



# CANADIAN BUSINESS FOR PURPOSE REPORT

---

BUSINESS FOR PURPOSE NETWORK | JULY 2022

We wish to acknowledge this land on which MaRS operates. For thousands of years, it has been the traditional land of the Huron-Wendat, Seneca, and Mississaugas of the Credit. Today, this meeting place is still the home to many Indigenous people from across Turtle Island, and we are grateful to have the opportunity to work on this land.

## *About this report*

This report of the Business for Purpose Network (B4PN) is a high-level summary of the evolution of purpose-led business in Canada, detailing the work of the founding partners (page 8) and including references to international research and related events to lend context. The report's methodology consists of an extensive literature review, ten in-depth interviews with partners, and a thematic analysis of the B4PN Weekly Announcements sent via email to opt-in subscribers.

**Author: Cheryl May**

**Forward: Allyson Hewitt**

**Contributors: Marek Nakonieczny and Josée Thibault**

We have made every effort to adopt an inclusive writing style, reflecting the terminology most commonly used when describing social innovation.

We gratefully acknowledge the support of the McConnell Foundation in co-creating and supporting this work.



# B4PN

|   |    |
|---|----|
| <b>Introduction</b>                           |    |
| Forward                                       | 5  |
| Founding Members                              | 8  |
| Supported Projects                            | 10 |
| <b>Ecosystem</b>                              |    |
| Background                                    | 13 |
| Strategy                                      | 14 |
| Framework                                     | 15 |
| <b>Leadership</b>                             |    |
| Stakeholder Capitalism                        | 18 |
| Corporate Forms                               | 20 |
| The C-suite                                   | 21 |
| Authenticity                                  | 24 |
| Diversity                                     | 26 |
| <b>Mindset</b>                                |    |
| Fourth Industrial Revolution                  | 29 |
| New Economic Thinking                         | 31 |
| Indigenous Peoples                            | 33 |
| <b>Management</b>                             |    |
| The Purpose Agenda                            | 37 |
| Impact Measurement                            | 39 |
| Personal Purpose                              | 42 |
| <b>Recommended</b>                            |    |
| Books, Podcasts, Reports, Resources, Webinars | 45 |

# INTRODUCTION

---



## 01

### B4PN PURPOSE AND INTENT

By 2030, 25% of Canadian businesses are adopting, disclosing and authentically embedding a societal purpose across their operations and relationships, and collaborating with others to achieve it.

Disclosing: Progress on societal purpose disclosed in corporate communications.

Authentically embedding: 3rd party validation that the purpose is governed and executed.

Collaborating: Stakeholder engagement to address shared societal goals to further purpose.

*“There is nothing more profitable than purpose” – Yung Wu  
CEO, MaRS*

*The B4PN was initiated by 21 founding members representing 19 unique organizations.*

*Supported by the McConnell Foundation and hosted by MaRS.*

Above: Allyson Hewitt and Yung Wu

# FORWARD

*BY ALLYSON HEWITT*

In 2007 MaRS joined SiG (Social Innovation Generation), a collaboration of the McConnell Foundation, the University of Waterloo, and the Plan Institute. SiG was a ten-year initiative designed to create a culture of social innovation in Canada.

With a wide array of partners, we experienced much success, and some 15 years later, we can see the legacy of those efforts. From advancing work on the Registered Disability Savings Plan, creating and implementing educational programming on social innovation, accelerating social finance and solution labs, and working at all levels of government – thus advancing design and systems thinking, research and development, and risk-taking. Over that time, we saw the social innovation, social enterprise, and impact investing fields flourish, resulting in new corporate forms and the emergence of new investment funds. We can and should pause to reflect on what was accomplished and how much more there is to do.

Throughout the tenure of SiG, we often stated the importance of cross-sectoral collaboration to effect real systems change. We saw success: in academia through programs such as the Getting to Maybe residency and the Waterloo Institute for Social Innovation and Resilience (WISIR); in the nonprofit sector, through programs like Innoweave, and the federal government's development of the Social Innovation and Social Finance Strategy.

However, we had never fully engaged our corporate colleagues. While we had some engagement on the impact investing side, the skills and resources of the private sector to advance innovation for social impact were unexplored, expressly at the level of systems change. Nonetheless, significant social impact developments were happening in the business sector. We experienced a shift in focus on the single bottom line of profit to corporate social responsibility, creating shared value, heightened importance of DEI and sustainability, then on ESG/SDG, and ultimately, a focus on the purpose of business – the why the business was created.



**WE WATCHED LEADERS SUCH AS UNILEVER, SALESFORCE, AND MAPLE LEAF FOODS EMERGE HERE IN CANADA AS THEY OUTLINED AND ADVANCED THEIR CORPORATE PURPOSE. WE SAW THIS AS A WINDOW OF OPPORTUNITY WE HAD TO EMBRACE.**

It was this last concept that caught the attention of MaRS. Our purpose is to help innovators create a better world – not simply to change the world but to create a better one. We watched leaders such as Unilever, Salesforce, and Maple Leaf Foods emerge here in Canada as they outlined and advanced their corporate purpose. We saw this as a window of opportunity we had to embrace.

To that end, MaRS and the McConnell Foundation established the Business for Purpose Network (B4PN), a group of intermediaries to advance business as a force for good. We started with those with whom we had a relationship, acknowledging that this was not a diverse nor representative collection of players but fully intending to grow the ecosystem over time. One of our first acts was to take all the materials we were reading through our online scanning work and make it accessible to others interested in this emerging field. We issued a Weekly Announcement, and the list quickly grew to ~400 readers, all of whom expressed an interest in advancing this work in Canada. We wanted the Announcement to be a quick scan of what we saw as emerging trends, so we only shared the top five articles, events, and reports from the prior week. Due to a lack of ongoing resources, we now issue that Announcement monthly. Starting in September 2022, we will integrate that resource into the MaRS Corporate Innovation program communications.

In addition to the regular knowledge translation materials, the McConnell Foundation and MaRS supported five areas of research led by B4PN members. These include: sustainable procurement by Canadian Business for Social Responsibility, needed advancements in corporate law to mainstream corporate purpose by the David Suzuki Foundation, helping businesses get to Net Zero by Green Economy Canada, an exploration of the potential of intrapreneurs by the League of Intrapreneurs, and a compilation of resources from the inaugural Propelling Purpose Summit, hosted by the Social Purpose Institute based at the United Way in British Columbia.

We also joined with others to conduct research, funded by Employment and Social Development Canada to advance this field in Canada. Most recently, we published *Business Led ESG Collaboration: How-to Guide for Business on Building a Business Led Collaboration*, a roadmap to address the sustainability priorities of their sector and stakeholders and the role of collaboration in strategies for sustainable industry and future. Co-author and social purpose thought leader Coro Strandberg includes the report in her online

resource of over 100 publications and tools that help organizations design, develop, and integrate sustainability into their business models.

Stepping back from the research to provide high-level sense-making, we convened a sub-group of leaders to develop a strategic clarity framework for action. Facilitated by Lynn Fergusson of Social Impact Advisors, we landed on this aspiration to guide our work:

By 2030, 25% of Canadian businesses are adopting, disclosing, and authentically embedding a societal purpose across their operations and relationships and are collaborating with others to achieve it.

We mapped the key stakeholders in this space, developed a governance structure, and identified five areas of strategic focus needed to advance Canada's business-for-purpose movement. These are: creating an enabling environment, supporting social purpose champions, accelerating the adoption of societal purpose by business, conducting research and education, and mobilizing resources, including social finance, to advance this work. We accomplished much ecosystem-building work during this period and MaRS will provide needed ongoing support through corporate innovation programming. Because our companies are demanding it, MaRS will also continue to research and advance the societal purpose of business as an essential step in mainstreaming this work.

We commissioned Cheryl May, SiG's original Social Entrepreneur in Residence, to prepare this report, which reflects much of what we see emerging in this space. She has assessed the strategic work of the B4PN, peer-reviewed project partner reports, and analyzed the content profiled in the B4PN Weekly Announcements in an accessible and streamlined format.

The report begins by acknowledging the founding members and their research. Next, it describes the ecosystem by contextualizing the work that led to our strategic clarity work and framework. It then profiles leadership in this space with a focus on stakeholder capitalism, the emergence of new corporate forms, the role of C-Suite executives, and the importance of authenticity and diversity. Then it explores the shift in mindsets required for success, including the fourth industrial revolution, the emergence of new forms of economic thinking, and developments in nation-to-nation relationships. The final chapter explores the management of the purpose agenda, impact measurement and management systems, and alignment with personal purpose.

To everyone who advanced this work in Canada, it has been an absolute pleasure to work with you to engage corporate Canada in unlocking their skills, resources, and assets to tackle our most complex challenges. It's clear from this review of our work so far that we will need everyone rowing in the same direction to create the Canada we need and deserve.



Allyson Hewitt

VP Impact, MaRS Discovery District  
Co-founder, The Business for Purpose Network

LinkedIn: [Allyson Hewitt](#)

July 2022

# B4PN FOUNDING MEMBERS



**ASHOKA CANADA**  
Barb Steele  
Executive Director



**B LAB CANADA**  
Kasha Huk  
Country Manager,  
Canada\*



**CANADIAN BUSINESS FOR  
SOCIAL RESPONSIBILITY**  
Leor Rotchild  
Executive Director



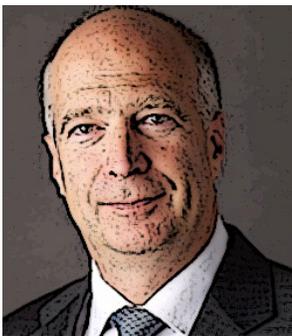
**CDN CTR FOR THE PURPOSE  
OF THE CORPORATION**  
Brian Gallant  
Member of Expert  
Panel\*



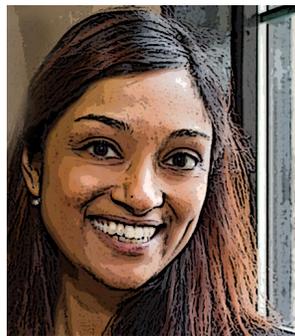
**CLIMATE SMART**  
Elizabeth Sheehan  
President\*\*



**DAVID SUZUKI FOUNDATION**  
Yannick Beaudoin  
Director General,  
Ontario & N. Canada



**GLOBAL CANADA INITIATIVE**  
Robert Greenhill  
Executive Chairman



**GREEN ECONOMY CANADA**  
Priyanka Lloyd  
Executive Director



**IMAGINE CANADA**  
Bruce McDonald  
President & CEO



**JW MCCONNELL FAMILY  
FOUNDATION**  
Nicolina Farella  
Program Director



**JW MCCONNELL FAMILY FOUNDATION**  
Laura Schnurr  
Advisor, President's Office\*



**MARS DISCOVERY DISTRICT**  
Allyson Hewitt  
VP, Impact



**MARS DISCOVERY DISTRICT**  
Marek Nakonieczny  
Associate, B4PN



**OCAD UNIVERSITY**  
Dr Peter Jones  
Associate Professor,  
Faculty of Design



**RW INSTITUTE**  
Chris Jarvis  
Executive Director &  
Chief Strategy Officer,  
Realized Worth



**STRANDBERG CONSULTING**  
Coro Strandberg  
President



**THE LEAGUE OF INTREPRENEURS**  
Chryssa Koulis  
Catalyst



**THE NATURAL STEP**  
David Hughes  
President & CEO



**TIM DRAIMIN**  
B4PN Advisor  
Emeritus



**UNITED WAY CENTRAIDE CANADA**  
Dan Clement  
President & CEO



**UNITED WAY BC SOCIAL PURPOSE INSTITUTE**  
Mary Ellen Schaafsma  
Director, SPI\*

\* No longer at the organization at the time of publication | \*\* Withdrew early due to competing priorities

# B4PN SUPPORTED PROJECTS

## Canadian Business for Social Responsibility

*Moving to Mandatory: Sustainable Procurement in Canada*

A research paper for Canadian policymakers and businesses provides insights into sustainable procurement as a strategic public policy mechanism.



## David Suzuki Foundation

*Bringing Corporate Purpose into the Mainstream: Directions for Canadian Law*

The report features six recommendations that the Canadian federal government can introduce into corporate law to mainstream the idea of “corporate purpose” in Canada.



## Green Economy Canada

*Helping Business Get to Net Zero*

The guide explores synergies among intermediaries, helping businesses reach genuine Net Zero reductions.



## League of Intrapreneurs

*On Purpose: Social intrapreneurs are key to driving real change in business in Canada*

The report describes the landscape of intrapreneurship in business in Canada and explores the feasibility of a Canadian Fellowship through the League of Intrapreneurs.



## United Way of British Columbia Social Purpose Institute

*Propelling Purpose Summit, November 17-18, 2021*

The first-ever Canadian purpose economy summit brought together people and organizations and organizations to who share the goal of advancing the social purpose of business and produced a comprehensive collection of 2021 summit resources.



