

Spotlight Brief

Corporate Sustainability Goals & Impact

June 2021

This research brief examines recent trends and developments with companies setting meaningful sustainability goals and analyzes how these goals can drive tangible impacts. The brief particularly explores the increased momentum towards biodiversity and social goals.

This research brief is meant to be a living document that will incorporate insights from Roundtable discussions.

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SECTION 1 | SETTING THE CONTEXT: ESTABLISHING SUSTAINABILITY GOALS

To address systemic global environmental and societal problems, many have called for rethinking how companies 'do business' and for whom. Companies don't only produce goods and services; they also operate within an integrated ecosystem and society. As such, when setting sustainability goals, it is important to consider the broader ecological and societal context and ground these goals in business purpose. The pandemic, which laid bare the inequities in our society that already existed, and the convergence of urgent social and environmental issues over the last year, are driving stakeholder demand for ambitious business action that delivers results. These results need to go beyond single examples of impact reduction. **To be more credible, they need to show how they are improving environmental or societal conditions when compared to broader planetary limits and priority social equity issues.**

As organizations look to establish sustainability goals in areas that matter to the company as well as the planet and society, it is important to focus on issues that are material to the organization. The concept of [double materiality](#) is emerging, which recognizes that a 'business should report on both: **impacts inwards** (issues that are financially material influencing value) and **impacts outward** (issues that are material to the economy, the environment, and people).' Determination of materiality helps address questions of scope, level of control, risks, opportunities, and impact. This process is critical for enabling commitment to ambitious goals, especially as resources need to be strategically allocated to areas where the company is well-positioned to make significant impact.



Figure 1: Goal Setting Process Guidance

There are various frameworks that can assist with sustainability goal setting to drive strategic and positive outcomes. Noted below are two frameworks which focus on contextualizing how performance at the organizational level affects, and is impacted by the broader economic, societal, and ecological ecosystem and boundaries.

1. [SUSTAINABLE DEVELOPMENT PERFORMANCE INDICATORS PILOT PROJECT – UNITED NATIONS RESEARCH INSTITUTE FOR SOCIAL DEVELOPMENT](#): aims to assess and improve methodologies and indicator systems that measure and evaluate entities (both, private sector firms and those that make up the [social and solidarity economy](#)) in relation to the 2030 UN Sustainable Development Goals (SDGs) and whether such reporting models adequately address current global environmental, economic, and social challenges. The pilot project is taking place between 2018-2022. Phase 1 of the project entailed a review and preliminary guidance on key

performance issues [[Gender Equality](#), [Fair Remuneration](#)], indicators and targets, results of which can be found [here](#). This initial assessment uncovered the following challenges as it relates to sustainability goal setting and performance measurement:

- Emphasis on qualitative, as opposed to quantitative data, can be misleading
- De-contextualized metrics as opposed to meaningful indicators—for example, company-wide collective bargaining coverage as opposed to a more granular breakdown of collective bargaining by country
- Providing annual data rather than a disclosure that allows stakeholders to assess performance trends over a longer time horizon
- Materiality assessment process can be myopic - it is critical to ensure it is inclusive and driven by science and evidence

LEARN MORE:

[Typology of sustainable development performance indicators](#) (incrementalism, contextualism and transformational)

[Corporate Sustainability Accounting: What Can and Should Organizations Be Doing?](#)

[SDG 16 Business Framework | Inspiring Transformational Governance](#)

2. **FUTURE-FIT BUSINESS BENCHMARK** is an assessment approach that equips companies to manage and improve their social and environmental performance across the value chain. The Benchmark includes 23 break-even goals that companies must reach and complementary indicators to measure and manage progress toward each break-even goal. The goals are grouped under the categories of Energy, Water, Natural Resources, Pollution, Waste, Physical Presence, People and Drivers.

