its clients include pension funds, money managers, foundations, religious orders, and now you—our readers.

The rankings are broken down into six industry groups, taking in the vast majority of the public markets and economy. In all, more than 100 companies were evaluated, and those listed here represent leaders in their peer groups. The companies have been assigned a letter grade, from A+ to C-, corresponding with the results on Jantzi’s proprietary set of over 100 indicators, grouped under the headings Community and Society, Corporate Governance, Customers, Employee; Environment; and Human Rights. In each area the firm assesses policies and management systems, programs and performance, relying on information gathered first-hand, and from research providers around the world, including Boston-based KLD Research & Analytics, Inc.

Obviously, it’s impossible to describe the entire sweep of a company’s commitment to social and environmental responsibility in just a few paragraphs. Instead, we’ve tried to provide a few of the highlights of the companies listed, and a basic sense of how they approach the key issues of concern to today’s investors, employees and customers.

It is also true that no company is perfect. Even these industry leaders have fallings and blights on their record. Those weaknesses are reflected in the letter grades received, but are not always in the write-ups that appear in this magazine. For more detailed information, we encourage you to go to Maclean’s.ca.

Finally, it’s important to remember that any evaluation reflects the priorities and values of the evaluator. Keeping that in mind, Maclean’s Senior Writer Jason Kirby has provided a toolbox for Canadians interested in doing their own research into corporate social responsibility, starting on page 66, and a guide to the burgeoning world of “socially responsible” mutual funds on page 76. It’s more important than ever for Canadians to know not only that their investments are doing well, but that they are doing good. We hope this package of information will help you do just that.

By Steve Match
A Tommyb
Tommyb stands out among forestry companies for innovation and commitment to environmental stewardship. The company is the world’s largest holder of Forest Stewardship Council (FSC) certification, an internationally recognized system of forest management standards. At its manufacturing facilities and forest license areas, the company has implemented Impact Zero andForever Green environmental management programs that aim to promote sustainable operation consistent with FSC standards.

A Catalyst Paper
Catalyst has demonstrated an outstanding commitment to sustainability. Corporate social responsibility has been formally embedded in its core values.

A Kinross Gold
Kinross has developed a detailed set of CSR guidelines and principles making it a leader in the industry.

A Teck Cominco
Cominco is committed to the environment and community consultation is included in its annual sustainability report.

A Cascades
Cascades has made a strong commitment to reducing paper from recycled products, and it sources 95 percent of its virgin paper from forest management certified sources.

A BFMX Mining Company
In British Columbia, FNX produces a radiant energy breathing product, Solar Box, used in roof construction. Solar Box is designed to reflect radiant energy from the sun, thereby reducing the need for indoor cooling in warm climates and conserving energy.

B Lundin Mining
Lundin Mining gives generously to charity through the Lundin Africa Foundation and a US$1 million pledge to the Clinton Giustra Sustainable Growth Initiative, a mining industry effort to fight poverty through Bill Clinton’s foundation.

B Canfor
Canfor’s public statement on sustainability recognizes its need to maintain its “social license to operate,” and commits to conducting its community activities, health and safety programs, and environmental management programs in accordance with that concept.

B FNX Mining Company
FXN consults with Aboriginal communities affected by its operations. In Ontario, it has signed a memorandum of understanding with the Wahnapitae First Nation, and is negotiating an impact and benefit agreement prior to going into production.

SUSTAINABILITY, HUMAN RIGHTS and pollution remain the keys in the resource industries, and pig maternity mats made from recycled fibres for use in the agriculture industry.

B Harry Winston
Harry Winston owns 40 percent of the Daisvik mine (operated by Rio Tinto), which has implemented programs for consulting with and providing jobs and business contracts to Aboriginal people, as well as setting targets for increasing Aboriginal participation in its workforce.

B Norbord
Norbord produces a radiant energy breathing product, Solar Box, used in roof construction. Solar Box is designed to reflect radiant energy from the sun, thereby reducing the need for indoor cooling in warm climates and conserving energy.

B Teck Cominco
Teck Cominco has created an electronics waste recycling facility that can recycle up to 20,000 tons of electronic waste each year. However, local communities have raised concerns over its emissions and violations of the Clean Water Act at its Red Dog mine in Alaska.

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