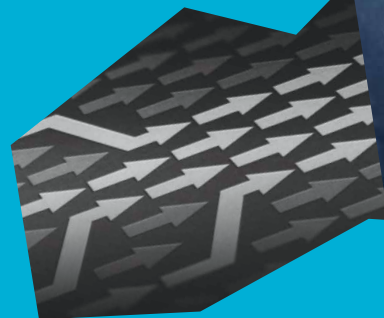




Purpose Index

Canadians are concerned by our social



Benefit
all stakeholders

al problems

Long-term
sustainability

2022



Foreword

The movement towards purpose-driven businesses is growing. Canadians are deeply concerned by our nation's environmental and social problems. They expect companies to do more to address those issues.

Canadian businesses are struggling to meet those high expectations while they are dealing with inflation, supply-chain disruptions, and worker shortages. The way to reconcile those apparently conflicting priorities is through the redefinition of the purpose of the corporation.

An authentic purpose leads the executive team to aim not only at increasing earnings to the benefit of shareholders, but to consider the needs of their other stakeholders – employees, customers, the environment and the communities in which they operate.

As you will see in this report, our data shows that Canadian company executives adhere, at least in theory, to the idea that businesses need to contribute to the solution of society's

problems. However, they are skeptical, even opposed to some of the measures suggested to implement this change. The result is a low Purpose Index (PI) of 48,1%. However, the business leaders' PI is slightly higher than that of Canadians, be they shareholders (45,7%) or not (42%).

This Purpose Index survey reveals what Canadians expect from companies, and how business executives plan to respond. If you believe, like I do, that companies do indeed have a significant role in resolving the issues that Canada is faced with, you will conclude from the surveys' data that much remains to be done.

André Pratte

Executive Chairman

Canadian Centre for the Purpose of the Corporation

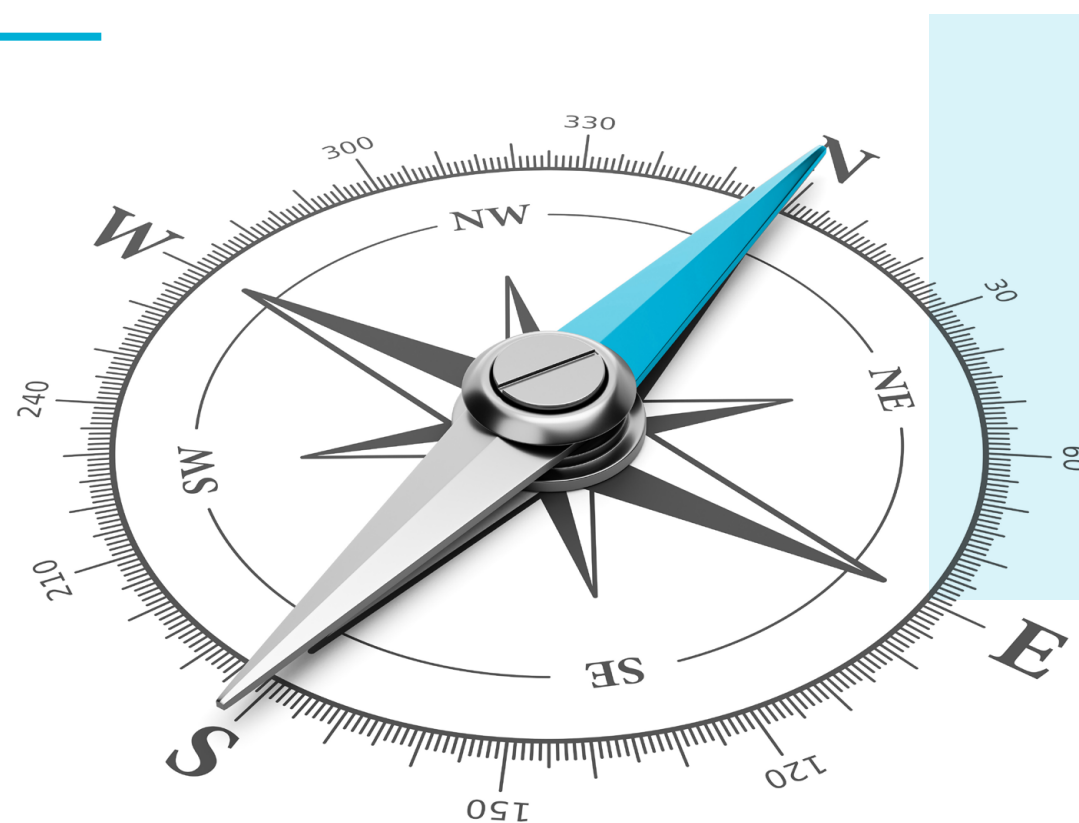




What is Purpose?

Why a company exists beyond making money.

Unlike ESG or CSR, purpose is embedded in a company's strategy and operations.



◀ *Purpose is not the sole pursuit of profits but the animating force for achieving them.* ▶

Larry Fink, CEO, BlackRock



Highlights

Canadian business leaders agree with a purpose-driven economy...

63%



of Canadian business leaders agree that “The purpose of a corporation should be to benefit all its stakeholders, including shareholders, employees, suppliers, the communities where it operates, and the environment.”

59%



of business leaders agree that “When a company takes into account the interests of all its stakeholders, it ensures its long-term profitability and sustainability.”



Highlights

... but they hesitate when it comes to the “how”

Only 42%



*of business executives think
“A company should have the
environment as a main priority.”*

41%



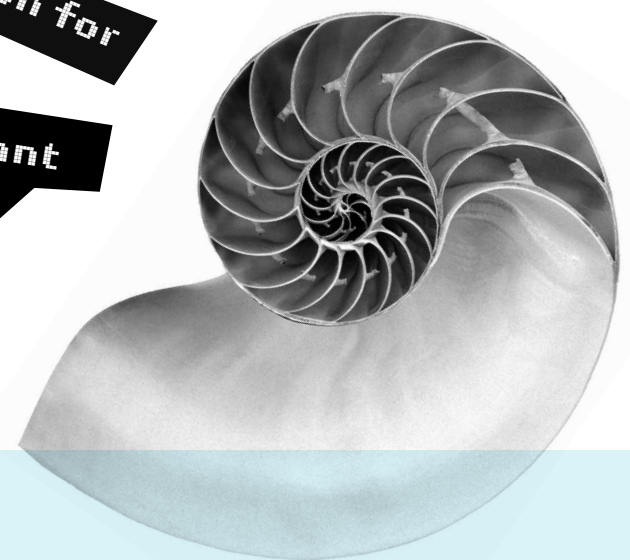
*of senior managers believe that “ESG performance
should be a part of executives’ remuneration package.”*



What is the Purpose Index?

◀◀ ***An index measuring business leaders' and Canadians' commitment towards a purpose-driven economy.*** ▶▶

72% of
Canadians wish for
a significant
reform





How is the Purpose Index calculated?

*Based on the degree of **STRONG** agreement (scores 8 to 10 on a scale of 10) with 20 statements characterizing purposeful businesses.*

Sample:

500

Senior business leaders

3,000

Canadians:

40% are shareholders of Canadian public companies

60% are not shareholders of Canadian public companies





Purpose *Index*

Overall mean

48.1%

Business leaders



45.7%

Shareholders



42.0%

Non-shareholders



Base:
Business leaders: n=510
Shareholders: n=1,436
Non-shareholders: n=1,590



Purpose Index for Business leaders

Age

Gen Z (18-24)	25.0%
Millennials (25-39)	49.5%
Gen X (40-54)	47.8%
Boomers (55-74)	48.5%
Silents (75+)	59.6%

Region

British Columbia	45.4%
Alberta	53.4%
Manitoba/ Saskatchewan	52.5%
Ontario	46.9%
Quebec	46.0%
Atlantic	56.2%

Base:
Business leaders: n=510
Shareholders: n=1,436
Non-shareholders: n=1,590



Purpose Index for Shareholders

Age

Gen Z (18-24)	36.2%
Millennials (25-39)	41.3%
Gen X (40-54)	42.7%
Boomers (55-74)	49.3%
Silents (75+)	48.3%

Region

British Columbia	45.0%
Alberta	38.9%
Manitoba/ Saskatchewan	44.6%
Ontario	45.0%
Quebec	50.4%
Atlantic	48.3%

Base:
Business leaders: n=510
Shareholders: n=1,436
Non-shareholders: n=1,590



Purpose Index for Non-shareholders



Age

Gen Z (18-24)	36.2%
Millennials (25-39)	33.1%
Gen X (40-54)	36.5%
Boomers (55-74)	50.0%
Silents (75+)	48.1%

Region

British Columbia	46.0%
Alberta	34.5%
Manitoba/ Saskatchewan	39.0%
Ontario	41.1%
Quebec	47.2%
Atlantic	36.3%

Base:
Business leaders: n=510
Shareholders: n=1,436
Non-shareholders: n=1,590



Purpose statements

On a scale of 0 to 10, where 0 is “strongly disagree” and 10 is “strongly agree”, how would you evaluate each of the following statements?

*63% of Canadian business leaders
strongly agree with the stakeholder definition*

*of the purpose of the
corporation*



Base:

Business leaders: n=510

Shareholders: n=1,436

Non-shareholders: n=1,590

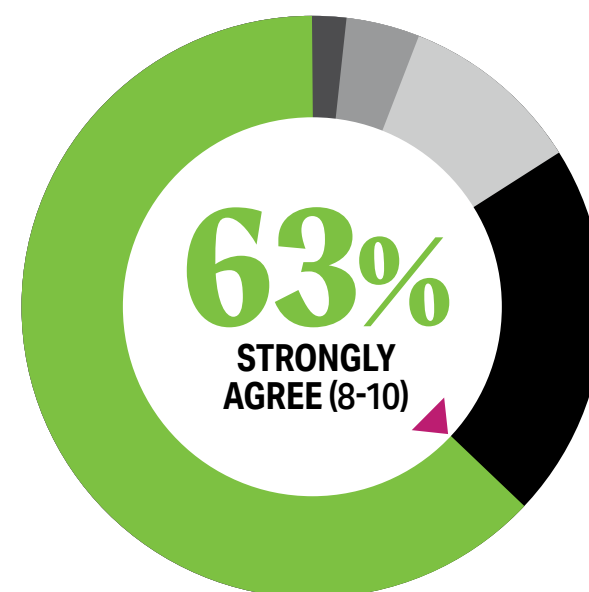
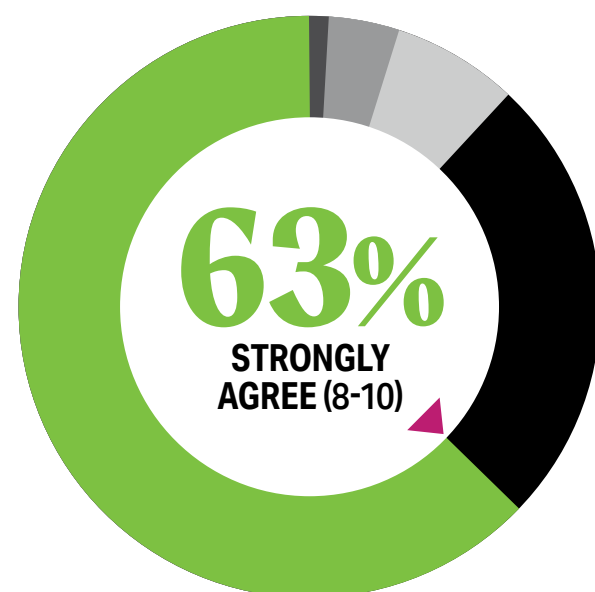
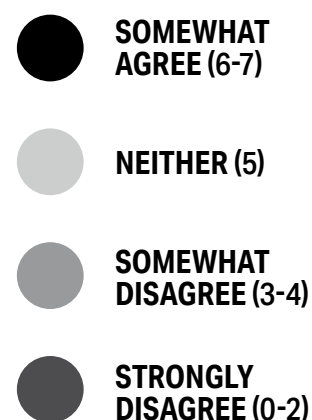


