



CANADIANS WANT CAPITALISM REFORMED AND DEMAND THAT BUSINESSES STEP UP ON FAIRNESS AND SUSTAINABILITY

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This independent survey was commissioned by the **Canadian Centre for the Purpose of the Corporation (CCPC)** in partnership with **Navigator**. The aim of this research was to better understand Canadians' key priorities and perceptions of capitalism, business, the purpose of the corporation and the biggest issues facing Canada.

The Canadian Centre for the Purpose of the Corporation is a ground-breaking initiative of Navigator, Canada's leading high-stakes public strategy and communications firm. The Centre's team of experts in policy, governance, business, communications, law, and social responsibility help equip Canadian businesses and organizations with insights, tools, and support as they work to redefine and strengthen both the scope of their purpose and the contributions they make more broadly to society.

The CCPC will be building on the findings of this first research study, releasing regular analysis and guidance for business as well as further building on these findings in commentary and thought leadership.

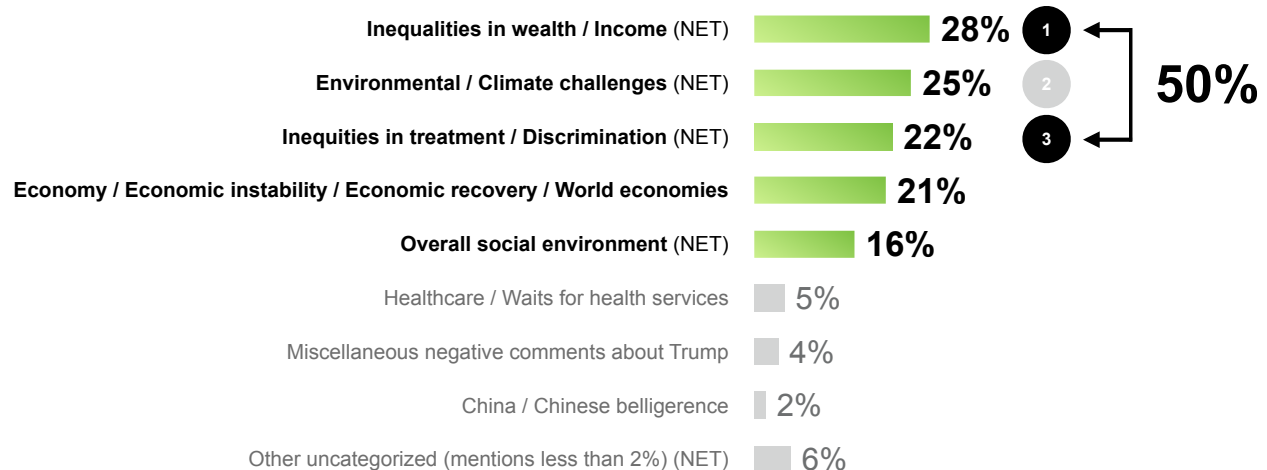
Issues of fairness and sustainability top of mind for Canadians

Wealth inequality and inequitable treatment / discrimination ranked first and third, respectively, in terms of which issues Canadians most often chose as the most significant challenge facing the world. These two issues were collectively mentioned by half of respondents. Environmental / climate challenges occupied the second position and were referenced by 25% of respondents.

These findings are particularly striking considering that the economy and health care have usually been top of mind issues for Canadians. It is highly significant that issues related to fairness came out so strongly in this survey of Canadians' opinions.



