

Instructor's Manual
Business Ethics in Canada
Responsibility, Equity, and Sustainability 6e

PART I: GOOD MANAGEMENT: LINKING ETHICS WITH ORGANIZATIONS

Chapter 1 – The Relationship between Business and Society

The purpose of this chapter is to give an overview to the topic by providing some background on the business and society environment, and explaining how ethics are considered by decision-makers. Finally, the chapter orients students to the Canadian business system and the concepts of a corporation, as well as societal attitudes towards business, with the goal of preparing them to study about business ethics, responsibility, and equity.

Changes in the Sixth Edition

- New “What would you do if...?” opening vignette – using ChatGPT
- New Mythbuster 1.1 – “Is it even possible to build good companies?”
- Everyday Ethics Revised and Removed
 - Revised Everyday Ethics 1.1 – Canada’s Best Corporate Citizens
 - Removed Everyday Ethics 1.2, 1.3, & 1.5
- Revised Responsibility for Ethics 1.1 – Does Everyone Prosper in a Selfish Economy?
- New Figures and Tables
 - Figure 1.1 The Good Company
 - Figure 1.2 Macro, Meso, and Micro Levels of Analysis: Business Attitude Influencers
 - Table 1.1 Key Decision-Makers in Canadian Business
- New Case 1.1 – Fast Fashion
- New Terms/Topics/Concepts:
 - LOs significantly reworded and combined (from 9 LOs to 5)
 - Business, Society
 - Social contract, Social problem
 - Trust
 - Responsible business
 - Macro-, meso-, micro-level analysis
 - Corporation, co-operative, sole proprietorship, general partnership, Crown corporation, small and medium-sized enterprises

CHAPTER GUIDE

Use of the “What would you do if ...?” Vignette

The use of generative AI is an emergent topic, with little consensus on how to approach the topic among post-secondary institutions. Some ban the usage outright, others carefully circumscribe its permitted uses, and still others have taken no formal position as yet. This topic should result in a lively class discussion. Some questions to prompt the discussion which sources of information are:

1. How have you used generative AI tools?

Students use generative AI tools for everything from polishing grammar and spelling to brainstorming and generating complete essays. Different tools have different limitations and strengths.

2. What are the issues (problems) associated with tools like ChatGPT?

Some known challenges with ChatGPT include “hallucinations,” where it (quite literally) makes facts up (e.g., completely invented citations to scholarly work; incorrect facts about people, historical events, or situations). Additionally, ChatGPT arguably isn’t capable of truly original and unique thought.

3. What can be done or should be done about it?

At a minimum, research your institution’s policies on AI usage and academic integrity. The Committee on Publication Ethics argues for strong proactive disclosure (<https://publicationethics.org/cope-position-statements/ai-author>). And, when in doubt, ask your professor!

Supplementary Material:

“Ethics: Everybody, Everywhere, Everyday”

In addition to opening the class with a discussion of this vignette, use the “*Ethics: Everybody, Everywhere, Everyday*” survey in Appendix 1.1, which relates ethics to everyday life.

LO1.1 The Business and Society Relationship

Describe the interrelationships between business and society.

Few students appreciate the complexity of business and society and the ethics and responsibilities involved. This can be illustrated by asking students to think about a common product that they are familiar with and which they consume, such as coffee, soda, or fast food.

<i>Mythbuster 1.1 “Is it even possible to build good companies?”</i>
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Are we asking the right question when we talk about business ethics? By shifting the focus to the quality of decisions and behaviours made by individual members of an organization, we change the conversation to be one that is forward-looking and positive.

The authors (and, hopefully, you) believe that good management and good decisions are the product of good education. And, importantly, we believe that any student is capable of making good decisions and being a good manager, in due course. This is a growth-oriented perspective, as opposed to a compliance-oriented perspective.

There are some points that should be emphasized:

- The text emphasizes the pluralistic nature of beliefs in Canada related to issues of business and society, ultimately leaning on critical thinking and decision-making skills to be developed.
- Solutions are not always straightforward or simple. Frequently dilemmas exist and the distribution of harms and benefits varies among the stakeholders.
- Society is expecting more socially responsible behaviour from corporations—the idea of social licence shows up throughout the text.

Everyday Ethics 1.1 Canada's Best Corporate Citizens

There are various measures or rankings of the business' social responsiveness, and a good example is the one provided by *Corporate Knights: The Magazine for Clean Capitalism*. Access the most recent ranking at "Best 50: An annual ranking of Canada's top corporate citizens," Corporate Knights web site <https://www.corporateknights.com/rankings/best-50-rankings/> As some well-known corporations are included, ask students if they agree with the selection.

Supplementary Material:

Aspen Institute's Business and Society Program

The Aspen Institute's Business and Society Program is an excellent resource for business and society scholarship and practice. It has sections on business education, cultivating leadership, and long-term capitalism. The Program can be accessed at <https://www.aspeninstitute.org/issues/business-society/>. The Institute's other programs that may also be of interest to instructors can be accessed at <https://www.aspeninstitute.org/>.

The Business and Society Program issues a weekly email, Ideas Worth Teaching, to support business and society educators. Subscribe to the email at <https://www.aspeninstitute.org/programs/business-and-society-program/ideas-worth-teaching/>.