# BUSINESS FOR PURPOSE TRENDS

94%

COMPANIES SURVEYED HAVE  
A CORPORATE PURPOSE  
STATEMENT

89%

EXECUTIVES WHO BELIEVE  
THAT PURPOSE GIVES  
COMPANIES A COMPETITIVE  
ADVANTAGE

85%

EXECUTIVES WHO THINK  
BEING A PURPOSE-DRIVEN  
COMPANY DRIVES PROFIT

55%

COMPANIES THAT USE  
METRICS TO ALIGN THEIR  
BUSINESS PRACTICES WITH  
THEIR CORPORATE PURPOSE

Reference: [ForMomentum, 2021 Social Impact Stats](#)

# CANADIAN PERSPECTIVES ON BUSINESS

84%

BUSINESSES SHOULD PUT  
THE INTEREST OF OTHER  
STAKEHOLDERS ON PAR  
WITH SHAREHOLDERS<sup>1</sup>

78%

CEOS SHOULD BE  
PERSONALLY VISIBLE ON  
ISSUES AND REPRESENT  
THE COMPANY'S BENEFIT TO  
SOCIETY<sup>2</sup>

68%

INFORMATION IS RELIABLE  
WHEN IT'S PROVIDED BY  
THEIR EMPLOYER<sup>2</sup>

65%

THE GOVERNMENT SHOULD  
FORCE CORPORATIONS TO  
BE MORE INCLUSIVE, FAIRER  
AND MORE SUSTAINABLE

References: 1. [Canadian Centre for the Purpose of the Corporation, 2020](#) | 2. [2022 Edelman Trust Barometer](#)

# ECOSYSTEM

---



## 02

**CORO STRANDBERG, B4PN FOUNDING MEMBER  
BUSINESS FOR PURPOSE THOUGHT LEADER**

“Shifting to social purpose requires a transformation process that is not easy to accomplish. In addition to defining a social purpose, those who lead such a transformation must change their paradigms or perspectives (view of the world), so that they can understand both the changed purpose and the reasons for it.”

– [5 Ways Companies Can Transform to Social Purpose](#)

***The Canadian Business for Purpose Report represents an analysis of developments from November 2020 to March 2022.***

***Strategic clarity work resulted in a multi-stakeholder framework, and clarified purpose and intent.***

Above: Coro Strandberg

# BACKGROUND

The Strauss–Howe generational theory places us in a ‘fourth turning.’ Millennials and Generation Z employees are bringing the values of their generation to the workplace, and radical changes to governance, employee engagement, the nature of collaboration, and approaches to social and environmental issues are sure to follow.

Capitalism is also in a state of turning and the B4PN is a change intermediary, working toward systems-level transformation through active engagement across all sectors and working on the cutting-edge of the business for purpose movement.

Since the early 2000s, there’s been considerable activity dedicated to increasing the innovation capabilities of individuals, community organizations, public institutions, and companies. However, Canadian corporate social innovation remained land-locked in an increasingly dated concept of corporate social responsibility, so in 2018, with the support of the McConnell Foundation, MaRS launched the Business for Purpose Network (B4PN) to help re-centre Canadian businesses on purpose.

MaRS puts collective impact first and approaches challenges by convening and mobilizing an ecosystem; a value referred to as “We Before Me”. In the case of B4PN, the “we” is a launchpad of 21 founding members representing 19 partner organizations. They initiated an intense exploration period and evolved a clear strategy. There’s no doubt that 2022 marks an inflection point – there’s significant empirical evidence that C-suite leaders are promoting purpose as a business imperative and spurring on an era of societal purpose in business.

In 2019, two changes put the social purpose of business front and center. At home, the [Canada Business Corporations Act](#) (R.S., 1985) was amended, extending the concept of the duty of

care of directors and officers to include employees, pensioners, and consumers, and introducing a dedicated subsection on the environment. At the same time, prompted by 181 CEOs from some of the world’s largest companies, the Business Roundtable (BRT) revised the [Statement on the Purpose of the Corporation](#) to set “a modern standard for corporate responsibility.”

The British Academy’s four-year global research program was also examining how business needs to change. Their work sets out profound implications for business in the realms of technological change, corporate purpose, trustworthiness, and culture. All of the reports are now available online, including the final report, [Policy and Practice for Purposeful Business](#), which maps a range of pathways for collective action and encourages us all to engage in the future:

### *What can you do?*

All parts of society have a role to play in achieving this as customers, communities, employees, academics, educators, teachers, journalists, public figures and individuals from every walk of life and every part of the world. It is in the power of all of us to effect the change that is needed and enhance still further the remarkable contribution that business has made to our lives to date. An agenda for change needs leadership, but in a world of great transparency and growing complexity, every voice matters. We are all part of the business ecosystem and we can all use the influence we have to put purpose at the heart of business in the 21st century. – Colin Mayer

The B4PN is a way to approach the future of this work both expansively and incrementally. The approach is expansive because transformation calls on us to think systemically and mindfully about impacts. However, progress is incremental and partnerships are fundamental to making positive, enduring change.

The transformation to an emphasis on the societal purpose of business depends on purpose-driven CEOs, but it also requires prosocial shareholders and stakeholders who are relentless in their call for change. Moreover, visionary philanthropic and government commitments are needed to create synergy and produce outcomes that will enable the conditions for transformation at the personal, organizational, and societal levels.

Thanks to the dedication of founding members and McConnell Foundation support, there has been real progress on a systemic approach to business for purpose in Canada. Autonomous partners delivered on the five priority projects, marking the launch of the B4PN as a backbone for business transformation in Canada. The partners' projects (page 10) also acted as action teams to test the B4PN framework, running a functional beta of the approach.

## STRATEGY

The B4PN strategic clarity working group convened for a series of planning sessions and based on their bold assessment of change set the following B4PN goal for 2030:

By 2030, 25% of Canadian businesses are adopting, disclosing and authentically embedding a societal purpose across their operations and relationships, and collaborating with others to achieve it.

They identified 11 key stakeholder communities, including investors, funders, business leaders, and intermediaries, and determined five strategic focus areas (SFA) to advance a B4PN ecosystem:

1. Create an enabling environment
2. Support societal purpose champions
3. Accelerate direct adoption of societal purpose by business

4. Conduct research and education
5. Mobilize resources, including social finance, to advance this work

Strategic clarity primes the B4PN to “catalyze, connect, and amplify” social purpose for business. To guide this work, the working group set out the following tenets:

Represent an ecosystem of cross-sectoral players committed to advancing business as a force for good.

Bring together changemakers across sectors, enhancing capacity as players move from noble intention to purposeful action – from the why to the how.

Believe that everyone has a role, and we start by encouraging businesses to discover their purpose beyond profit and integrate it across their organization and relationships.

Critically examine all work through the lens of diversity, equity and inclusion.

The strategic clarity represents the dedication, expertise, and engagement of working group members Tim Draimin, Ken Gauthier, Allyson Hewitt, Marek Nakonieczny, Michael Smith, Coro Strandberg, and Julia Zeeman. Sessions were facilitated by Lynn Fergusson of Social Impact Advisors.

Coro Strandberg's expertise in leadership and transformation guided much of the work, and the B4PN has benefited from her insights, networks, diligence, and unwavering commitment to business for purpose.\*

The significance of the working group's contribution cannot be understated. The B4PN framework supports a call to action for changemakers, champions, advocates, and allies to align on a discernible goal.

\* For related resources see <https://corostrandberg.com/>

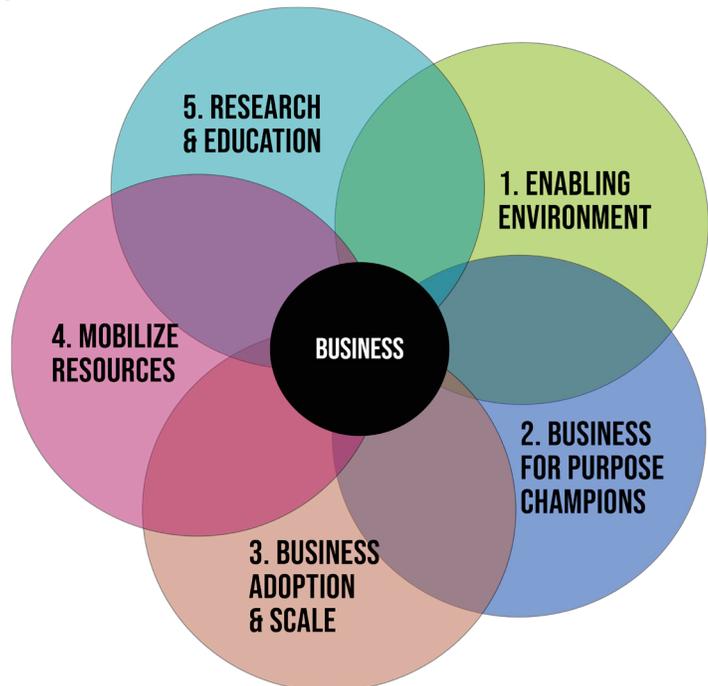
# FRAMEWORK

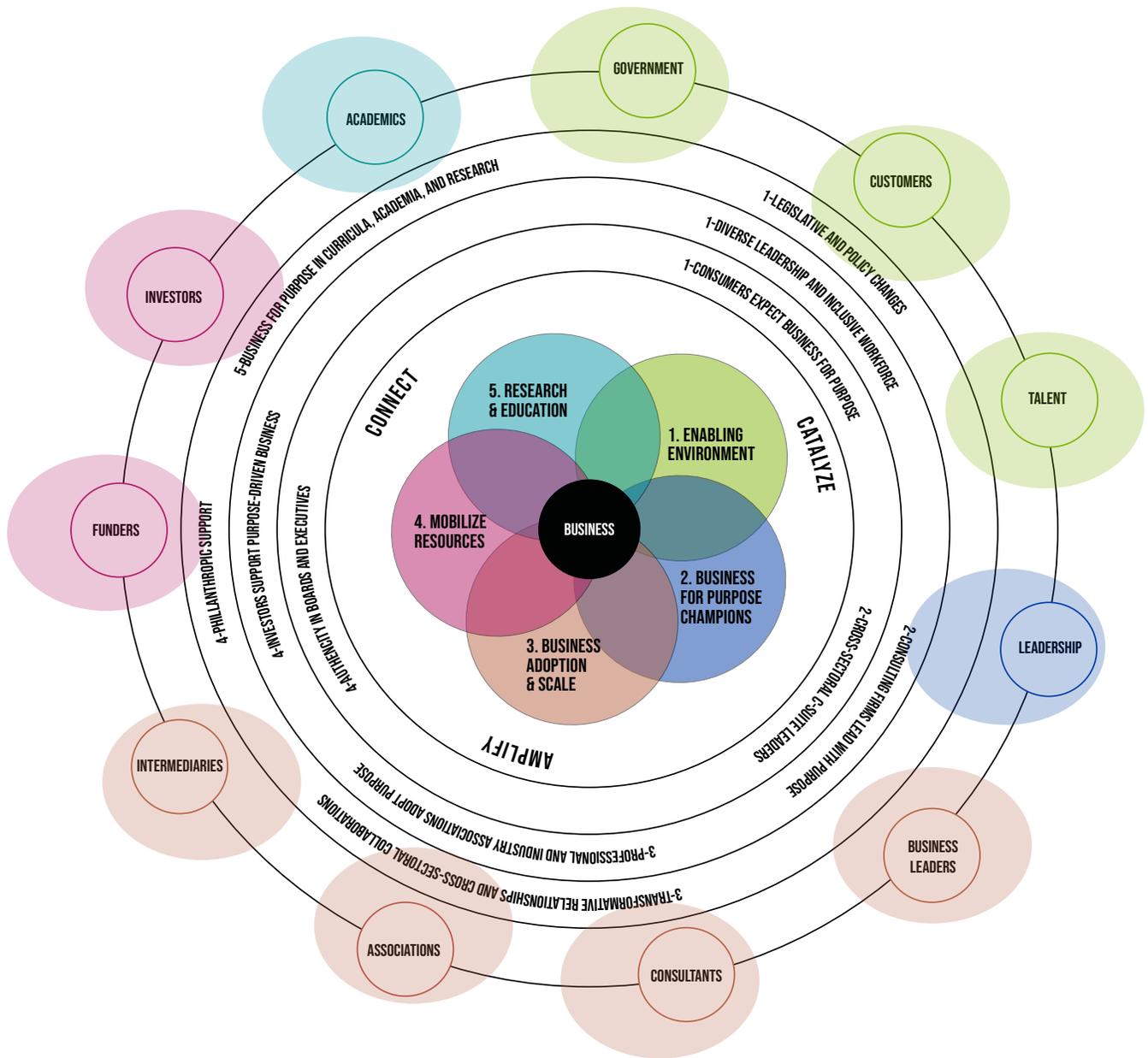
The business of transformation requires a wide lens on the broader context. Rather than simply viewing aspects of the societal purpose of business through a series of narrow lenses, the working group developed a responsive framework inclusive of stakeholder groups, establishing focus areas and objectives, and setting out tenets and governance. Aspects of the strategy can be shifted to change the relationship to other levels, like a spinner wheel (page 16). Therefore, the resilient nature of the framework embraces complexity, setting reasonable boundaries while providing the flexibility needed to reset their orientation or zoom in on areas for ideation, intervention, and innovation.

