The mission of Business Ethics is to promote ethical business practices, to serve that growing community of professionals and individuals striving to work and invest in responsible ways.

> EDITOR Marjorie Kelly Contributing Writers

Peter Asmus, Theodore Kinni, Jonathan Rowe. DESIGN

Designer Pat Thompson

OFFICE [PH: 612/879-0695 FAX:612/879-0699] E-MAIL: bizethics@aol.com WEB SITE: www.business-ethics.com

Business Manager Karen McNichol

ADVERTISING [PH: 952/937-2285 FAX: 952/937-5886] Associate Publisher Jean Sheehan Madson

LIST RENTAL MSGi Direct (formerly known as Stevens-Knox) 333 Seventh Ave., 19th Floor, New York, NY 10001 917/339-7200 Tina Torres 917/339-7255

Belkys Reyes-Cuni 917/339-7174

CO-FOUNDERS Marjorie Kelly and Miriam Kniaz

# Need to get in touch with Business Ethics?

Our customer service department can help you with renewals, gift subscriptions, address changes, and questions.

# Call customer service: 612/879-0695, fax 612/879-0699 or write:

Business Ethics, Subscription Dept., P.O. Box 8439, Minneapolis MN 55408 Email: BizEthics@aol.com

#### Subscriber service requested:

 New or Renewal Subscription
Send us your name and address and enclose your check for 1 year (4 issues)
\$49.00 (current subscribers please enclose your address label).

#### □ Change of address

(Please allow 4 weeks.) Send us your new address and provide your label or old address for subscription identification.

#### Mail preference

We make our subscription list available to reputable companies and organizations whose products and/or services may be of interest to you. If you do not want your name to be made available, please enclose your mailing label and initial here:

Business Ethics (issn 0894-6582) (USPS 0003-735) is published bimonthly by Mavis Publications, Inc., 2845 Harriet Avenue, Suite 207, Minneapolis, MN 55408. Periodicals postage paid at Minneapolis, MN 55408 and additional offices. Subscription rates: U.S. \$49; foreign \$59. Copyright ⊕ 2003 by Mavis Publications, Inc. Subscriptions and editorial correspondence should be addressed to Business Ethics, P.O. Box 8439, Minneapolis, MN 55408. Overnight deliveries may be sent to 2845 Harriet Avenue, Minneapolis, MN 55408. Phone 612/879-0695. Fax 612/879-0699. Postmaster: Send address changes to Business Ethics, Subscription Dept., P.O. Box 8439, Minneapolis, MN 55408. ₹

# Business Ethics

WINTER 2003 VOL. 17, NO. 4



musings

Accounting for the Commons A new kind of annual report attempts to move common assets from the invisible to the visible. PAGE 4

#### working ideas

#### Hard-Nosed Utopia: Employees on the Board

In 10 years, employee directors on the board at Jet Rubber have been overridden only once. Plus: Charles Handy on a company as a village...stakeholder dialogues at Interface...Ken Lay as the Ace of Spades, and more. PAGE 5

#### book snacks

What Matters Most... Perfectly Legal... Take Back Your Time. PAGE 6



## 15th Annual Business Ethics Awards

Imagine a company that's both large and small, with locally rooted products that are nationally distributed. That's Organic Valley, a co-op of 633 small organic family farms, where farmers set their own prices—and put a cap on profits. It's the winner of our Living Economy Award. In other awards we celebrate cutting-edge environmental auditing and reporting at Baxter Healthcare, Design for the Environment at 3M, and the preservation of social legacy at the Antioch Company. PAGE 8

### COVER STORY

#### Using Conversation to Change the World

While wine sales doubled, Fetzer Vineyards cut waste hauled to landfills by 97 percent. And this sustainability transformation happened while it was a subsidiary of a major public corporation. Here's how president Paul Dolan is using conversation to change his company, and the world. An interview with Marjorie Kelly. PAGE 18

## what would you do

#### **Crossing the Gender Line**

A managing director had decided to change his sex, but not his job. PAGE 22