Supplementary Material:

Corporate Knights: The Magazine for Clean Capitalism

An excellent source of additional materials on business and society is available from a Canadian publication, *Corporate Knights*. It is published four times a year and includes articles on topics covered throughout this book. Subscribers to *The Globe and Mail* in some areas receive it and it is available with the e-edition of the newspaper. Its web site contains most of the materials that appear in each issue and non-current issues are available. In addition, there are weekly roundups or updates. Corporate Knights' main web page is <http://www.corporateknights.com/>.

Several reports and rankings are published regularly at <https://www.corporateknights.com/reports-landing-page/> including:

- Best 50: An annual report on the Best 50 Corporate Citizens in Canada
- Global 100: An index of the Global 100 most sustainable corporations in the world
- Better World MBA: The annual Corporate Knights business school ranking
- 30 under 30: Recognizing the top individuals in Canada under 30 years old who are showing great leadership on sustainability issues
- Future 40: Canada's Future 40 Responsible Corporate Leaders in Canada ranking
- Sustainable Stock Exchanges: Ranking the world's stock exchanges

Corporate Knights is an indispensable source of information on Canadian business and society for instructors and students.

LO1.2 Ethics and Business

Explain how ethics is integrated by key business decision-makers.

Note the distinction made between “business ethics” and the “ethics of business.”

Table 1.1 outlines key decision-makers in Canadian business, which foreshadows the later parts of Chapter 1 describing forms of business organizations in Canada.

Ethics are not unique to business, but the issues and settings are different; “business” should be viewed as expansively as possible at this juncture—considering NGOs, NFPs, and other forms of organization participating in the economy.

The responsible corporations are those that are involved in the above examples in integrity.

Student Assignment:

Canada's Outstanding CEO

The National Post in cooperation with Bennett Jones identifies Canada's Outstanding CEO of the year. Information is available at <https://ceoaward.ca>.

The selection criteria include vision and leadership, corporate performance, global competitiveness, innovative business achievement, and social responsibility. The description of the social responsibility criterion is:

"In addition to corporate performance and innovation, a truly outstanding CEO uses his or her private sector skills and creativity to help the community overcome social or environmental problems." (<https://ceoaward.ca/aboutus.php>)

Before disclosing this web site, ask students to write a description of the "social responsibility" criterion when selecting Canada's Outstanding CEO. After some suggestions, present the one above and ask their views on it. The description is very brief and does not provide much direction. Also, discuss the weighting of the criteria.

Another possibility is to do the assignment in the beginning of the course and again at the end with a comparison of the results being made.

LO1.3 Business as an Economic System

Describe the Canadian business system.

This section provides a brief introduction to the Canadian business system. It is intended to clarify what the system is and to define some of the common terminology relating to economic systems.

Ask students which definition best describes the Canadian business system.

Responsibility for Ethics 1.1: Does Everyone Prosper in a Selfish Economy?

Adam Smith has been influential in the development of capitalism. He is constantly referred to in the literature and media. Students should appreciate the influence of this man even after over 200 years.

Discussion Questions:

Who was Adam Smith? What did he do in life?

Why does his influence continue to this day?

How has the role of *homo economicus* evolved today?

Refer to CONNECT below.

CONNECT: Want to learn more about Adam Smith?

There are lots of Adam Smith biographies on the Internet. One possibility is provided by the Adam Smith Institute at: <https://www.adamsmith.org/about-adam-smith>.

This site contains an introduction to Smith and the following sections are of particular interest:

- The social order to freedom
- The psychology of ethics
- Self-interest and virtue

Also available is information on Smith's publications:

- *The Wealth of Nations*
- *The Theory of Moral Sentiments*
- Quotations from his writings

Also accessible from this page are the following:

- About Us – including FAQs
- Research – articles, books and reports (note how recent the publications are)
- Students – a description of the Next Generation, conferences, Freedom Week, Internship Program, and learning about liberty
- Store – purchase books and (several) Adam Smith Institute ties!
- The Adam Smith blog

Despite having lived between 1723 and 1790, Smith still influences economic and ethical thinking today.

This section also presages some of the wicked problems that will be discussed later in the book, including poor working conditions, monopolistic behaviour, inadequate housing, and workplace discrimination. Students' perceptions of the role of government, the non-profit sector will influence their perspectives on these issues.

Teaching Suggestion:

Consider asking students to write their future selves a note about their perceptions of the relative roles of government, the non-profit sector, and business, and send themselves an email using <https://www.futureme.org/> and compare their feelings at the end of the course to their feelings at the beginning of the course.

LO1.4 The Corporation and the Business System

Explain the role of the corporation as an economic institution in the business system.

The corporation is the principal institution or organizational form used to carry out the functions of business. Students have been exposed to the business system in general terms and now are introduced to the corporation. Note how the corporation is created today, and the implications for ethics and responsibilities. Even though the distinction

between the “concession” and “free association” doctrines is theoretical, it is a good one to make to help with understanding the corporation’s ethics and responsibilities.

Supplementary Material:

Legitimacy of the Business System

The following are some notes for a brief lecture on the “legitimacy of the business system” that supplements that in the book.