01. *The purpose of a corporation should be to benefit all its stakeholders, including shareholders, employees, suppliers, the communities where it operates, and the environment.*

Business leaders

Shareholders

Non-shareholders



Alberta 73%
STRONGLY AGREE



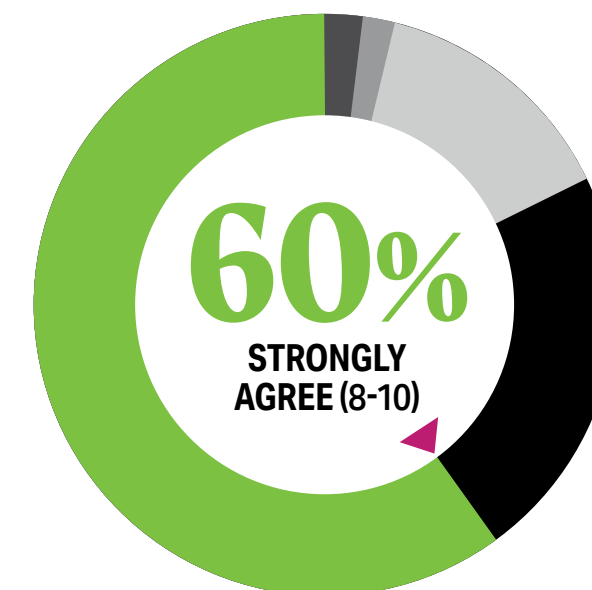
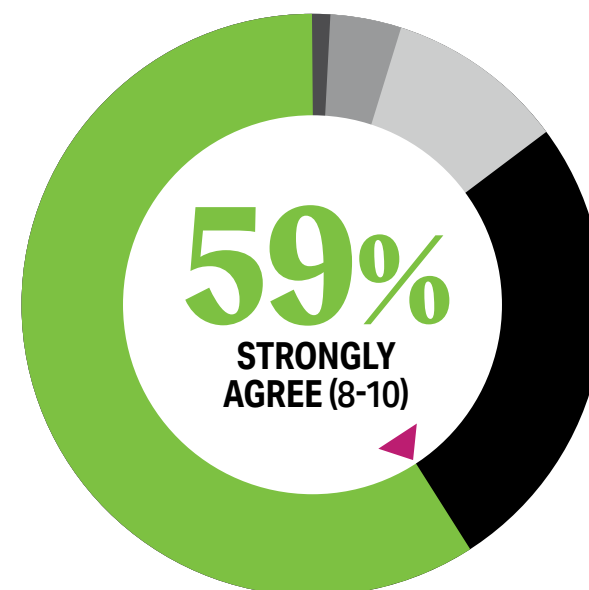
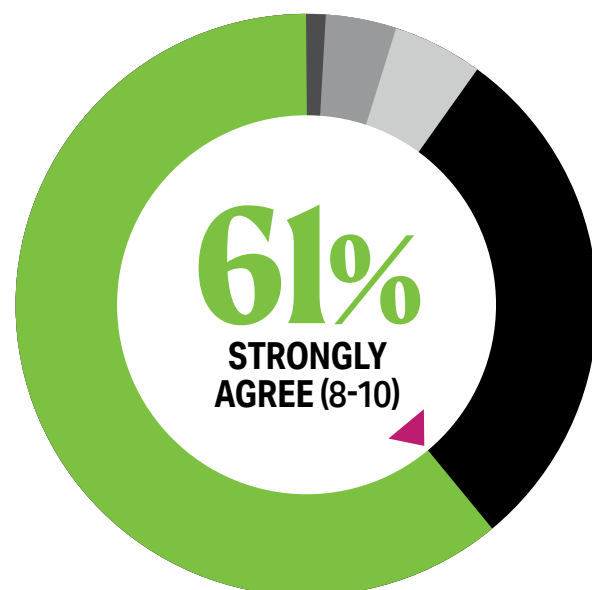
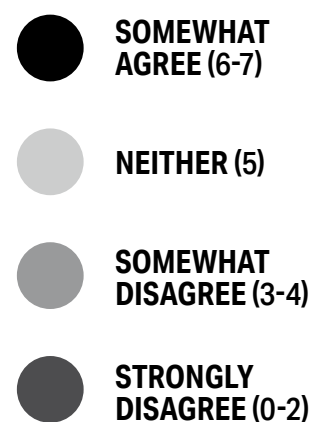
02. *A company should have its customers as a main priority.*



Business leaders

Shareholders

Non-shareholders



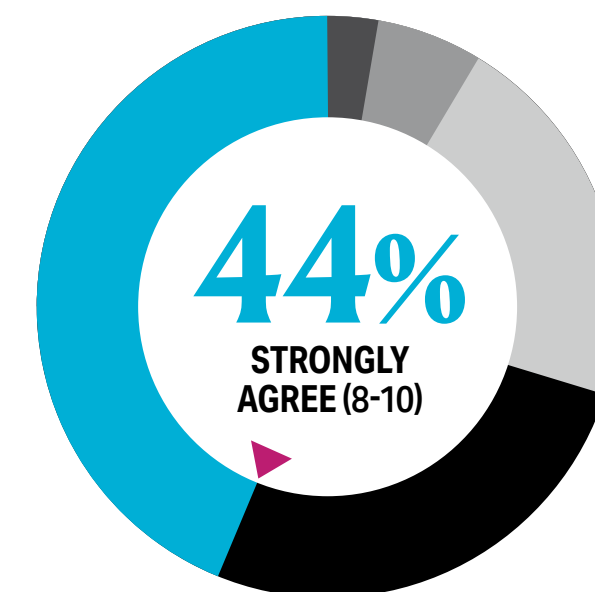
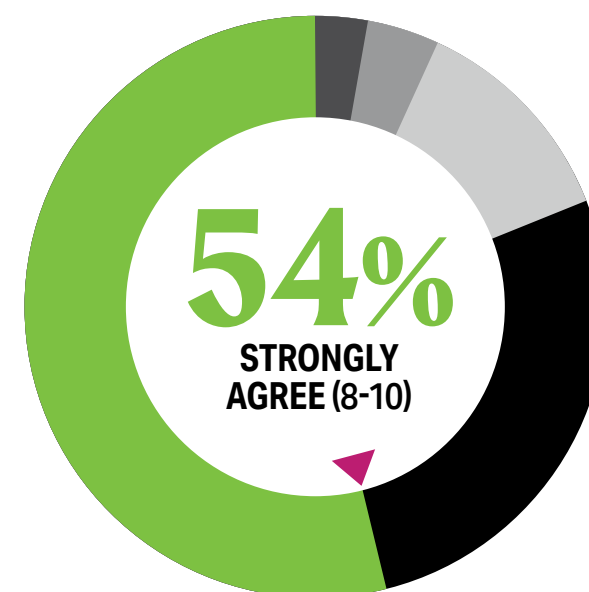


03. When a company takes into account the interests of all its stakeholders, it ensures its long-term profitability and sustainability.

Business leaders

Shareholders

Non-shareholders



**Boomers 53%
STRONGLY AGREE**

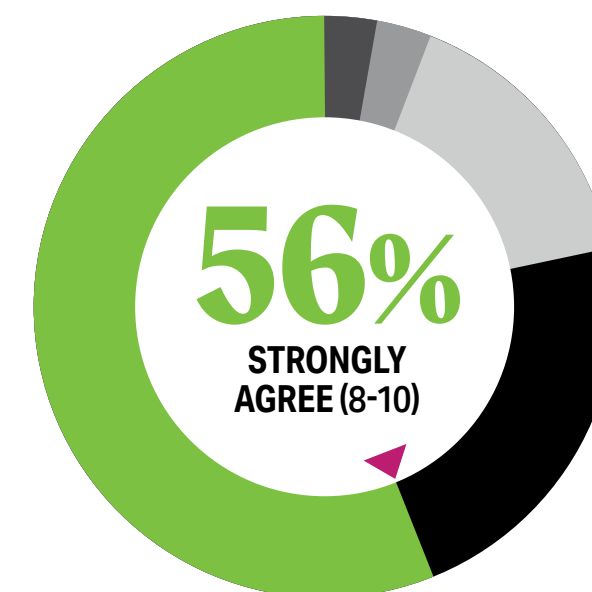
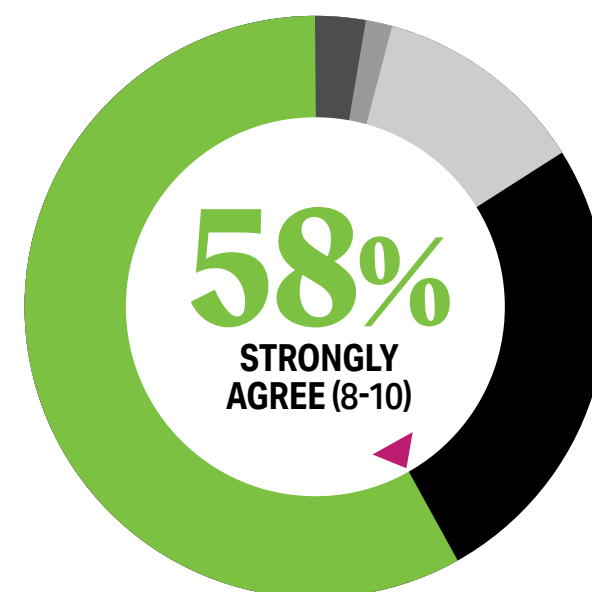
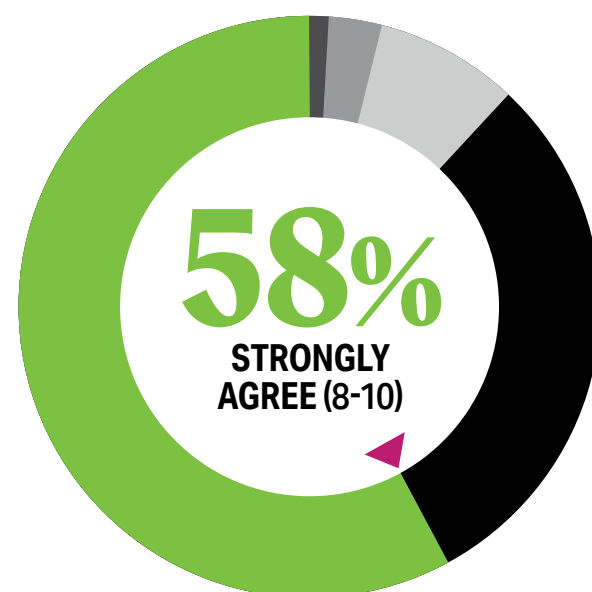
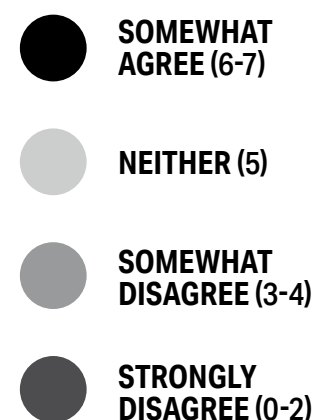


04. It is important for a company to have a strong purpose, but even more important that that purpose be authentic, meaning that the company act according to its stated purpose.