Business is at the centre of the B4PN framework, and each focus area represents complex, interdependent relationships between companies and multi-sectoral stakeholders. A constellation governance structure holds space for the self-forming and autonomous ‘action teams’. The action teams address defined issues and move forward on opportunities to achieve the objectives that stakeholders have identified as critical and necessary.

The framework is designed as an engine to generate synergy between action teams – from an ad hoc group addressing an urgent problem to a long-range program by a large organization – and the stakeholder relationships interweave across the focus areas. Therefore, the B4PN provides a critical dock for the breadth of related but independent initiatives and facilitates the relationships that enhance their capacity to catalyze, connect, and amplify.

Action teams focus specifically on their stakeholder group. In support, the secretariat is responsible for identifying and disseminating related education and tools. Initiatives might be focused around the business sector in a particular geography or led by an industry or a professional association.

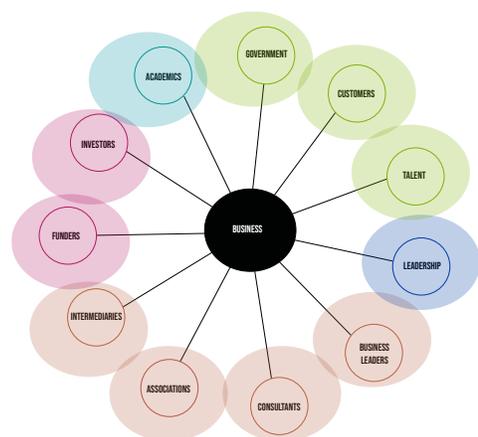




## THE B4PN FRAMEWORK

Right: Business is at the center of the wheel and connected to stakeholder groups.

Above: The ‘petals’ are the five strategic focus areas surrounded by related imperatives, “catalyze, connect, and amplify”. Three layers contain current objectives, organized according to their intended impact on people, organizations, and systems. The outer circle represents stakeholder groups, set out according to their primary relationship to a strategic focus area. The wheel can shift, and content can be altered to reflect ecosystem changes and support complexity.



# LEADERSHIP



## 03

### MARK CARNEY, CANADIAN ECONOMIST

Carney, who served as the governor of the Bank of Canada and the Bank of England, published Value(s) in 2021. “There is now a general recognition of the need for an alignment of stakeholder value, or said a different way, of purposeful companies.”

– Jakob von Baeyer, 07-2021. Strategy+Business. [Mark Carney on a values-led economy.](#)

*Corporate purpose as a foundation for stakeholder capitalism.*

*Empathetic leadership is publicly supported, but requires a plan beyond the C-suite.*

*Purpose-based targets emerged as a performance metric in some executive compensation packages.*

Above: Mark Carney’s book *Values: Building a Better World for All*

# STAKEHOLDER CAPITALISM

When Klaus Schwab introduced the term stakeholder capitalism in 1971, he described as a “constellation of stakeholders.” However, shareholder primacy held as the dominant ideology from the late 1990s to the early 2000s.

Changes were made to the *Canada Business Corporations Act* in June 2019 to expressly recognize stakeholder interests. In August 2019 changes to the Business Roundtable (BRT) Statement on the Purpose of the Corporation made public the CEOs’ commitment to lead their companies to benefit all stakeholders – including shareholders, customers, employees, and communities.

BlackRock Chairman & CEO Larry Fink is a signatory to the 2019 BRT Statement. His annual Letter to CEOs serves as counsel from the world’s largest asset management company (BlackRock’s total assets under management are USD9.46 trillion). He concluded his [2022 Letter to CEOs](#), saying:

It is more important than ever that your company and its management be guided by its purpose. If you stay true to your company’s purpose and focus on the long term, while adapting to this new world around us, you will deliver durable returns for shareholders and help realize the power of capitalism for all.

– Larry Fink

As far back as the [2018 Letter to CEOs](#), Fink’s dispatch centred on purpose when he wrote, “Society is demanding that companies, both public and private, serve a social purpose.”

Nonetheless, in 2021 BlackRock received media attention when the board blocked a shareholders’ request to prepare a report based on a review of the BRT Statement and how BlackRock is meeting the BRT commitments. The board contended that “there is virtually no difference between principles espoused in the BRT Statement and those to which BlackRock already adheres,” says [Paul Verney](#).

The situation wasn’t exclusive to BlackRock – it ran throughout the annual meetings of many BRT Statement signatories, raising scepticism about the verity of these pledges and demonstrating the need to move from words to action in the movement to advance stakeholder capitalism.

Authors Michael O’Leary and Warren Valdmanis\* make a solid case for corporate social purpose in their 2020 book, [Accountable: The rise of citizen capitalism](#). They champion the move toward a new type of capitalism and businesses turning toward the greater good; however, they also express concerns about companies that don’t follow through on their promises.

BRT CEO, Joshua Bolten is confident that the trend toward stakeholder capitalism will continue, “the benefits of capitalism actually extend to all of society, and when corporations operate within that capitalist society, they do best. They flourish. They support their shareholders best by supporting all of their stakeholders.”

There is also public support for the change. B4PN founding partner, [Canadian Centre for the Purpose of the Corporation](#) (CCPC) found that 72% of Canadians feel that capitalism should be reformed or wholly replaced and 65% believe that the government should force corporations to follow the stakeholder definition.

Klaus Schwab introduced his book, [Stakeholder Capitalism](#), at Davos in 2021, giving a platform to the question, “What role can stakeholder

\* O’Leary and Valdmanis are the investors who helped launch Bain Capital’s social impact fund.

capitalism play in the pursuit of a more sustainable, resilient and inclusive global economy?”

Rethinking capitalism means changing how we think about business. Stakeholder capitalism starts with purpose, so organisations must begin by establishing their corporation’s purpose. While thought leaders such as Fink and Schwab have successfully amplified the call for purpose, the definition and implementation of societal purpose can still be elusive.

There is alignment on the purpose imperative across scholars and practitioners. In their landmark HBR article, [Creating Shared Value](#), Porter and Kramer set the tone for the contemporary concept of corporate purpose:

The purpose of the corporation must be redefined as creating shared value, not just profit per se. This will drive the next wave of innovation and productivity growth in the global economy. It will also reshape capitalism and its relationship to society, and legitimize business again as a powerful force for positive change.

– Porter & Kramer

As Academic Lead for the [British Academy’s Future of the Corporation](#), Oxford University Professor Colin Mayer draws on four years of research to define the contemporary purpose of business as:

Producing profitable solutions from the problems of people and planet, and not profiting from creating problems.

– Colin Mayer

Carol Cone, a pioneer in social purpose and social impact expert, provides a [glossary of terms](#) for responsible business professionals, including purpose as:

An organization’s aspirational reason for being, beyond profits — grounded in humanity. – Carole Cone

[United Way Social Purpose Institute](#), which provides programs and resources for stakeholders and business, offers this definition:

A social purpose business is a company whose enduring reason for being is to create a better world. It is an engine for good, creating social benefits by the very act of conducting business. Its growth is a positive force in society.

– Social Purpose Institute

[Globeone](#), an international consultancy that helps corporations transform their brands and businesses in line with their purpose, offers a pragmatic definition:

A purpose describes why an organization exists. It defines what it stands for and to what extent it can make a sustainable positive contribution to the value-creating coexistence of business, society and the environment.

– Globeone

In their HBR article, [An ESG Reckoning is Coming](#), O’Leary and Valdmanis suggest three ways to align the work of corporations with creating a more sustainable, inclusive, and prosperous economy:

1. Companies should be required to publicly report on their social and environmental impact with clear, standardized and easy-to-understand metrics.
2. We all need to hold companies accountable.
3. Companies who are serious about becoming more sustainable, inclusive and socially responsible should consider putting their purpose into their charter and becoming benefit corporations.

# CORPORATE FORMS

O’Leary and Valdmanis’ recommendation to become a benefit company is a policy progression unfolding to varying degrees and with different timelines worldwide.

The UK government established Community Interest Companies (CIC), an asset-locked form, in 2005. The Office of the Regulator of CICs annual report 2020 to 2021 reports 23,887 registered CICs.

In the US, where corporate legislation is enacted state-by-state, Maryland has included benefit corporations in its statutes since 2010, and there are approximately 40 states with benefit company legislation. [How to Switch to being a benefit corporation](#), prepared by Faegre Drinker Biddle & Reath LLP, answers some of the most common questions about US benefit corporations.

In Canada, the policy is developing, with only two provinces advancing legislation. British Columbia made changes to the *Business Corporations Act* with the addition of Community Contribution Companies in 2013 and Benefit Companies in 2020. Nova Scotia introduced the *Community Interest Companies Act* in 2016.

B4PN partner, the [David Suzuki Foundation](#), commissioned Iseoluwa Akintunde and Richard Janda to prepare *Bringing Corporate Purpose into the Mainstream: Directions for Canadian Law* as part of the research effort to mainstream corporate purpose and identify policy directions for the federal government. The paper provides comparative analysis of common and civil law developments in the UK, France, and Germany.

The UK broke ground on corporate policy and initiated the enabling ecosystem for social enterprise to flourish almost 20 years ago. In his [Financial Times Opinion](#) article, Ed Miliband

(former Leader of the UK Labour Party) encourages model articles of incorporation and reformulating directors’ duties in the *Companies Act*. He also recognizes the urgent need for a regulatory system that works for all stakeholders and investment in infrastructure and skills to raise productivity.

In 2019, France passed the *PACTE Act no. 2019-486*, (LOI n° 2019-486), which includes an obligation to consider the social and environmental dimensions of a business, the introduction of the corporate *raison d’être*, and a new form of corporation, the *société à mission*.

Akintunde and Janda also highlight the [Globeone Purpose Readiness Study](#), which found that 80% of DAX companies (Deutsche Boerse AG German Stock Index) have a defined purpose statement. The companies with a defined purpose statement in the Globeone 2021 survey include Adidas, Bayer, Deutsche Bank, Henkel, Mercedes Benz, Merck, and Siemens. The authors suggest that German laws and regulations might incentivize a movement towards purpose.

Akintunde and Janda offer six recommendations for Canada, which closely align with Miliband’s point of view:

1. A new mandatory statement of purpose.
2. A comply or explain related to their approach to stating a social purpose.
3. An amendment to the fiduciary duty of directors and officers.
4. An expanded definition of the best interests of the corporation.
5. A default statement of purpose.
6. An annual statement concerning how companies have performed.

Their recommendations represent an effective way to build purpose into Canadian business. The recommendations are expansive and encourage systemic approaches while acknowledging that incrementalism is often required for transformation.

## LEADERSHIP VALUES

*I believe, over time, your employees most value a CEO whose values are clear and strong and who does not depress those values if there is a business issue.*

– Heather Reisman  
 Founder & CEO, Indigo Books



## THE C-SUITE

Whereas a transition to purpose-led companies depends on prosocial shareholders and stakeholders who are relentless in their call for change – visionary CEOs are the catalysts. The C-suite is a platform for purpose that executives can leverage to influence behaviour, manage complexity, and foster innovation.

