



THE
VOICE
FOR
CLEAN
CAPITALISM

Emma Gammans
Corporate Knights
emma@corporatetechnights.com
403.478.4543

FOR IMMEDIATE RELEASE

Press Release:

More companies are stating a *Social Purpose*, but are they implementing it?

Corporate Knights develops new rating system to assess companies' Social Purpose implementation

TORONTO March 29, 2022:

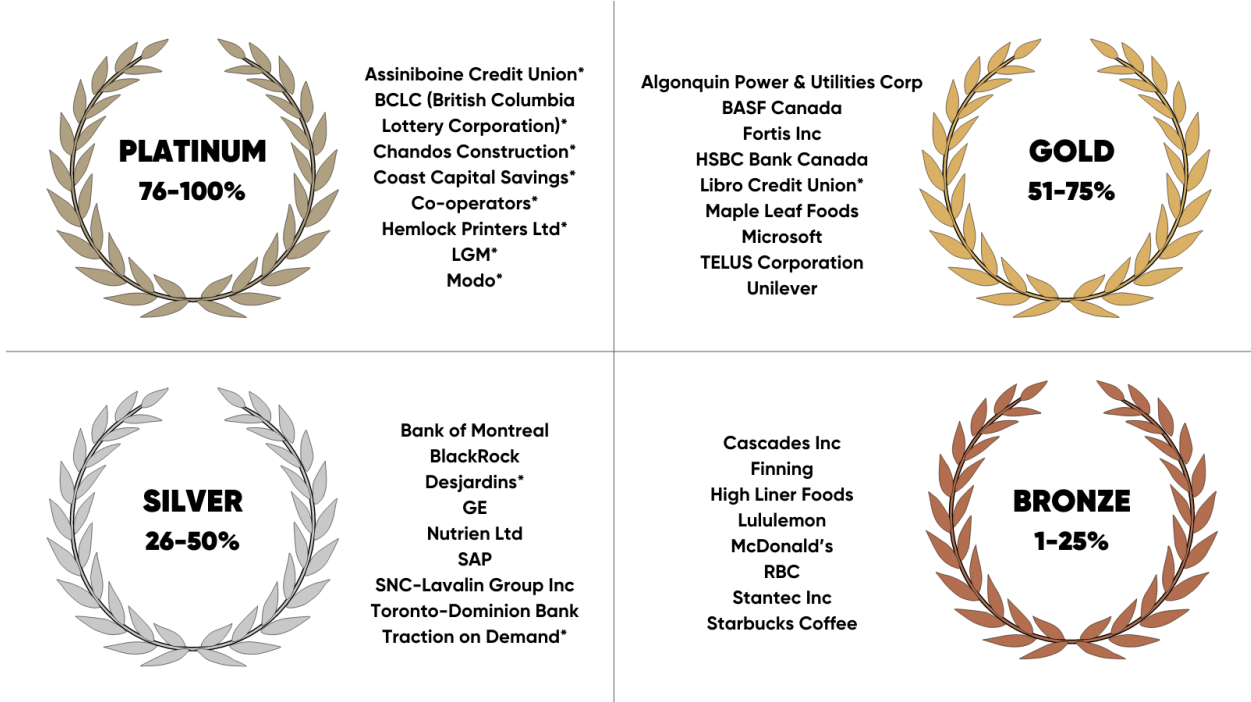
Everyday, companies commit to bettering the world, acknowledging their role in addressing today's most pressing issues, such as climate change or inequality. But if businesses are to succeed in transforming the world for the better, their commitments must be met with action.

A [new report](#) published by [Corporate Knights](#) investigates how 34 Social Purpose Businesses (a business whose enduring reason for being is to create a better world) with headquarters or significant operations in Canada are implementing their purpose. [The Social Purpose Transition Pathway: Helping Companies Move from "Say" to "Do"](#) features both public and private companies (including co-operatives and crown corporations), such as Coast Capital Savings, Unilever, BASF Canada and BCLC.

Findings captured in the report suggest that while companies are increasingly stating a social purpose, not all companies are as successful when it comes to implementing it. In other words, the gap between "say" and "do" varies from one company to the next.

"What's interesting, is that out of an initial sample of 197 businesses, only 34 clearly stated that they create value for society, and not just for their shareholders or customers. These are the 34 businesses we selected for inclusion in the study, so we're really emphasizing that, regardless of a company's rating in this report, they're already doing good work and arguably ahead of the curve," says Michelynn Lafleche, who co-authored the report.

To rate companies, Corporate Knights developed a new rating system to assess companies' Social Purpose implementation. Companies were given an overall score and divided into four quartiles – platinum, gold, silver and bronze – to establish a score-based rating.



**Private companies, including co-operatives and crown corporations. (CNW Group/Corporate Knights Inc.)*

The study found that companies taking action to embed their social purpose are doing so in some areas more than others. For example, Corporate Knights discovered that companies tend to be strongest when it comes to aligning values and company culture with their purpose. Meanwhile, companies are more likely to lag when it comes to social purpose governance.