Business leaders

Shareholders

Non-shareholders



**Boomers 68%
STRONGLY AGREE**



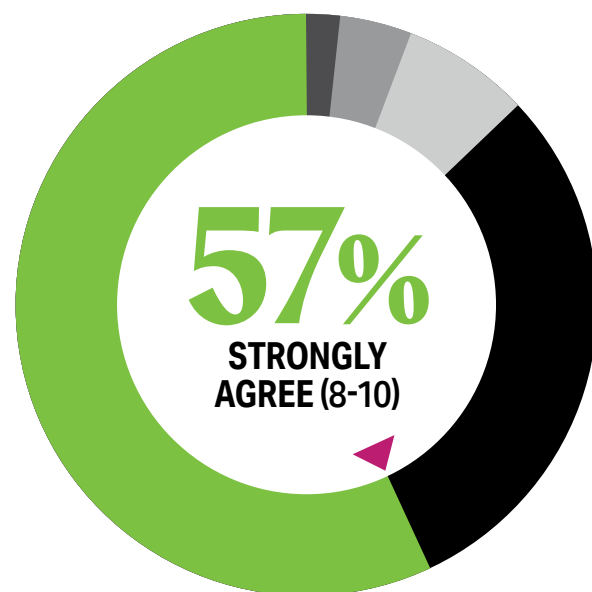
05. A company should share a fundamental commitment to the communities where it operates.



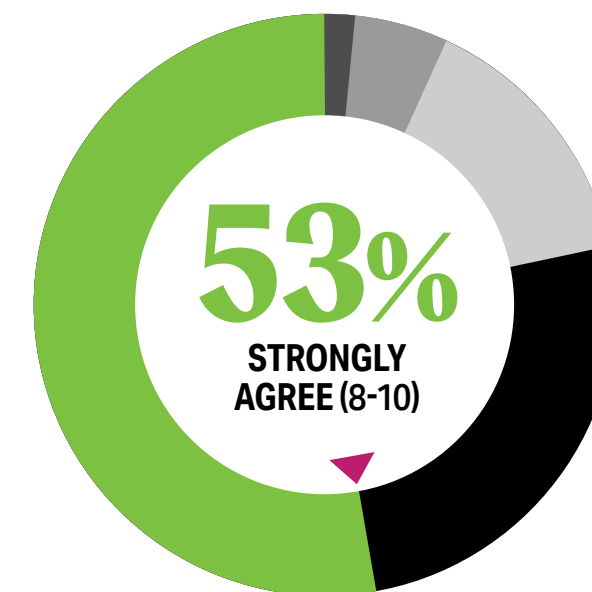
Business leaders

Shareholders

Non-shareholders



Alberta 65%
STRONGLY AGREE



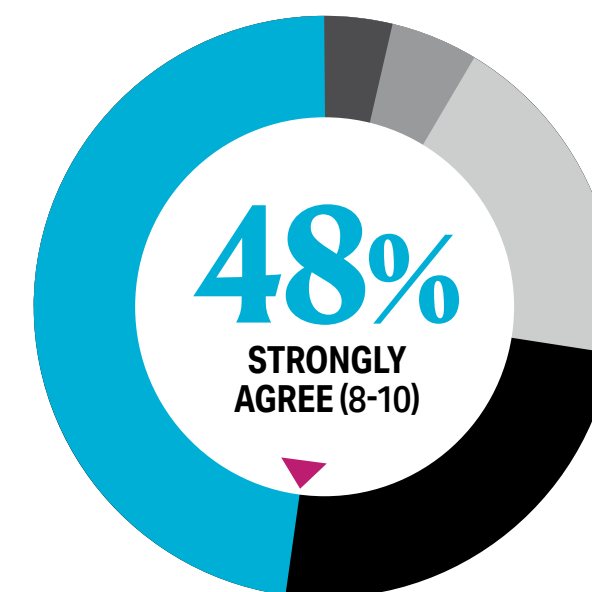
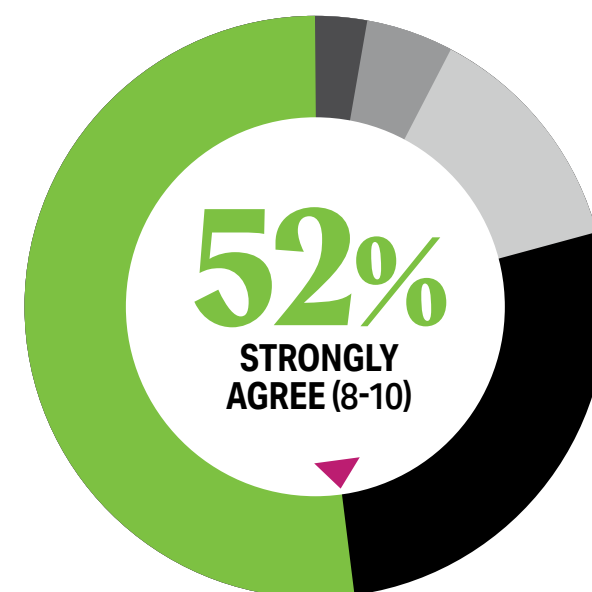
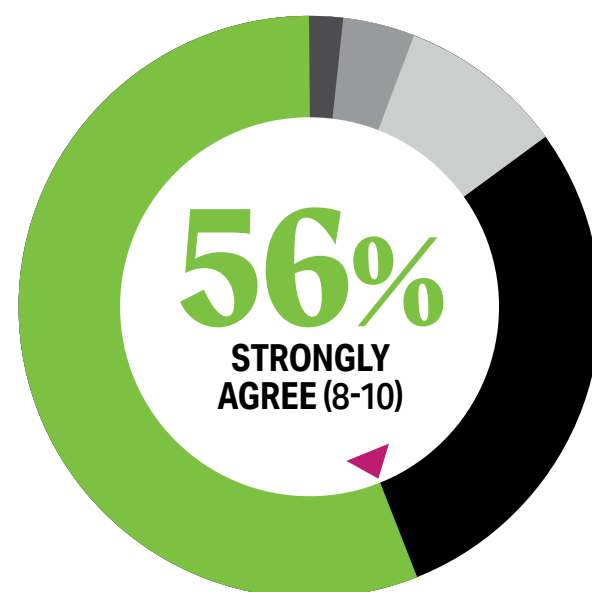
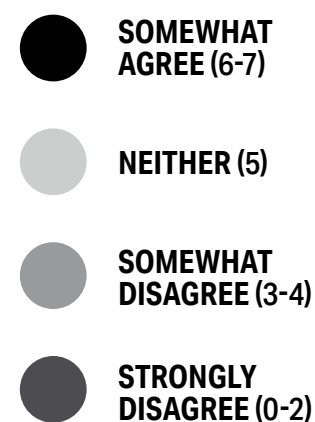


06. Nowadays, a corporation that clearly expresses its values and operates in accordance with these values will attract and retain the best talents.

Business leaders

Shareholders

Non-shareholders



**Boomers 58%
STRONGLY AGREE**

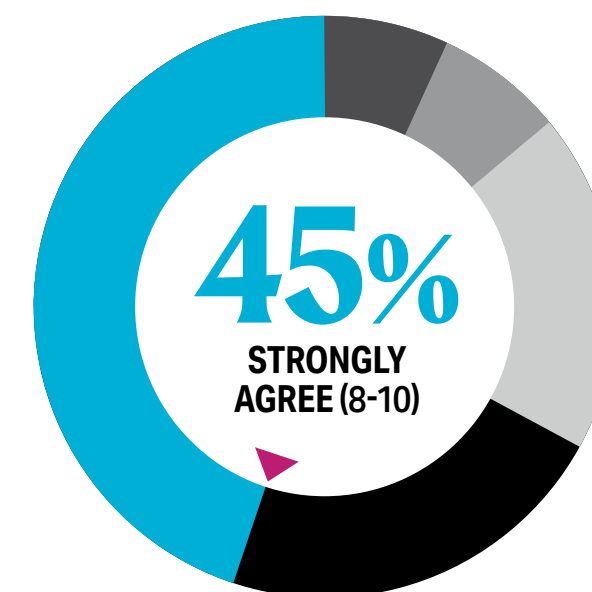
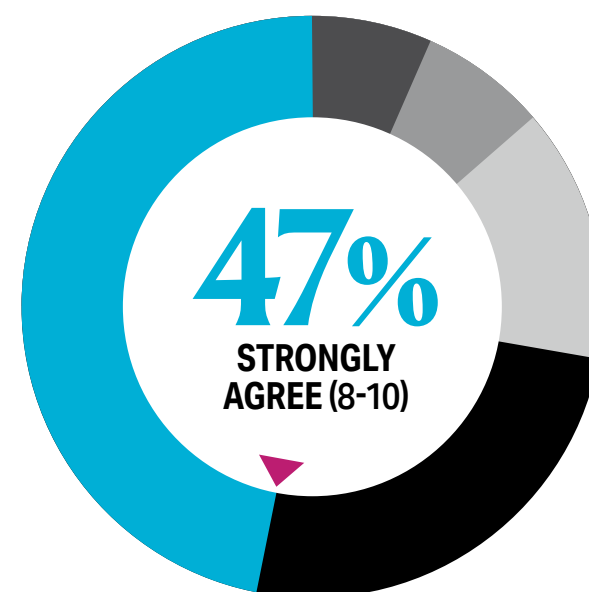


07. A company should integrate a commitment to social and/or environmental responsibility into its written corporate purpose statement.

Business leaders

Shareholders

Non-shareholders



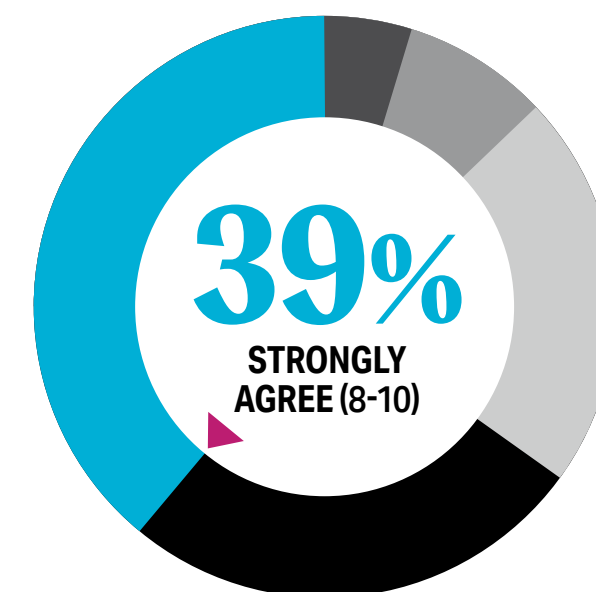
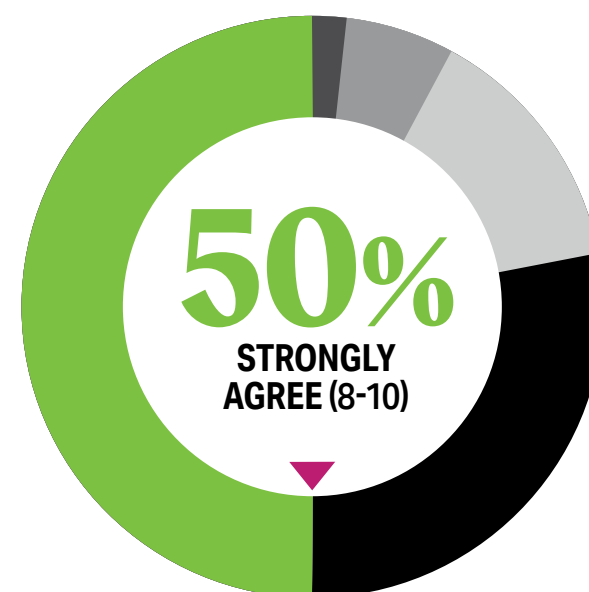
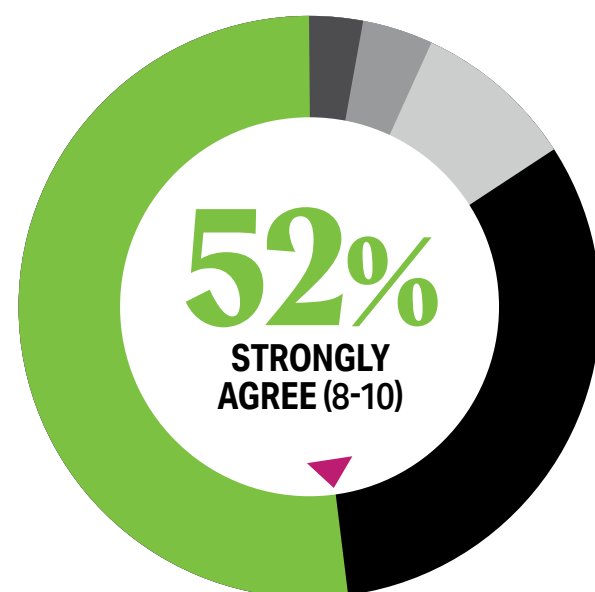
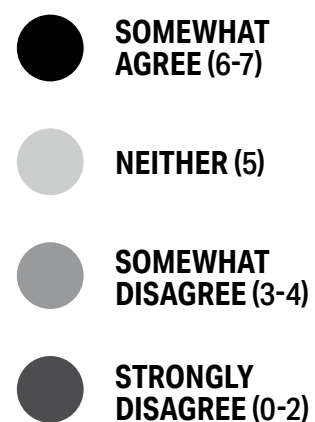


