Best CSR Practices in Canada: Six Case Studies

by Coro Strandberg Strandberg Consulting





January 2020

Best CSR Practices in Canada: Six Case Studies

by Coro Strandberg, Strandberg Consulting

Introduction

Leading Corporate Social Responsibility (CSR) in Canada is underdoing a strategic pivot from corporate efforts to embed social and environmental considerations in governance, risk, strategy, decisions, functions, products, supply chains and operations to the embedment of societal or humanitarian ambitions in the core purpose of the company. This approach to CSR embeds CSR in the "business model" and influences everything across the company and the role the company plays to influence and transform its industry, communities and ecosystem for good.

This was one of the main conclusions drawn from a recent study conducted by the author and the Government of Canada, which studied recent and projected shifts in CSR among 32 leading CSR companies across Canada (<u>link</u>). Following up on this research, the federal government commissioned (and contributed to) six case studies of companies demonstrating this shift from CSR to "social purpose".

These companies include:

- Chandos Construction (Alberta)
- Libro Credit Union (Ontario)
- Maple Leaf Foods (Ontario)
- MEC (British Columbia)
- Mills Office Productivity (British Columbia)
- Vancity Credit Union (British Columbia)

Some of these companies have had a long-standing social purpose, others have more recently defined their core societal reason for being. This report defines a Social Purpose Business as "a company whose enduring reason for being is to create a better world. It is an engine for good, creating social benefits by the very act of conducting business. Its growth is a positive force in society". ¹ Notably, some of these companies are also B Corporations. B Corporations have been certified as meeting social and environmental criteria based on a third-party assessment.²

The case studies profile current efforts and perspectives in the following areas:

- Social Purpose
- Community Partnerships
- Social Innovation
- Lessons Learned

Reading these case studies will give you insights into emerging good CSR practices you can pursue at your company.

Acknowledgements

These CSR Case Studies were researched and written with the generous support of others. In particular, I would like to thank the six case study companies that participated in the interviews that formed the basis of their profiles.

I would also like to extend my gratitude to members of the Social Innovation and Community Development Directorate (SICDD), Employment and Social Development Canada (ESDC), for their significant contribution to this project in conducting interviews and writing first drafts of the case studies. I extend my specific appreciation to Greg Graves, Manager, Luke Hansen, Senior Policy Analyst, Sharmin Mallick, Policy Analyst, Moumina Youssouf, Junior Policy Analyst, and Meaghan Fenn, Policy Analyst.

This project received funding from the SICDD of ESDC.

About the Author

Coro Strandberg is a leading Canadian expert in corporate social responsibility and social purpose. For thirty years she has advised business, governments and industry associations on strategies to achieve social and environmental outcomes in the marketplace. She specializes in social purpose, the circular economy and sustainable governance, human resource management, risk management and supply chain management. She was recognized as the top CSR consultant in Canada by Canada's Clean50 in 2015. She publishes her thought leadership on her website at <u>www.corostrandberg.com</u>.

CASE STUDIES

Chandos Construction



Head Office: Edmonton, Alberta Number of full-time employees: 485 Sector: Construction

Chandos is one of Canada's largest general contractors. They are 100% employee owned and are the first and largest B Corp certified commercial general contractor in North America. They have operations in British Columbia, Alberta and Ontario.

Social Purpose

Chandos was founded in 1980 to make a difference in communities and the construction industry. According to the company: "We continuously innovate by championing 'Collaborative Construction' - leading to more efficiency, cost savings and a much better working experience for everyone. And we pride ourselves on listening to and finding ways to benefit with the communities we are building for beyond the typical construction process." The company is participating in the United Way's Social Purpose Institute to refine and further activate their social purpose.

Community Partnerships

Chandos establishes partnerships with social enterprises in communities across Canada where they operate: "Embers" in Vancouver, "Momentum" in Calgary, "Alberta Indigenous Construction Career Center" in Edmonton, and "Building Up" in Toronto. These social enterprises help people with employment barriers gain access to jobs in the construction industry. They provide training to develop skills that help people facing employment challenges secure high paying jobs in the industry.

