

# 17th annual business ethics awards

A salute to four companies, large and small, leading the way in corporate social responsibility excellence.

BY PETER ASMUS

CSR Management Award

Intel

Workplace Democracy Award

South Mountain  
Company

Environmental Excellence Award

New Leaf Paper

Living Economy Award

Weaver Street  
Cooperative

## Intel

### CSR Management Award

*For leadership and excellence in corporate social responsibility management.*

**IN 1998, THE PRESBYTERIAN CHURCH** filed a shareholder resolution asking Intel to assess the environmental and social performance of its suppliers. While many corporations might stonewall such a request, Intel chose to act. Over the next seven years, Intel strengthened its supply chain management programs. It worked with Microsoft, HP, Dell, IBM and others to develop the Electronics Industry Code of Conduct (EICC), to be applied throughout the supply chain. "Interestingly enough, while some of these companies are our competitors, we are also suppliers to some of them," noted Dave Stangis, Intel's director of corporate responsibility. This put Intel in the unique position of voicing concerns from two perspectives, making the EICC more effective.

"We could see this issue of supply chain management coming, given what happened with the sweatshop issue in the apparel and shoe industries," said Stangis. "We couldn't let what happened to The Gap and Nike impact us, so we decided to band together with other companies and take a leadership position

# South Mountain Company

## Workplace Democracy Award

*For using employee ownership as the foundation of a life-enhancing company.*

**"WHEN THE EMPLOYEES ARE THE OWNERS,** and they are charting the course, essential business priorities change," says John Abrams, founder of South Mountain Co. "Improving the community where we live and raising our families become part of our basic priorities." At South Mountain — a 30-year-old, \$6 million architecture and construction firm on Martha's Vineyard in Massachusetts — business is about more than growth and profit. As Abrams explains in his book, *The Company We Keep*, South Mountain is about workplace democracy, challenging the gospel of growth, balancing multiple bottom lines, celebrating craft, committing to place, and thinking like cathedral builders.

All of this is made possible by the firm's ownership structure. After Abrams split with his two founding partners in 1985, he transferred ownership to a worker-owned cooperative corporation (in which he shares ownership). Today, there are 16 employee owners and another 14 working toward ownership. After five years employees can buy into ownership. Since the company has no outside investors and no non-employee board members, Abrams writes, "We decide what kind of business ours will be." That means, among other things, that South Mountain pursues a policy of conscious growth rather than maximum growth.

In countless ways, the decision to share ownership set South Mountain on a course that made it a different kind of design and contracting company. It doesn't just build buildings. It aims to create structures that are, in Abrams' terms, artful, calm, comforting, airy, energy-efficient, healthy to live in, and made of low-impact materials.

South Mountain also practices "post-occupancy care." A year after a house is built, South Mountain employees conduct a lengthy walk-through and fix anything at no charge. Even if a cabinet door fails to work after 10 years, South Mountain fixes it at no cost. "Post-occupancy is like childhood," as Abrams puts it. "Nurturing is required."

South Mountain also has a commitment to developing affordable housing on the island. It uses some of the profits from build-



South Mountain's employee-owners create buildings that are artful, calm, and healthy.

ing high-end homes for the "super-wealthy" to create affordable houses for "our super-regular neighbors," Abrams says. "If we do our job well, always with a long view, we have a chance to make good lives for the people within the company and to influence what this community becomes for future generations."

As fruitful as it has been for his company, Abrams wonders why the shared ownership path isn't followed more often. "Entrepreneurs are risk takers, but perhaps giving up control seems like too great a risk to these pioneers who have already risked so much to build businesses," he writes. "I've come to believe that giving up control is the business risk that has the greatest potential to cause the greatest returns."

"South Mountain was a run-away favorite of all judges this year," said *Business Ethics* Editor Marjorie Kelly. "This selection was the easiest I've seen in 17 years of awards."

*John Abrams, President, South Mountain Co., PO Box 1260, West Tisbury, MA 02575. Phone: 508-693-4850. Email: Jabrams@vineyard.net*