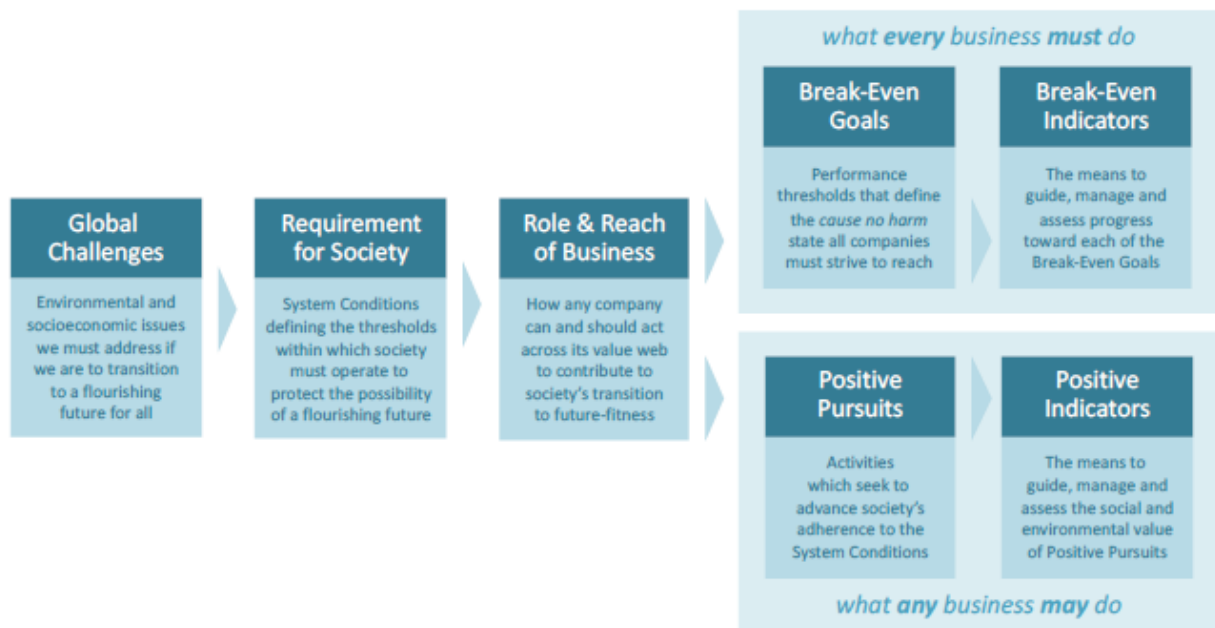


Figure 2: [The Anatomy of the Future-Fit Business Benchmark](#)

LEARN MORE:

[Methodology Guide](#)

[Positive Pursuit Guide](#)

[Implementation Guide](#)



*Driven by rising investor and societal expectations, **biodiversity** and **social** issues have come to the forefront in 2021. Concrete and long-term biodiversity and social goals have always been much less common and defined. Section 2 and 3 of this research brief explores the momentum behind these issues (the 'why'), types of goals organizations are setting (the 'what') and frameworks and methodologies for measuring, evaluating, and reporting progress (the 'how').*

SECTION 2 | ISSUE IN FOCUS: Biodiversity Goals

Why?

“Ecosystem restoration means assisting in the recovery of ecosystems that have been degraded or destroyed, as well as conserving the ecosystems that are still intact.” - [Generation Restoration](#)

A Global Trend: The Dual Crisis of Climate Change and Biodiversity

The biodiversity crisis is clear. The global rate of species extinction is accelerating at unprecedented levels tens to hundreds of times higher than the average over the past 10 million years.¹ Biodiversity loss and the associated loss of ecosystem services are highlighting our economic reliance on natural assets.

- More than **half of global GDP** relies on **high-functioning biodiversity**, with a **fifth of countries at risk of ecosystem collapse**, according to an [analysis by Swiss Re](#); and
- Total **cumulative loss of global GDP from 2011-2050 could be USD \$9.87 trillion**, according to the [WWF Global Futures Report 2020](#).

To address the biodiversity crisis by 2050, the UN estimates global investments in nature must quadruple. Furthermore, the [Dasgupta Review on the Economics of Biodiversity](#) recommends a complete overhaul of how society measures economic success.² While significant investment and change is needed, a nature positive focus can also provide unique opportunities. The World Economic Forum has found that **15 systemic transitions could create annual business opportunities worth USD \$10 trillion and 395 million jobs by 2030.**³

The IPCC and Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services recently released a [joint report](#) concluding that **climate change and nature loss are intertwined crises, and international efforts must address them together.**⁴ Accordingly, political and corporate momentum on biodiversity is set to increase, as climate action expands to include the nature agenda. In October 2021, governments from around the world will meet to consider new policies to prevent further biodiversity loss and agree on a Post-2020 Biological Diversity Framework at the 15th Convention of Parties (COP15) for the Convention on Biological Diversity (CBD). **Over 88 governments, including those of Canada and**

¹ Diaz et al. (2019). IPBES: Summary for policymakers of the global assessment report on biodiversity and ecosystem services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services. Retrieved June 10, 2021, from https://www.ipbes.net/sites/default/files/2020-02/ipbes_global_assessment_report_summary_for_policymakers_en.pdf

² Dasgupta, P. (2021). The Economics of Biodiversity: The Dasgupta Review. Retrieved June 15, 2021, from https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/962785/The_Economics_of_Biodiversity_The_Dasgupta_Review_Full_Report.pdf

³ IISD's SDG Knowledge Hub. (2020, July 30). WEF Report Makes Case for Nature-positive Economy. Retrieved June 10, 2021, from <https://sdg.iisd.org/news/wef-report-makes-case-for-nature-positive-economy/>

⁴ Pörtner et al. (2021, June 10). IPBES-IPCC co-sponsored workshop report on biodiversity and climate change. Retrieved June 11, 2021, from https://www.ipbes.net/sites/default/files/2021-06/20210609_workshop_report_embargo_3pm_CEST_10_june_0.pdf



the EU, have already committed to the implementation of the [Post-2020 Biodiversity Framework](#) that will be adopted at CBD COP15. The investment community is paying attention to this trend as well – **biodiversity is ranked among the top ESG themes for 2021**, according to the [S&P Global Ratings](#) and [Bloomberg](#).