An example of one of these partnerships is the collaboration with Embers. Embers is a temporary staffing organization that trains and refers workers facing barriers to employment in the construction sector. Through their partnership with Chandos, Embers helps marginalized workers gain full-time employment with the company. Embers refers workers to the company when Chandos has labour needs. For three months, Embers is reimbursed by Chandos for the workers. After this time, Chandos hires the workers and gives them ownership opportunities in the business. Chandos has 10 Embers placements working for them in Greater Vancouver and intends to significantly grow those placements.

Social Innovation

The company's commitment to supporting vulnerable populations across Canada is included in both their hiring and procurement practices. They champion 'inclusive hiring' by offering vulnerable individuals with a pathway to active engagement in the workforce and ownership in Chandos, including at-risk youth, Indigenous peoples, women, new Canadians, people with disabilities and LGBTQ2S+. Chandos pursues 'social enterprise procurement', a purchasing approach that awards contracts to social enterprises or businesses that train and hire people with employment barriers.

Changing lives: one woman's story

Chandos hired a young Indigenous woman via a social enterprise partner. The placement was on one of Chandos' job sites in Western Canada. The woman struggled with addiction and was periodically homeless. She's now working full-time in Chandos' apprenticeship program. The job boosted her skills and confidence. When she started, she didn't believe that she was good enough to be a carpenter. Now, she mentors youth in her reserve and supports them to pursue employment opportunities.

Chandos has a mission to raise awareness of inclusive hiring and social enterprise procurement within the construction industry and partners with Buy Social Canada (an organization that promotes social procurement) to advance these ideas. Together, the partners created a construction industry social enterprise directory. With this directory, general contractors and subcontractors can more easily find social enterprises to hire their services. Here is a link to the directory: <u>https://www.buysocialcanada.com/certified-suppliers</u>

On an upcoming project, Chandos has partnered with BC Housing, the University of BC and Simon Fraser University to conduct a Social Return on Investment (SROI) study, demonstrating there are no added costs to using inclusive hiring approaches.

To further advance the company's effort to transform the construction sector, Chandos convened a series of events in May 2019, focused on "Industry with Purpose". The events were held in Toronto, Edmonton, Calgary and Vancouver, attracting over 2,000 businesspeople and allies. Through these events, Chandos curated discussions about how organizations are embedding better business practices in their work through more diverse and inclusive hiring practices and supply chains, more mindful approaches to the connection between business and society, and other social purpose methods.

Lessons Learned

Chandos recommends companies prioritize social impact initiatives that are relevant and authentic to their organizations. For example, hiring at risk youth is one of the initiatives that Chandos cares about and at the same time it helps them solve an impeding challenge around labour shortages. Chandos believes companies should identify issues they are passionate about and move forward from there.



CASE STUDIES

Libro Credit Union



Head Office: London, Ontario Number of full-time employees: 680 Sector: Financial

With over 35 locations and more than 680 employees Libro Credit Union ("Libro") is the largest credit union in southwestern Ontario. They became B Corp certified in 2019. It is a financial co-operative, owned by its customers (members/owners).

Social Purpose

Libro Credit Union's social purpose is "to grow prosperity in southwestern Ontario by transforming banking." They are a financial institution that embraces a Prosperity Purpose – putting purpose beyond profit. They have a vision to integrate their social purpose across their direct operations. They conduct business and make decisions that have a positive impact on their owners (customers), communities in the southwestern Ontario region, and their employees. As Libro states "Being purpose-driven is not a program we run. It is an attitude we take in everything we do."

Community Partnerships

To achieve their social purpose and make an impact in the southwestern Ontario region, Libro partners with Pillar Non-profit Network ("Pillar") with the objective of making a direct investment in creating positive community impact. Identified by Libro as their most ingrained partnership, Pillar is a network that supports non-profits, social enterprises and social innovators by sharing resources, exchanging knowledge and creating connections across the three pillars of non-profit, business and government. Pillar and Libro are collaborating on an initiative to support the success of social enterprises. Libro subsidizes the rent on six work stations for social innovators within Innovation Works, a co-working incubator. Pillar chooses and provides technical support to these social enterprises to foster their success.

