



Two Socially Responsible Telecoms to Consider

Description

The last industry left to cover in our series of socially responsible companies is the telecommunications industry.

As a reminder, socially responsible investing means investing in companies that combine strong financial performance with positive social, environmental, and governance performance. Among the questions that need to be addressed when determining if a company qualifies as a socially responsible investment are (1) does the company respect human rights and workers' safety? (2) do the company's activities have a negative impact on land, air or water? and (3) how is the company run, or more specifically, is there diversity among the board of directors, independence and executive compensation that is reasonable?

Back in June, Sustainalytics, a global sustainability research firm, partnered with Maclean's to release their list of Canada's most socially responsible corporations. Considering that socially responsible investment assets increased 16% in 2012 and now represents 20% of assets under management in Canada, this list will definitely come in handy for many investors.

Let's take a look at Canadian companies in the telecommunications industry who make the grade and have proven to be socially responsible.

BCE Inc. (TSX: BCE, NYSE: BCE)

According to Sustainalytics, BCE made the list for the following reasons:

- (1) BCE's five-year, \$50-million mental health initiative aims to enhance awareness, understanding and treatment of mental illness and promote access to care and research across Canada.
- (2) BCE's new Quebec data centre, built according to LEED Gold standards, is ranked among the top two per cent of the most energy-efficient data centres in North America.

With revenue of almost \$20 billion in the year ended 2012, EPS that has increased 27% since 2009 and a dividend that has increased 60% in the last 4 years, BCE has been thriving financially.

Accordingly, shareholders have enjoyed a stable stock that has returned 74% since January 2009. Recently, BCE acquired Astral Media Inc. in order to attract more smartphone subscribers, and adapt to the changing marketplace.

Telus (TSX: T; NYSE: TU)

According to Sustainalytics, Telus made the list for the following reasons:

- (1) Telus employees have completed more than 4,500 training courses with environmental and safety themes such as responding to spills and releases, safety reporting and transportation and disposal of waste.
- (2) Launched TelusHealth.com, an online hub to provide customers with improved access to medical professionals, educational information and personal health data.

With revenue of almost \$11 billion, EPS that has increased almost 27% in the last 4 years, a current dividend yield of just over 4%, and a 94% return in the stock price since the beginning of 2009, we can see that Telus has also been thriving financially.

The Bottom Line

For the socially conscious investor, companies that have been able to deliver strong financial performance on top of adopting a socially responsible culture are a great find. We have seen two such examples in the telecommunications industry.

The Telecom industry is not only a great place to find socially responsible ideas, but also, it's a great hunting ground for dividend yield. To help you diversify your sources of yield, the Motley Fool has created a special **FREE** report that will have you rolling in dividend cheques from a variety of sources before you know it. [Click here now](#) to download "**13 High Yielding Stocks to Buy Today**". It's **FREE!**

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Fool contributor Karen Thomas does not own shares in any of the companies mentioned above. The Motley Fool does not own shares in any of the companies mentioned above.

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1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
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