Introduction

- Legitimacy involves the belief in the rightness of an institution
- Refers to the state of affairs in the real world
- Concerns neither ethics nor legality
- Also referred to as corporate creditability and involves trust or confidence in business/corporations
- The extent to which concentrations of economic and social power are perceived to operate in the society’s interest

Challenges to Legitimacy

1. Implications of class system
 - Upper class have positions in business; corporate elite
 - Middle class generally support
 - Lower class often questions system; not so much interested in destroying as getting their share
2. Society’s suspicions of materialism/excessive consumerism
 - Nobler goals than pursuit of wealth
3. Economic ignorance
 - Failure to understand how business works
 - Economic education programs
 - Telling “our story” including thorough CSR reports
 - Public relations/reputation management
4. Excesses/greed/corruption
 - High executive salaries
 - Setting of poor examples
5. Hypocrisy of attitudes towards government
 - Asking/accepting government assistance/protection while advocating reduced government
 - Rescue from failure
 - Supporting reduction of competition

Conclusion

- Legitimacy involves power
- Legitimacy → Responsibility → Accountability
- Profitability and economic performance are not the sole criteria
- New set of “legitimizers” for acceptance of business: social and environmental responsibilities

Some Additional Points

- Fragile interdependence between business and society
- Societal values shift:
 - People more socially sensitive
 - More holistic and community minded
 - Existence of values/ideals that transcend profit/economics
- Broader set of values includes:
 - Treatment of employees
 - Respect for the environment
 - Commitment to product safety and public health
 - Overall contribution to community socially and through quality of life
- Presence of anti-corporate advocates (presently the anti-globalization movement)

LO1.5 Attitudes Toward Business

Classify factors that influence societies' attitudes toward business according to the macro, meso, and micro level of sociological analysis.

Students sometimes fail to make the connection between macroeconomic and geopolitical trends and their implications for business. Encourage them to explore one or more current events and examine how it might apply to business. The *Toronto Star*, *Globe and Mail*, and *National Post* all have reasonable coverage from a Canadian perspective. Globally, consider BBC, *The Guardian*, *The New York Times*, *The Washington Post*, *South China Morning Post*, *Al Jazeera*, or the *Cape Times*.

For example, how does war or conflict in a distant region affect Canada? What was a recent piece of legislation/bylaw that was passed by a government that affected them? How has the shift to a low-carbon economy created opportunities for Canadian enterprises? How has technology changed their jobs?

Ask students to identify where they get their media from—TikTok and Instagram both have creators that generate shortform business videos. Consider following on TikTok: @dailystocktalk, @kylascan, @businessinsider. Consider following on Instagram: @theeconomist, @bridgiecasey, @financefortheculture.

How does self-interest intersect with students' attitudes? For example, many students choose to shop at businesses owned by women or people of colour. Perhaps they patronize restaurants/cafes because they feel safe there. They may also have to compromise their self-interest by, for example, shopping for groceries at a Walmart instead of their local grocery store to save money.

Everyday Ethics 1.2: Artificial Intelligence (AI) and Ethical Issues

This topic is receiving considerable attention in the media and academic literature. Use this Everyday Ethics as a starting point! Check out recent articles on the topic.

CONNECT: Want to learn more about artificial intelligence and ethics?

Generative AI has changed the conversation about the ethical implications of AI because of its accessibility. The field is evolving rapidly, but some of the core principles remain:

<https://hbr.org/2023/06/13-principles-for-using-ai-responsibly>

<https://www.technologyreview.com/2023/05/30/1073680/how-to-talk-about-ai-even-if-you-dont-know-much-about-ai/>

Responses to “Critical Thinking and Discussion Questions”

1. Can most Canadians describe the working of the Canadian business system or capitalism? Can you? Give reasons to support your answer.

This question cannot be answered definitively. One can speculate that despite interacting with business everyday, many Canadians do not fully understand how it works and are not familiar with the fundamentals upon which it is based. In media coverage of business, there are many misconceptions of business; for example, few understand upon what basis profits are measured or mark-up. Ask students for a definition or description. The responses may be surprising. Just because they are studying business does not mean they can explain it!

2. Which factors influence the integrity of Canadian business the most?

“Government presence” would definitely be included. A second choice would be the resource-based nature of the economy. The influence of social media should not be underestimated. Other possible answers might include, at a micro level, the challenges of making a living in some of Canada’s more expensive cities or the challenges of the gig economy.

3. Should corporations be formed only with the permission of society as represented by government, or should they be allowed to form freely without much government oversight? Give reasons to support your answer.

This question is key to society’s view of the corporation. If the “permission” (or concession) approach is believed, society, through government, has control over

the corporation. Social responsibility could be imposed on the corporation. The demands on the corporation change as society's expectations change. If the "form freely" (freedom of association) approach is believed, society would rely on corporations to behave in a manner appropriate and as expected by society. In effect, this approach would be a type of "self-regulation" as opposed to government regulation.

4. What most influences your attitude toward business? Give reasons to support your answer.

A poll of student responses would be interesting. The occurrence of corporate wrongdoing most likely would be prominent in the responses. Some students may identify bankruptcies and closures (e.g., Nordstrom, Lowe's). Others might identify prominent US examples (e.g., Donald Trump's financial challenges). Others might identify their work in the gig economy, difficulty securing affordable and safe housing, etc.

5. Should business persons be concerned about how they and their businesses are portrayed in the popular media? Give reasons to support your answer.

Definitely. The numerous forms of media constantly present information on business, some of it not favourable. If the images of business portrayed in the media are negative, society may question the legitimacy of business.