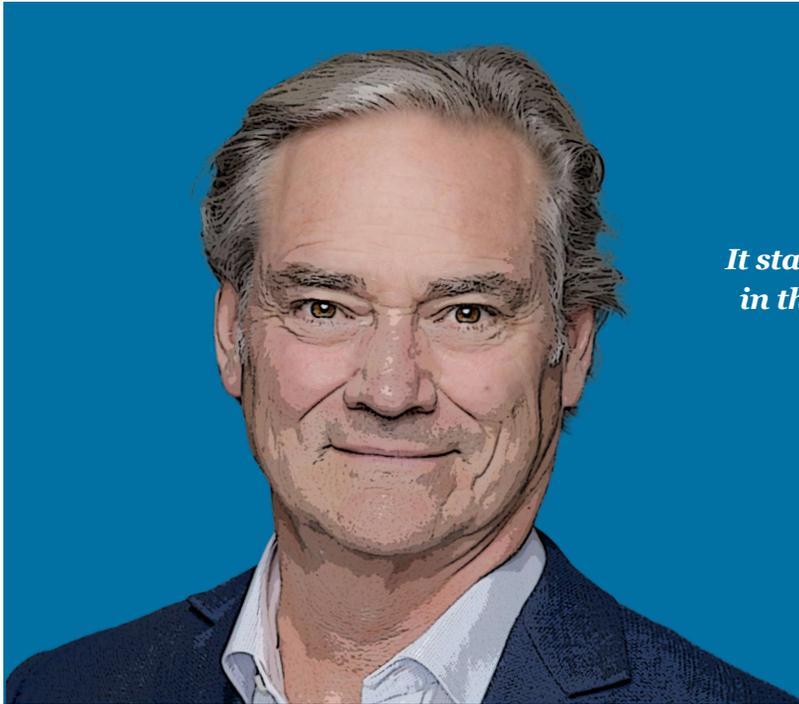
Salesforce CEO Marc Benioff is an advocate for stakeholder capitalism, and his message for other CEOs is that it is their duty to use that power for good. He spoke with tech journalist Kara Swisher at the [Code 2021 conference](#) about trust as Salesforce's highest value

You know, we're in a crisis of trust worldwide, there's many dimensions, you know, it's the pandemic. It's equality. It's the digital revolution. It's the climate. And this kind of crisis of trust is out there. And we need to decide what side of the equation we are on.  
 – Marc Benioff

He described a conversation with Vladimir Tenev, CEO of Robinhood, about values:

What if you made safety your highest value? What are the five or ten things you could do to make your system safe? How would you code it? How would you create it? How would you operate it? – Marc Benioff

Benioff, renowned for being outspoken on issues, relies on the trust the public has in Salesforce to stake out positions that would have at one time been considered incendiary to a company's public image. He has regularly spoken out against social media companies, including Facebook, for failing to address misinformation on their platforms. In September 2021, he weighed in on the controversial ban on abortions in Texas, sending a message to his staff in the state that the company would help them relocate. During his March 2022 fourth-quarter earnings meeting, he addressed Russia's war in Ukraine, sharing that his great-



## SHARED VALUES

*It starts with a belief system. That we are in this for shared value, not shareholder value.*

*– Michael McCain  
CEO, Maple Leaf Foods*

grandfather immigrated from Kyiv and saying, “My heart is really breaking at the senseless pain and suffering.”\*

Empathetic leadership is a sign of the times –and Canadian CEOs are exemplars. Heather Reisman, CEO of Indigo Books, has spoken out on issues beyond her company’s talking points – as early as 2010, Reisman launched a petition to stop the stoning death of Sakineh Mohammadi Ashtiani, a woman convicted of adultery in Iran.

In a [CBC interview](#) this year, Reisman said:

It’s [riskier] when you make a statement that could ... cause some customers to say, well, we don’t like that position or even some employees. I believe, over time, your employees most value a CEO whose values are clear and strong and who does not depress those values if there is a business issue.

– Heather Reisman

The [2022 Edelman Trust Barometer: Trust in Canada](#) report affirms Reisman’s experience. While trust in other institutions has gone down, 68% of Canadians believe information when their employer provides it, and 78% feel that CEOs should be personally visible on issues and represent the company’s benefit to society.

Michael McCain, the CEO of Maple Leaf Foods, is a business leader who takes positions on business and society. In 2020, he took a public and emotional stand, using the [company’s Twitter account](#) to hold “U.S. government leaders unconstrained by checks/balances” accountable for putting in motion the events that led to an Iranian missile that brought down a plane carrying a colleague’s wife and their 11-year-old son.\*\*

Today, McCain’s leadership is influencing the norms of the C-suite; however, in 2008 Maple Leaf Foods was at the centre of human tragedy when

\* Rex Crum, March 01, 2022. *Seeking Alpha*. [Salesforce’s Marc Benioff addresses Ukraine ‘tragedies’ along with company’s earnings results.](#)

\*\* Michelle Toh & Joshua Berlinger, January 13, 2020. *CNN News*. [Canadian CEO says the United States shares blame for Iran plane crash.](#)

23 people died from meat processed at a plant where some products tested positive for listeria. Interviewed by [Tony Chapman](#) in May 2021, McCain is direct, describing it as “a tragedy in our company’s history – and first and foremost for the victims.” McCain leads his company based on the principles of shared value:

It starts with a belief system. That we are in this for shared value, not shareholder value. And there’s an important distinction – shared value recognizes that there are many stakeholders in this business, shareholders are one of them – and an important one. We do care and will care for the enduring value creation of shareholders, like all stakeholders, but the belief system around shared value explicitly rejects the primacy of shareholder value and says our job, and our future, is based on a balanced view of all the stakeholders and our ability to create enduring value for all of those stakeholders in balance, including the environment and protecting the resources that we’ve been entrusted to in our lives. – Michael McCain

There is good public support for the leadership exhibited by Reisman and McCain. [CCPC](#) found that 84% of respondents felt that businesses should put the interest of other stakeholders on par with the interests of shareholders.

*Caveat emptor*, purpose leadership is a complex business. In addition to being the first publicly-listed société à mission under French law, Danone Canada is a Certified B Corporation. Danone is also a component stock of leading sustainability indexes and aligns with nine 2030 Sustainable Development Goals, and former CEO & Chairman Emmanuel Faber is a recognized champion for purpose-led business. Therefore, it sent a shock wave when he stepped down in response to shareholder activist demands. The business media was rife with speculation. Journalist Tasha Kheiriddin, who is also a VP at CCPC, immediately responded with a [LaPresse](#) article, stating:

Stakeholder capitalism is alive and well. Good news, because despite its flaws, capitalism remains the most effective way to lift people out of extreme poverty. In a world of growing inequality, the survival of capitalism – and its evolution – is more essential than ever.  
– Tasha Kheiriddin

In the two-part Forbes article, [Sustainability And The Downfall Of Danone CEO Faber](#), Frank Van Gansbeke considers whether “a more purpose-driven market environment could have saved CEO Faber?” He acknowledges a tipping point between speculative capitalism and flourishing and raises a fundamental question about how to create a purpose-driven market that protects leadership from short-term thinking. Van Gansbeke offers concrete thoughts on loyalty shares, poison pills, equity calculations, and activist strategies and refers to research on corporate short-terminism by FCLTGlobal. Using a systematic measurement of long- and short-terminism, [FCLTGlobal](#) found that “companies classified as ‘long term’ outperform their shorter-term peers on a range of key economic and financial metrics.” Van Gansbeke believes, “it would make any activist shareholder think twice before taking on any market player who is taking the lead in carbon adjusted and regenerative impact practices on behalf of society.”

The case of Faber raises a second question, “What principles can companies embrace to ensure the purpose of the company outlasts the CEO?” Danone’s emergence as a purpose-driven, ESG-leading, multinational corporation requires a plan beyond the C-suite.

In their HBR article, [The Myth of the CEO Hero](#), Mary Johnstone-Louis and Charmian Love state, “Anyone who leads, works for, buys from, or invests in a business that has made a commitment to purpose should be watching what’s unfolding at Danone closely, and through a systems-change lens.” They posit that no one can deliver systems change alone and offer guidance on four systems

change principles: align interests, empower directors, change the default, and reflect with reporting. In organizational dynamics, the status quo is deeply embedded; therefore, purpose requires systems-change approaches to reduce the potential for retrenchment.

## AUTHENTICITY

“It’s never too late to refine your purpose,” says Global VSP CEO Wendy Hauteman, “We hit an inflection point.” (Mainwaring, 2021) VSP Global turned 65 years old in 2021. It moved from the business-like goal of providing access to high-quality, affordable eye care to a higher corporate purpose, “to empower human potential through sight.”\* As inspirational as it sounds, operationalizing “human potential” brings a depth of responsibility and level of complexity that might be unfamiliar to business leaders. As purpose settles into the C-suite, expectations and executive compensation increasingly turn to social impacts and recognizable brands have announced performance metrics that demonstrate authenticity. (Table 1)

\* Simon Mainwaring, April 26, 2021. *Forbes*. [Purpose at Work: Lessons from VSP Global on how to lead with purpose.](#)

Deloitte surveyed C-suite leaders in response to the need to examine business practices that demonstrate a purpose beyond profit for the report, [C-suite insights: How purpose delivers value](#). The report confirms that an authentic approach to purpose is a strategic imperative. It also highlights the need for new C-suite roles as integral to a purpose-driven business. According to Deloitte, the Chief Purpose Officer (CPO) role adds a unique perspective to the C-suite. Fran Katsoudas, Cisco’s Chief People, Policy & Purpose Officer, exemplifies the CPO’s point-of-view with her advice to C-suite leaders:

There’s no one right way to drive purpose. Every company has an amazing opportunity in front of it to identify their own purpose, lean into experimentation, and build their own purpose playbook. – Fran Katsoudas

However, the CPO is a nascent role and there is little in the way of data. Reports on the Chief Sustainability Officer (CSO) offers some relevant analysis. [The Weinreb Group](#) identifies only 95 publicly traded US companies with CSOs – most appointed as recently as 2020.

**TABLE 1: 2021 TRENDS IN PERFORMANCE METRICS**

|  |   |  |
|--|---|--|
| <p><a href="#">McDonald’s introduced</a> “quantitative metrics related to human capital management into annual incentive compensation awards for its CEO and Executive Vice Presidents.” The board-endorsed 2025 targets are: at least 35% of its senior-director and higher leadership roles be held by minorities, women represent</p> | <p>at least 45% of its top ranks and total gender parity for leadership positions by the end of 2030.</p> <p><a href="#">Nike CEO John Donahoe</a> viewed 2020 as “a true inflection point.” He announced that executives’ pay would be linked to targets on diversity and the environment going forward.</p> | <p><a href="#">Starbucks CEO, Kevin Johnson,</a> announced a series of steps to prioritize diversity and inclusion in his letter to employees. Regarding executive compensation, he said, “We will hold ourselves accountable at the highest levels of the organization, connecting the building of inclusive and diverse teams to our executive compensation program, effective immediately.”</p> |
|--|---|--|

Deloitte's [The Future of the Chief Sustainability Officer](#) is a joint effort with The Institute of International Finance. The global survey examines the role through the experience of 80 sustainability professionals:

One of our central findings is that the firms which have appointed a CSO (and given them strong executive support as well as a broad, strategic mandate) see benefits from having at the top of their organizations a “sense-maker in chief. – Deloitte

Korn Ferry's [The Rise of the Chief Sustainability Officer](#) reflects interviews with 50 CEOs and CSOs who identified governance as critical but hold that metrics provide the structure for operationalizing sustainability. The report concludes that the role of the CSO creates authenticity in the internal sustainability ecosystem – which must include the CEO – and supports linking executive compensation to corporate purpose.

In an interview for The Irish Times, the author of the Korn Ferry report, Andrew Lowe, says, “Sustainability leadership is entering a new phase and 2020, and the pandemic will be seen as the tipping point for when sustainability became a business imperative.” \* Lowe's identification of the “tipping point” is amplified throughout the corporate purpose literature. In a [McKinsey Live webinar](#), former Senior Partner Bruce Simpson said:

We were at a tipping point, I think it started in 2020, but it is definitely a long term trend, where the expectations of what businesses are doing as their core business purpose, what their shareholders and other stakeholders need, really are combined.”

– Bruce Simpson

Simpson's [McKinsey interview](#) with Hubert Joly, former Chairman & CEO of Best Buy, reflects the challenges and opportunities inherent in mobilizing stakeholders to pursue what Joly has called “noble purpose.”

It is past time that we as leaders acknowledge that our role has changed in three fundamental ways. One, it is no longer simply about maximizing shareholder value; it is about making a positive difference in the world. Two, the job of leaders is to maximize performance not by choosing among stakeholders but by embracing, mobilizing, and serving all of them in line with a noble purpose and refusing zero-sum games along the way. Three, the purposeful human organization cannot flourish with the traditional top-down model of the powerful and infallible hero-leader driven by power, fame, glory, or money. What is required now is a leadership approach that puts purpose and people at the heart of business.

– Herbert Joly

Joly subsequently published the HBR article [How to Lead in the Stakeholder Era](#), calling on leaders to move beyond profits and offering advice on how to get there. His recommendations include:

- Fostering caring and authentic relationships.
- Putting purpose and people at the centre (especially when things get tough).
- Contributing to the common good by making a positive difference in people's lives.
- Making the connection between the company's noble purpose and personal purpose.

\* Olive Koegh, February 26, 2021. *The Irish Times*. [Why the sudden scramble to add sustainability to the C-suite?](#)



## **AUTHENTIC LEADERSHIP**

*Surround yourself with people who can give you context and understanding, because it's important to spend a lot of time listening and understanding what that experience is.*

*– Claudette McGowan  
Global Executive Officer,  
Protect Fusion  
& Cyber Experience, TD*

## **DIVERSITY**

Progress on policies and practices to clear systemic barriers have become fundamental to executive performance metrics at companies such as McDonald's, Nike, and Starbucks. (Table 1) Therefore, corporations are re-situating diversity, equity, and inclusion from human resources and corporate values to the societal purpose of their business.

In 2021, a network of Canadian executives came together to leverage their institutional influence to address systemic racism. They established the Coalition of Innovation Leaders Against Racism (CILAR), a cross-sectoral initiative dedicated to increasing access and opportunity for BIPOC men and women in the innovation economy.

MaRS CEO and CILAR Co-Founder Yung Wu made a business case for diversity in [Wired](#) *Different: Canada's diversity is paying dividends:*

Research has shown that teams with cultural and gender diversity break out of thought bubbles and make better decisions for it.