08. A company's commitment to all its stakeholders should be at the core of its strategy and its operations.

Business leaders

Shareholders

Non-shareholders



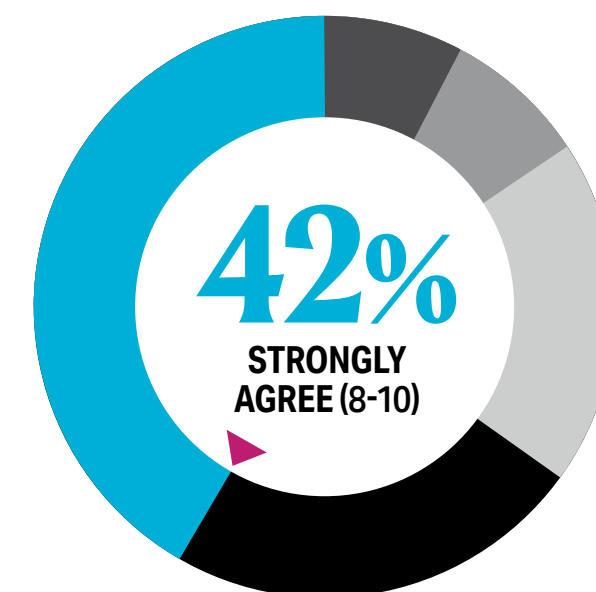
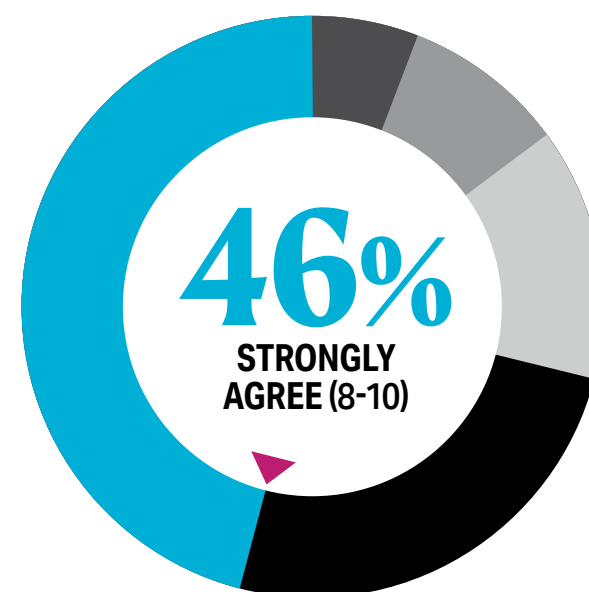
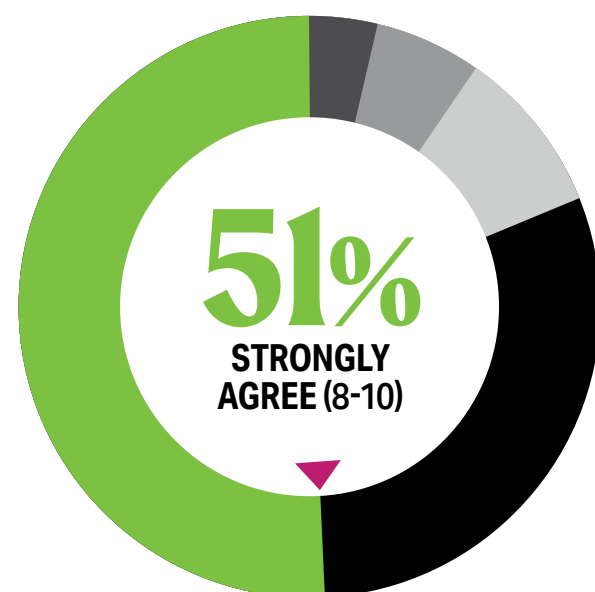


09. Ignoring social, environmental and governance issues represents a growing risk to business profits.

Business leaders

Shareholders

Non-shareholders



Quebec 40%
STRONGLY AGREE

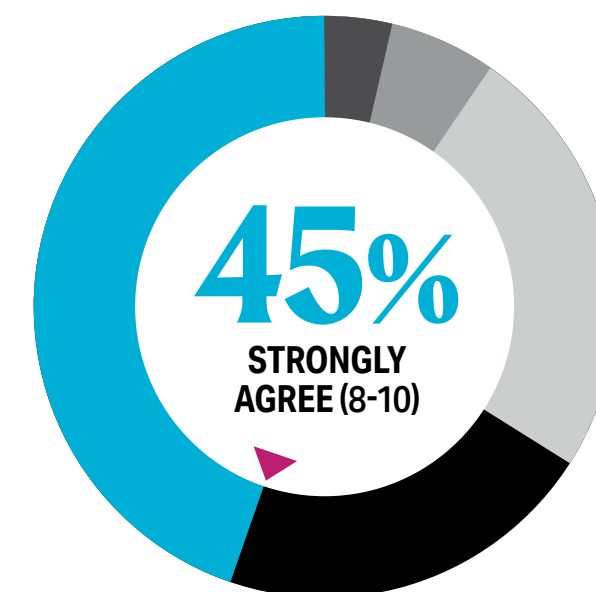
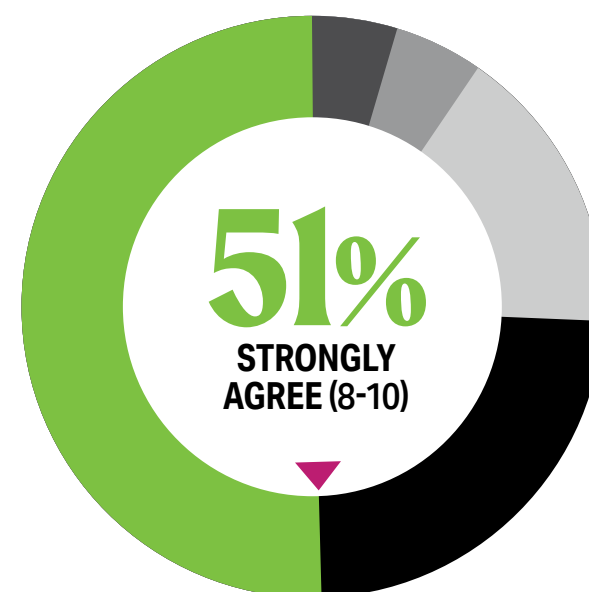
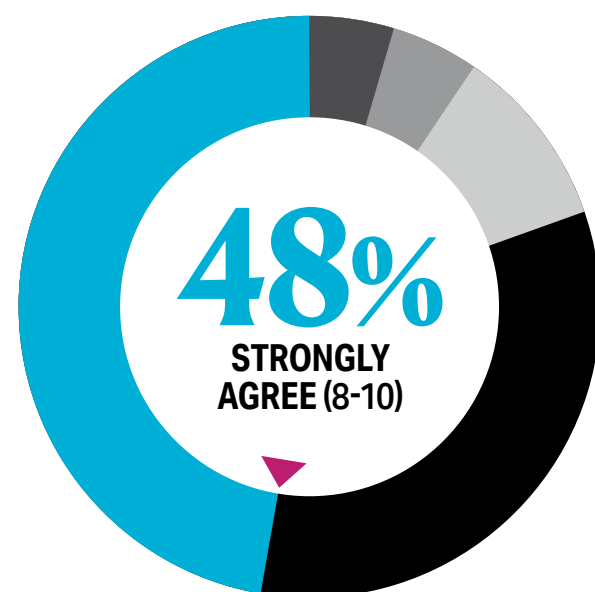
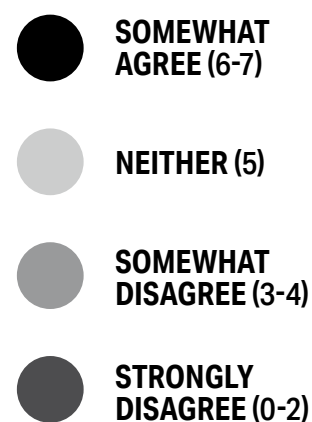


10. A company's report on its ESG performance should be independently audited.

Business leaders

Shareholders

Non-shareholders



Quebec 40%
STRONGLY AGREE

Alberta 58%
STRONGLY AGREE



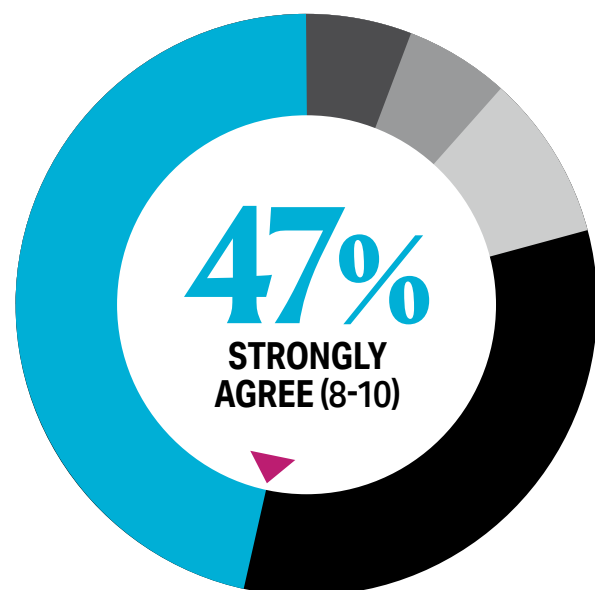
11. Reporting on ESG performance should be made mandatory for public companies.



