Re: Independent review regarding WE Charity, ME to WE and the Track Your Impact program

You have asked me to provide my independent opinion on four issues concerning ME to WE and WE Charity. The issues concern the mission of each organization and their relationship with each other.

To assist me, you have provided me with a significant brief of relevant material, all of which I have reviewed. As well, you have responded candidly and fully to all the questions I have asked seeking further clarification and additional information where necessary.

Like the Honourable Peter Cory, who performed a similar task a decade ago, I have been impressed with both your openness and your commitment to ensuring that both organizations continue their good work in compliance with sound legal norms.

Needless to say, the conclusions I have reached and the opinions I express are my own, rendered entirely free of outside influence.

The first issue is whether ME to WE is a social enterprise with clear social purpose.

In my view, the clear answer is yes.

ME to WE is incorporated under the Business Corporations Act of Ontario. It carries on its business as a social enterprise. While this is not a legal term of art, as a social enterprise it meets all the requirements of the definition that those in the social enterprise sector of the economy apply to themselves. It engages in the production and sale of goods and services. It is privately owned and run. It has a clear social purpose. And it donates its profits to its social purpose or reinvests them in the enterprise itself.

As a social enterprise, its social purpose is clear. It is to offer socially conscious and environmentally friendly products and services, such as books, garments, accessories, leadership training and volunteer trips outside of Canada to provide support to WE Charity.

Thus, there is no doubt, in my view, that ME to WE is a social enterprise with a clear social purpose.

The second issue is whether there is a proper structure and process for the relationship between ME to WE and WE Charity.
The foundational document that provides the structure for the relationship is the Master Agreement between the two organizations. It is a detailed legal agreement that recognizes that the two are separate and distinct legal entities with a close working relationship. Its principal provisions define the terms for the sharing of staff, real estate, and equipment and software under specified conditions. It also defines the program contributions of the two organizations and further provides for the annual commitment of financial support from ME to WE to WE Charity. Its Addenda describe in detail the program collaboration of the two organizations for the programs of WE Day and Track Your Impact, two very important programs for both organizations.

The important set of processes regulating the relationship between the two organizations are the financial reconciliations that take place between them.

This ensures the financial integrity of both organizations by accounting fully for the nature and value of the support provided by one organization to the other whether in kind or financial, and whether through staff, office space or equipment and software.

Taken together, these agreements and processes are, in my view, clear, transparent, and provide for a proper basis for the relationship between the two organizations.

The third issue is whether ME to WE meaningfully contributes to the goals, projects and mission of WE Charity.

The ME to WE support of WE Charity begins with the financial support it is committed to, pursuant to the Master Agreement. Half of its profits go annually to support WE Charity. In addition, ME to WE provides WE Charity with significant in-kind support. This includes providing significant staff time at no charge, providing motivational speakers for WE Charity events at no charge, sending donors and young people to village communities supported by WE Charity, and providing free office space for WE Charity staff.

In my view, these contributions provide very meaningful support for the goals, projects, and mission of WE Charity.

The fourth issue is whether the Track Your Impact program transparently delivers impacts and carries results.

Through the Track Your Impact program, companies make donations associated with certain products. Products which have participated in Track Your Impact promotions include BRITA water bottles, Powerade drinks, and Lipton teas. When customers buy those products, they receive a code which they can enter on the Track Your Impact website. The website shows the customer the impact of their purchase in a particular region. Typically, customers will see a detailed description of what their purchase contributed to. For instance, the purchase may have contributed to a month of clean water for a family or school supplies for a child. The customer will also typically be shown a pinpoint of precisely where the impact was delivered. To participate in this promotion, companies will either make lump sum donations to WE Charity or will donate a portion of the sales of the products to WE Charity. These donations go directly to WE Charity.
Charity to fund the particular impact. The information provided shows that products participating in the Track Your Impact program regularly outsell competitor products.

In my view, the Track Your Impact program delivers the impacts transparently. I also conclude that the Track Your Impact program carries real results for the communities served. First, the corporate donations that flow to WE Charity as a result of the program contribute to very real social benefits for these communities—lives are better there as a result. Second, businesses are incentivized to participate in Track Your Impact because of the program’s positive impact on sales. As a result, Track Your Impact generates additional donations to WE Charity. In both senses the Track Your Impact program carries real results.

Yours very truly,

[Signature]

Hon. Stephen Goudge, Q.C.
SG/sb