To learn more about the companies involved, their ratings and best practices for Social Purpose implementation, read the [full report here](#).

KEY FINDINGS

Companies taking action to embed their social purpose are embedding purpose in some areas more than others. In addition to disclosing progress on their purpose, Corporate Knights found that companies tend to be strongest when it comes to aligning values with their purpose. Many companies also include social purpose deliverables in their corporate strategies, business plans or strategic priorities.

Companies tend to lag in two central areas related to social purpose governance: board oversight and CEO role. This means that when CEOs and boards are not guided by an explicit statement of responsibility to implement or govern its social purpose, the company may struggle to execute on purpose across all criteria.

Corporate Knights found that the private companies included in this study were stronger social purpose performers than public companies. Overall, they tended to execute on multiple criteria and seemed to do so with greater success than the rated public companies. The reason for this remains unclear, but could relate to factors such as company size, co-operative form, lack of shareholder focus, or exposure to Social Purpose training.

Embedding purpose in the corporate strategy and executive performance incentives are considered the two top indicators of authentic purpose execution.

Execution on purpose-driven pay and performance objectives for the CEO and executive team varied from one company to the next, with well over a third of companies scoring 0 on this criterion.

STATEMENTS

"This Social Purpose report captures an important sentiment at the heart of Corporate Knights' mission. We believe that to address society's challenges, business needs a new operating system. Businesses that adopt a social purpose as the reason they exist get part way there, but need to go the second step to implement their purpose. This operating system is in its infancy, and that is where this report comes in. We hope the best practices and recommendations we've outlined in this report provide the guidance companies and their boards need to fulfill the potential of their purpose and put society on a sustainable path."

-Toby Heaps, CEO and Co-founder of Corporate Knights

"As a thought leader and expert in business strategies for a sustainable future, I've seen how transformational it can be for businesses to not only embrace Social Purpose, but to also implement it. However, leading businesses lack guidance on authentic and effective implementation and risk piecemeal execution. To accelerate social purpose in business and unlock their assets for social good, best practices are needed. This report fills the gap by shedding light on the transition pathway that lies ahead."

-Coro Strandberg, President of Strandberg Consulting and co-author of the *The Social Purpose Transition Pathway*

"BCLC's social purpose is to generate win-wins for the greater good – not only in how our products and operations focus on creating more positive social impacts, but also by how we share learnings with other businesses so that they can also be catalysts for change," said Peter ter Weeme, Chief Social Purpose Officer and Vice President, Player Experience, BCLC. *"We know that our journey to lead with purpose will better serve our players and our communities as we connect the growth of our business to the wellbeing of our society and environment."*

-Peter ter Weeme, Chief Social Purpose Officer and Vice President, Player Experience, BCLC

“With 149,000 people across the world and over 400 brand names in nearly 200 countries, our teams and products differ from one brand to the next. What keeps us together is our purpose. To make sustainable living commonplace is what drives everything we do.”

-Gary Wade, President, Unilever Canada

“At BASF, we create chemistry for a sustainable future. BASF provides sustainable products and solutions across a broad portfolio, ranging from chemicals and materials to industrial solutions, surface technologies, nutrition & care and agricultural solutions. Our goal is to contribute to a world that provides a future with an enhanced quality of life and progressing society, while preserving and protecting the environment.”

-Apala Mukherjee, President, BASF Canada

“As a B Corp, we work to ensure our operations, business model, and profits align with our purpose: to build a better world. Part of what helps us achieve this is the integration of our values - inclusion, collaboration, innovation and ingenuity - into everything we do. Which is why being included in this study by Corporate Knights is all the more relevant. By standardizing best practices and recommendations, we can continue taking a proactive approach and leaving a positive impact on our communities, people and the planet. We know there is always a way to do better. We hope that with more companies implementing their own purpose, we can work together to be forces for good.”

-Tim Coldwell, President, Chandos Construction

“Our social purpose has been key to our evolution as a modern national financial cooperative and as an organization that is dedicated to positively impacting people and communities. It serves as our north star vision, informing decision-making and innovation across our business, as we work towards our desired societal impact,” said Maureen Young, VP Social Purpose at Coast Capital. *“We are grateful for the opportunity to champion an emerging field of corporate practice in Canada and this collective effort to raise awareness of the purpose economy, helping businesses to accelerate a better future for all.”*

-Maureen Young, VP Social Purpose at Coast Capital

ABOUT CORPORATE KNIGHTS

Corporate Knights Inc. (CK) includes a media division which publishes the award-winning business and society magazine *Corporate Knights*, and a research division which produces corporate rankings, research reports and financial product ratings based on corporate sustainability performance.

CONTACT

For general media inquiries:

Emma Gammans

Communications Manager, Corporate Knights

emma@corporateknights.com / 403.478.4543