Libro is a strong supporter of VERGE Capital, a social finance program provided through a collaboration with Pillar, Libro Credit Union, London Community Foundation, Sisters of St. Joseph, SVX (Invest for Impact) and the Government of Ontario. VERGE Capital operates two social finance Ioan funds that provide capital to both new and established organizations across southwestern Ontario. The Verge Start-Up Fund provides Ioans to early stage social enterprises from \$5,000 - \$100,000 and the Break-through Fund focuses on affordable housing, community real estate and established social enterprises by providing Ioans in the \$50,000 to \$500,000 range. Libro provided start-up support and funding, including in-kind contributions such as Ioan review, administration, banking functions and risk absorption along with a financial investment in the Breakthrough Fund. Their partnership extends a number of years into the future.

Libro provides grants, sponsorship and donations that encourage social innovation and impact within southwestern Ontario. In 2020, Libro updated its granting pillars to include employment, financial resilience, local food accessibility and housing – they are also now Libro-wide pillars not just community

CASE STUDIES: LIBRO CREDIT UNION

investment pillars. As enterprise pillars, these four focus areas will influence how business units across the credit union set priorities and advance their work.

Overall Libro's investments support their objective of *"Local investment for local impact to strengthen the region."*

Social Innovation

Libro's journey to fully embrace and embed a social purpose as a corporate business model was strengthened through the development of their Social Purpose Assessment Tool.

Social Purpose Assessment Tool

To better understand how to develop a social purpose business model, Libro commissioned the creation of a Social Purpose Assessment Tool. This social purpose scorecard enabled Libro to identify gaps and opportunities to advance their social purpose. They published the tool to help other credit unions build social purpose in their strategic planning, operations and management. Credit unions can use the assessment tool to evaluate where they stand in comparison to others with respect to corporate social responsibility and values-based banking. They can use the insights to integrate social purpose into their own business model. Link to Tool.

Lessons Learned

Libro ensures that their social purpose is ingrained in the company by embedding it in their business model, where it becomes part of everyone's job and not just the responsibility of one specific department. Libro recommends engaging other staff when incorporating a social purpose into the company's operations. For example, by equipping leaders, departments and functions to play a role it becomes easier to embed a social purpose into an organization. This approach may take longer than going it alone, but the results are enduring, impactful and positive!



Maple Leaf Foods Inc.



Head office: Mississauga, Ontario Number of full-time employees: 12,500 Sector: Food production

Maple Leaf Foods Inc. is a Canadian food protein company that does business in Canada, the US and Asia. The company is over 100 years old, and its shares trade on the Toronto Stock Exchange.

Social Purpose

Maple Leaf's social purpose is *"To Raise the Good in Food."* Its vision is *"to be the most sustainable protein company on earth".*

The company is focused on elevating and continuously improving the production of healthy, nutritious, affordable and sustainability raised food, enhancing food security, and making a difference in its industry. Maple Leaf creates sustainable and stakeholder value through addressing social and environmental issues such as food security, healthy lifestyles, climate change, water stewardship and sustainable land use. It believes shareholders profit by having the business address the triple bottom line of social, economic, and environmental value creation.

Community Partnerships

The company created the Maple Leaf Centre for Action on Food Security to function as an arm-length partnership with the company. It has an independent board; four of the eight directors are company executives, including the President and CEO who is the honorary chair of the board. It is a registered charity with a mission to collaborate with others to reduce food insecurity in Canada by 50% by 2030. Bringing financial, collaboration and in-kind support, the Centre works with innovating food-based programs across the country that advance the capacity of people and communities to achieve sustainable food security and have the potential to be replicated or scaled to increase their impact. It supports actions that further learning, networking and measurement to assess program impact and advance knowledge sharing. It has 15 partnerships with organizations addressing food security across Canada.

Social Innovation

In 2015, Maple Leaf consulted progressive food organizations about how it could improve its societal impacts. Many told the company that it was part of the problem. It was focused on food donations to communities in need when the real cause of food insecurity isn't about having enough food. The root cause of food insecurity relates to poverty, accessibility, infrastructure and mental health.