Progress in Canada

Progress on biodiversity action is taking shape in Canada. Federal Budget 2021 proposed CAD \$4.1 billion in spending commitments towards nature recovery.⁵ This investment includes targets for increased conservation of freshwater, marine, and land resources over the next five years. Megan Leslie, President and CEO of WWF-Canada [stated](#) that “*nature has been a bright spot in a dark year, and we’re encouraged that the government understands the need for investment*”.

The progress of the past year is timely, as biodiversity in Canada requires more protection as well as centering of Indigenous knowledge and teachings. The [WWF-Canada’s Living Planet Report 2020](#) found that Canadian species at risk have seen a 59% average population decline from 1970-2016. Furthermore, at-risk species face an average of five threats, including climate change, habitat loss and over-exploitation. These issues must be addressed to meet the Federal Government’s pledge to protect 30% of land and oceans by 2030.⁶

Rising Investor Pressure

Investors are increasingly aware of the systemic risks and financial opportunities related to biodiversity loss. According to a [Responsible Investor & Credit Suisse survey](#), **84% of asset owners and asset managers are very concerned about biodiversity loss**.⁷ Additionally, **55% of investors believe biodiversity loss needs to be addressed in the next two years**. Moreover, BlackRock, the world’s largest asset manager also identified [natural capital as a key engagement priority](#) in 2021. Despite their willingness to become involved, some investors interviewed by the Principles for Responsible Investment cited a **lack of access to asset and company-level data to accurately assess company performance and biodiversity impact**. To address this problem, the [Finance for Biodiversity Pledge](#) was launched by a group of financial institutions (FI) in 2020 to aid with knowledge sharing and improved reporting practices for nature-related data. Signatories of the pledge include 55 FIs representing almost USD 11 trillion AUM.⁸ Clearly, investor engagement with companies and data service providers will be a key part of the push for more meaningful and consistent biodiversity data and holding companies accountable for nature-related decisions.

What?

Corporate Biodiversity Commitments

In response to the improved knowledge and understanding of planetary limits for biodiversity, better-defined nature-related targets are increasingly emerging from corporate leaders around the world. This changes the ‘landscape’ for companies and their related sustainability objectives. Historically organizations have often used anecdotal or singular examples to try and demonstrate a progressive

⁵ Spring, R. (2021, April 20). Budget 2021: The right commitment to nature and biodiversity - at the right time. Retrieved June 10, 2021, from <https://wwf.ca/media-releases/budget-2021-the-right-commitment-to-nature-and-biodiversity-at-the-right-time/>

⁶ Trudeau, J. (2019, December 13). Minister of Environment and Climate Change Mandate Letter. Retrieved June 10, 2021, from <https://pm.gc.ca/en/mandate-letters/2019/12/13/minister-environment-and-climate-change-mandate-letter>

⁷ Responsible Investor, & Credit Suisse. (2021, January 26). Unearthing investor action on biodiversity. Retrieved June 10, 2021, from <https://www.responsible-investor.com/reports/responsible-investor-and-credit-suisse-or-unearthing-investor-action-on-biodiversity>

⁸ Finance for Biodiversity Pledge. (2021). About the Pledge. Retrieved June 15, 2021, from <https://www.financeforbiodiversity.org/about-the-pledge/>



approach to biodiversity protection or restoration. The changes that have occurred in the scientific understanding in this area mean that companies need to improve the rigour with which they show how they have a positive impact. Below is a compilation of some rigorous biodiversity-related targets and commitments.

Note: This is not intended to be an exhaustive list. Only select CBSR members are included in the list below.

| Company Name | Nature-Related Targets and Commitments | Additional Details |
|--|---|--|
| BNP Paribas | <ul style="list-style-type: none"> Achieve €3bn in financing to protect terrestrial biodiversity by 2025 Evaluate all corporate clients based on criteria linked to biodiversity by 2025 Invest in €250m in startups mobilized for ecological transition by 2025 | BNP Paribas is part of act4nature, an initiative that aims to “create an international collective dynamic to protect, promote, and restore biodiversity.” |
| Cenovus | <ul style="list-style-type: none"> Reclaim 1,500 decommissioned well sites by 2030 Complete \$40 million of caribou habitat restoration work by 2030 Plant 5 million trees by 2030 | In 2016, Cenovus launched a 10-year caribou habitat restoration program and has since treated over 800 km of linear forest disturbances and planted over 1 million trees. |
| CN | <ul style="list-style-type: none"> Established the EcoConnexions program to support mass reforestation in the communities situated along rail lines | CN is the leading private non-forestry tree planter in Canada, having planted 2 million trees since 2012. |
| HSBC Global Management | <ul style="list-style-type: none"> Signatory of the Finance for Biodiversity Pledge and Partnership for Biodiversity Accounting Financials Member of the Equator Principles | The HSBC Pollination Climate Asset Management venture was established to invest billions in natural capital around the world. The initial fund is set to launch in mid-2021 with USD 1 billion raised from sovereign wealth, pension funds, and institutional investors. |
| Loblaw Companies Limited | <ul style="list-style-type: none"> Coalition member One Planet Business for Biodiversity (OP2B) Founding member of the Canadian Roundtable for Sustainable Beef | OP2B is a group of agriculture-centric companies working together to “promote biodiversity and catalyze systemic change” in alignment with the Convention on Biological Diversity COP 15 Post-2020 Biological Diversity Framework. |
| Maple Leaf Foods | <ul style="list-style-type: none"> Scaling the potential of agriculture as a nature-based solution through the purchase of verified offsets and regenerative supply chain sourcing | First major food company in the world to become carbon neutral. Part of this is from investments in forest protection and re-forestry to conserve species and biodiversity. Maple Leaf Foods is linking carbon and biodiversity objectives. |
| Nutrien | <ul style="list-style-type: none"> Determine how digital on-farm tools can identify and track opportunities to enhance biodiversity conservation on agricultural landscapes by 2023 | Nutrien protects non-agricultural production lands through conservation and agriculture lands through reclamation and remediation practices. |
| Unilever | <ul style="list-style-type: none"> Deforestation-free supply chain by 2023 | Unilever’s brands will collectively invest €1 billion over the next decade in a new dedicated |