Challenges Facing the World (Unaided)

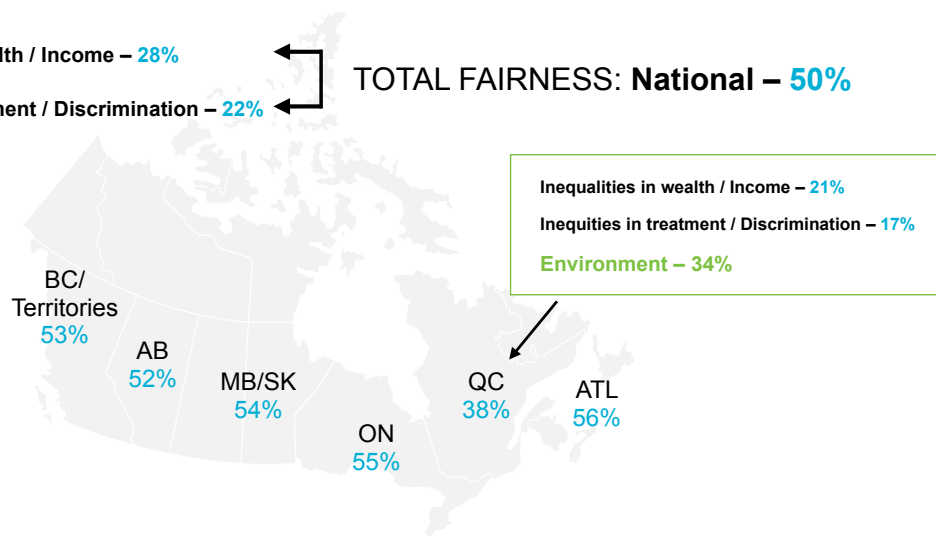


Q5A. Putting COVID-19 aside, what do you think are the largest challenges facing the world right now?
Base: Total sample (n=3000)



For a Fairer Society

- 1 Inequalities in wealth / Income – 28%
 - 3 Inequities in treatment / Discrimination – 22%
- TOTAL FAIRNESS: National – 50%



Q5A. Putting COVID-19 aside, what do you think are the largest challenges facing the world right now?
Base: Total sample (n=3000)

Across the entire country, issues of fairness are top of mind for Canadians in terms of their perception of the challenges we face. In Quebec, environmental issues are especially crucial, ahead of both wealth inequality and inequities in treatment / discrimination.

“What is remarkable about this finding is that in the midst of a global pandemic and with much uncertainty facing the world economy, Canadians are largely focused on inequality, inequity, and the environment rather than solely concerned about health care or the economy,”

– CCPC CEO Brian Gallant

Canadians recognize the vital role of businesses in the economy but demand they do more to address top challenges

The overwhelming majority (81%) of Canadians recognize that business and corporations play a vital role in the economy by creating jobs, fostering innovation and providing essential goods and services.

Although the majority (62%) of Canadians agree that if corporations in Canada do better, Canadians do better, more than three-quarters (78%) think Canadian businesses should contribute more to the betterment of society.



General Attitudes Toward Canadian Businesses / Corporations

Canadians agree:

"Businesses / corporations play a vital role in the economy by creating jobs, fostering innovation and providing essential goods and services"

81%

"Canadian businesses / corporations should contribute more to the betterment of society"

78%

"If corporations in Canada do better, Canadians do better"

62%

Q37-47. To what extent do you agree or disagree with the following statements?
Base: Total sample (n=3000); Note: 50% split sample asked about "businesses" (n=1489) and 50% split sample asked about "corporations" (n=1511)

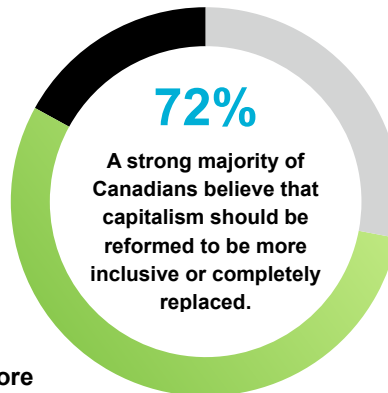


Perceptions of Capitalism

“ Capitalism is broken, and it should be completely replaced – 17%

“ While it's not perfect, capitalism today works pretty well – 28%

“ Capitalism should be reformed so that it is more inclusive, fairer and more sustainable – 55%



Q143. Which of the following statements comes closest to your own opinion about capitalism?
Base: Total sample (n=3000)

The majority of Canadians (55%) believe capitalism should be reformed so that it is more inclusive, fairer and more sustainable. Less than half (48%) indicate that business is “a force of good within society.”

