



## Crush the Market in a Socially Responsible Manner With This Incredible Stock

### Description

There are plenty of investments out there that don't require you to invest your hard-earned money in a company that goes against what your morals. So don't feel obligated to invest against your conscious, as that's not the only way you can make money. In some instances, going with the morally responsible choice may end up being the play that yields the greatest rewards.

Depending on the magnitude of your personal beliefs, however, it is possible that you could dampen your long-term returns if you base your strategy primarily on how "socially responsible" a particular company is.

You're unlikely to hurt your returns by a profound amount by going out of your way to avoid tobacco, alcohol, fossil fuel, gun or gambling companies, but if you're screening out stocks because they're not the epitome of social responsibility, then you may find that your investment options will be severely limited. If you pick stocks this way, your long-term returns could be stunted because you're passing on companies that may have unintentionally harmed society.

Think **Facebook** and its Cambridge Analytica scandal or rail companies like [Canadian National Railway](#) (TSX:CNR)(NYSE:CNI), which may suffer from the occasional derailment and/or oil spill.

Did both Facebook and Canadian National Railway have a past occurrence that was deemed socially unacceptable? Sure, but were these occurrences unintentional and not due to a lack of due diligence?

Depending on how morally responsible of an investor you are, the answer may not change how you view these companies and how they align with your moral compass. Coincidentally, both companies are wonderful long-term stocks that could fuel market-beating long-term gains for many years to come. If you're all about socially responsible investing, however, you may have shunned these two companies and their stocks, which won't do your portfolio's long-term performance any favours.

Consider Canadian National Railway. It's an excellent business that offers a necessary service for which there are few (if any) economical alternatives out there that are more socially responsible.

The company transports bulk shipments of goods from point A to point B, and unless there's a more

socially responsible and economical way to carry massive amounts of high-risk goods like crude oil across the country, you really can't fault management for an occasional accidental oil spill, which is to be expected.

Moreover, in the case of Canadian National Railway, management has taken a proactive approach to minimize future derailments and their negative environmental impact. Thus, one could argue that Canadian National Railway is, in fact, actually a socially responsible investment. But of course, it depends on your point of view.

Further, Canadian National Railway has invested its capital into R&D efforts to create a solution to solve the high-risk scenario of transporting massive amounts of crude oil over long distances. [CanaPux](#) is an innovation that the company's been working on behind the scenes, and although it's not the mainstream method of transporting bulk shipments of crude yet, it could be a sought-after future solution that could eliminate the adverse environmental risks associated with crude transportation.

Pipelines may be seen as a "less risky" alternative means of transporting crude over long distances. However, their construction and the amount of wildlife that stands to be interfered with makes the pipelines arguably just as bad if not worse than the environmental impact imposed by that of crude by rail.

In any case, it's up to socially responsible investors to decide for themselves just how "responsible" they want to be with their investments and whether they're willing to compromise on returns to achieve their goal of optimal social responsibility. Socially responsible mutual funds may be seen as an intriguing option for some, but the fees are often hefty and will take a toll on an investor's long-term returns.

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## TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. TSX:CNR (Canadian National Railway Company)

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