In response the company launched the Maple Leaf Centre for Action on Food Security a year later with a commitment to bring the entire food value chain together to tackle these issues holistically. In addition to its funding programs, the Centre hosted two annual food security symposiums, most recently

Investments in its Social Purpose to Raise the Cood in Food

Maple Leaf Foods is addressing consumer demand for "real food" by reducing artificial ingredients and sodium levels, producing meat and poultry raised without antibiotics and advancing leadership in food safety. In 2018, the company took its flagship Maple Leaf brand and removed the things people don't recognize or don't want in their food. The company is broadening its reach into protein (non-meat) alternatives through its Lightlife and Field Roast brands. As of the end of 2018, Maple Leaf Foods had transitioned approximately 44,000 sows (67%) to an advanced open sow housing system. It has set a target to transition all remaining sows from gestation crates to advanced open sow housing by the end of 2021, fostering better care of its animals. In 2019, the company set greenhouse gas emissions targets approved by the Science Based Targets Initiative aligned to reduce their absolute greenhouse gas emissions to well below the 2 degrees Celsius emissions pathway. To address their current unavoidable emissions, they became the first major food company in the world to become carbon neutral.

convening over 160 participants representing a broad range of skills, resources and interests from across Canada. The symposium included speakers and panelists on topics including perspectives on progress and barriers from those with lived experience, government priorities and approaches, collaboration to drive social policy, and perspectives from industry, civil society and government on what needs to change. According to Michael McCain, the Honorary Chair of the Centre and President and CEO of Maple Leaf Foods, *"Food insecurity is a social justice issue, not a food scarcity issue or a matter of charity. Through collaboration, our goal is to amplify our collective efforts to achieve critical social policy and program reforms and scale initiatives to achieve this, with clear timelines and measurements."*

Lessons Learned

The biggest lesson the company has learned is to use its scale and social purpose as a platform for leadership to inspire the Canadian food system towards sustainability. The company adopted a bottom-up approach to develop its social purpose, vision and sustainability programs. It now has an internal Purpose Council composed of subject matter experts from all aspects of the business to guide their purpose journey going forward.



CASE STUDIES

Mountain Equipment Co-op

MEC

Head Office: Vancouver, British Columbia Number of Employees: 2,500 Sector: Retail

Mountain Equipment Co-op (MEC) is a Canadian consumers' cooperative that sells outdoor recreation gear and clothing. They operate an omnichannel business with 22 retail stores across Canada, including British Columbia, Alberta, Manitoba, Ontario, Quebec and Nova Scotia as well as an ecommerce site at mec.ca.

Social Purpose

MEC's social purpose is *"to inspire and enable everyone to lead active outdoor lifestyles"*. They do that by selling outdoor gear and clothing, matching members with gear that suits their needs, offering activity events such as races, meet-ups and classes, embedding their principles in their products, and advocating for conservation and physical activity. They want to bring about a future where Canadians of all ages, are inspired to live healthy outdoor lifestyles, have access to a comprehensive, carefully nurtured network of parks, wilderness, and outdoor recreation areas; and have a strong connection to nature. MEC wants to set an example that inspires other organizations and individuals towards environmental, social, and economic sustainability.

Community Partnerships

MEC's community partnerships are related to reducing barriers to outdoor activity. These partnerships are longstanding and mutually beneficial. MEC provides both multi-year funding and funding for short-term pilot projects. They also provide their partners with donated products, employee volunteers, and opportunities to get in front of their 5 million members.

An example of one of their partnerships is "ParkBus", a MEC-funded social enterprise. ParkBus operates bus services to National and Provincial Parks from major cities across Canada free of cost. By offering sustainable, equal access to nature through collective transportation, more people can appreciate the outdoors and maximize their health and well-being.

Social Innovation

MEC was a founding member of the Sustainable Apparel Coalition (SAC) which was launched in 2011 as the clothing and footwear industry's alliance for more sustainable production. SAC's vision is that the industry creates no unnecessary environmental harm and has a positive impact on people and communities. The Coalition has developed the Higg Index which is a suite of tools to measure environmental and social impacts of brands, retailers, manufacturers, factories and products. Organizations use these tools to find out how they can improve and can share their results with consumers. As an active member of SAC, MEC has been helping to create these industry tools and formalize a standardized way to communicate social and environmental impacts of products to consumers.

