

Social Purpose Leadership Committee Guide

Introduction

The Social Purpose Leadership Committee (SPLC) plays a crucial role in shaping, advancing, and overseeing the integration of social purpose into the fabric of an organization. This document presents a draft set of terms of reference for such a Committee, which can be adapted to fit the unique needs and circumstances of different organizations.

In today's business landscape, aligning organizational strategy with social purpose is essential for long-term success. The SPLC is responsible for championing this alignment, guiding the company's social purpose initiatives, and fostering collaboration across departments to create value for the organization, its customers, and society. Through its strategic oversight, the Committee ensures that the company authentically realizes its social purpose and stays ahead of emerging social purpose trends and opportunities.

This guide serves as a framework for understanding the role of the SPLC, setting clear expectations for its members, and supporting the integration of social purpose into the organization and in its relationships. By focusing on clear responsibilities, regular meetings, and reporting mechanisms, the SPLC offers the leadership and direction necessary to successfully embed social purpose across all aspects of the company.

Organizations can adapt this draft to their specific context, ensuring that it aligns with their unique goals, structures, and operations. In a small- or medium-sized enterprise, for example, these responsibilities often rest with the leadership team or Executive Committee rather than a standalone group.

For guidance on considering integration with ESG structures, see Appendix A. A selection of tools and resources to support implementation is provided in Appendix B.

Sample Terms of Reference for the Social Purpose Leadership Committee

Purpose

The purpose of the Social Purpose Committee (the “Committee”) is to advise, collaborate on, and drive internal and external implementation of the company’s social purpose. This includes overseeing purpose integration into core operations and strategic decision-making and external collaborations that are set up to advance the purpose. The Committee advises on and monitors long- and short-term social purpose deliverables, champions social purpose integration across the organization and in its relationships, oversees social purpose collaborations, helps prioritize initiatives and allocate resources to move our social purpose forward, and ensures mechanisms are in place to hold the organization accountable for realizing its purpose.

Membership

The Committee consists of senior leaders¹ appointed by the Executive Committee². Members serve in an enterprise-wide capacity, representing the organization as a whole rather than individual departments or divisions. The Executive Committee may adjust the Committee’s composition at its discretion, including appointing delegates as needed.

The Committee is comprised of key decision-makers from the following areas³:

- HR
- Marketing
- Risk Management
- Procurement
- Operations
- Legal
- Finance
- Products
- Strategy
- Public Affairs
- Social Purpose

Responsibilities

The Committee has the following responsibilities:

- Recommend, prioritize, and monitor implementation of company-wide social purpose policy/s and long- and short-term social purpose goals, strategies, performance indicators and investments.
- Advise on the [social purpose components of the corporate strategy](#), including purpose-related key performance indicators and their integration into strategic planning.
- Advise on and support advancing social purpose as it relates to company plans, strategies, policies, and programs, including but not limited to:
 - Human resources and corporate culture.
 - Supplier sourcing policies, programs, and practices.
 - Product and service offerings.
 - Marketing and communications.

¹ For richer and more inclusive conversations, consider appointing diverse staff representation or including external stakeholders.

² In smaller organizations the Executive Committee may assume these responsibilities.

³ Committee composition should reflect the organization’s size, structure, and sector. Not all organizations will have all of the functions listed. For example, some companies may have fewer departments, and responsibilities like procurement or risk may be embedded in broader operational roles. Similarly, the term “Products” will vary by sector—for a real estate developer this could mean Development or Construction; for a financial institution, it might include Commercial Banking or Global Markets.

