

CARRYING THE TORCH

How to keep socially responsible investments on the right track.



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AS I WRITE THIS COLUMN, THE OLYMPIC TORCH IS MAKING ITS way around the world, heading to the Olympic Games in Beijing. For the runners who carry the torch, and many others who plan to compete in China, the torch and the Olympics represent the purity of athletic competition, which is or should be above politics. Others, however, view the Olympics as an opportunity for a host country to burnish its image and sweep abuses under the rug. Protesters who want freedom in Tibet, or who object to human rights

violations in China, have met the torch with shouts and placards and sometimes scuffles.

Opinions about how to promote human rights in China and elsewhere are wide-ranging—but that's not the subject of this column. Whatever one's position on this summer's Olympic Games, the torch itself is a potent symbol for the moral questions that face all of us every day. And the important thing to note about this symbol is that it isn't standing still. It's moving.

The idea that change is the only constant has become a cliché. But it's true. On topics as diverse as sweatshop labour and global warming, powerful trends are already in motion. We can no longer opt out of making decisions on the major issues of our time. Not to decide is to be carried away, for better or worse, on the wave of decisions made by others. As historian Howard Zinn put it in the title of his memoir, "You can't be neutral on a moving train."

Even an everyday matter like the food you eat has far-reaching implications. Are your vegetables grown without putting toxic pesticides and chemical fertilizers into the ground? Are your fruits shipped by carbon-spewing airplanes from distant continents? Do the workers who harvest your coffee beans earn enough to feed



their kids? When we invest, we also face questions, each one requiring us to decide whether to be carried along with the mainstream or to move in a different direction.

Those of us who consider ourselves socially responsible investors don't want to profit from products and practises that undermine human dignity or harm the environment. We also think it's reasonable to believe that by selecting companies with positive social and environmental records

we can avoid those most affected by strikes, boycotts and penalties, and benefit from forward-looking management that can translate into strong financial performance over the long term.

The incentive is strong to get off the train of international finance, which appears to be hurtling toward a cliff when it should be racing into a brighter future. That's impossible. It's *our* hopes and dreams, in the form of our college and retirement savings, that fuel this train. It's our responsibility to use the power of our decisions to switch the train onto a different track before it's too late.

The "big lie" inherent in traditional investment advice is that this is somebody else's business. It's our business, and our shared future. We need to apply not just traditional standards like return-on-investment and price-to-earnings ratios, but even more traditional standards of right and wrong—and seek out the information about which companies are meeting those standards.

Getting that information means asking questions, not passively analyzing the usual corporate reports. Sometimes asking the right question can cause company directors to change their approaches, or help start a conversation about the way companies should behave.

To invest in this way—consciously, taking responsibility for the impact of our money in the world—can be the first step toward creating more awareness in every aspect of our lives and becoming willing to make the decisions that will shape our world. Little by little, but virtually every day, we're beginning to see a new horizon down the track.

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