Responsible Supply Chains

MEC has a responsible sourcing policy. The policy covers MEC label products as well other products from other brands they sell. Responsible sourcing sets up MEC to operate according to their values, and also makes sure they manage risks, do not break any laws, and maintain good relationships with other businesses and suppliers. MEC ensures the factories commit to MEC's supplier code of conduct. Regular audits are undertaken to ensure that the suppliers are upholding the standards.

Another social innovation championed by MEC addresses ocean pollution. MEC was one of the first clothing businesses to fund research into the apparel-linked micro-fibre pollution in aquatic environments. It is trying to determine the rate of fibre loss from home laundering that ends up in oceans through laundry water. This understanding is key to re-engineer fabrics to reduce micro-fibre pollution. MEC has funded micro-fibre research by drawing on the expertise and technical capacity of the Ocean Wise's Plastics Lab.

Lessons Learned

In MEC's experience defining your social purpose is a journey. It is one that must be bought into from top to bottom and must be integrated into the way you do business. It's in the way you live and operate. MEC has used its purpose as a north star – even though it has shifted over the years its direction has remained the same.



Mills Office Productivity



Head Office: Vancouver, British Columbia Number of employees: 190 Sector: Office supplies

Mills Office Productivity is an office supply and printing company with ten locations across British Columbia. It was certified as a B Corporation in 2012, the first office supply company in Canada to do so. Mills is part of Basics[®] which is the largest network of independent Office Supply Dealers in Canada.

Social Purpose

Mills' social purpose is *"To Deliver Community Goods"*. In 2019, they participated in a comprehensive program with the United Way's Social Purpose Institute to redefine their social purpose. Their local community focus is designed to give people the power to change their lives for the better.

A primary goal is to integrate their newly adopted social purpose throughout the company in every aspect with a focus on how they can improve the overall employee culture. For example, the company is creating a financial literacy program to build the financial capacity and resilience of employees. One of the initiatives they are planning is an "income advance program" which will provide employees short term loans to deal with emergencies. The company plans to secure these loans through a credit union partner, giving employees a chance to build their credit and have more financial security.

Community Partnerships

Led by the CEO, Mills helped establish Have Café, a social enterprise operating as a culinary training society and restaurant in Vancouver's Downtown Eastside. This 8-week culinary training program works closely with local restaurants, cafes and hotels to provide job opportunities to individuals in Vancouver who experience barriers to employment. People dealing with homelessness and addiction, new immigrants, women who have never been in the workforce, people with disabilities, previously incarcerated individuals and people with language barriers are trained at Have Café to prepare them for jobs and enhance their financial security. The organization has put 1,100 students through the program since it was founded in 2007. Eighty percent of the students are placed in employment and half of those students are still employed 3-5 years later. Mills hopes to expand this model in BC communities where it has operations and is looking at the possibility of using this model in different industries.

The company is a founding sponsor of LOCO BC, which is a non-profit organization promoting local businesses through research, education, advocacy and buy-local programs. They engage businesses and educate consumers on the importance of supporting independent businesses, research the challenges faced by independent businesses, advocate for reducing these barriers, and work to build bridges between businesses and policymakers.

Diane's story

Diane began with Have Café in 2016 and is currently in the Industry Training Authority Professional Cook Level 2 Program. She is employed with Have as a catering cook. Diane came to know about Have through another mother who had gone through its 'Trained for Success' program. Have changed Diane's life and gave her a sense of purpose. She is a role model to her teenage daughter, teaching her the value of attending school, being on time, and being accountable.



The UN Sustainable Development Goals

Mills office conducted stakeholder engagement to develop their social purpose and that shaped what United Nations Sustainable Development Goals (SDGs) they would focus on. They are targeting the SDGs that address poverty and climate change.

Lessons Learned

The biggest lesson the company learned is the importance of understanding where it could make the greatest impact with its business and employees. This fostered a broader sense of social purpose amongst its staff who now feel more connected and recognize they are using their skills on social



issues relevant to the business. Staff are better equipped to let customers know why they should buy Mills' products. Building competitive advantage with customers through implementing and promoting a social purpose creates the motivation for a company to do the right thing. Vancity Savings Credit Union Vancity

Head Office: Vancouver, British Columbia Number of Employees: 2,853 Sector: Financial

Vancity Credit Union is a member-owned financial co-operative. It is the largest credit union in Canada, with 59 branches in BC. Vancity Community Investment Bank, a subsidiary of the credit union, is a Toronto-based mission-driven chartered bank.