Diversity sparks creativity. – Yung Wu

Armughan Ahmad, President, KPMG Digital, and CILAR Co-Founder, views eliminating racism as core to leadership and corporate purpose:

It is incumbent on every one of us to understand the existing barriers and commit to doing our part to eradicate racism in all its forms. – Armughan Ahmad

The business case and call to action resonate with CILAR's membership.\* Corporations represented include Canada Salesforce, Deloitte Canada, Google Canada, Walmart Canada, the City of Toronto, and the University of Waterloo.

CILAR Co-Founder and Chair Claudette McGowan is a longstanding champion of diversity in the Canadian tech ecosystem. Her advice is to work authentically to increase corporate diversity – and to ask:

\* CILAR membership is 41 executives as of July 2022. <https://www.cilar.ca/community>

## REMEMBERING GEORGE FLOYD, AHMAUD ARBERY, AND BREONNA TAYLOR

*These events sparked a deeper discussion among us, and soul searching within us, on racism, inequality and the failures in how society has been built.*

– Heather Mak  
Co-founder, Diversity in Sustainability



Who are you spending your time with?  
Surround yourself with people who can give you context and understanding because it's important to spend a lot of time listening and understanding what that experience is.  
– Claudette McGowan

For Sustainability in Diversity Co-Founders, the murders of George Floyd, Ahmaud Arbery, and Breonna Taylor were a call to action:

These events sparked a deeper discussion among us, and soul searching within us, on racism, inequality and the failures in how society has been built. – Heather Mak

Their 2021 report, [The State of Equity, Diversity and Inclusion in Sustainability](#), illuminates several critical findings for companies to consider, notably:

Black and South Asian practitioners, and those from materially poor and working-class backgrounds, feel left behind in the profession, while neurodiverse and disabled sustainability

practitioners do not feel psychologically safe within our organizations.

– Diversity in Sustainability

The Government of Canada's [50 – 30 Challenge](#) is a framework to accelerate diversity actions that has been joined by over 1,600 organizations. The Challenge co-creators, ask all organizations to adopt two goals:

1. Gender parity (“50%” women and/or non-binary people) on Canadian board(s) and/or senior management; and
2. Significant representation (“30%”) on Canadian board(s) and senior management of other equity-deserving groups: Racialized, Black, and/or People of Colour (“Visible Minorities”), People with disabilities (including invisible and episodic disabilities), 2SLGBTQ+ and/or gender and sexually diverse individuals. The program and participants recognize First Nation Peoples, Métis Nation, and Inuit as founding Peoples of Canada and underrepresented in positions of economic influence and leadership.

# MINDSET

---



## 04

### CHIEF & CEO TERRY PAUL, MEMBERTOU FIRST NATION

“And as we all know, fishing is a traditional activity, and it’s an honor practice by the Mi’kmaq. I read somewhere about the explorer, Nicholas Denys, indicating his relationship with the Mi’kmaq, and he noted that we spent 90% of our time on the water. So fishing has been a very, very important part of my life and culture. Now we are able to move forward with these economic vendors from an industry that we know and we respect.”

– [Public Policy Forum, February 2021](#)

*The COVID-19 pandemic changed every aspect of life – and made digital technology an everyday reality.*

*New economic thinking is vital for progress on human and environmental targets.*

*A landmark fishing industry deal is made through Indigenous partnership.*

Above: Chief Sharleen Gale, The Honourable Jonathan Wilkinson, and Chief Corrina Leween

# FOURTH INDUSTRIAL REVOLUTION

When Klaus Schwab announced the Fourth Industrial Revolution (4IR) at the [2015 World Economic Forum](#), he declared, “The possibilities of billions of people connected by mobile devices, with unprecedented processing power, storage capacity, and access to knowledge, are unlimited.”

Then the COVID-19 pandemic changed every aspect of life – family, work, school, and friends – and made digital technology an everyday reality. Consider Zoom, which grew from about 10 million daily meeting participants in December 2019 to 350 million daily meeting participants in December 2020.\* Throughout the pandemic, Zoom CEO Eric Yuan has stressed that it is time to care for communities and connect people with their loved ones. Zoom’s Head of Social Impact, Roxana Shirkhoda said, “I think that sense of purpose and seeing the deep impact of our work and our platform on hundreds of millions of people around the world really helped folks push through.”\*\* Zoom’s ability to meet the vital needs of people during the pandemic underscores the critical role of digital technology to connect people and advances the idea that technology’s greatest purpose is human wellbeing.

Throughout the pandemic, technology companies have stepped up with purpose-driven solutions. Drones have demonstrated considerable potential, especially in health systems looking for ways to deliver vaccines and other medical products safely. [Zipline](#), a US medical delivery company,

was founded in 2014 with a striking purpose – to create the first logistics system that serves all humans equally. In 2021, Zipline collaborated with Pfizer and BioNTech to develop an end-to-end autonomous vaccine delivery system in Ghana that starts at the manufacturing facility in Europe and ends with the last-mile delivery to vaccine providers in Ghana.

Without a doubt, the pandemic demanded an accelerated rate of innovation, and justifiably, the most striking is the pharma industry’s development of vaccines. According to the [2022 Edelman Trust Barometer Special Report: Trust and Health](#) pharma had the highest increase in trust globally – and was the industry with the most significant increase in trust in Canada. Suddenly, the industry, traditionally viewed with suspicion, began to be perceived as a big part of the solution and counted on as a critical part of recovery. However, 2022 saw trust in healthcare fall, and Edelman counsels that the sector must work to strengthen its social contract, including engaging “publicly on key issues facing the larger health ecosystem.”\*\*\*

The McKinsey Insights report, [COVID-19 and Commercial Pharma: Navigating an uneven recovery](#), encourages pharma companies to change how they manage relationships. Physicians surveyed indicated they are less willing to make time for pharma rep in-person visits (28%) and anticipate a reduction in interactions with reps (15%) compared to pre-pandemic. The authors are unequivocal in their conclusion, “One message must be clear: to come out of the crisis stronger, the future must look different than the past.”

There are many facets to the COVID vaccine story, and the pandemic is likely to be an industry disruptor for many years to come. A study on the pharmaceutical industry identifies short- and

\* Mansoor Iqbal, May 4, 2022. *Business of Apps*. [Zoom Revenue and Usage Statistics \(2022\)](#).

\*\* Amrita Khalid, June 15, 2021. *Inc.* [How Zoom’s Core Values Gave Its Team Direction During the Pandemic](#).

\*\*\* Carolyn Paul, March 14, 2022. *Edelman*. [Drafting a new social contract for pharma](#).

long-term impacts, such as regulation changes and industry growth slow-down, precipitating a potential crisis on the pharmaceutical industry and health markets.\*

In fintech, cryptocurrency returns and traded volumes experienced significant growth during the pandemic.\*\* Introduced as bitcoin by Satoshi Nakamoto (a pseudonym), the system is “a purely peer-to-peer version of electronic cash that would allow online payments to be sent directly from one party to another without going through a financial institution.”\*\*\* For some, it represents an egalitarian worldview and liberation from financial systems.

While the blockchain might be built on decentralized principles and transparency, the impact of the mining process on energy consumption and CO2 emissions is consequential. [Cryptodamages: Monetary value estimates of the air pollution and human health impacts of cryptocurrency mining](#) found that “each \$1 of Bitcoin value created was responsible for \$0.49 in health and climate damages in the US and \$0.37 in China.” Put another way, [Alex de Vries](#) concludes that it represents close to half of the current global data centre electricity use while equalling the electricity use of a country like Belgium. Therefore, proponents, policymakers, and regulators need to pay close attention to the environmental impacts of the cryptocurrency mining – and purpose-driven companies will need to balance fintech with net zero strategies. Sustainability initiatives by non-governmental and intergovernmental organizations have helped nudge industries toward reducing greenhouse

gas (GHG) emissions. The [Ericsson 5G factory](#) in Texas, which produces 5G components to boost network capacity, has established a target to be carbon neutral for company operations by 2030.\*\*\* Ericsson SVP Asa Tamsons writes:

... at Ericsson, we believe that digital technology may be the most powerful, scalable tool the world has to tackle climate change. As an accelerator, it has the potential to reduce global emissions up to 15% by 2030, ten times the digital technology industry’s own carbon footprint, which is 1.4% of global emissions.  
– Asa Tamsons

Technology is often represented as replacing people; however, according to [McKinsey](#), companies at the forefront of digitization and automation are creating jobs. Assuredly, work looks different in the future, consisting of new roles that are much more high-tech. Also, the distributed workforce familiar to the technology sector is fast becoming the new normal. While work in the 4IR era demands new skills, it also requires acknowledging change:

The speed of current breakthroughs has no historical precedent. When compared with previous industrial revolutions, the Fourth is evolving at an exponential rather than a linear pace. Moreover, it is disrupting almost every industry in every country. And the breadth and depth of these changes herald the transformation of entire systems of production, management, and governance.  
– Klaus Schwab\*\*\*\*

\* Nayyereh Ayati, Parisa Saiyarsarai & Shekoufeh Nikfar, July 3, 2020. *DARU Journal of Pharmaceutical Sciences*. [Short and long term impacts of COVID-19 on the pharmaceutical sector](#).

\*\* Shaen Corbet, March 2022. *Finance Research Letters*. [Cryptocurrency liquidity and volatility interrelationships during the COVID-19 pandemic](#)

\*\*\* Satoshi Nakamoto, 2008. *Bitcoin.org*. [Bitcoin: A Peer-to-Peer Electronic Cash System](#).

\*\*\*\* In 2021, the World Economic Forum recognized Ericsson’s facility as part of the [Global Lighthouse Network](#).

\*\*\*\*\* Klaus Schwab, January 14, 2016. *World Economic Forum*. [The Fourth Industrial Revolution: what it means, how to respond](#).

# NEW ECONOMIC THINKING

Purpose-led companies exemplify new economic thinking – and the power of transformative relationships to amplify outcomes by working across industries and sectors and making vital connections that foster healthy co-creator networks. B4PN founding member, Canadian Business for Social Responsibility (CBSR), collaborates with Leading Change, the Delphi Group, and GLOBE Series through a model of shared support services to achieve the common goal of a sustainable and socially-just future in a generation.

“We’re two years in, and I think we’ve got a best practice. It makes sense to look at new models of doing the work,” says CBSR Executive Director Leor Rotchild. The constellation has come together “to provide services and platforms that empower business, government and youth to improve performance while accelerating the clean economy.”

The member organizations are mature, founded in the 1990s, and the group represents a mix of sectors: the Delphi Group and GLOBE Series are for-profit businesses, and Certified B Corporations, Leading Change and CBSR are not-for-profits, and CBSR also operates a registered charity, the CBSR Education Foundation. The constellation is evidenced in public-facing information, indicating an interweaving of purpose through governance and operations. The partnership exemplifies the type of transformative

TABLE 2: NEW ECONOMIC THINKING

| CIRCULAR ECONOMY   | INCLUSIVE GROWTH   | DOUGHNUT ECONOMICS   |
|--|--|--|
| <p>The Ellen MacArthur Foundation’s <a href="#">circular economy</a> model centres sustainability on technical and biological cycles, launching the <a href="#">Plastics Pact Network</a> in 2018 in collaboration with the UN Environment Programme. The Canadian Plastics Pact was formed in 2021, and represents more than 40 Canadian partners.</p> <p>The third annual <a href="#">Global Commitment Progress Report</a> demonstrates the commitment of over 500 organizations that have pledged to support full transparency on reshaping the plastics system.</p> | <p>The OECD promotes <a href="#">inclusive growth</a> as “economic growth that creates opportunities for all groups of the population and distributes the dividends of increased prosperity, both in monetary and non-monetary terms, fairly across society.”</p> <p>The <a href="#">Aspen Partnership for an Inclusive Economy</a> features a program of events, including the <a href="#">Global Inclusive Growth Summit</a>, dedicated to rebuilding from the pandemic by addressing global financial and social inequity through inclusive growth.</p> | <p>Kate Raworth’s <a href="#">doughnut economics</a> consists of two outer circles surrounding twelve fundamental aspects of life. The outer ring represents an ecological ceiling, and the inner ring is its social foundation.</p> <p>Since <a href="#">Doughnut Economics: Seven Ways to Think Like a 21st-Century Economist</a> was published in 2017, doughnut economics has become the official policy of several cities, including Amsterdam, Copenhagen, Barcelona, Brussels, and Nanaimo in Canada.</p> |

relationships that are in reach for organizations that share cultural and operational norms. But what happens when an imbalance of power and privilege exists?

Consider Acumen's report, *Corporate-Ready*, which describes the experience of large companies doing business with over 150 social enterprises. Corporations such as Whole Foods, Kellogg's, Walmart, and CVS are working with social enterprises such as Kuli Kuli to introduce sustainable products into their supply chains. Another case study is Microsoft, which supports the success of people with disabilities by working with Acumen investee, Inclusively, a technology-centred employment platform that connects job seekers to employers hiring people with disabilities.

