

## Aligning Capital with Purpose: Rethinking Monetary Flows

### Introduction

Conventional business treats capital allocation as a means of maximizing financial returns to owners and shareholders. The Purpose Economy challenges this by requiring social purpose businesses—those committed to creating a better world—to embed purpose across their organization, **shaping how capital is allocated, measured, and reported.**

Monetary flows—how an organization generates, allocates, and distributes financial resources—are a direct expression of these priorities. The Global Reporting Initiative (GRI), a global sustainability reporting standards organization, is developing a new standard for disclosing these flows. It defines monetary flows as the inflows and outflows of financial resources tied to an organization's activities, used to assess economic performance.

The Canadian Purpose Economy Project (CPEP) made a submission to this GRI consultation, drawing on CPEP's [Purpose Disclosure Guidelines](#). These guidelines propose **that social purpose companies demonstrate how purpose guides financial resource allocation**—including through capital budgeting, investment decisions, and the proportion of capital directed toward advancing impact and long-term value.

### Key Considerations for Aligning Monetary Flows with Purpose

Aligning monetary flows with purpose requires clear governance and decision-making structures: articulating the organization's purpose, defining board and leadership oversight, and embedding purpose into strategy, planning, and resource allocation.

Monetary flows express purpose in action. Revenues, investments, distributions, and expenditures reflect strategic choices—not neutral financial aggregates.

### Organizations can examine how these flows support or contradict their purpose:

- Revenue generated from purpose-driven products and services
- Investments that advance purpose initiatives, programs and outcomes
- Divestments from misaligned initiatives and programs
- Mergers and acquisitions of purpose-aligned organizations and/or capabilities
- Non-financial resources, such as employee time, expertise, and intellectual property

To monitor, measure, and improve performance, organizations should develop specific indicators that track their allocation of financial and non-financial resources across their value chain. These indicators can reveal where capital is under-allocated to an organization's purpose, where greater focus is needed, and other dynamics like trade-offs, misalignments, and strategic opportunity gaps. These insights enable targeted and informed decision-making to further enhance purpose outcomes and business performance.

### Organizations can assess and disclose:

- Where monetary financial flows support an organization's purpose and where they may contradict them
- Where trade-offs exist between financial returns and purpose-related outcomes
- How purpose is reflected in operational and capital budgeting processes, and investment decisions
- The extent that an organization's purpose is reflected in its research and development investments
- Proportion of annual capital investment allocated to the realization of the purpose

Providing both narrative and quantitative insights into these dynamics strengthens accountability to stakeholders and supports continuous improvement in purpose activation.

### Conclusion

Monetary flows are more than financial metrics—they are a practical mechanism for operationalizing purpose and advancing both purpose goals and business performance. By aligning capital generation and deployment with purpose, organizations strengthen societal impact alongside long-term value.

### **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. We are grateful to Coast Capital, our Founding Purpose Champion, for their support. The Canadian Purpose Economy Project is a program of Canadian Business for Social Responsibility. Subscribe for updates at: <http://www.purposeeconomy.ca> and sign our [Call to Purpose](#) to help advance social purpose in business.