“The significant pressure on businesses to do more for the betterment of society creates a delicate situation for them as they still need to generate profits, outperform quarterly targets, and create value for shareholders. Nevertheless the pressure is very real, and it cannot be ignored.”

– CCPC Vice President and Director of Research, André Pratte

Businesses and corporations are definitely seen to be important contributors to the economy – which is the fourth most frequently named challenge. They are not seen, however; to be contributing enough to address the three most frequently named challenges of wealth inequality, environment / climate change, and inequitable treatment / discrimination.



Perceptions of Canadian Businesses / Corporations

% Strongly / Somewhat agree

81%

“Businesses / corporations play a vital role in the economy by creating jobs, fostering innovation and providing essential goods and services”



31%

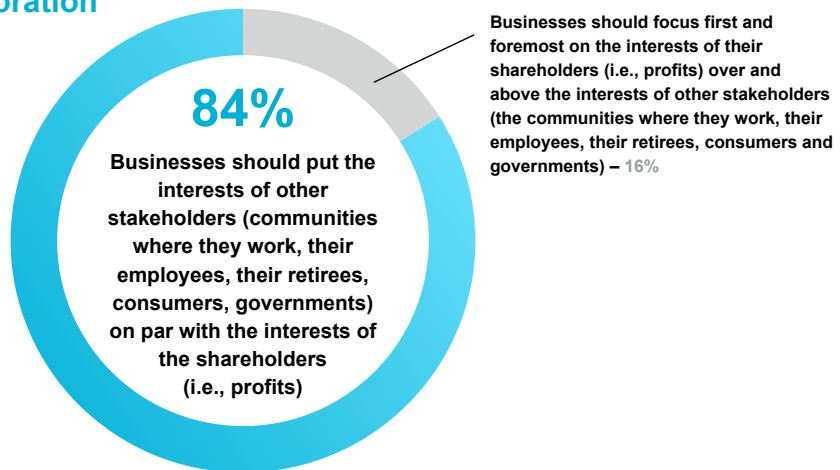
“Canadian businesses / corporations are concerned with their impact on society”

Q37-47. To what extent do you agree or disagree with the following statements?
Base: Total sample (n=3000); Note: 50% split sample asked about “businesses” (n=1489) and 50% split sample asked about “corporations” (n=1511)



Opinion About What Businesses Should Focus On:

Purpose of a Corporation



Q139. Which of these views is closest to your own?
Base: Total sample (n=3000)

Immense pressure on businesses to do more for society and stakeholders

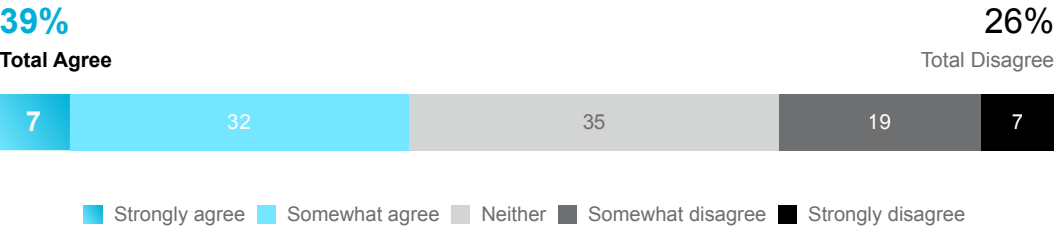
When asked about the purpose of the corporation, 84% of respondents prefer the “stakeholder model”, whereby businesses take into account the interests of all stakeholders (e.g. communities in which they operate, their employees, their retirees, consumers, governments) on par with those of shareholders. Only 16% of Canadians agreed with the traditional “shareholder model” of business, where firms’ only concern is the satisfaction of their shareholders.