According to Acumen's study, social enterprises are corporate-ready. By working in partnership with corporate customers, they deliver on purpose goals, and although there are some barriers, they are solvable. The report also found that, more than traditional B2B relationships, the partnership between social enterprises and large corporations can create supply chain transparency and advance innovation, resiliency, and sustainability goals.

Sustainability is an urgent issue amplified throughout the pandemic. According to an [Ipsos study](#), 64% of Canadians view the long-term effects of climate change as serious as COVID, and 44% see global warming as the most pressing environmental concern facing the country.

CBSR's report, [Moving to Mandatory: A research paper on sustainable public procurement in Canada](#), describes the pandemic as "an amplifier of pre-existing fundamental challenges and inequalities." According to research conducted by CBSR, governments in Canada have the potential to shape markets through the collective spend of 13.3% of the gross domestic product on the purchase of services, works, and supplies. CBSR concludes that Canada's public sector can (and

should) move away from the low-bid mindset and decentralized, multi-jurisdictional government system through a robust, sustainable procurement policy and accompanying knowledge hubs.

However, sustainable public procurement is lagging in Canada. In his op-ed, [Can public procurement change the world?](#) Rotchild states:

The Canadian public procurement system currently remains overly dominated by low-price awards, and efforts to integrate sustainability criteria into public procurement in Canada have been largely superficial to date. – Leor Rotchild

In a related report, [Buying a Better Future](#), B4PN founding partner, Green Economy Canada documents learnings from a pilot project on sustainable IT procurement practices. The pilot indicates that sustainable public procurement is possible given the right conditions, and outlines eight steps to advance sustainable IT procurement practices. The report highlights the importance of building organizational capacity to quantify GHG impacts, especially in alignment with science-based GHG targets. In his introduction to the report, Sustainability Advantage Founder Bob Willard makes the connection to new economic thinking:

Our linear economy based on take, make, use, and discard is not sustainable. The transition to a circular economy, based on reduce, reuse, repair, repurpose, remanufacture and recycle is crucial to securing a prosperous and sustainable future for generations to come. – Bob Willard

The vision for a circular economy for plastic is a global case study in new economic thinking and transformative relationships. In 2021, more than 40 Canadian partners signed on to the [Canada Plastics Pact](#), joining the Ellen MacArthur Foundation's Plastics Pact Network. B4PN founding member, The Natural Step Canada,

serves as the host organization for the Canada Plastics Pact. The partnership is described by Natural Step's CEO:

Joining together through the CPP is a diverse group of leaders from across Canada's plastics value chain. While I am impressed by their genuine commitment to achieving a zero plastic waste economy, it is their willingness to break down barriers between each other to scale truly innovative solutions that I find most inspiring. – David Hughes

New economic thinking is described in the Demos Helsinki paper [Turning the tide: Landscape analysis of an emergent economic movement in Europe](#) as “a relatively heterogeneous array of thinking and action.” The circular economy, inclusive growth, and the doughnut economy are three examples of new economic thinking amplified during the pandemic. (Table 2)

The Demos Helsinki paper examines 128 new economics organizations that offer hopeful new models for sustainability. The report identifies new economics as a nascent movement that is by nature, pluralistic and concludes that bottom-up action and top-down coordination is the way to regenerate economic thinking:

In this respect, we believe that the nascent movement of new economic thinking should not aim to coalesce against the current monoculture only to establish a new one. We believe it should embrace its intrinsic pluralism, and aim to strengthen common understandings and meanings of their efforts explicitly on the basis of diversity.  
– *Turning the Tide*

# INDIGENOUS PEOPLES

The [Centre for Indigenous Innovation & Technology](#) (CIIT) and CILAR issued a [statement to the innovation sector](#) in Canada:

... adopt and meaningfully implement the United Nations Declaration on the Rights of Indigenous Peoples as a reconciliation framework for learning and action and to apply its principles, norms, and standards to corporate and Indigenous inclusion and equity policies and core operational activities involving Indigenous Peoples and their immense contributions to and leadership in the innovation economy. – CILAR & CIIT

According to CIIT Indigenous peoples are underrepresented in the technology, innovation, and entrepreneurial sectors:

Indigenous Peoples encompass 3.9% of the Canadian population, and yet only 1.4% of these individuals have post-secondary STEM credentials. This presents a significant opportunity for both Indigenous populations and the Canadian economy as a whole. – CIIT

CIIT is dedicated to increasing better social outcomes for Indigenous peoples and communities and developing the next generation of technology leaders.

Large corporations are taking notice. Suncor's holistic approach to building mutual trust and respect with Indigenous peoples is described in their [Report on Sustainability](#). Suncor's supply chain initiative has more than doubled the Indigenous supply spend between 2014 and 2020.

Deloitte's purpose also includes building trust and respect with Indigenous peoples. The Deloitte [Indigenous Impact Report](#) outlines in detail

## CLEARWATER

*This is a transformational deal ... an example of how nation-to-nation partnerships not only work but can flourish.*

– Chief & CEO Terry Paul  
Membertou First Nation



the company's alignment with the objectives of the Canadian Council for Aboriginal Business Progressive Aboriginal Relations program. Of note, is an alliance with the Gord Downie & Chanie Wenjack Fund – the [Reconciliation Action Plan](#) includes a commitment to [DWF Legacy Spaces](#), described as “anywhere that allows people to learn Chanie's story, understand its connection to the history of Indigenous peoples in Canada, and be inspired to act.”\*

However, embracing nation-to-nation partnerships means pushing the current boundaries of corporate purpose and decolonizing mindsets about relationships. Specifically it means new ways of thinking that includes an Indigenous approach to knowledge creation and sharing. Melanie Goodchild's paper, [Relational Systems Thinking: That's How Change Is Going to Come, from Our Earth Mother](#), reflects her conversations with Haudenosaunee elders and Western systems

thinkers and identifies cross-cultural dialogues as a “doorway to healing, to transformation and to spiritual understanding.”

As Opaskwayak Cree scholar Shawn Wilson\*\* points out, for Indigenous peoples everything begins with relationships ... Inside the teaching lodge, we engage in a process I've termed relational systems thinking where awareness-based systems change centers mutual benefit, a foundational principle that Uncle Dan shared with me, between all the humans, the non-humans, the unborn generations and our Earth Mother. – Melaine Goodchild

[What Business Leaders Can Learn From An Indigenous Worldview](#) refers to efforts to conserve the Carolinian Life Zone, of which 30 acres is on the traditional territory of the Chippewas of the Thames First Nations. The Indigenous and non-Indigenous relationships connected to the Carolinian Life Zone are

\* DWF (n.d.). [The Secret Path: The life of Chanie Wenjack](#).

\*\* Wilson, S. (2008). [Research Is Ceremony: Indigenous Research Methods](#). Fernwood Publishing.

based on fundamental principles rather than compromise, voting or referendum. Author Tima Bansal notes, “An Indigenous worldview recognizes that relationships take time to form and generate mutual responsibilities.” In this space for the emergence of mutuality, purpose can flourish in existing companies and constitute the DNA of new ventures.

The purchase of Clearwater Seafoods Inc. by a coalition of Mi’kmaq First Nations – representing Membertou, Miawpukek, Sipekne’katik, We’koqma’q, Potlotek, Pictou Landing and Paqtnek communities – is an exemplar of Indigenous partnerships. The [Public Policy Forum](#) held one of the first public conversations with Membertou First Nation Chief & CEO Terry Paul and Clearwater Co-founder John Risley, who discussed what it means for reconciliation and the economic opportunity it spurs:

This is a transformational deal. It truly is, and it’s really important and monumental for a number of reasons. One, it provides ownership and access, you know, to the Mi’kmaq, and we’ve never had that opportunity. And as we all know, fishing is a traditional activity, and it’s an honour practice by the Mi’kmaq.  
– Terry Paul

At \$537 million,\* Clearwater is the single largest investment in the seafood industry by an Indigenous group in Canada. While the Clearwater negotiations were taking place, a dispute unfolded between Indigenous and non-Indigenous lobster fishers in Nova Scotia concerning the Mi’kmaq, Maliseet and Passamaquoddy bands on the East Coast and their treaty rights to fish for a ‘moderate livelihood,’ and in 2020, Sipekne’katik launched a self-regulated lobster fishery. The enterprise, managed by the [Sipekne’katik Band Council](#), is an economic venture that holds 33 fishing licenses on

behalf of band members. “The fishery is a really interesting and important example of the move to have Indigenous people recognized as having self-government,” says Dalhousie professor emeritus of law Wayne MacKay.\*\*

The First Nations Major Projects Coalition (FNMPC) is an economic development organization that’s creating pathways to reconciliation by advancing opportunities for First Nations to obtain ownership stakes in major projects that run through their territories. The [FNMPC annual industry event](#) convenes Indigenous leaders, industry experts, policymakers, and investors.

At the conference we will be having discussions about how we can align the policy and investment decisions on net zero with the principles of free, prior, and informed consent and how we are to meaningfully include Indigenous people as partners and equity owners in net zero projects.  
– Chief Sharleen Gale\*\*\*

Indigenous self-governance and knowledge-creation are recognized as a pathway to purpose; however, Canada Day 2021 was anything but ‘business as usual’. Usually a day of celebration, July 01 was mournful as Canadians grappled with the painful history of residential schools. Public response to the hundreds of unmarked graves discovered at residential schools led many to mark it as a memorial to the children who never returned home. Canada Day 2021 called for a clear-eyed view of history and the present – both this year and moving forward. [Public Inc.](#), a social impact agency, told companies:

Put a pause on your product messaging and focus instead on what this day means to all of Canada’s communities. – Public Inc.

\* Marcy Nicholson, 2020. Bloomberg News. [Clearwater Rises on Takeover Bid from Premium Brands, Mi’kmaq.](#)

\*\* Heidi Petracek, 2021. *CTV News*. [Nova Scotia Mi’kmaw fishery symbolic of fight for Indigenous self-governance.](#)

\*\*\* Global Newswire, April 2022. [FNMPC press release.](#)

# MANAGEMENT

---



## 05

**MARC ENGEL, FORMER CHIEF SUPPLY CHAIN OFFICER, UNILEVER**

Marc Engel sees purpose as a competitive advantage over time, especially since purposeful brands have grown two times faster than the rest of the portfolio. “Consumers want it, and companies should generate more growth, more brand preference, and more growth.”

– [Bloomberg Green Summit, April 2021](#)

***Business is evolving into something different than it’s been before – but boards need to be brought along.***

***Accountability is lacking and regulation is a talking point.***

***If people can’t find purpose at work, they might just up and go.***

Above: Propelling Purpose Summit, United Way of British Columbia Social Purpose Institute

# THE PURPOSE AGENDA

In 2021, the Social Purpose Institute (SPI), an initiative of the United Way British Columbia and a B4PN founding member, hosted the first-ever national dialogue on social purpose business in Canada. [Propelling the Canadian Purpose Economy](#) was a welcome opportunity to connect with people advancing social purpose in business, consider strategies for purpose in business, and contemplate the future of an economy powered by purpose. Trusted institutions such as the United Way have a wide lens on systems – reflected by SPI Co-Founder when asked, “what will be different in a future of business for purpose?”

Businesses will collaborate in entirely new ways. Philanthropy will always exist, and charities will serve the most vulnerable, providing the urgent social safety net. I think of food security as an urgent example – the food industry, and all of its branches, distribution, and transport – I can see the totality of the types of organizations involved in the food system tackling the problem of food security and eventually solving it because they changed the system. – Mary Ellen Schaafsma

As evidenced by SPI’s summit report, and studies by consultancies such as McKinsey and Deloitte, business can (and must) positively impact society. For example, the [2022 Edelman Trust Barometer](#) found declining trust in traditional societal leaders and rising expectations that CEOs should be personally visible on societal issues. The report also found that stakeholders hold businesses accountable and believe that business is an effective driver of positive change. In addition

to the rapid development and deployment of technologies that safeguard our health, connect us, tackle climate change, and address social inequities, the report identifies building trust as key to social stability.

Operating with corporate purpose is positively viewed by stakeholders – and shareholders – and is increasingly seen to provide distinct strategic advantages. Therefore, purpose is rising from brand strategy to a company’s *raison d’être*.

[Deeper Look at the Return on Purpose: Before and During a Crisis](#), a study published by Fortuna Investors in the Journal of Applied Corporate Finance, analyzes the impact of corporate purpose on company performance. The findings indicate that companies associated with ‘high-purpose’ outperformed on common measures of financial performance, valuation, and value creation: 4.1% greater revenue growth, 7.7% higher operating profitability, 5.8% better returns on capital, and 34.7% greater annualized total shareholder return. The authors conclude that connecting with corporate purpose can: contribute to shareholder value (though they acknowledge the skepticism that surrounds corporate purpose), create value across stakeholder groups (requiring robust strategy and a grounded analytical approach), and position corporations to realize a return on purpose in the long-term and through periods of uncertainty.