6. Explain why, or why not, ethics and business are interconnected.

Everyone has ethics—even if we don't always agree with others' ethics. Similarly, we rely upon businesses to provide the goods and services we use and consume daily. Since both involve, quite literally, everyone, that's the most basic point of connection.

Increasingly, mere compliance with laws and regulations is not seen as "enough" to be ethical. This reflects a shift in the understanding of business' obligations to society. Thus, an understanding of ethics is needed to enhance business' abilities to meet societal expectations.

7. Is human behaviour adequately described by the *homo economicus* (REMM) model? Give reasons to support your answer.

*The REMM model extends *homo economicus* by considering non-material sources of value in both self and others (implying that it also considers material sources of value in others). To the extent that values such as respect, honour, power, love, and others' welfare are considered by the actor, these can at least somewhat adequately explain human behaviour. There are also significant difficulties in evaluation and maximization when considering non-material sources of value, so*

that it can be challenging for people to behave wholly in accordance with REMM, let alone homo economicus.

8. How does business maintain legitimacy before society?

Businesses must walk a fine line in ensuring they maintain legitimacy. At minimum, they must be aware of their legal obligations and the shifting requirements imposed by governments and the court system (e.g., new consumer protection regulations for airline passengers). There is definitely backlash to be considered if businesses get too far “out in front” (e.g., with Black Lives Matter, 2SLGBTQIAPP+ rights), and these can be seen as empty gestures. So, in summary, they must “walk the walk,” and be wary of just “talking the talk.”

Answers to End of Chapter Cases

1.1: Fast Fashion

Fast fashion is the term given to inexpensive clothing produced rapidly by mass-market retailers in response to the latest trends. This topic should result in a lively class discussion.

1. Should you care about the fast fashion business model? Why or why not?

As a consumer, the fast fashion model benefits you, most likely, because you can keep up with the latest trends in a relatively affordable manner. However, the environmental implications are significant (a pile of discarded clothing was recently spotted in the Chilean desert: <https://www.space.com/mountain-discarded-clothes-chile-satellite-photo>). Additionally, there are significant concerns about the exploitation of women for forced labour in many countries (e.g., Bangladesh, India, and other places).

While it may seem easy to say “purchase better-quality clothing, and less of it,” this is unrealistic advice for many students, especially if they’re seeking the latest trends. Even thrift stores and off-price retailers might be unrealistic, given the need for hunting the racks and tailoring.

2. Who are the main societal actors involved in fast fashion, and how are they affected?

Key actors include clothing designers, manufacturers, and the retailers themselves. Clothing designers are able to try out new designs and ideas quickly, and make more of designs that sell well, but there are significant intellectual property concerns. Manufacturers use digital tools and patterns to reduce the cost of producing these cheap clothes, as well as employing a largely exploited workforce. The retailers are often vertically integrated with the designers and manufacturers, and provide employment opportunities for many young persons.

Fast fashion is a multi-billion dollar industry, and unraveling it would have significant effects.

3. Should you change where you buy your clothes? Why or why not?

In part, the answer to this question depends on whether or not you continue to work at H&M. Many fast fashion chains have a dress code requiring staff to wear the latest season's clothing (often at a significant discount, but not always). It may be worthwhile to consider how you could implement the principle of "purchase better-quality clothing, and less of it." In part, this may mean being someone countercultural in your style choices, but this is also somewhat unrealistic advice for many students, especially if they're seeking the latest trends. Even thrift stores and off-price retailers might be unrealistic, given the need for hunting the racks and tailoring.

4. Should you quit your part-time job? Why or why not?

Being able to put a roof over your head and food on the table are important. As a student, you're already likely struggling enough to do those things, in addition to paying for tuition, books, and other education expenses. It's OK to act in your own self-interest, even if it may conflict with some of your own deeply held values and beliefs. You can always try to look for another job, but finding employers willing to flex around school schedules can be challenging at the best of times.

5. Should you become a consumer activist? Why or why not?

In part, the answer to this question depends on whether or not you're continuing to work at H&M. Many workplaces have clauses in their employee handbooks that require their employees not to say negative or bad things about their employer (i.e., a non-disparagement clause). Usually, this would prohibit actions that could hurt your employer's reputation. It may be wiser to support these causes financially or less publicly. Again, the principle of self-interest comes into play here.

1.2: Sears Canada's Bankruptcy and Pensioners

Pensions are a timely topic and receiving substantial attention in the media and are viewed as a huge economic and social issue of business and society. Students may not consider the issue of any relevance to them! But, point out the number of persons today with defined benefit pensions (possibly including their parents) versus how many there will be when they retire. The implications are serious for the lifestyle students wish to have in later years.

The main issues involved are the responsibilities of employers and employees, the sustainability of any pension plan, the nature of government involvement, and impact on the lifestyle of retired Canadians. Also, the issue of where the pension plan of workers

and retirees rank in line for payouts to creditors in a corporate bankruptcy or restructuring. In 2013, the Supreme Court of Canada ruled that creditors and debtors-in-possession rank before pension plans. This is a main issue with the Sear's bankruptcy.