Less than half (39%) of Canadians assess that businesses are heeding the call to adhere to the stakeholder approach and two-thirds (65%) of Canadians believe Canadian businesses and corporations prioritize profits for their shareholders over the well-being of their stakeholders.



View on Whether Canadian Businesses / Corporations:

Already Adhere to the Stakeholder Definition



Q140. Some say that Canadian businesses and corporations already take into account many considerations such as the environment and the interests of shareholders, employees, retirees, pensioners, creditors, consumers and governments while making decisions regarding their business or corporation. To what extent do you agree or disagree with that?
Base: Total sample (n=3000)



Willingness to:

Accept a Lower Salary to Work for a Business that Adheres to the Stakeholder Definition

56%

Total Likely

44%

Total Not Likely



■ Very likely ■ Somewhat likely ■ Not very likely ■ Not at all likely

Q142. How likely would you be willing to accept a lower salary in order to work for a business that puts the environment and the interests of employees, retirees, pensioners, creditors, consumers, and governments on par with profits or shareholder return?

Base: Total sample (n=3000)

The research suggests that businesses doing more for stakeholders will be rewarded by their employees and prospective employees. The majority of Canadians (56%) state they are personally willing to accept a lower salary to work for a business which espouses the “stakeholder model”.

Conversely, if businesses do not step up, they collectively face the risk that change will be thrust upon them. In fact, a significant majority (65%) of Canadians are calling on government to force businesses and corporations to put environmental and stakeholder considerations on par with profits or shareholder return while making decisions.



View on Whether:

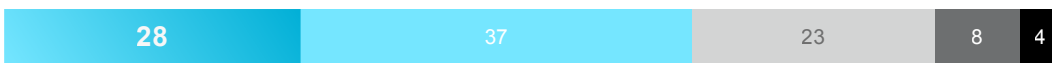
The Government Should Force Businesses / Corporations to Follow the Stakeholder Definition

65%

Total Agree

12%

Total Disagree



■ Strongly agree ■ Somewhat agree ■ Neither ■ Somewhat disagree ■ Strongly disagree

Q141. Please indicate whether you agree or disagree that the government should force businesses and corporations to put the considerations of the environment and the interests of employees, retirees, pensioners, creditors, consumers, and governments on par with profits or shareholder return while making decisions regarding their business or corporation.

Base: Total sample (n=3000)

“There is a dominant view among Canadians that the economic system must be reformed to be more inclusive, fairer, and more sustainable. A majority also want governments to force businesses to address these issues, through additional regulation and taxes. To avoid this result, firms should consider proactively taking steps to tackle social challenges.”

– CCPC Vice President Tasha Kheiriddin

An opportunity for business to act, pressures if they do not

These research findings indicate a potential advantage for Canadian businesses that are focused on their social impact and their role in addressing the challenges Canadians care about. As businesses consider their response to the key challenges raised in this survey, they should be accounting for the real business cost of not taking action.

This survey is the first report published by the Canadian Centre for the Purpose of the Corporation in partnership with Navigator. Other research focused on deepening businesses' understanding of the new pressures they face will follow during the fall and winter.



ABOUT THE RESEARCH

A **nationwide online survey** was conducted among **3,000 adults (age 16 years or older)**.

Quotas were applied to ensure proportionate representation of the Canadian population based on age, gender and region, reflective of the most up-to-date census information available. The final sample was weighted to reflect the educational composition of the population.

The survey was in field from **July 6 to 11, 2020**.

On average, the survey was approximately **19 minutes** in length.

TECHNICAL DETAILS

Statistical margins of error are not applicable to online polls. However, The margin of error for a strict probability sample for a sample of this size would be $\pm 1.8\%$, 19 times out of 20.

All survey samples and polls may be subject to multiple sources of error, including, but not limited to, sampling error, coverage error and measurement error.

Throughout this report, percentages have been rounded to the nearest whole number. As such, there may be instances where results do not add to 100 percent.