BRT CEO, Joshua Bolten says the BRT Statement “gives the public a more accurate reflection of what we think CEOs are doing every day – the important work that our companies are doing to support all of the company’s stakeholders.”\* Bolten also shared that business leaders want to address the misperception that corporations are only run for profit.

\* Byron Loflin, 2020. Directors & Boards. [The CEO of the Business Roundtable on the Statement of the Purpose of the Corporation](#).

However, fulfilling the purpose agenda demands attributes that often fall outside the business domain, such as self-awareness, future consciousness, and emotional honesty. (Table 3)

B4PN founding partner, Global Canada’s report, *Canadian Voices on the Role of Business in Society*, reflects 90 interviews with Canadian leaders.

It is clear that the ecosystem in which businesses operate is not going to be the same moving forward. There will be higher expectations. Stakeholders will judge businesses ever more critically due largely to attitudinal changes spurred by generational shifts. The result: the role of business in society will evolve into something much different than what it has been for the last few decades. – Brian Gallant & Robert Greenhill

Overall, participants are positive:

Creating a community of interest around purpose, helping business people find like-minded people to spend time with – that’s a pretty good start – André Beaulieu

Participants are unified in their belief that capitalism must be modernized; however, they highlight that in practice, shareholder primacy is very much in evidence, and much more work needs to be done.

BRT CEO Joshua Bolten is confident that the trend toward stakeholder capitalism will continue, “the benefits of capitalism actually extend to all of society, and when corporations operate within that capitalist society, they do best. They flourish. They support their shareholders best by supporting all of their stakeholders.” He points to corporations that stepped up during COVID and after the death of George Floyd and how they changed their lobby efforts from “tax cuts” to “sensible policing reform.”\*

\* Byron Loflin, 2020. Directors & Boards. *The CEO of the Business Roundtable on the Statement of the Purpose of the Corporation*.

### TABLE 3: PURPOSE-SUPPORTING INITIATIVES

|  |   |   |
|--|---|---|
| <p>The Flourishing Enterprise Institute, co-founded by B4PN founding member Peter Jones, counsels rethinking prosperity beyond profit, responsive ecological stewardship, and pro-cultural social evolution – that is, <b>flourishing</b> – a familiar concept in systemic design and foresight (also called presencing). (FEI, 2022.)</p> | <p>B4PN founding member Chris Jarvis co-founded Realized Worth to support a movement of stakeholders.</p>   | <p>David Michels, a partner in Bain &amp; Company’s Tokyo office, views purpose as a critical component of the <b>resilience</b> required to manage change.</p>   |
| <p>The Realized Worth Institute emphasizes <b>empathy and inclusivity</b> in corporate community engagement.</p>   | <p>“Transformative Volunteering is an approach that emphasizes the exploration and application of empathy and inclusivity in corporate community engagement. Employee volunteer leaders are trained to manage social impact projects in a way that results in sustainable, systemic outcomes.” (RW, n.d.)</p> | <p>“Purpose creates an important sense of belonging and attachment. It’s not a slogan but rather the thing that defines and guides action. During periods of crisis, purpose proves its worth, but it’s a competitive advantage whatever the business cycle.” (Michels, 2021)</p> |

## CANADIAN VOICES ON THE ROLE OF BUSINESS IN SOCIETY

*Creating a community of interest around purpose, helping business people find like-minded people to spend time with – that’s a pretty good start.*

– André Beaulieu  
Senior VP, BCE Inc.



## IMPACT MEASUREMENT

Proponents have done the spadework on purpose-led business over the past decade, with sustainability as a strong foundation. Ten years ago, [Sustainable Investing: Establishing Long-Term Value and Performance](#) affirmed:

100% of the academic studies agree that companies with high ratings for CSR and ESG factors have a lower cost of capital in terms of debt (loans and bonds) and equity. In effect, the market recognizes that these companies are lower risk than other companies and rewards them accordingly. – Mark Fulton, Bruce Khan & Camilla Sharples

Sustainability metrics can signal a purpose agenda but they should not be considered as absolute indicators of purpose. [JLL's UK Head of Corporate Sustainability](#) makes clear the distinction:

A major difference between sustainability and purpose is the galvanising power of purpose. While sustainability can provide consistency and uniformity through its use of universally recognised metrics, a purpose-driven approach requires specificity and uniqueness.  
– Gemma Piggott

The CCPC/Navigator 2020 [Barometer Report](#) concludes that there’s an “opportunity for business to act, pressures if they do not.” Therefore, businesses are encouraged to continue to develop competencies in social impact measurement and management (IM&M) and consider the likelihood of reporting standards and regulatory intervention.

When a [Harvard Law School study](#) looked into the 128 US public companies that joined the BRT Statement they found no significant changes to corporate governance guidelines, corporate by-laws, or director compensation:

... reviewing the 2020 proxy statements of the BRT Companies, we find that the great majority of these companies did not even

mention their signing of the BRT Statement, and among the minority of companies that did mention it, none indicated that their endorsement required or was expected to result in any changes in the treatment of stakeholders.

– Lucian Bebchuk & Roberto Tallarita

Tariq Fancy, who left BlackRock in 2019 after 17 months as CIO, Sustainable Investment, wrote [The Secret Diary of a Sustainable Investor](#), a three-part essay detailing his concerns about sustainable investing and explaining why, in his view, it is counterproductive to addressing climate change and inequality:

The challenge is that when profit and purpose don't overlap – and when maximizing profit can mean something that is not good for society, whether it's polluting, underpaying or exploiting workers. Then those are the kind of systemic issues that only government can adjust the rules to solve.

– Tariq Fancy\*

B4PN Advisor Emeritus, Tim Draimin, contextualizes regulation and the corporate purpose movement:

Certainly, government regulation is key. There is often the issue that the better motivated (purposeful) corporates will have social and environmental guardrails shaped by their values and protected by benefit legislation. And other corporations will intentionally seek the most profitable means to execute on their business model. Over time it will be necessary to establish a level playing field, favouring upper convergence of much better practices. Regulations do accomplish that. At the same time, the entire corporate purpose movement is an essential part of the calculus of positive social change. It is injecting, shaping, advancing public discussion, discernment

and deliberation that creates more propitious conditions for the required policy and regulatory shifts. It does this at the same time that it works on its internal corporate practice.

– Tim Draimin

Jason Sukhram, who led the GHG emission reduction potential quantification process work with Mission from MaRS, sees a culture shift as integral. He writes in his article [Decoding the Green Investment Revolution](#):

Companies and investment firms need to strengthen their ability to measure and manage impact. This is going to require a change in mindset as well as a change in business culture – it will require new skills, new teams, and new functions to manage performance. The same way an investment team would advise a company on maximizing its financial performance, I would love to see a future where all investors – not just impact investors – are providing advice, guidance, and services around how a company can also improve outcomes for people and the planet.

– Jason Sukhram

Green Economy Canada works with SMEs and not-for-profits to identify, set, and manage their GHG emission reduction targets. Related network activities include convening members, research and training, and supporting Green Economy Hubs across Canada.

Their report [IPCC Special Report: Global warming of 1.5 °C](#) sparked an increase in organizations looking for advice on reporting, and they anticipate even more interest with the [2030 Emissions Reduction Plan](#) roll-out. Executive Director, Priyanka Lloyd, is keenly aware that to advance on Canada's net-zero future, organizations need tools and guidance:

\* Gabriel Friedman, May 7, 2021. *Financial Post*. [Here's why the former head of sustainable investing at BlackRock says don't believe the ESG marketing hype.](#)

We needed to learn about science-based targets to help our member organizations achieve GHG goals. We wanted to understand the net-zero landscape, which led us to the [Science Based Targets initiative](#) (SBTi).

– Priyanka Lloyd

[Lea Ottilie Fink's](#) 2018 thesis uses SBTi as a case study to examine nudges that move firms toward establishing and reporting GHG emission reduction targets. Fink's findings substantiate the importance of the SBTi:

The results of my study identify the striving for corporate climate leadership as the most powerful collective action driver for ambitious voluntary GHG reduction targets ... the firms clearly see their position as climate leaders enhanced by setting science-based targets as it adds substance, validity, and overall trustworthiness among expert stakeholders, to their climate strategy. – Lea Ottilie Fink

Fink's research also aligns with Lloyd's observations: knowledge about GHG emissions needs to be increased in organizations and the public, validating the crucial role of networks such as Green Economy Hubs.

Lloyd highlights intermediaries' as having a pivotal role in facilitating knowledge transfer, connecting networks of like-minded organizations, and acknowledging achievements. Furthermore, she identifies the capacity barriers for SMEs and not-for-profits as significant. Solutions and financial resources are part of the problem. However, many don't have the time or knowledge to be able to connect the dots or make purpose-driven goals like GHG emission reduction a priority.

Informed stakeholders are effective monitors of purpose and impact, and, when combined with policies and standard-setting, reporting can help avert greenwashing practices. Toronto Sustainability Speaker Series Founder & Executive Director says, [Cheerleading for "sustainable" companies won't save the planet](#), and calls on us all to be active and accountable:

**TABLE 4: IM&M NETWORKS**

|   |  |  |
|---|--|--|
| <p>The <a href="#">Common Approach to Impact Measurement</a> is a Canadian-led flexible standard informed by academic work on theory-driven evaluation. The model consists of five essential practices designed as a pathway to impact measurement. The ontology-based standard makes it possible to map the impact data in a way that creates sets of aggregated impact and communicates impact to a wide variety of stakeholders.</p> | <p>The <a href="#">Impact Management Project</a> is a leading global forum for consensus on IM&amp;M practices. The measurement framework consists of five dimensions of impact and 15 data categories designed as building blocks for enterprises and investors to build an impact management framework or use as a checklist for managing impact. (IMP, n.d.)</p> <p>MaRS is Canada's first strategic partner of the Impact Management Project and partners with Impact Frontiers.</p> | <p>The <a href="#">Science Based Targets initiative (SBTi)</a> is a transnational partnership of the CDP, UN Global Compact, World Resources Institute, and the World Wide Fund for Nature. According to the research, science-based GHG emission targets are imperative to limit global warming to <math>-2^{\circ}\text{C}</math> above pre-industrial levels. SBTi has established a five-step process for setting a science-based target and encourages companies to commit.</p> |
|---|--|--|



## PURPOSE AT WORK

*Companies can also exert influence by improving the underlying health of the organization and its culture, bolstering inclusiveness and the employee experience, and changing the work itself.*

– Naina Dhingra  
Partner, McKinsey & Company

We need to be focused and relentless — and demand that corporations pay for the environmental and social harm that they unleash onto society. No more half measures, no more incremental gains and not in 10, 20 or 30 years — we need action now.

– Brad Zarnett

## PERSONAL PURPOSE

Entrepreneurs have long been identified as innovators who start, accelerate, and sustain ventures. They drive economic, technological, and social growth and development (one need look no further than Peter Drucker), and high-profile founders can be seen everywhere. People with an entrepreneurial mindset are found at all ranks in an organization — identified as changemakers, corporate entrepreneurs,

corporate social innovators — and increasingly, as intrapreneurs who are responsible for the business of transformation.

Intrapreneurs might be the greatest untapped source of purpose-driven employees. The benefits of intrapreneurship to employers are well-documented. [Intrapreneuring in Action](#) describes “The gap in the innovation process is the capacity of the system to implement ideas rapidly and cost-effectively. Implementation requires intrapreneurs to transform the conceptual into the actual.” The Yunus Social Business report, [Business as Unusual](#), identifies five benefits of social intrapreneurship: employee engagement, mindset shifts, business innovation, new markets, and corporate brand equity.

However, intrapreneurship remains largely unknown, “In fact, for the most part, it appears that intrapreneurship is still mistaken as a typo,” writes Chryssa Koulis in [On Purpose: Social intrapreneurs are key to driving real change in business in Canada](#). Koulis found that “nearly 81% of intrapreneurs in private companies reported

## INTRAPRENEURS

*Social intrapreneurship can accelerate growth, increase retention and engagement of talent and help business navigate the new waters of purpose and social impact.*

– Chryssa Koulis  
Catalyst, League of Intrapreneurs



internal challenges preventing them from being more effective intrapreneurs.” Yet, the findings are hopeful that social intrapreneurship will be apparent to Millennials and Generation Z employees, and intrapreneurs will manage “the next great business transformation.”

The McKinsey report, [Help your employees find purpose – or watch them leave](#), represents a survey of 1,021 US employees asked about personal purpose and work and life outcomes. The researchers found that 85% of executives and upper management said they could live their purpose in their day-to-day work. Unfortunately, the same number of frontline managers and frontline employees told them they could not live their purpose at work.

The [2021 Microsoft Work Trend Index](#) identified the same pattern: 61% of leaders say they are “thriving,” which is 23 percentage points higher than those without decision-making authority. The executives also report strong relationships, higher incomes, and taking all or more of their vacation time.

Like corporate purpose, having a sense of meaning and self-realization – life energy – are vital components of wellbeing. Personal purpose allows us to function optimally and provides the necessary resilience to manage crisis and change.