1. How is the integrity of business illustrated, or not illustrated, with Sears Canada and its pensioners?

Many employees have contributed to pensions for years, are relying on them for retirement income, and expect that their employers will honour the plans. In the past, most were defined benefit plans, so the expectations were not unreasonable. With the shift to defined contribution plans, the employee will bear the risk instead of the employer. Also, corporations are not being consistent as CEOs are negotiating very generous plans (which are in effect, defined benefits plans) while those of employees are being reduced.

2. How do the difficulties and changes being experienced by pension plans influence society's attitudes toward business?

There is bound to be resentment toward the corporations involved for the problems with the plans and the generosity of the executive plans. The changes to pension plans will most likely create negative attitudes toward business.

3. What responsibility do corporations have to provide pension plans?

It had become an expected practice or component to the compensation package. But compensation approaches change. Instead of receiving a fixed salary, compensation could be changed to an incentive system (for example, commission or piece work) or profit-sharing plans are introduced instead of higher salaries. Corporations will structure compensation plans in a manner necessary to attract or obtain the employees needed. If employees cannot be attracted with defined contribution plans, corporations will change the compensation package to adjust for it.

4. What responsibility and capability do employees have to manage their own pension plans?

Some argue that employees should be responsible for their own retirement income, and that by making them responsible for them through defined contribution plans, employees could actually be better off if they managed their funds successfully. Employees may not have the capability to manage their funds well, due to many well-known cognitive biases, so yes, it is logical from an economic perspective. However, many may fail to manage their pension funds well and end up with reduced retirement income. Thus, from a social perspective, it may not be logical.

Supplementary Material:

Pooled Registered Pension Plan (PRPP)

In 2012, a new form of pension was introduced, the Pooled Registered Pension Plan (PRPP). PRPPs are defined contribution (DC) pension plans to which employee and employer contribute a certain amount to your pension each year. But employer contributions are optional or voluntary. The plan does not guarantee how much will be received at retirement, as that depends on the level of income and the performance of the plan.

Once an employer enters into a contract, employees will automatically be enrolled as members unless an employee chooses to opt out. Members' contributions to the pension plan will be made through deductions from their pay.

More information is available at Financial Consumer Agency of Canada web site <http://www.fcac-acfc.gc.ca/eng/consumers/lifeevents/retirement/retireincome/prpp-eng.asp>, and Canada Revenue Agency web site at <http://www.cra-arc.gc.ca/tx/ndvdl/tpcs/prpp-rpac/menu-eng.html>.

CEO Hypocrisy

There is some hypocrisy being demonstrated by CEOs on the issue of pensions. On the one hand, they argue that their corporations cannot afford defined benefits plans for their employees, but they negotiate such plans for themselves. *The Globe and Mail* (Janet McFarland, "How much is too much?" May 14, 2007, B8) identified 25 Canadian CEOs who will retire with annual pensions of over \$1 million and as high as \$3.5 million. The liabilities for these plans ranged from \$6.4 to \$27.4 million. In Fall 2010, the CEO of BP was replaced after the oil spill in the Gulf of Mexico, but he will still receive over \$1 annually in pensions despite his mishandling of the disaster. What are the ethics and responsibilities involved? [Old data but the issue continues to exist.]

Changes to the Canada Pension Plan

In June 2016, the Federal Government and a majority of Provincial Governments agreed to improvements to the Canada Pension Plan. The insured benefits would not cover income to \$63,000 instead of the present \$54,900. The premiums for both employer and employee would rise from 4.95 percent of earnings to 5.95 percent by 2025.

Some of the reaction of the Canadian business community was:

- The Canadian Federation of Independent Business and the Canadian Chamber of Commerce was opposed to the change, stating that the new payroll tax was unaffordable.
- A survey by Modus Research found that 58 percent of Canadian executives and managers supported the changes, 12 percent were neutral, and 28 percent were opposed.

- A Forum Research survey of 1,429 found that 68 percent of Canadians supported the expansion plan, 17 percent were not sure, and 16 percent disapproved.

APPENDIX 1.1

Ethics: Everybody, Everywhere, Everyday

Discussion questions relating to everyday ethical situations and/or dilemmas:

NOTE: You could use a tool like Mentimeter or PollEverywhere to make this an engaging experience for students.

1. You just bought something expensive that your spouse would consider a waste. Are you ethically obligated to tell them about the purchase?
 - (a) Yes
 - (b) No
 - (c) Depends
2. Your boss's assistant is using the office Intranet to sell turkey sub sandwiches to raise money for his son's hockey team. Should you:
 - (a) Purchase the subs.
 - (b) Decline to purchase as you feel it is a form of soliciting.
 - (c) Mention the practice to your boss and request it be stopped.
3. You just obtained a job as a server in a restaurant. It is illegal to smoke in restaurants, but on your second day you arrive early and see your manager smoking at the bar. What would you do?
 - (a) Ignore the situation and say "Hello."
 - (b) Mention the smoking ban in restaurants.
 - (c) Quit the job.
 - (d) Report the manager to a municipal authority.
4. When buying food at a gourmet store, you get \$10 more in change than you're owed. You:
 - (a) Give the cashier back the \$10.
 - (b) Pocket the \$10, figuring the store overcharges anyway.
 - (c) Keep the \$10, figuring the store has probably stiffed you in the past.
5. When visiting another country you see a street vendor selling an iPhone for one-tenth of what it is selling for at a store in your hometown. Would you:

- (a) Ignore the vendor.
 - (b) Make the purchase.
 - (c) Report the vendor to the authorities.
6. You are having renovations done to your house. The contractor suggests that she will decrease the price by 10% if you pay in cash. Would you:
- (a) Pay in cash.
 - (b) Say that you would prefer to pay by cheque.
 - (c) Decline the offer.
 - (d) Report the contractor to Revenue Canada.
7. When walking one evening, you notice a couple walking their dogs. You recognize the woman as she is a columnist in the local newspaper. Her dog fouls a neighbour's lawn with excrement, which she does not pick up. Would you:
- (a) Mention to the woman that she should pick up the excrement.
 - (b) Tell the neighbour.
 - (c) Ignore the incident.
8. An angry customer demands to speak to your boss. Your boss has told you to lie and say that he is not in the office. You:
- (a) Lie for the boss.
 - (b) Refer the customer to the boss anyway.
 - (c) Make some other excuse.
9. You are a loans' officer in a bank and a customer gives you a pair of top-of-the-line sneakers their athletic company doesn't need. Month later they ask for a lower interest rate on their loan. Would you:
- (a) Refuse to lower the rate.
 - (b) Lower the rate.
 - (c) Give the shoes back.
10. A customer calls you several derogatory racial terms in front of other customers and co-workers because you refuse to take back a product that does not have a receipt. Would you:
- (a) Refer him to your boss.
 - (b) Give him the refund.
 - (c) Stay calm and refuse to give the refund.

APPENDIX 1.2

BEST CORPORATE CITIZENS/TOP SOCIALLY RESPONSIBLE CORPORATIONS

This has been compiled from various awards lists to corporations for their social responsibility or sustainability programs. In some cases square brackets [] indicate a particular feature of interest on the site. The list is placed here but is applicable to all chapters. Some links may have changed but the information on social responsibility or sustainability programs is most likely available elsewhere on the corporate web site.

Access Communications Co-operative Limited: <https://www.myaccess.ca/>
Agnico-Engle Mines Ltd.: <https://www.agnicoeagle.com/English/sustainability/default.aspx>
Air Canada: <http://www.aircanada.com/en/about/index.html> [s/h issue analysis in report]
Alamos Gold Inc.: <http://www.alamosgold.com/home/default.aspx>
Alectra Utilities.: <https://alectrautilities.com/>
Alterna Savings.: <https://www.alterna.ca>
AltaGas Ltd.: <http://www.altagas.ca/responsibility>
Algonquin Power and Utilities Corp.: <http://investors.algonquinpower.com/>
ARC Resources: <https://www.arcresources.com/sustainability/> [Comprehensive]
AstraZeneca Canada: <https://www.astrazeneca.ca/en>
Avalon Advanced Metals Inc.:
http://avalonadvancedmaterials.com/sustainability/sustainability_overview/
Bank of Montreal: <https://www.bmo.com/main/about-bmo/> [environment]
Bank of Nova Scotia: <http://www.scotiabank.com/gls/en/index.html#about>
Bayshore Healthcare: <https://www.bayshore.ca>
BCE Inc.: <http://www.bce.ca/> [Priority Issues]
Best Buy Canada: <https://www.bestbuy.ca/en-CA/bby-for-kids.aspx?cmp=vr-Community>
BGIS: <https://www.bgis.com/> [green supply chain]
Blackberry Limited: <https://www.blackberry.com/us/en/company/corporate-responsibility-at-blackberry>
BlueShore Financial: <https://www.blueshorefinancial.com/>
Bombardier: <http://www.bombardier.com/en/home.html> [stakeholder engagement & materiality]
Brookfield Renewable Partners: <https://bep.brookfield.com/en>
Cameco Corp.: <http://www.cameco.com/> [Focus on giving]
Canadian National Railway: <https://www.cn.ca/> [delivering responsibility]
Canadian Pacific Railway: <http://www.cpr.ca/en> [sponsorship]
Canadian Solar: <https://www.canadiansolar.com/>
Canadian Tire Corporation: <http://corp.canadiantire.ca/EN/Pages/default.aspx> [responsible sourcing]
Canfor: <https://www.canfor.com/> [Responsibility]
Capital Power Corporation: <https://www.capitalpower.com/Pages/default.aspx>
Capstone Copper: <https://capstonecopper.com/responsibility/>
Carters Professional Corporation: <http://carters.ca/>
Cascades Inc.: <http://www.cascades.com/en> [management messages]
Catalyst Paper Corporation: <https://paperexcellence.com/>
Celestica Inc.: <https://www.celestica.com/> [corporate culture, GRI, materiality]
Cenovus Energy Inc.: <https://www.cenovus.com/>