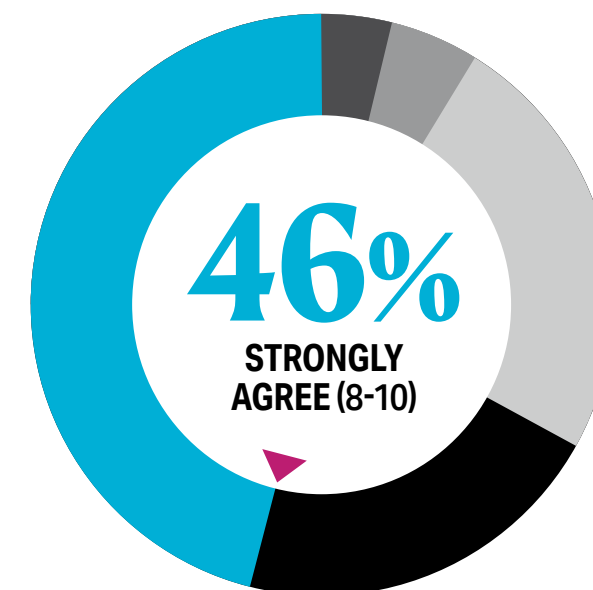
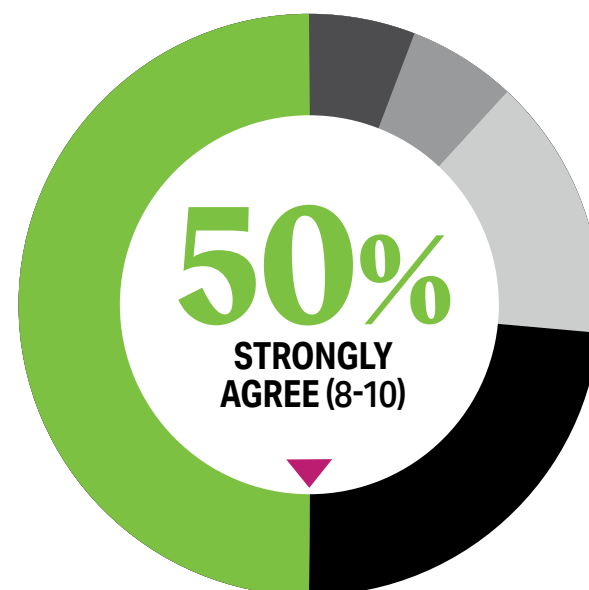
Business leaders

Shareholders

Non-shareholders



Alberta 67%
STRONGLY AGREE



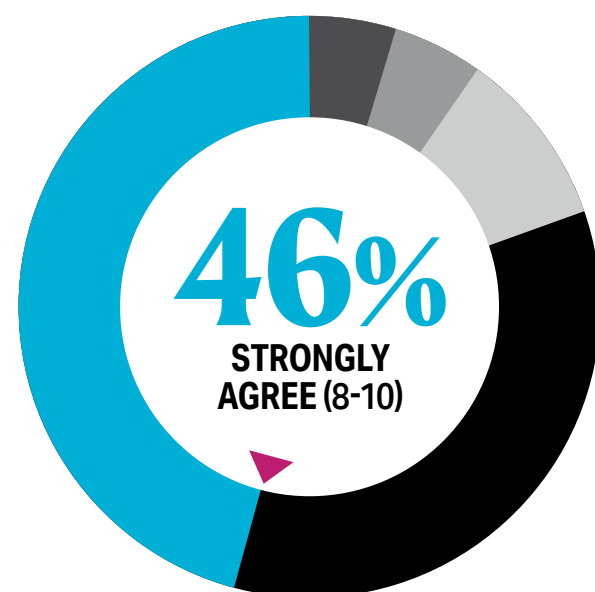


12. A company should report annually on its ESG performance in as rigorous a manner as it does its financial performance.

Business leaders

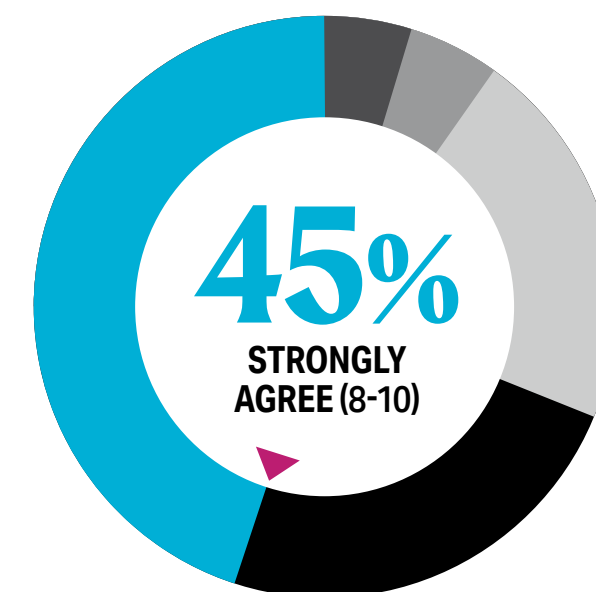
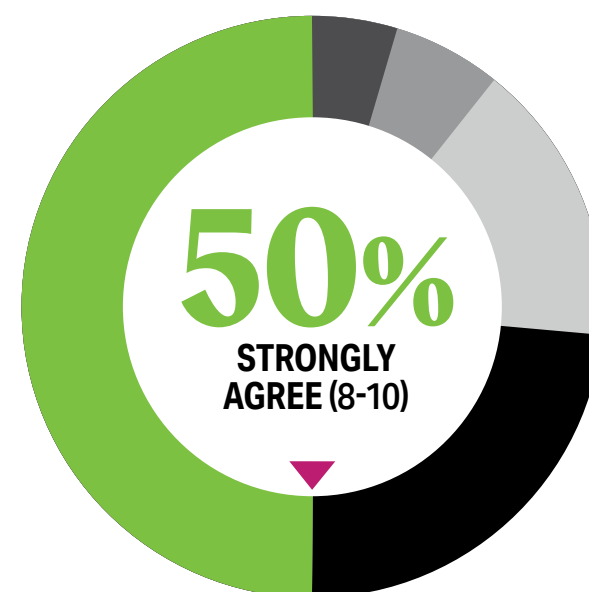
Shareholders

Non-shareholders



Quebec 34%
STRONGLY AGREE

Alberta 63%
STRONGLY AGREE



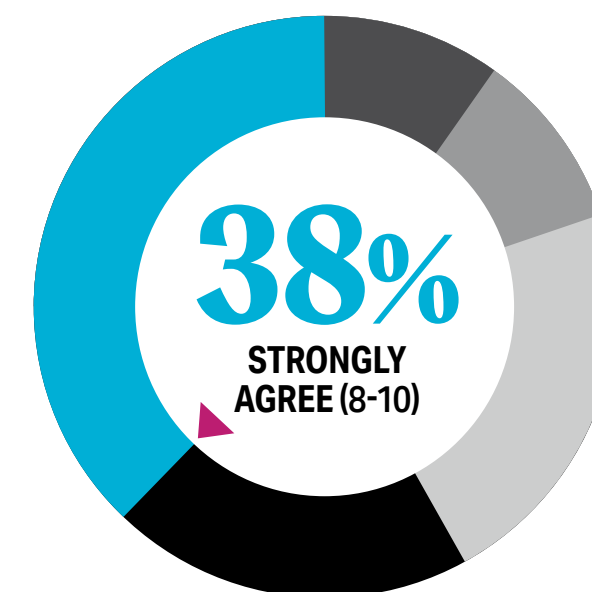
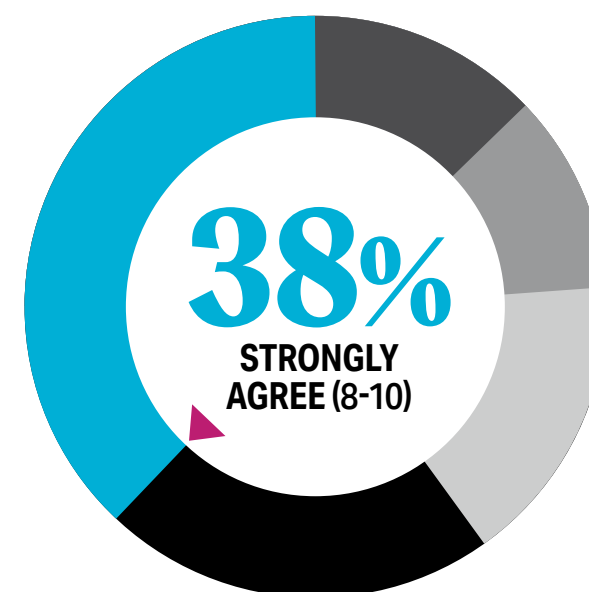
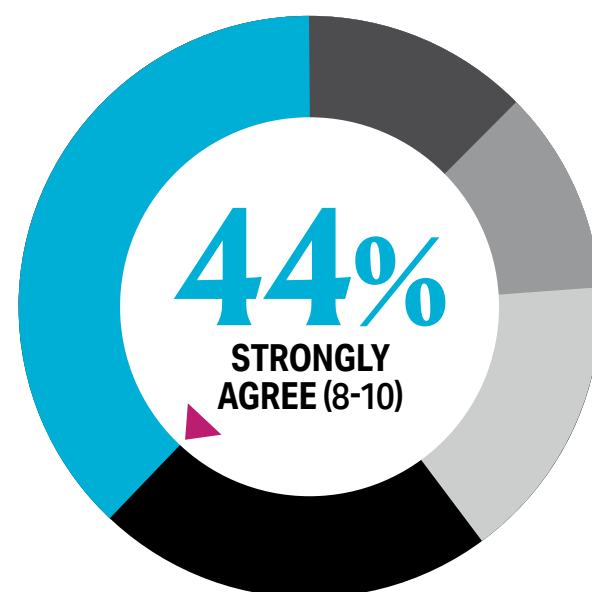


13. *The view that the purpose of a corporation should be, first and foremost, to ensure the profitability of the company, to the sole benefit of its shareholders, is outdated.*

Business leaders

Shareholders

Non-shareholders



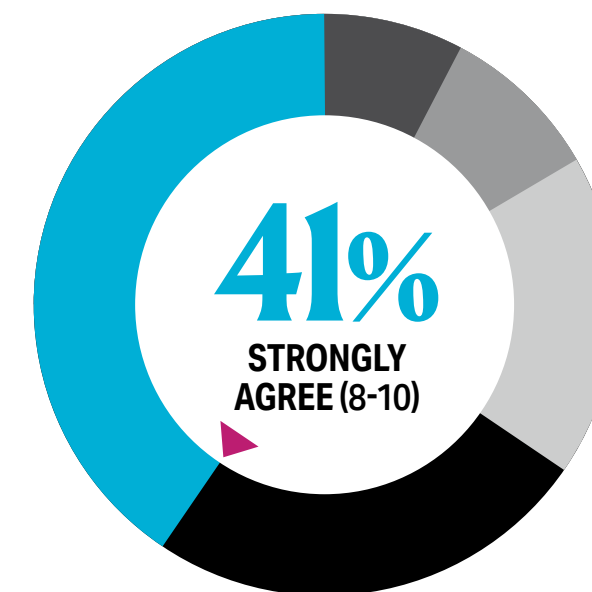
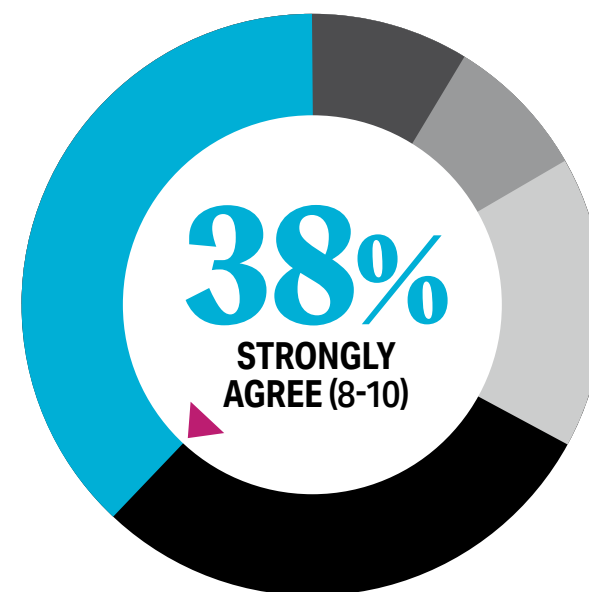
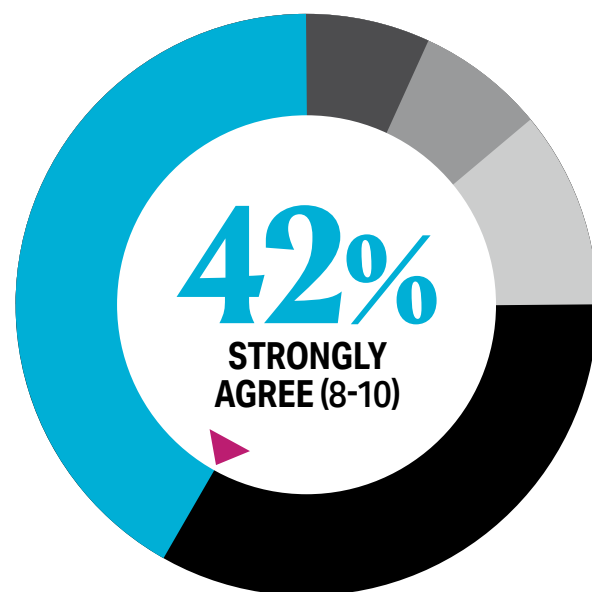