| | | |
|--|---|---|
| | <ul style="list-style-type: none"> • Make product formulations biodegradable by 2030 • Promote regenerative agriculture | Climate & Nature Fund that will tackle landscape restoration, reforestation, wildlife protection, and more. |
|--|---|---|

How?

Frameworks & Methodologies for Improving Biodiversity Practices

Over the past few years, numerous frameworks and methodologies have been developed to improve nature positive actions within institutions. Some of the notable frameworks and methodologies are outlined below.



[Partnership for Biodiversity Accounting Financials \(PBAF\)](#) – Partnership of FIs for developing harmonized principles underlying biodiversity impact assessments and disclosure for loans and investments. Participants include 21 European FIs, with the hope of developing a quantifiable biodiversity metric and standardized data.



[Equator Principles](#) – Risk management framework for FIs for assessing and managing environmental and social risk in financed projects. Based on the IFC Performance Standards, the purpose is to provide a minimum standard for due diligence and monitoring. 118 FIs, mainly investment banks, across 37 countries have adopted the Principles with members including HSBC, J.P. Morgan, Credit Suisse and Citi. The latest iteration contains new commitments related to biodiversity and recommendations on how to meet them.



[Natural Capital Protocol](#) – Decision-making framework allowing organizations to identify, measure and value impacts and dependencies on nature. It offers sectoral guidance and can be used to improve business strategy, management, and operating decisions. Over 380 coalition members from a variety of sectors including Credit Suisse, Walmart, Shell, Unilever, and the European Commission.



[UNCCD's Framework for Land Degradation Neutrality \(LDN\)](#) – A framework for maintaining or improving land-based natural capital and the ecosystem services that flow from it. Available for voluntary adoption by any country, with over 120 countries currently committed to setting LDN targets, including European countries such as Italy and Belarus.



[Accounting for Nature \(AfN\)](#) – A framework for measuring, certifying, and communicating the condition of environmental assets at the property, regional or national level. This certification can support public claims around regenerative farming, natural capital conservation and restoration, and carbon sequestration nature-based projects. It is intended for use by farmers, landholders, carbon project developers and government use. Partners and collaborators are mostly located in Australia.



[Science Based Targets for Nature \(SBTs for nature\)](#) – Guidance for science-based nature targets for companies, building off the SBTi framework for climate targets. Purpose is to help set objectives for reducing nature loss and cutting emissions. The guidance for SBTs for nature are under development and expected in 2022.



Emerging Reporting Framework: Task Force on Nature-Related Financial Disclosures (TNFD)

The [Task Force on Nature-Related Financial Disclosures](#) (TNFD) is likely to emerge as the main reporting framework for nature. The TNFD, a complement to the Task Force on Climate-Related Financial Disclosures (TCFD), was recently launched for testing across emerged and developed markets and will be launched for wide usage by 2023. The purpose of the framework is to standardize nature-related disclosures and to provide decision-useful nature-related information to data-users.

The TNFD has already received strong support. The G7 endorsed the TNFD at the June 2021 Summit, indicating global adoption of the framework is forthcoming. The Co-Chair of the TNFD, Elizabeth Mrema said, *“The G7 endorsement should be recognized as vital and a clear signal to global business and governments of the need for urgent action to halt nature loss.”*