CGI Group: <https://www.cgi.com/en/corporate-social-responsibility/communities>
 Chartwell Retirement Residences: <https://chartwell.com/about-us>
 CIBC: https://www.cibc.com/ca/about.html?int_id=HP_AboutCIBC-E [accountability]
 CNOOC Nexen: <https://intl.cnooltd.com/en/sustainability/community-investment>
 Coast Capital Savings: <https://www.coastcapitalsavings.com/>
 Coastal Community Credit Union: <https://www.cccu.ca/Personal/InOurCommunities/>
 Cogeco Communications Inc.: <https://corpo.cogeco.com/cgo/en/>
 ConnectFirst: <https://www.connectfirstcu.com/en/about/community>
 Co-operators Group: <http://www.cooperators.ca/>
 Corus Entertainment: <https://www.corusent.com/corporate-social-responsibility/overview/>
 Credential Financial Inc.: <http://www.credential.com/>
 Danone: <https://www.danone.ca/our-purpose/> [values]
 Desjardins Group: <https://www.desjardins.com/ca/> [social responsible investing]
 Diageo: <https://www.diageo.com/en> [materiality]
 Digital Echidna: <https://echidna.ca/>
 Domtar Corporation: <http://www.domtar.com/> [certification, collaborations]
 Dundee Precious Metals Inc.: <http://www.dundeeprecious.com/English/sustainability/overall-approach/stakeholder-engagement/default.aspx> [list of s/h]
 Emera Inc.: <http://www.emera.com/en/home/default.aspx> [Community]
 Enbridge Inc.: <http://www.enbridge.com/>
 Energir: <https://www.energir.com/en/>
 Enerplus Corp.: <https://www.enerplus.com/>
 Enmax Corporation: <https://www.enmax.com/home>
 EPCOR Utilities: <http://corp.epcor.com/about/Pages/corporate-accountability.aspx>
 Federated Co-operatives Limited: <https://www.fcl.crs/sustainability/overview>
 Finning International: https://www.finning.com/en_CA/company/sustainability.html [women]
 First Calgary Financial: <https://www.firstcalgary.com/>
 First Capital Realty Inc.: <https://fcr.ca/>
 First West Credit Union: <http://www.firstwestcu.ca/about-us>
 Frontera Energy: <https://www.fronteraenergy.ca/our-esg-strategy/>
 George Weston: <http://www.weston.ca/en/Corporate-Responsibility.aspx>
 Gibson Energy Inc.: <https://www.gibsonenergy.com/about-us/>
 Gildan Activewear: <http://www.gildancorp.com/responsibility-landing-page> [stakeholder engagement]
 GlaxoSmithKline Inc.: <https://ca.gsk.com/en-ca/responsibility/>
 Gordon Food Services.: <https://www.gfs.ca/en-ca/about-us/stewardship>
 Harvey McKinnon Associates: <https://harveymckinnon.com/>
 Henderson Partners LLP: <https://www.henderson-partners.com/>
 Highstreet Asset Management.:
<https://www.highstreet.ca/ca/en/about-us/in-the-community/index.html>
 HSBC Bank Canada: <https://www.hsbc.ca/>
 HudBay Minerals Inc.: <http://www.hudbayminerals.com/English/Responsibility/default.aspx>
 Hudson Bay Company: <https://www.hbc.com/>
 Hydro One: <https://www.hydroone.com/> [Regulatory Affairs]
 Hydro-Quebec: <http://www.hydroquebec.com/en/>
 IAMGOLD Corp.: <http://www.iamgold.com/>

IGM Financial Inc.: <https://www.igmfinancial.com/en/about/our-commitment>
Imperial Oil Ltd.: <http://www.imperialoil.ca/Canada-English/community.aspx> [Corporate
Citizenship Report]
Intact Financial Corporation: <http://www.intactfc.com/>
Ivanhoe Cambridge: <http://www.ivanhoecambridge.com/en/corporate-social-responsibility>
Johnson Group Inc.: <https://johnstongroup.ca/community/>
KCI (Kelchum Canada Inc.): <https://kciphilanthropy.com/>
Keyera Corp.:
<https://www.keyera.com/titanweb/keyera/webcms.nsf/AllDoc/483B56DA4190C47987256AE20053451B?OpenDocument#.XE3SQ61YbIU> [Indigenous Relations]
KPMG: <https://kpmg.com/ca/en/home/about/social-impact.html>
Kinross Gold Corporation: <http://www.kinross.com/> [guiding principles]
Kruger Products: <http://www.krugerproducts.ca/>
Loblaw Companies Ltd.: <http://www.loblaw.ca/> [our approach, responsibility]
London Hydro: <https://www.londonhydro.com/site/#!>
LoyaltyOne: <https://www.loyalty.com/home/about-us/corporate-responsibility>
Lucara Diamond Corp.: <https://lucaradiamond.com/sustainability/overview/> [values]
Lundin Mining Corp.: <http://www.lundinmining.com/s/CorpResponsibility.asp> [s/h engagement,
GRI]
Mackenzie Financial: <https://www.mackenzieinvestments.com/>
Magna International: <https://www.magna.com/>
Manitoba Hydro-Electric Board: <https://www.hydro.mb.ca/corporate/>
Manulife Financial: <https://www.manulife.ca/>
Maple Leaf Foods Inc.: <https://www.mapleleaffoods.com/>
Mattr Infrastructure Technologies: <https://www.mattr.com/esg/>
Mawer Investment Management Ltd.: <https://www.mawer.com/>
MD Financial Management: <https://mdm.ca/about-md/in-the-community>
Meridian Credit Union: <https://www.meridiancu.ca/About-Meridian/Community.aspx>
Methanex Corp.: <https://www.methanex.com/sustainability/overview/>
Metro Inc.: <http://corpo.metro.ca/en/corporate-social-responsibility/corporate-social-responsibility.html> [SR Plan 2016–2020] [SR governance structure]
Miller Thomson LLP: <https://www.millerthomson.com/en/>
Molson Coors Brewing Co.: <https://www.molsoncoors.com/> [stakeholder engagement]
Morguard Corp.: <http://www.morguard.com/company/sustainability>
Mountain Equipment Co-op: <http://www.mec.ca>
National Bank of Canada: <https://www.nbc.ca/en/about-us.html>
National Bank of Canada: <https://www.nbc.ca/en/about-us/social-responsibility.html> [social
networks]
NEI Investments: <https://www.neiinvestments.com/responsible-investing.html>
Nestle Waters Canada: <https://www.corporate.nestle.ca/en/ask-nestle/water/answers/water-supplies-ontario>
New Gold Inc.: <https://www.newgold.com/home/default.aspx>
Nova Chemicals Corporation: <https://www.novachem.com/>
Nutrien Ltd.: <https://www.nutrien.com/>
Ontario Power Generation: <http://www.opg.com/Pages/home.aspx> [government owned]
Pan American Silver: <https://panamericansilver.com/sustainability/>

