

New Directions in SRI

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The questions

1. How can SRI break through to mainstream Canadians?
2. How can SRI speak to Canadians' desire for a better world?

Three points

1. We need to be viewed as players
2. Right now, SRI is seen as irrelevant
3. To assert relevance we must:
 - a. Establish presence
 - b. Establish credibility
 - c. Establish trust

Challenges

- Climate change
 - Science warning of catastrophic change
- Millennium Ecosystem Assessment
 - Major ecosystem services are in decline
- Toxics and pesticides impact on health
 - Ontario College of Physicians, CEC
- HIV/AIDS epidemic spreading
 - World Bank warns of 'economic collapse'

Canadians care about CSR

- GlobeScan CSR Monitor 2005
 - Out of 21 countries, Canadians are among the most interested in CSR
- Ipsos Trend Report 2004
 - Only 20% of Canadians say they have never given thought to the issue of CSR
- Are we making the connection between the major challenges, CSR, and SRI?

Is SRI ...MIA?

- Record of achievement
 - Creation of global standards for measuring corporate performance
 - Establishment of network of research institutions – metrics and data
 - Leading the investment industry on transparency, accountability, and elimination of conflicts of interest
 - String of shareholder victories
- But it is not in public view

The Economist

“The Good Company: A Skeptical Look at Corporate Social Responsibility,”
January 22, 2005

- CSR is owned by ‘civil society’
- CSR is at the top of the corporate agenda; and that’s a shame
- Not a single mention of SRI

The Wall Street Journal

“Will Social Responsibility Harm Business?,” May 18, 2005

- CSR is owned by NGOs
- CSR is leading astray corporate giants
- Not a single mention of SRI

The National Post

“A Fund for Profit Activists”, May 26, 2005

- SRI “part of the activists’ tool box”
- Corporations are being led by the nose
- Anti-business NGOs have subverted the corporate agenda

Paul Hawken

“How the SRI industry has failed to respond to people who want to invest with a conscience”, October 2004

- SRI funds set the bar too low
- SRI funds don't make a difference

How do we gain relevance?

1. Establish presence
 - media, partnerships with NGOs, universities
2. Establish credibility
 - SRI matters
 - Demonstrate expertise
3. Establish trust
 - Transparency and accountability

Trust is in short supply

- **GlobeScan CSR Monitor**
 - More than half of respondents believe corporations do not communicate honestly
- **2002 Ipsos Reid survey**
 - 83% of Canadians believe executives lie when making statements
- **Trust Barometer 2005**
 - Just 16% of Canadians view CEOs and CFOs as credible sources of information

To establish trust in SRI ...

- Need to increase transparency of evaluative methodologies
- Need to increase transparency on how we engage corporations
- Need to communicate our work and get the endorsement of credible third party thought leaders

Q & A

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