14. A company should have the environment as a main priority.

Business leaders

Shareholders

Non-shareholders



Quebec 52%
STRONGLY AGREE (8-10)

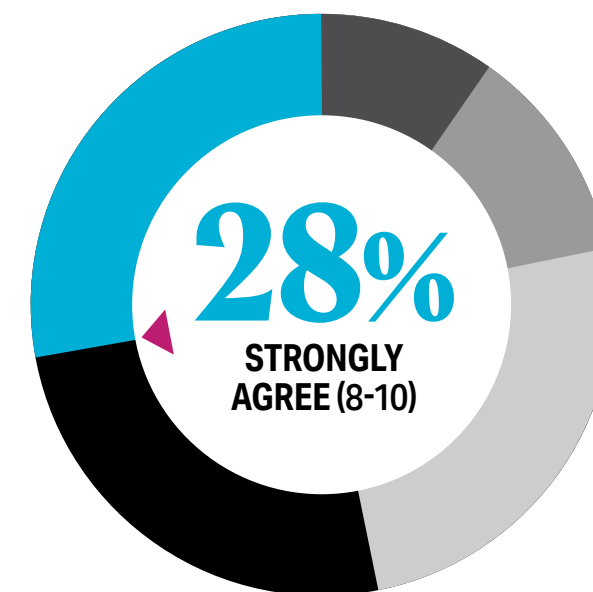
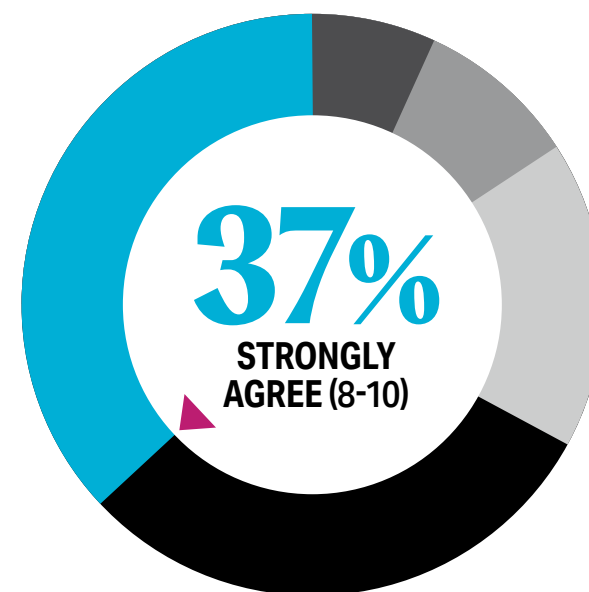
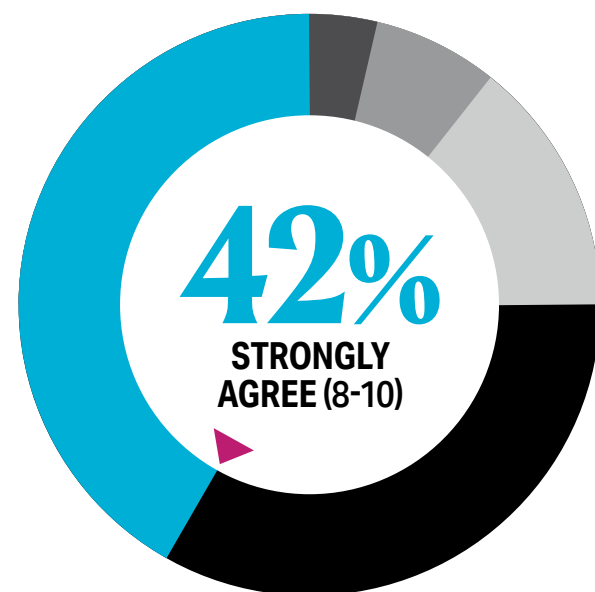


15. A company should have its shareholders as a main priority.

Business leaders

Shareholders

Non-shareholders



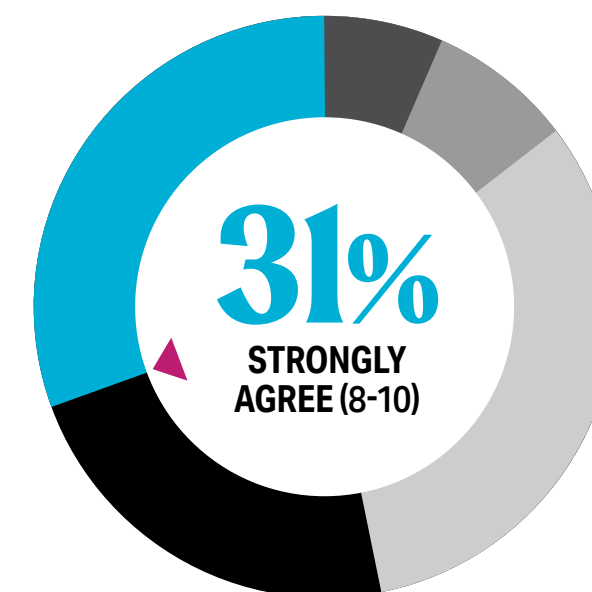
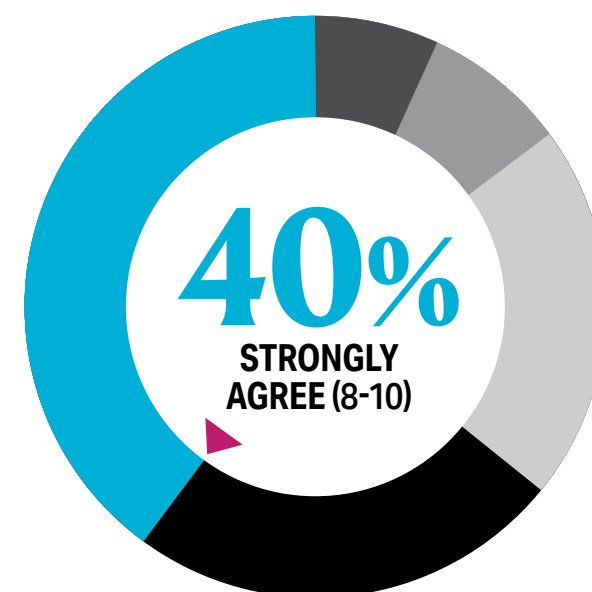
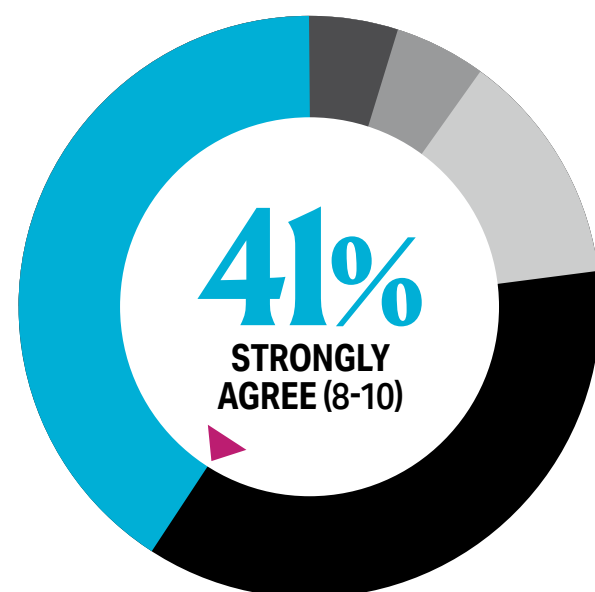


16. *ESG performance should be a part of executives' remuneration package.*

Business leaders

Shareholders

Non-shareholders



Quebec 34%
STRONGLY AGREE

Alberta 50%
STRONGLY AGREE

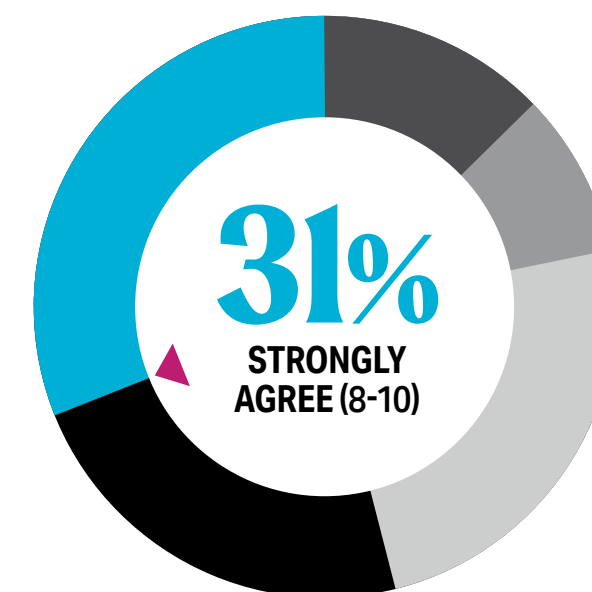
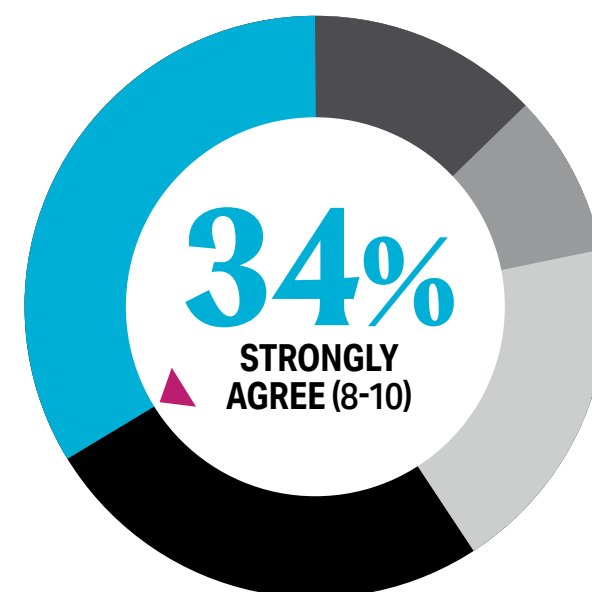
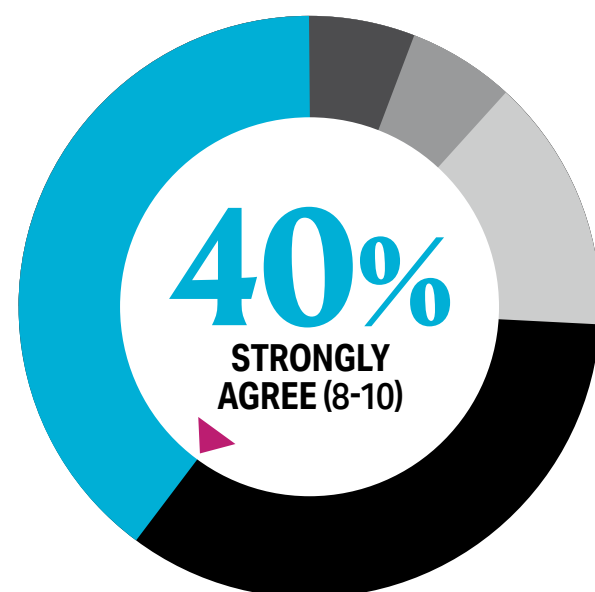
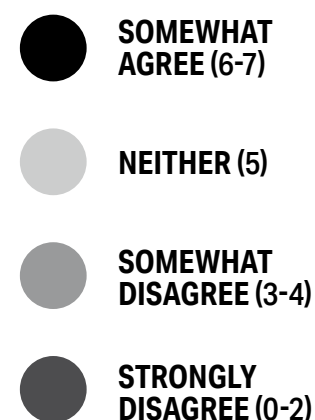