Pembina Pipelines: <http://www.pembina.com/our-responsibility/> [Indigenous relations]
 PepsiCo Canada: <https://www.pepsico.ca/en-ca/home>
 Power Corporation of Canada: <https://www.powercorporation.com/en/>
 Prospera Credit Union: <https://www.prospera.ca/>
 PWC Canada: <https://www.pwc.com/ca/en.html>
 Raymond James Ltd.: <https://www.raymondjames.ca/>
 Restaurant Brands International:
 <https://www.rbi.com/English/sustainability/our-vision/default.aspx>
 Resolute Forest Products Inc.: <https://www.resolutefp.com/Sustainability/> [ethics reporting
 policy, check sustainability]
 Rogers Communications Inc.: <http://about.rogers.com/> [CSR at Rogers]
 Rolland (Sustana Group): <https://www.rollandinc.com/en/commitment-sustainable-closed-loop-fiber> [life cycle]
 Rona Inc.: <http://www.rona.ca/corporate>
 Royal Bank of Canada: <https://www.rbc.com/canada.html> [community and sustainability]
 Sandstone Asset Management Inc.: <http://www.sandstoneam.com/>
 Saskatchewan Telecommunications: <https://www.sasktel.com/about-us/about-us>
 Secure Energy Services: <https://www.secure-energy.com/sustainability>
 Selectpath Benefits & Financial Inc.: <https://selectpath.ca/>
 Servus Credit Union: <https://www.servus.ca/life>
 Sherritt International Corporation: <https://www.sherritt.com/English/Home/default.aspx>
 Shoppers Drug Mart: <https://corporate.shoppersdrugmart.ca/en/responsibility>
 SIMPACT Strategy Group: <https://simpactsg.com/>
 Smith's Funeral Homes Limited: <http://www.smithsfh.com/>
 Stantec: <http://www.stantec.com/>
 Starbucks Corporation: <http://www.starbucks.ca/>
 Sun Life Financial: <http://www.sunlife.ca/>
 Suncor Energy Inc.: <http://www.suncor.com/default.aspx> [stakeholders list]
 SunOpta Inc.: <http://www.sunopta.com/sustainability/>
 Syncrude Canada Ltd.: <http://www.syncrude.ca/> [stakeholders]
 Syngenta Canada Inc.: <https://www.syngenta.ca/SFHome/Home.aspx>
 Teck Resources Limited: <https://www.teck.com/> [material issues list from Report]
 TC Energy: <https://www.tcenergy.com/>
 TELUS Corp.: <https://www.telus.com/en/about/company-overview>
 Teranga Gold Corp.: <https://www.terangagold.com/#> [CSR strategy]
 Terrapure Environmental: <http://www.terrapureenv.com/>
 Thomson Reuters Corp.: <https://www.thomsonreuters.com/en.html>
 TMX Group: <https://www.tmx.com/>
 Toronto-Dominion Bank: <http://www.td.com/about-tdbfg/our-business/index.jsp> [public
 accountability statement]
 Toronto Hydro: [http://www.torontohydro.com/sites/electricsystem/corporateresponsibility/
 Pages/default.aspx](http://www.torontohydro.com/sites/electricsystem/corporateresponsibility/Pages/default.aspx)
 Transalta: <http://www.transalta.com/> [Culture]
 Transat AT Inc.: <http://www.transat.com/>
 Transcontinental: <https://tctranscontinental.com/en-us/about-us>
 Trimac Transportation: <https://www.trimac.com/>

Tundra Process Solutions: <https://www.tundrasolutions.ca/>
UFA. (United Farmers of Alberta): <https://www.ufa.com/Pages/default.aspx>
Unilever Canada: <https://www.unilever.ca/about/> [sustainable living]
Vancouver City Savings Credit Union: <https://www.vancity.com/>
Vermilion Energy Inc.: <http://www.vermilionenergy.com/>
Wealth Creation Preservation & Donation Inc.: <https://www.wcpd.com/>
Westoba Credit Union: <https://westobacu.com/>
WFCU Credit Union: <https://www.wfcu.ca/Personal/>
Wheaton Precious Metals Corp.:
<https://www.wheatonpm.com/responsibility/approach/default.aspx>
WSP Global: <https://www.wsp.com/> [Sustainability, whistleblowing service, Indigenous relations]
WestJet Airlines: <https://www.westjet.com/guest/en/about/>
Woodbine Entertainment Group: <https://woodbine.com/>