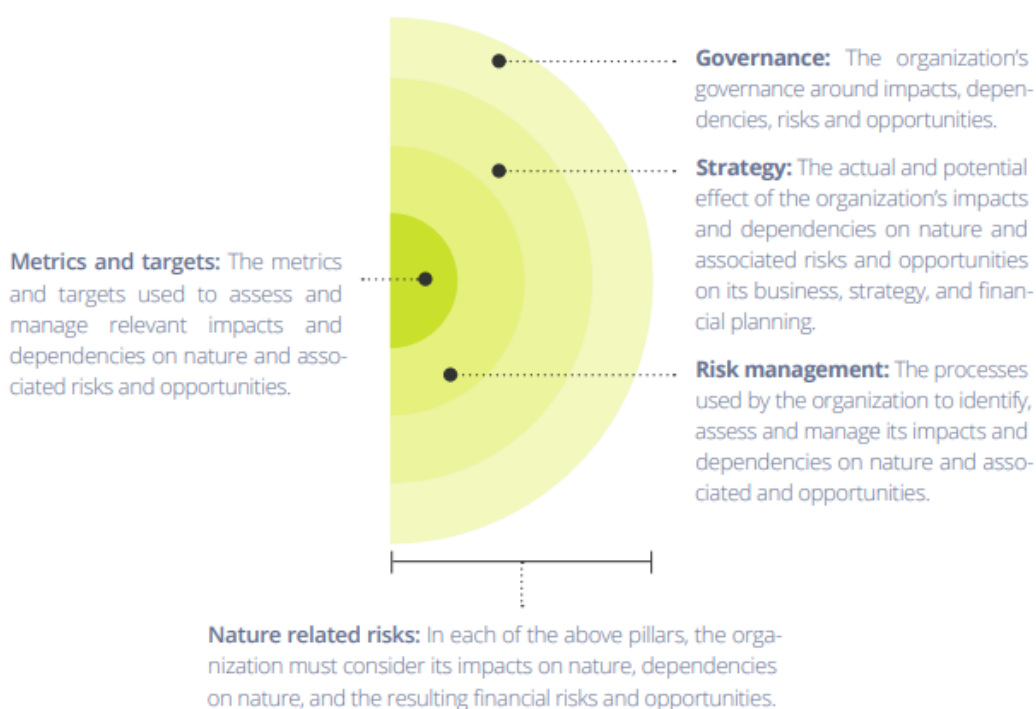


Figure 3: Core Elements of Recommended Nature-Related Financial Disclosures from the [TNFD Proposed Technical Scope](#)



SECTION 3 | ISSUE IN FOCUS: Social Goals

WHY?

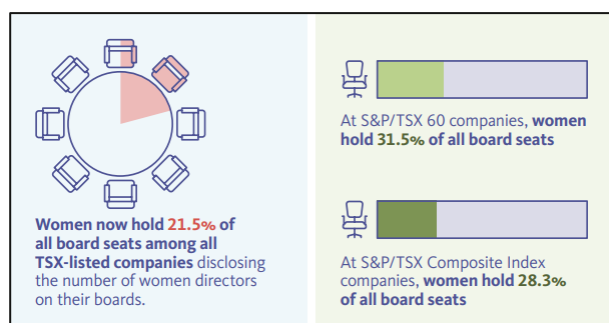
The pandemic has disproportionately affected minorities and people of color, and the tragic killing of George Floyd brought to the forefront concerns about systemic racial biases and inequities that have always existed. All of this has put the “S” in ESG firmly at the center of the discussion – including how companies treat employees, customers, and suppliers. It has underscored the interconnectedness of people, planet, and profit.

Substantial government support for companies during COVID-19 crisis has raised society’s expectation of corporate responsibility.⁹ A decade after the adoption of the [UN Guiding Principles on Business and Human Rights](#) (UNGPs), there is a growing consensus that voluntary commitments and compliance are not enough, and regulations are fast increasing. Within the Canadian context, the pursuit of UN SDGs cannot be separated from the pursuit of justice for Indigenous peoples. The [94 Calls to Action by the Truth and Reconciliation Commission of Canada](#) provide a clear framework for Indigenous reconciliation and for creating a sustainable future. In particular, Call to Action No. 92 states, “the corporate sector in Canada [should] adopt the [United Nations Declaration on the Rights of Indigenous Peoples \[UNDRIP\]](#) as a reconciliation framework.” The [UNDRIP](#) has 46 articles. Articles 10, 11, 19, 28, 29, and 32 discuss the importance of how businesses must use [free, prior, and informed consent \(FPIC\)](#).¹⁰

Growing Importance of Social Issues

- A poll conducted by [JUST Capital](#) found the top 5 issues important to stakeholders in 2020 were social issues – **fair wage, human rights, workforce training, ethical behaviour, and a diverse and inclusive workplace**.¹¹
- **Standard corporate social responsibility practices are under public scrutiny** and consumers are demanding “[Corporate Social Justice](#)” that requires deep integration with every aspect of the way a company function and not just as a marketing strategy.¹²

In Canada, the research found that although members of visible minorities make up 28.4% of the Canadian population, **corporate diversity disclosures reveal that racialized people hold just 4.7% of board seats and 7.4% of senior executive positions in Canada**.¹³



Women held 21.5% of the total board seats among TSX-listed companies that disclosed this information for 2020.¹⁴ The **gender pay gap** has been especially visible during the pandemic and worsened the economic prospects for women. A [report from RBC](#) states that 1.5 million Canadian women lost their jobs in the first two months of the pandemic and on average, full-time working women make about CAD