17. A corporation should take a stance in social and political debates if such involvement is aligned with its purpose and values.

Business leaders

Shareholders

Non-shareholders



Boomers 28%
STRONGLY AGREE

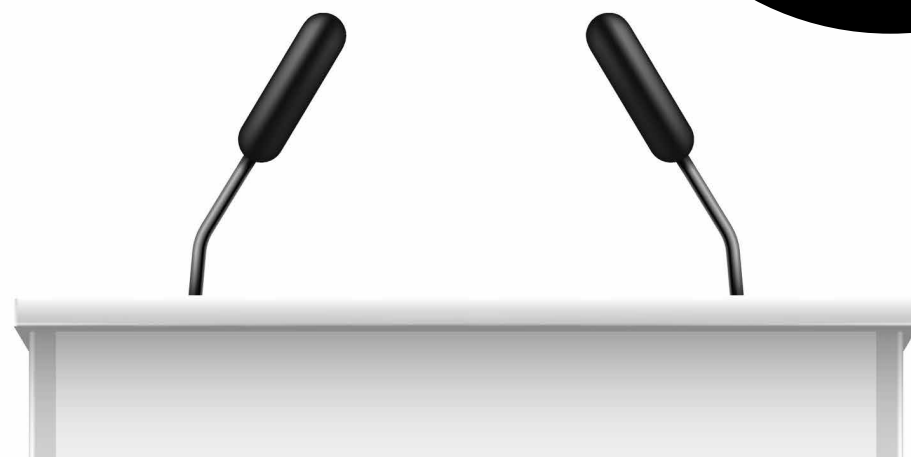
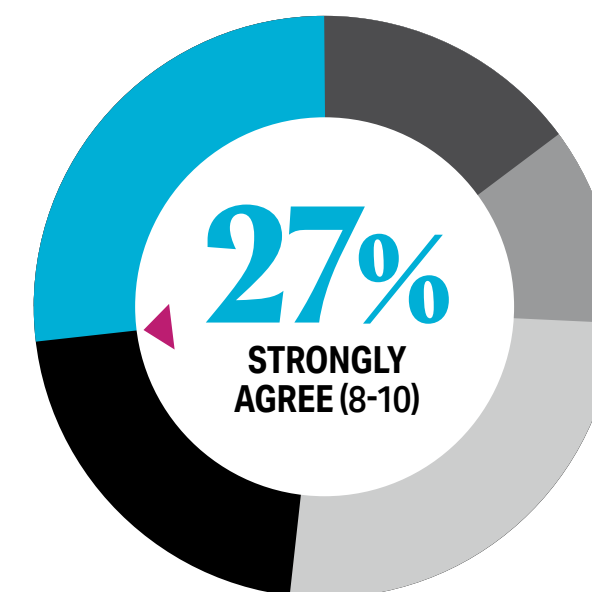
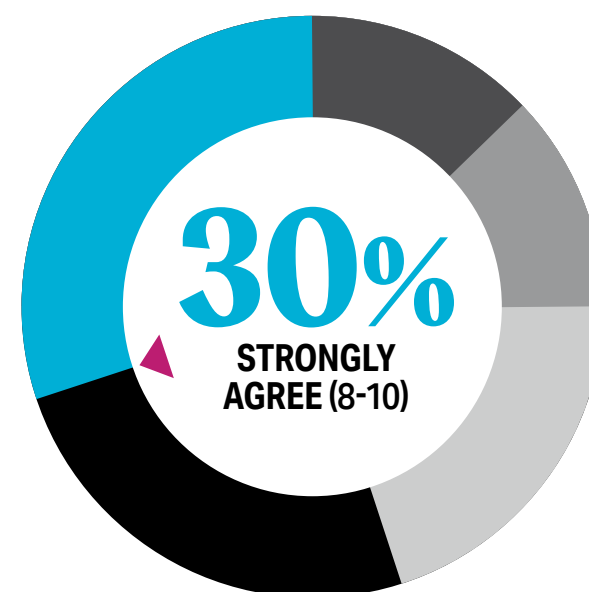
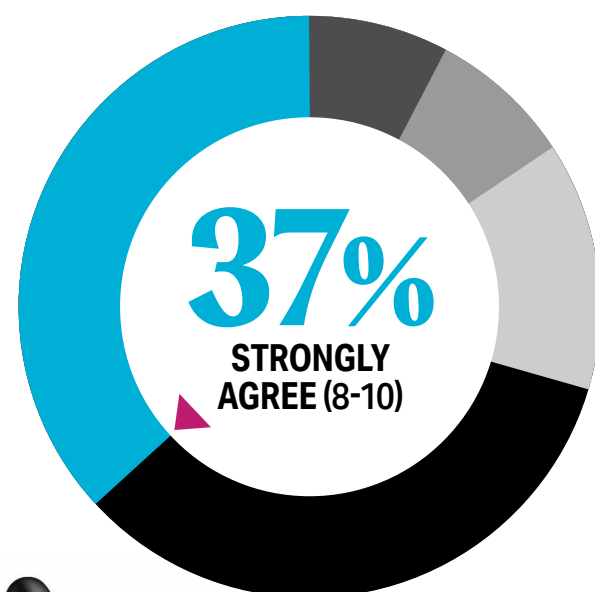
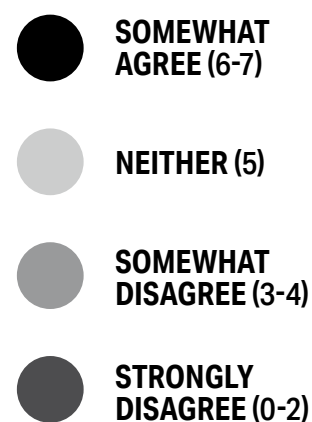


18. A corporation should take a stance in social and political debates if such involvement is demanded by its stakeholders.

Business leaders

Shareholders

Non-shareholders



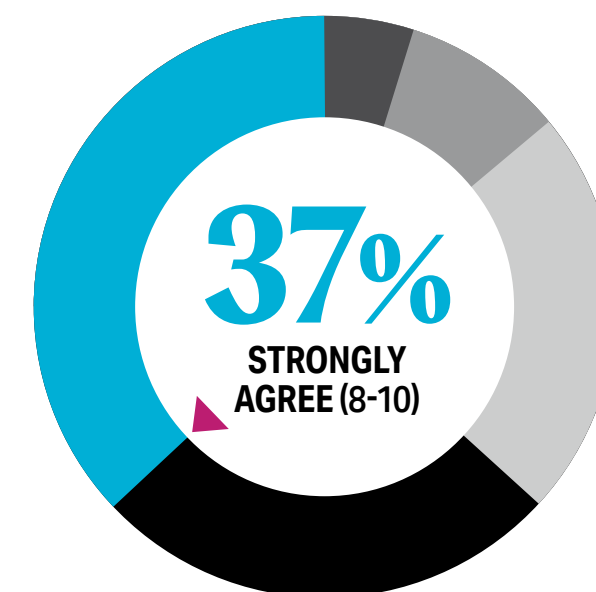
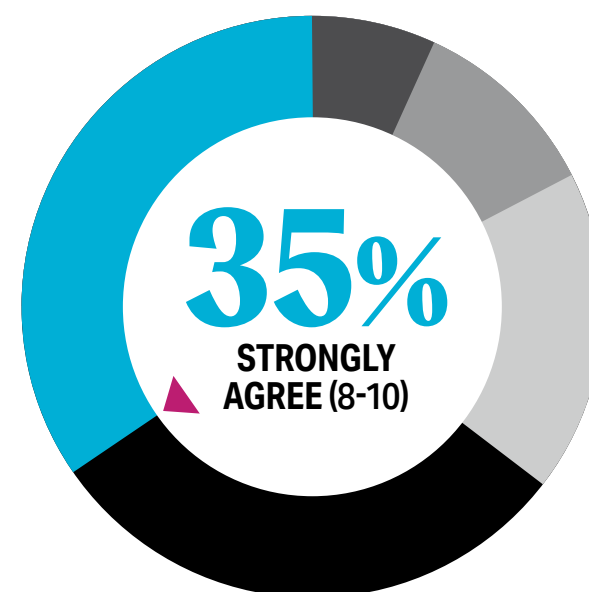
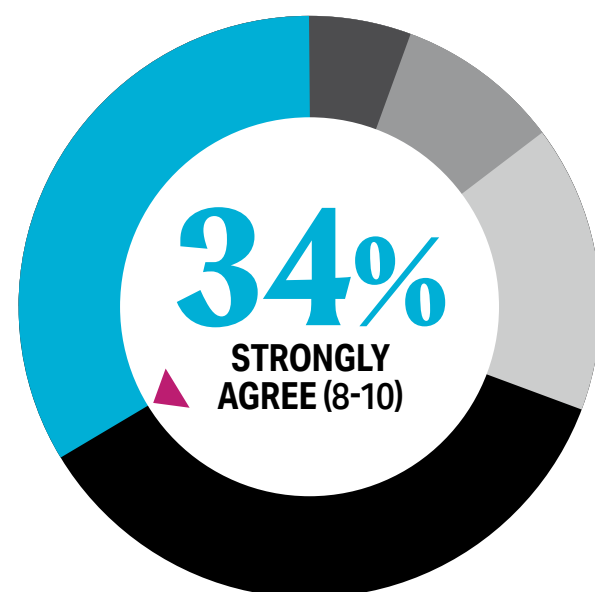