- Customer engagement and experience.
- Community engagement and investment.
- External collaborations.
- Company acquisitions and strategic partnerships.
- Foster information-sharing and cross-functional coordination within and across departments to catalyze, advance and embed social purpose into the organization.
- Advise on strategies to embed social purpose into the company culture, ensuring it is reflected in values, behaviors, and day-to-day operations across all levels of the organization, including throughout the employee experience and lifecycle, performance management, and other key HR processes.
- Advise on the development and implementation of stakeholder engagement plans to inform, engage, and mobilize stakeholders in contributing to, and collaborating on, the company's social purpose.
- Advise on business model transformation and the evolution of the product and service portfolio to advance the company's social purpose.
- Review and assess trends, [risks and opportunities related to social purpose](#) and advise on strategies to address these risks and opportunities.
- Stay informed on best practices for social purpose execution and the social purpose focus area, ensuring the company's initiatives reflect the latest standards and innovations, and participate in annual social purpose education to enhance knowledge and expertise.
- Provide input on the scope and identification of material social purpose disclosures using recognized [purpose disclosure guidelines](#), oversee social purpose data management systems, and provide input into social purpose reporting to the Executive Committee and the Board of Directors.
- Advise on adopting recognized third-party standards, such as the [Social Purpose Assessment](#), to ensure the company's social purpose initiatives align with established best practices, and support periodic independent audits to assess social purpose integration and identify opportunities for improvement.
- [Advise on the company's approach to contributing to the purpose economy](#), including collaborating with social purpose businesses, engaging in partnerships that advance the purpose movement, and supporting initiatives that help grow and strengthen the social purpose business ecosystem.
- [Act as champions and role models for social purpose](#) and the purpose economy within their own departments, across the organization, and with external stakeholders.

Meeting Frequency

The Committee meets quarterly to review progress, discuss key issues, and make strategic decisions related to the company's social purpose.

Reporting Line

The Committee reports directly to the Executive Committee and provides regular updates on its activities, progress, and key initiatives.

Appendix A

Committee Integration Considerations

In some organizations, the Social Purpose Leadership Committee may operate alongside an existing Sustainability or ESG Committee. In others, it may be beneficial to integrate the two. The decision to establish a standalone committee or merge it with an existing committee depends on the organization's structure, priorities, and stage of maturity in both social purpose and sustainability.

Pros of Integration:

- Streamlines oversight and reporting, reducing duplication of effort.
- Encourages holistic thinking across environmental, social, and purpose objectives.
- Recognizes that purpose underpins and guides the “G” (governance) in ESG.
- Provides a platform for differentiating and coordinating ESG and social purpose objectives.
- Lessons learned from integrating ESG/sustainability into the organization can be more readily adapted to social purpose integration, accelerating its adoption and take-up internally.

Cons of Integration:

- Risk of conflating social purpose with ESG or sustainability, which may limit the transformative potential of purpose and foster internal and external confusion.
- Social purpose defines the organization's reason for being and sets the direction for corporate strategy. As such, it typically requires senior-level oversight, whereas ESG committees may be positioned at a different level of the organization and focused more on operational performance and compliance.
- Integration may dilute effort, focus and accountability for driving purpose-specific outcomes.

Success Factors for Integration:

- A clearly defined, combined mandate that ensures social purpose receives dedicated attention.
- Committee membership that represents both sustainability and social purpose leadership.
- Purpose-specific KPIs, reporting mechanisms, and ongoing education built into the committee's work.

Appendix B

Resources

The following tools and guides support the implementation and integration of social purpose across the organization. They can be used to deepen understanding, inform decision-making, and strengthen purpose alignment across functions and roles.

- [Social Purpose Strategy: Bring Your Corporate Purpose to Life](#)
- [Enhancing Risk Management Practices: A How-to Guide for Social Purpose Companies](#)
- [Social Purpose Product Transition Plan Tool](#)
- [Social Purpose Decision Lens Tool](#)
- [Employee Social Purpose Lifecycle Tool](#)
- [A Guide to Social Purpose Job Descriptions](#)
- [Social Purpose Assessment](#)
- [Social Purpose Departments Checklist](#)
- [The Social Purpose Professional](#)
- [Disclosing With Purpose: Guidance for Preparers and Users of Purpose Disclosures](#)
- [Toolkit To Grow the Purpose Economy](#)

Acknowledgement

This guide was prepared by Coro Strandberg, Co-founder and Chair of the Canadian Purpose Economy Project and President, Strandberg Consulting.

About the Canadian Purpose Economy Project

The Canadian Purpose Economy Project exists to accelerate the transition to the purpose economy. It engages national ecosystem actors to create an enabling environment for social purpose businesses to start, transition, thrive and grow. It convenes, connects, curates, and collaborates to drive the social purpose business movement in Canada toward an economy where social purpose business is the norm, attracting capital, talent, and partners. In this economy businesses unlock all their assets, influence, reach and scale in collaboration with others to help Canada address its societal challenges and realize a flourishing future. We are grateful to Coast Capital, our Founding Purpose Champion, for their support.

Register for updates here www.purposeeconomy.ca.