Figure 5: [2020 Diversity Disclosure Practices, OSLER](#)

⁹ S&P Global . (n.d.). Spotlight on Social Equity During Covid-19. <https://www.spglobal.com/en/research-insights/featured/esg-monthly-january-2021>

¹⁰ https://www.un.org/development/desa/indigenouspeoples/wp-content/uploads/sites/19/2018/11/UNDRIP_E_web.pdf

¹¹ JUST Capital. (2020). Amidst Crisis, What Americans Want from Corporate America: JUST Capital’s 2020 Survey Results. JUST Capital

¹² Zheng, L. (2020, June 15). We’re Entering the Age of Corporate Social Justice. Retrieved from Harvard Business Review : <https://hbr.org/2020/06/were-entering-the-age-of-corporate-social-justice>

¹³ RIA. (2020). 2020 RIA Investor Opinion Survey. Retrieved from RIA Research and Publications : <https://www.riacanada.ca/research/2020-ria-investor-opinion-survey/>

¹⁴ OSLER. (2020). Diversity Disclosure Practices.OSLER.



\$0.75 cents for every dollar that men make - the gap is wider for marginalized women.¹⁵

The pandemic also highlighted the issue of **supplier diversity** policies of companies. The Canadian Women’s Chamber of Commerce found that 61% of women founders of small businesses reported losing contracts due to COVID-19, and similar disparities were found among minority-owned small businesses.¹⁶

Social Pressure and Business Case for Social Inclusion and Diversity has Prompted Regulators and Investors to Act and Close the Gap

Studies have shown that a 1% increase in ethnocultural diversity is associated with an average 2.4% increase in revenue and a 0.5% gain in workplace productivity, and companies with the most ethnically/culturally diverse boards worldwide are 43% more likely to experience higher profits.¹⁷ Moreover, investors are increasingly shifting their focus to social issues related to executive compensation alignment, human capital management, racial diversity, supply chains and respect for human rights.¹⁸

- In his 2021 Letter, Larry Fink, CEO of BlackRock, has stressed the need for businesses to **disclose long-term plans to improve diversity, equity, and inclusion, as appropriate by region.**¹⁹
- 76% of Canadian CEOs said that the **pandemic had shifted their focus to the social component of ESG.**²⁰
- 68% of CEOs believe that the **scrutiny of their organization’s diversity performance would continue to increase over the next three years.**²¹
- 79% of investors surveyed by BNP Paribas **expect social issues to have a positive long-term impact** on both investment performance and risk management.²²

In response to this, The Thomson Reuters Foundation, Refinitiv, International Sustainable Finance Centre (ISFC), White & Case, Eco-Age, The Mekong Club, and the Principles for Responsible Investment (PRI) have created the ESG Working Group, a pro bono partnership that brings together civil society, experts and private sector and further the momentum for both improving the “S” indicators and expanding their use among the investor community.

The group has identified the below to be top social issues:²³

| Theme Areas | Categories |
|---|---|
| High-risk labour and land issues | Child Labour Human Rights Policy Integration and Staff Training Human Rights Grievances and Controversies |

¹⁵ NADIA EBRAHIM, W. K. (2021, March 31). April 7 Is Canada’s Equal Pay Day — Here’s How To Rally Virtually. Retrieved from Refinery29: <https://www.refinery29.com/en-ca/equal-pay-day-canada>

¹⁶ EDC. (2020, October 19). EDC gets serious about supplier diversity. Retrieved from EDC: <https://www.edc.ca/en/blog/supply-chain-diversity.html>

¹⁷ Atkins, N. (2020, March 16). Delivering Outcomes Through Diversity. Retrieved from tableau: <https://www.forbes.com/sites/betsvatkins/2020/03/16/delivering-outcomes-through-diversity/?sh=eb34c613ddef>

¹⁸ Investment News . (2021, January 8). Energy, diversity, climate and compensation among the top concerns for socially responsible investors. Retrieved from Investment News : <https://www.investmentnews.com/esg-issues-in-focus-for-2021-201027>

¹⁹ BlackRock. (n.d.). Our Actions to Advance Racial Equity and Inclusion. Retrieved from Social Impact: <https://www.blackrock.com/corporate/investor-relations/larry-fink-ceo-letter>

²⁰ KPMG . (n.d.). KPMG 2020 CEO Outlook . Retrieved from KPMG : <https://assets.kpmg/content/dam/kpmg/ca/pdf/2020/09/ceo-outlook-2020-en.pdf>

²¹ KPMG . (n.d.). KPMG 2020 CEO Outlook . Retrieved from KPMG : <https://assets.kpmg/content/dam/kpmg/ca/pdf/2020/09/ceo-outlook-2020-en.pdf>

²² BNP Paribas Asset Management . (2020, July 13). BNP Paribas Asset Management survey shows Covid-19 prompts rise in social considerations within investment decision-making. Retrieved from BNP Paribas Asset Management : <https://mediaroom-en.bnpparibas-am.com/news/bnp-paribas-asset-management-survey-shows-covid-19-prompts-rise-in-social-considerations-within-investment-decision-making-8e57-0fb7a.htm>