The McKinsey report examines the relationship between individual purpose and work. The authors describe purpose as being derived from the organization, work itself, and outside of work. They found that companies that have control over organizational purpose can positively expand that influence by taking positive action:

... establishing corporate purpose that considers the company’s role and contribution to society and by providing employees with meaningful ways to reflect on the company’s efforts and their impact. Companies can also exert influence by improving the underlying health of the organization and its culture, bolstering inclusiveness and the employee experience, and changing the work itself.

– Naina Dhingra, et al.

Management Professor Anthony Klotz predicted that voluntary resignations would skyrocket due to the pandemic – he called it “[the great resignation.](#)” While economists debate the materiality of the great resignation, the idea is a vector for what’s happening with work, the mindset of many workers, and what to expect – and much of the current situation has to do with finding purpose and meaning in work.

When viewed through this perspective, what is driving The Great Resignation is fairly straightforward: The pandemic has made many realize their job does not contribute enough (or at all) to their pursuit for happiness and meaning, and they have decided to invest their energy elsewhere — in new jobs, new careers or other aspects of their lives (e.g., family, travel, creative endeavours).

– Anthony Klotz

[Gallup analysis](#) found that 48% of workers are actively or passively job searching and that quit rates are high in all job categories. Pay isn’t the whole story; a manager who engages their team members is critical. On average, it takes 20% more pay for an employee who feels valued by their manager to leave; however, if they feel disengaged, employees will leave a company even without a financial incentive:

Reversing the tide in an organization requires managers who care, who engage, and who give workers a sense of purpose, inspiration and motivation to perform. Such managers give people reason to stay.

– Vipula Gandhi & Jennifer Robison

Management Professor, Scott Dust, offers a [reframing of the great resignation](#) as the great reprioritization. He identified 14 overarching reasons employees might want to leave an organization and asked 233 employees across various industries what would prompt them to start a job search:

Most likely: financial needs, work-home balance, remote work policies, current job disinterest, concern about job and organization stability

Least likely: stagnation, need for autonomy, lack of growth, inclusion or belonging, social impact

Although values are not explicitly on Dust’s list, they polled high on the [Edelman Trust Barometer Special Report: The Belief-Driven Employee](#), conducted in early August in seven countries. The study found that a better fit with values compelled 59% of people to change jobs. People who seek purpose from work thrive in a purpose-driven culture that supports their wellbeing – and when employees sense inequity, they will start to look elsewhere.

[The Great Resignation: How employers drove workers to quit](#) provides an employee perspective through the experience of a teacher at a private school in a California neighbourhood:

Villareal was uncomfortable about her safety and saw her stress and workload spike when she was juggling both in-person and remote learners concurrently. She felt her concerns weren’t being addressed, or even heard. Ultimately, Villareal decided she’d rather quit and start over in a totally new industry than remain in a job where she felt she was being undervalued and unheard.

– Kate Morgan

The pandemic and the rise of stakeholder capitalism put purpose on the same footing as inequity. The McKinsey report concludes that:

Employers need to help meet this need, or be prepared to lose talent to companies that will.

– Naina Dhingra, et al.

## RECOMMENDED

### BOOKS

### PODCASTS

### REPORTS

### RESOURCES

### WEBINARS

## BOOKS

[A Corporate Social Mind. How Companies Lead Social Change from the Inside Out](#) – Derrick Feldmann and Michael Alberg-Seberich

[Change for Good](#) – Paul Klein

[Commanding Hope: The Power We Have to Renew a World in Peril](#) – Ted Homer Dixon

[Mission Economy: A Moonshot Guide to Changing Capitalism](#) – Mariana Mazzucato

[Net Positive: How Courageous Companies Thrive by Giving More Than They Take](#) – Paul Polman and Andrew Winston

[Prosperity. Better Business Makes the Greater Good](#) – Colin Mayer

[The Right Way to Flourish: Reconnecting with the Real World](#) – John Ehrenfeld

[The Six New Rules of Business: Creating Real Value in a Changing World](#) – Judy Samuelson

[Value\(s\). Building a Better World for All](#) – Mark Carney

[When More Is Not Better: Overcoming America's Obsession with Economic Efficiency](#) – Roger Martin

[Who do you want to be when you grow old? The Path of Purposeful Aging](#) – Richard Leider and David Shapiro

## PODCASTS

[Awarepreneurs](#) – Paul Zelizer interviews Brian Gallant, Member of Expert Panel, Canadian Centre for the Purpose of the Corporation

Chatter that Matters – Tony Chapman talks with [Michael McCain](#), CEO of Maple Leaf Foods

[Closing the Loop!](#) – Return-It President & CEO Allen Langdon talks recycling, sustainability, and the circular economy

[Coffee with Purpose](#) – Public Inc. #ProfitWithPurpose with Canadian social purpose leaders

[Former Best Buy CEO Hubert Joly: Business must lead in new ways](#) – MPR News, BBC World Service

[How purpose is re-shaping the world's companies](#) – Brain Food for General Council, Lisa McCallum and Richard Foley

[Masters of Scale – How redefining boundaries drives performance](#) – Reid Hoffman interviews Paul Polman, Former CEO, Unilever

[Purpose 360: The podcast that makes business matter](#) – Downloadable e-book from interviews with 25 guests – Carol Cone

[Social Impact Conversations](#) – Mary Ellen Schaafsma, Co-Founder, Social Purpose Institute at United Way BC

[Stakeholder Capitalism](#) – Dame Vivian Hunt and Paul Polman

[The Decision Corner](#) – Brooke Struck discusses corporate impact through profitable purpose with Phillip Haid, CEO and founder of Public Inc.

[The search for purpose at work](#) – McKinsey Podcast – Naina Dhingra and Bill Schaninger talk about the research on individual purpose

[Work and Life](#) – Stew Friedman talks with Carol Cone about purpose and embracing social causes

## REPORTS

[360° Governance Report. Where Are The Directors In A World In Crisis](#) – Rotman School of Management, Lee-Chin Institute

[Adapting with Purpose – 2020 ESG Report](#) – TD Bank Group

[Breakthrough: Seven Unlocks to Scaling Health and Sustainable Living](#) – GlobeScan

[Buying a Better Future](#) – Green Economy Canada

[Case studies of Corporate-Nonprofit Partnerships During COVID-19](#) – Imagine Canada

[DAX 30: the most convincing purpose statements](#) – Globeone

[Deeper Look at the Return on Purpose: Before and During a Crisis](#) – Harvard Law School Forum on Corporate Governance

[Directors and Investors: Building on Common Ground to Advance Sustainable Capitalism](#) – The Enacting Purpose Initiative

[Future of Business in Society: Global Thought Leader Study](#) – Coro Strandberg

[Future of the Corporation](#) – Complete set of reports – The British Academy

[Helping Business Get to Net-Zero](#) – Green Economy Canada

[Helping Purpose-Driven Business Thrive](#) – ReGenerate (UK)

[Institutional Investor Survey 2021](#) – Morrow Sodali

[Investment Stewardship Reports](#) – BlackRock

[Most Trusted Brands 2021](#) – Morning Consult

[Moving to Mandatory: Canadian Voices on the Role of Business in Society](#) – Canadian Business for Social Responsibility

[Next Generation Governance: Developing Position Statements on Sustainability Issues](#) – The Embedding Project

[On Purpose: Social intrapreneurs are key to driving real change in business](#) – League of Intrepeneurs Canada

[Protect. Empower. Transform. Tech Innovations Changing the World](#) – BMW Foundation Herbert Quandt

[State of the Global Workplace: 2021 Report](#) – Gallup

[The Growth Triple Play: Creativity, analytics, and purpose](#) – McKinsey

[The Purpose Premium. Why a purpose-driven strategy is good for business](#) – Monitor Deloitte

[The State of Corporate Purpose Report](#) – Benevity

[The Sustainable and Just Association](#) – Coro Strandberg

[Vision 2050. Time to Transform](#) – The World Business Council for Sustainable Development

[Wake Up Call: New Report on Community Investment](#) – Imagine Canada

[What matters most? Five priorities for CEOs in the next normal](#) – McKinsey

## RESOURCES

[Canadian Business for Social Responsibility newsletter](#) – monthly

[Canadian Corporate Social Purpose Ecosystem Map](#) – Social Purpose Institute at United Way

[Caring Companies – Trustmark](#) – Imagine Canada

[Cause Library](#) – For Momentum

[Corporate Citizenship newsletter \(subscription link\)](#) – Realized Worth Institute

[COVID-19: What it means for business and communicators](#) – Edelman

[Entreprises à mission Resources](#)

– Communauté des Entreprises à mission – Legal framework in France that is similar to the US benefit corporation

[FNMPC newsletter, policy papers, and reports](#) – First Nations Major Projects Coalition

[Journey of Reconciliation](#) – Randy Elm, Sixties Scoop survivor and Operations Trainer – Suncor

[Measuring Purpose: An Integrated Framework](#) – Enacting Purpose Initiative (UK)

[Purpose-driven organizations PAS 808](#) – Worldviews, principles and behaviours for delivering sustainability Guide – Draft standard for purpose-driven organizations (UK) – BSI Group

[Realized Worth Institute](#) – corporate citizenship, employee engagement and transformative volunteering

[Social Progress Global Index](#) – Social Progress Imperative

[Social Purpose Resources](#) – Social Purpose Institute

[The Purpose Playbook](#) – Shared Value Initiative

[Unilever Compass](#) – Infographic implementing purpose – Unilever

## WEBINARS

[A Blueprint for Better Business](#) – Series with Dee Corrigan

[Charitable sector is inextricably linked to health and well being of economy](#) – Amanda Lang interviews Bruce MacDonald, CEO Imagine Canada – Bloomberg

[A Sustainable & Responsible Future](#) – Huw Evans with United Way British Columbia, Social Purpose Institute and LGM Financial Services – Autosphere

[Building an Organization that Delivers on Purpose](#) – Sally Blount and Paul Leinwand – HBR

[Building Inclusion from the ground up: A Next Economy conversation](#) – Tonya Surman chats with Kalen Taylor – Centre for Social Innovation

[CSR vs Social Purpose](#) – Carolyn Butler-Madden (full library of 2-3 minute explainers available) – The Cause Effect

[Deloitte's Kwasi Mitchell on Purpose](#) – Kwasi Mitchell, Chief Purpose Officer, Deloitte – HBR Quick Take

[Future of the Corporation – September 2021 Purpose Summit Proceedings](#) – British Academy

[Making the case to invest in employee purpose at your company](#) – Cognizant, PwC, and VeraWorks – Alaya by Benevity

[Maintaining Long-Term Purpose in a Short Term World](#) – Tima Bansal in conversation with Mark

DesJardine, Chris Marquis, Louise Kjellerup Roper – Network for Business Sustainability

[Nine Emerging ESG Trends Rocking 2022](#) – Leor Rotchild and Ted Ferguson in conversation with Sun Life and QuadReal Property Group – Canadian Business for Social Responsibility

[Purpose & The Stakeholder Factor: 10 Trends for 2021](#) – Senior VP Whitney Dailey and CMO Kate Cusick – Porter Novelli

[Purpose vs PR: How business can find meaning in the COVID-19 era](#) – Dame Vivian Hunt and Bruce Simpson – McKinsey

[Rethinking the capacities and role of government](#) – Molly Shoichet talks with leading economist Mariana Mazzucato – MaRS Impact Health

[Social Procurement Video Library](#) – Buy Social Canada

[What's gone wrong, what has to change and how to do it](#) – Colin Mayer and Paul Polman in conversation with Thyra Lee and Marya Besharo – Saïd Business School, University of Oxford

[Time to Rethink Market Capitalism?](#) – Steve Paiken interviews Mark Carney – The Agenda

[Why Purpose is Good Business](#) – Brian Whipple, CEO Accenture Interactive – HBR Quick Take



**SUSTAINABLE BUSINESS  
CHANGES EVERYTHING  
FOR THE BETTER**

*– Coro Strandberg  
President, Strandberg Consulting*

## **B4PN ORGANIZATIONS**

---

**ASHOKA CANADA**

**B LAB CANADA**

**CANADIAN BUSINESS FOR  
SOCIAL RESPONSIBILITY**

**CANADIAN CENTRE FOR THE  
PURPOSE OF THE CORPORATION**

**CLIMATE SMART**

**DAVID SUZUKI FOUNDATION CANADA**

**GLOBAL CANADA INITIATIVE**

**GREEN ECONOMY CANADA**

**IMAGINE CANADA**

**MARS DISCOVERY DISTRICT**

**MCCONNELL FOUNDATION**

**OCAD UNIVERSITY**

**RW INSTITUTE**

**STRANDBERG CONSULTING**

**THE LEAGUE OF INTRAPRENEURS**

**THE NATURAL STEP**

**UNITED WAY CENTRAIDE CANADA**

**UNITED WAY BC SOCIAL PURPOSE INSTITUTE**