



3 Canadian Stocks for the Ethical Investor

Description

Over the past few years, ethical investing strategies have been exploding in popularity. To illustrate, \$1 trillion of Canadians' savings was directed towards an ethical investing mandate in 2013. Two years earlier, that number was only \$600 billion.

Unfortunately, ethical investing in Canada is extremely challenging. To illustrate, just look at the RBC Janzi Funds, one of Canada's most popular ethical investing fund families. Its Canadian equity fund includes companies such as **Suncor Energy Inc.**, **Canadian Natural Resources Ltd.**, and **Canadian National Railway Company**.

I'm not saying these companies are evil. However, if someone is looking for ethical investments, they're often looking to avoid the oil sands altogether. CN Rail may also raise some eyebrows, thanks to some recent oil spills.

My point is very simple. With so many companies in Canada focused on natural resources, ethical investing becomes very difficult, even if these firms have good intentions. Fortunately, there are companies that socially conscious investors can turn to. We highlight three below.

1. BCE

BCE Inc. ([TSX:BCE](#))([NYSE:BCE](#)) may annoy its customers with high cell phone bills, but beneath the surface, this is a very socially responsible company.

Most notably, BCE has provided over \$70 million in funding for mental health organizations across the country through its Let's Talk program. The company was also the only Canadian telecom to earn a top spot in the CDP 2013 Climate Disclosure Leadership Index. Meanwhile, its employees are kept happy—over 80% are proud to say they work for the company. Best of all, it operates in an industry that does not require exploiting natural resources. It's no wonder why so many ethical funds, including Janzi, have invested in BCE.

2. Canadian Tire

Canadian Tire Corporation Ltd. ([TSX:CTC.A](#)) has been a staple of Canadian culture for over 90 years. Throughout this time, it has done a very good job spreading the wealth. More specifically, for decades the local millionaire in many small Canadian towns has been the Canadian Tire franchisee.

Also worth noting is Canadian Tire Jumpstart, a registered charity gives kids from families in financial need a chance to play sports. Finally, Canadian Tire has done a great job with its sustainability efforts and has reduced its GHG emissions by 5,200 tonnes per year through one initiative in 2013.

Remember, Canadian Tire's business model requires staying engaged with communities all across Canada. So, being a good corporate citizen is a key part of its strategy.

3. TD

I know what you're thinking: How could a bank be on this list? After all, banks helped cause the financial crisis and gave their executives millions in bonuses after receiving bailout money.

It's true that many American banks fit this description. Here in Canada though, the story is a little different. **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is probably the best example. The bank makes money the old-fashioned way by providing excellent service to retail customers. In fact, it's ranked first for customer satisfaction by JD Power among the big five banks for nine straight years.

TD also escaped the sub-prime mess in the USA and did not receive any bailout money. The company is a great reminder that banks have an important role to play as long as they act responsibly. Ethical investors, take note.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:BCE (BCE Inc.)
4. TSX:CTC.A (Canadian Tire Corporation, Limited)
5. TSX:TD (The Toronto-Dominion Bank)

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Author

bensinclair

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