Social Purpose

Vancity's vision is to *"Redefine Wealth"*. Its purpose is to meet the financial, social and environmental well being of their members and the community. According to Vancity, *"We are an agent of positive social change that happens to be a financial institution."*

Community Partnerships

Vancity has a range of ongoing community partnerships based on positive social change aligned to one of their four partnership pillars: 1) building the co-operative economy; 2) reducing environmental impacts; 3) advancing social justice and economic inclusion; and 4) embracing Reconciliation.

For example, Vancity's partnership with Pacific Blue Cross (PBC) addresses the needs of self-employed members by which PBC provides health benefits for independent workers and small business owners and their employees. Entrepreneurs, self-employed and small businesses increasingly drive BC's economy. Yet, more often than not, they have to go with less health coverage than their corporate counterparts. The Vancity Member Health Benefits Plan offers quality health benefits at competitive prices to fill this gap. Tailored plans are sold by PBC after a referral from a Vancity small business account manager. By the end of 2018, nearly 80 of Vancity's self-employed and small business members had health benefits through the program.

Social Innovation

One of Vancity's current priorities is improved outcomes for newcomer communities with a focus on social justice and economic inclusion, through collaboration with settlement agency partners. For example, Vancity is co-developing projects – such as financial literacy, newcomer-specific banking services and advocacy – with settlement agencies. As an extension of this, Vancity moved one of its Vancouver branches into a "Welcome Centre" with the Immigrant Services Society of BC where it provides wrap-around supports for refugees, including a new model of transitional housing. More recently they moved into a Surrey-based "Welcome Centre" with a dozen other settlement agencies. The credit union is seeking to grow this "Banking in Community" model with other settlement agencies, and other sector partners.

UN Sustainable Development Goals

Vancity has aligned much of its business to the Sustainable Development Goals. Its corporate strategy has a particular focus on the following seven goals:

Living Wage Leadership

Vancity has been a leader in the Living Wage for Families Campaign (LWFC) since its BC inception in 2008, and has collaborated with a diverse group of not-for-profits, policy organizations, trade unions and academics to develop the wage calculation methodology that is now used across Canada. In 2011, Vancity became the largest employer in Canada to be certified and they continue to support the LWFC by serving on committees, loaning staff, recruiting other employers to join (over 150 in BC), publicly speaking for LWFC, and providing office space. They also advocate for the LWFC to government, for example, providing advice on how to bridge the gap between minimum wage and the living wage, lobbying the BC government to increase the minimum wage, and holding federal discussions regarding the need for a \$15/hr federal minimum wage.

- 1) No Poverty: Access Increasing the number of people assisted with products and services designed to provide access to basic financial services, affordable housing, credit and credit repair to 35,000 members per year by 2030.
- 5) Gender Equality: Gender pay gap Engaging the Canadian companies in which Vancity invests to disclose their pay equity results.
- 8) Decent Work and Economic Growth: Financial literacy Promoting financial literacy to improve the knowledge, skills and confidence of members.
- **11)** Sustainable Cities and Communities: Housing Helping solve housing challenges to increase the number of affordable units available in Vancity's service area.
- **12) Responsible Consumption and Production:** Lighter Living Reducing the credit union's operational environmental footprint, by empowering staff to make environmentally sustainable decisions and to embed a culture of lighter living within Vancity.
- **13) Climate Action:** Carbon footprint Reducing the average staff carbon footprint by 25% by 2030 and using Vancity's experience to teach others what can be done to reduce their greenhouse gas emissions.
- **17) Partnerships to Achieve the Goal:** Measurement Working with other members of the Global Alliance for Banking on Values (an industry group of progressive banking institutions around the world) to develop new metrics to measure well-being.

Lessons Learned

Vancity's approach is, "Just start and don't be afraid to learn, adjust and grow." Its approach is to listen to the communities in which it operates. It adheres to the principle of "nothing about us, without us" which defines its approach to community engagement when addressing local needs. Vancity's guiding advice is to "act with community and guided by community" and to always be humble, respectful and above all, to learn.





corostrandberg.com