19. A company should have its retirees and pensioners as a main priority.

Business leaders

Shareholders

Non-shareholders





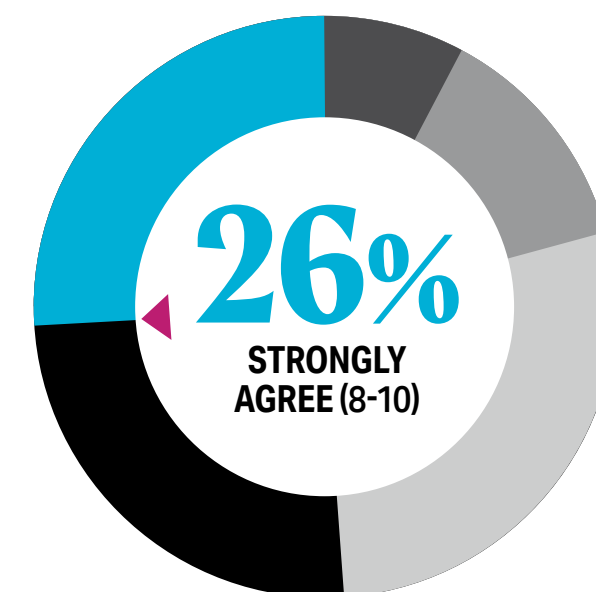
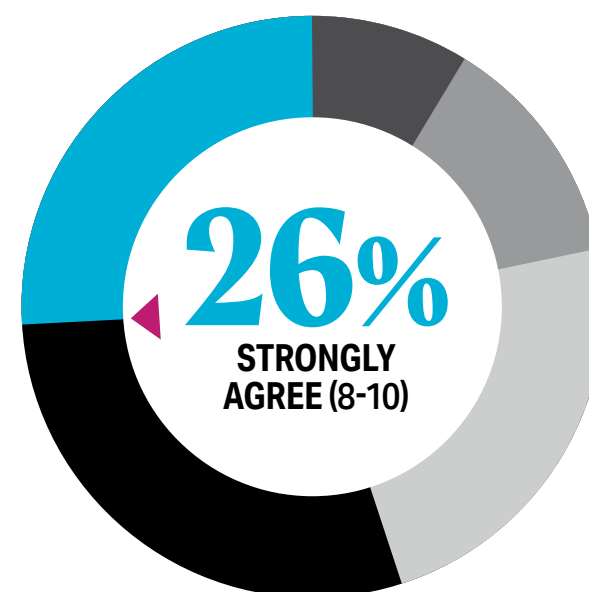
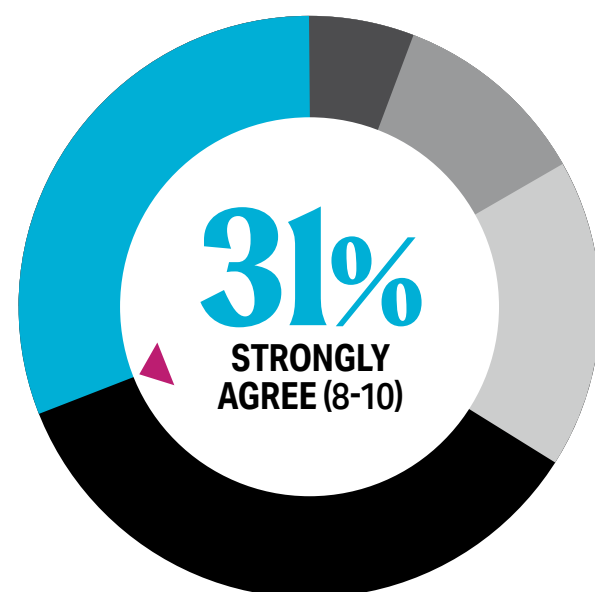
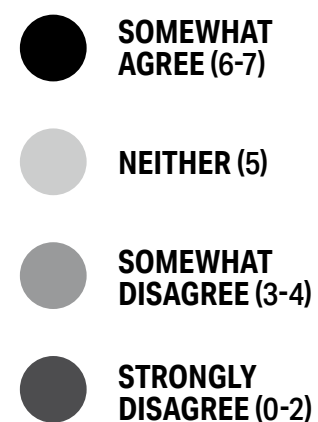
20. A company should have its creditors as a main priority.



Business leaders

Shareholders

Non-shareholders





Purpose Index

Business leaders

Shareholders

Non-shareholders

STRONGLY AGREE (8-10)

The purpose of a corporation should be to benefit all its stakeholders, including shareholders, employees, suppliers, the communities where it operates, and the environment.	63%	63%	56%
A company should have its customers as a main priority.	61%	59%	60%
When a company takes into account the interests of all its stakeholders, it ensures its long-term profitability and sustainability.	59%	54%	44%
It is important for a company to have a strong purpose, but even more important that that purpose be authentic, meaning that the company act according to its stated purpose.	57%	58%	57%
A company should share a fundamental commitment to the communities where it operates.	57%	56%	53%
Nowadays, a corporation that clearly expresses its values and operates in accordance with these values will attract and retain the best talents.	56%	52%	48%
A company should integrate a commitment to social and/or environmental responsibility into its written corporate purpose statement.	54%	47%	45%
A company's commitment to all its stakeholders should be at the core of its strategy and its operations.	52%	50%	39%
Ignoring social, environmental and governance issues represents a growing risk to business profits.	51%	45%	42%
A company's report on its ESG performance should be independently audited.	48%	51%	45%

STRONGLY AGREE (8-10)

Reporting on ESG performance should be made mandatory for public companies.	47%	50%	46%
A company should report annually on its ESG performance in as rigorous a manner as it does its financial performance.	46%	50%	45%
The view that the purpose of a corporation should be, first and foremost, to ensure the profitability of the company, to the sole benefit of its shareholders, is outdated.	44%	38%	38%
A company should have its shareholders as a main priority.	42%	37%	28%
A company should have the environment as a main priority.	42%	38%	41%
ESG performance should be a part of executives' remuneration package.	41%	40%	31%
A corporation should take a stance in social and political debates if such involvement is aligned with its purpose and values.	40%	34%	31%
A corporation should take a stance in social and political debates if such involvement is demanded by its stakeholders.	37%	30%	27%
A company should have its retirees and pensioners as a main priority.	34%	35%	37%
A company should have its creditors as a main priority.	31%	26%	26%

Base:
Business leaders: n=510
Shareholders: n=1,436
Non-shareholders: n=1,590



Purpose Index

Base:
Business leaders: n=510
Shareholders: n=1,436
Non-shareholders: n=1,590

	Business leaders				Shareholders				Non-shareholders			
	SOMEWHAT AGREE (6-7)	NEITHER (5)	SOMEWHAT DISAGREE (3-4)	STRONGLY DISAGREE (0-2)	SOMEWHAT AGREE (6-7)	NEITHER (5)	SOMEWHAT DISAGREE (3-4)	STRONGLY DISAGREE (0-2)	SOMEWHAT AGREE (6-7)	NEITHER (5)	SOMEWHAT DISAGREE (3-4)	STRONGLY DISAGREE (0-2)
The purpose of a corporation should be to benefit all its stakeholders, including shareholders, employees, suppliers, the communities where it operates, and the environment.	25%	7%	4%	1%	21%	10%	4%	2%	20%	16%	4%	4%
A company should have its customers as a main priority.	29%	5%	4%	1%	26%	10%	4%	1%	22%	14%	2%	2%
When a company takes into account the interests of all its stakeholders, it ensures its long-term profitability and sustainability.	30%	5%	4%	2%	27%	12%	4%	3%	26%	21%	6%	3%
It is important for a company to have a strong purpose, but even more important that that purpose be authentic, meaning that the company act according to its stated purpose.	30%	8%	3%	1%	26%	12%	3%	1%	22%	16%	3%	3%
A company should share a fundamental commitment to the communities where it operates.	30%	7%	4%	2%	26%	12%	4%	2%	25%	15%	5%	2%
Nowadays, a corporation that clearly expresses its values and operates in accordance with these values will attract and retain the best talents.	29%	9%	4%	2%	27%	13%	5%	3%	24%	19%	5%	4%
A company should integrate a commitment to social and/or environmental responsibility into its written corporate purpose statement.	29%	9%	5%	3%	25%	14%	7%	7%	22%	19%	7%	7%
A company's commitment to all its stakeholders should be at the core of its strategy and its operations.	32%	9%	4%	3%	28%	14%	6%	2%	26%	22%	8%	5%
Ignoring social, environmental and governance issues represents a growing risk to business profits.	30%	9%	6%	4%	25%	14%	9%	6%	23%	19%	8%	8%
A company's report on its ESG performance should be independently audited.	33%	10%	5%	5%	24%	16%	5%	5%	21%	24%	6%	4%



Purpose Index

Base:
Business leaders: n=510
Shareholders: n=1,436
Non-shareholders: n=1,590

	Business leaders				Shareholders				Non-shareholders			
	SOMEWHAT AGREE (6-7)	NEITHER (5)	SOMEWHAT DISAGREE (3-4)	STRONGLY DISAGREE (0-2)	SOMEWHAT AGREE (6-7)	NEITHER (5)	SOMEWHAT DISAGREE (3-4)	STRONGLY DISAGREE (0-2)	SOMEWHAT AGREE (6-7)	NEITHER (5)	SOMEWHAT DISAGREE (3-4)	STRONGLY DISAGREE (0-2)
Reporting on ESG performance should be made mandatory for public companies.	33%	9%	6%	6%	24%	15%	6%	6%	21%	24%	5%	4%
A company should report annually on its ESG performance in as rigorous a manner as it does its financial performance.	34%	10%	5%	5%	23%	16%	6%	5%	24%	21%	5%	5%
The view that the purpose of a corporation should be, first and foremost, to ensure the profitability of the company, to the sole benefit of its shareholders, is outdated.	27%	14%	8%	7%	22%	16%	11%	13%	20%	22%	10%	10%
A company should have its shareholders as a main priority.	33%	11%	7%	7%	29%	16%	8%	9%	25%	25%	12%	10%
A company should have the environment as a main priority.	33%	14%	7%	4%	30%	17%	9%	7%	25%	18%	9%	8%
ESG performance should be a part of executives' remuneration package.	36%	13%	5%	5%	24%	21%	8%	7%	23%	32%	8%	7%
A corporation should take a stance in social and political debates if such involvement is aligned with its purpose and values.	34%	14%	6%	6%	25%	19%	9%	13%	23%	24%	9%	13%
A corporation should take a stance in social and political debates if such involvement is demanded by its stakeholders.	34%	14%	8%	8%	25%	20%	12%	13%	21%	26%	11%	15%
A company should have its retirees and pensioners as a main priority.	35%	16%	9%	6%	30%	18%	11%	7%	26%	23%	9%	5%
A company should have its creditors as a main priority.	35%	17%	11%	6%	29%	23%	13%	9%	25%	28%	13%	8%



Survey methodology

Discover by Navigator undertook an online survey with;

- **510** business leaders,
- **1,436** members of the general population who own shares,
- and **1,590** members of the general population who do not own shares

Survey Timing:

Business leaders: Conducted from May 9 to May 11, 2022.

General population: Conducted from May 9 to May 10, 2022.

Quotas and weighting were employed for the general population to ensure that the sample's composition reflects that of the Canadian population according to Statistics Canada census data.

For comparison purposes, a probability sample of this size would carry a margin of error of +/- 3.0 percentage points, 19 times out of 20. Discrepancies in or between totals are due to rounding.





The Canadian Centre for the Purpose of the Corporation is an initiative of Navigator, Canada's leading high-stakes strategic advisory and communications firm.



The Centre's mission is to equip Canadian businesses and organizations with insights, tools, and support as they work to redefine and strengthen the contributions they make more broadly to society. The Centre releases regular guidance for purpose-driven businesses. The Centre is led by Navigator Principals André Pratte (Executive Chairman) and Graham Fox (Vice-Chair), alongside a panel of experts in business, law, communications, equity and diversity, economics and social responsibility.

*For more information on our services,
please contact us at **info@corporatepurpose.ca***