²³ ESG Working Group. (n.d.). Annex 1 - Amplifying the “S” in ESG: Indicator Mapping



| | |
|----------------------------------|---|
| | Health & Safety Indigenous Rights |
| Socio-economic inequality | Labour Relations Association & Collective Bargaining Remuneration Training & Education Tax Violations Bribery & Corruption Controversies |
| Diversity & Inclusion | Workforce Composition Gender Ethnic Minority & Vulnerable Groups Age & Generational Representation Nondiscrimination & Inclusion Childcare & Paid Parental Leave |
| Digital rights | Data Protection Digitalization & Accessibility Privacy |

Other notable initiatives include:

- [**Canadian Investor Statement on Diversity & Inclusion**](#) On Oct 1, 2020, Institutional investors managing more than CAD \$2.3 trillion in assets have signed the Canadian Investor Statement on Diversity & Inclusion, an initiative coordinated by the [**Responsible Investment Association \(RIA\)**](#) and state that they expect Canadian public companies to aim for the adoption of policies, targets, and timelines to improve diversity on boards and in senior management.
- [**Canada Business Corporations Act \(CBCA\) Amendment**](#) – Effective January 1, 2020, publicly traded companies under this Act are required to report the number of women, Indigenous people, persons with disabilities and members of visible minorities on their boards and in their senior management ranks.
- [**BlackRock Proxy Voting Guidelines**](#) – In their 2021 proxy voting guidelines and recent stewardship publications, the company emphasized that it is now asking US companies to disclose the racial, ethnic, and gender makeup of their employees.
- [**State Street Global Advisors**](#) are advocating for companies to disclose non-financial racial diversity data.
- [**Canadian Council of Business Leaders Against Anti-Black Systemic Racism**](#) – Launched the BlackNorth Initiative to increase the representation of Black people in boardrooms and executive suites across Canada. The Initiative challenges senior Canadian business leaders to sign a CEO Pledge committing their companies to actions and targets designed to end anti-Black systemic racism and create opportunities for underrepresented Black, Indigenous and people of colour communities, including a target of at least 3.5% of executive and board roles based in Canada being held by Black leaders by 2025.



What?

Where social goals exist, the most common feature revolves around a financial and time contribution to a cause or group. Some companies are setting goals that include elements to improve board and workplace diversity, closing the gender pay gap, and/or Indigenous community development. Such goals tend to fall broadly under *community investment and partnerships, diversity, equity and inclusion, and supplier engagement & diversity*. Measuring social impact has long been an elusive goal. How can companies more aggressively develop targets and accurately track impact metrics on issues like inequality, poverty, health & wellness, and community involvement? While this is a challenge, many frameworks are being developed that enable organizations to put the positive impact they are striving for into relevant context. There is also an emerging framing of using a [justice lens](#) to approach social issues, which contextualizes the role and power of business in society.

Outlined below are examples of notable social targets. **Note:** *This is not intended to be an exhaustive list. Only select CBSR members are included in the list below.*

| Company Name | Country | Type of Goal | Details |
|--|---------------|-------------------------------|---|
| Accenture Canada | Canada | Diversity, Equity & Inclusion | Achieve a gender-balanced workforce by 2025 |
| Chipotle Mexican Grill | United States | Executive Compensation | 10% of its executive compensation plans will be “directly tied” to ongoing diversity and sustainability goals |
| Bell | Canada | Diversity, Equity & Inclusion | At least 25% BIPOC representation in Bell senior management (director level and above and including executive officers) by 2025 At least 40% BIPOC representation in new graduates and interns by 2025 |
| HP Inc | United States | Digital Equity | Accelerate Digital Equity for 150 million people by 2030. Launched HP PATH (Partnership and Technology for Humanity) program to pave the way toward digital equity for underserved communities around the world – focusing on education, healthcare, and economic opportunities |
| Intel | United States | Diversity, Equity & Inclusion | Increase number of women in technical roles to 40% and double the numbers of women and underrepresented minorities in senior roles by 2030 |
| Loblaw Companies Limited | Canada | Diversity, Equity & Inclusion | Achieve 25% representation of members of visible minority on our board of directors, 25% representation of members of visible minority in executive positions, and 30% representation of members of visible minority in management positions, by 2024 |
| Loblaw Companies Limited | Canada | Community Investments | Activate \$150 million in fundraising and corporate support by 2027 to support President’s Choice Children’s Charity’s mission to tackle childhood hunger |
| Maple Leaf Foods | Canada | Diversity, Equity & Inclusion | Accelerate progress of our 50% gender equity for leadership roles held by women by 2022 |
| Manulife | Canada | Diversity, Equity & Inclusion | Invest more than \$3.5 million over the next two years to promote diversity, equity, and inclusion in the workplace and within communities |



| | | | |
|--------------------------------------|--------|-----------------------------|--|
| Nutrien | Canada | Supplier Diversity | \$27 million procured from Indigenous businesses |
| Royal Bank of Canada | Canada | BIPOC Community Investments | Committing \$100 million over five years in small business loans to Black entrepreneurs Committing to invest \$50 million from now up to 2025 through RBC Future Launch |
| TransAlta | Canada | Diversity & Inclusion | Achieve a quota of 50% female representation on the Board by 2030 and 40% female employment among all employees of the Corporation by 2030 |

How?

A growing number of rating systems and indices are emerging to track progress on these social issues. Stakeholders are actively measuring companies' performance on social issues that can affect brand reputation, economic viability, social license to operate, and long-term profitability.



[Bloomberg Gender Equality Index](#) – Tracks the performance of public companies committed to disclosing their efforts to support gender equality through policy development, representation, and transparency. The 2021 Index comprises 380 companies with a combined market capitalization of USD \$14 trillion headquartered in 44 countries and regions across 11 sectors. The indicators assessed include *female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, anti-sexual harassment policies, and pro-women brand.*



[JUST Capital - Corporate Racial Equity Tracker \[US\]](#) – The first iteration offers an in-depth accounting of the state of disclosure by the 100 largest U.S. employers, through 22 data points across six specific dimensions of racial equity: *anti-discrimination policies, pay equity, racial/ethnic diversity data, education and training programs, response to mass incarceration, and community investments.*



[Workforce Disclosure Initiative \(WDI\)](#) – Aims to improve corporate transparency and accountability on workforce issues, provide companies and investors with comprehensive and comparable data, and help increase the provision of good jobs worldwide. The initiative analyzes practices of companies in areas of *health & safety, workforce stability, gender inequality, diversity and inclusion, human rights, protection of worker's rights, and responsible supply chains.*



[Prosperity Project](#) – Canadian not-for-profit organization founded to mitigate the impact of the COVID-19 pandemic on women. The initiative aims to link women and prosperity, underscoring the economic importance of gender equality during the COVID-19 pre-recovery, recovery, and post-recovery periods. The project also serves women who identify as Indigenous, women of colour, refugees, persons with disabilities and/or LGBTQ2+. The [Annual Gender-Diversity Data Tracking Initiative](#) *tracks women in executive roles, senior management roles and in the pipeline to senior management within Canada's largest 500 public companies, crown corporations and private companies and identifies companies that are leading in these areas.*



The [World Benchmarking Alliance \(WBA\)](#) introduced the [Corporate Human Rights Benchmark \(CHR B\)](#), a multi-stakeholder initiative between investors and civil society organizations. The WBA has outlined a framework that helps to assess companies' performance against a common set of core social indicators, providing a minimum benchmark for human rights performance that businesses should meet. Companies are assessed across the following themes – *governance & policy commitments, human rights due diligence, human rights practices, remedies and grievance mechanisms, responses to serious allegations, and transparency.*

LOOKING FORWARD

The stage is set for action on biodiversity and social issues. When it comes to biodiversity, government commitments, scientific findings, and support from investors and corporates indicate that the time to act is now. With the recent launch of the TNFD alongside numerous frameworks, it remains to be seen if biodiversity will gain traction akin to climate change. However, the [official recognition of the interconnectivity](#) between climate change and nature loss means there is no choice but to tackle these crises together. As companies deploy nature-based solutions to address both nature and climate-related impacts, the connections between these issues and broader social issues become even more apparent. Moreover, the rise of social justice movements around the world is shining a critically important light on the linkages between environmental sustainability, social cohesion, and economic vitality. ESG investors are beginning to reward companies that better align corporate strategy with the interests of both people and the planet. Therefore, it will be important for companies to strategically drive meaningful performance with measurable impacts in these areas.

FURTHER READING



BIODIVERSITY

- Business for Nature | [Steps your company can take now](#)
- Dasgupta Review | [Nature's value must be at the heart of economics](#)
- Taskforce for Nature-Related Financial Disclosures | [Knowledge Bank](#)
- WBCSD | [Nature-based Solutions Guidance](#)
- World Economic Forum | [Nature-positive race to net-zero](#)



SOCIAL

- Harvard Business Review | [We're Entering the Age of Corporate Social Justice](#)
- Indigenomics | [Money, Meaning & Metrics](#)
- OSLER | [Diversity and Disclosure Practices 2020](#)
- [The Essential Podcast, Episode 27: Belonging at Work — The Business Case for Equity & Inclusion](#)
- The Prosperity Project | [2021 Annual Report Card on Gender Diversity and Leadership](#)
- Workforce Disclosure in 2020 | [Trends & Insights](#)



GENERAL

- [Reimagining Capitalism – Performance, Purpose, and ESG Issues](#)

- UN | [2020 SDG Progress Report](#)
- UNRISD | [Compared to What? A Three-Tiered Typology of Sustainable Development Performance Indicators from Incremental to Contextual to Transformational](#)
- World Economic Forum | [How Aligned Are Companies with Their Sustainable Development Goals](#)