

Corporate Sustainability & COVID-19

Pulse Poll of Sustainability Functions: Summary Findings

May 2020



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About the Research: Context & Timing

- | GlobeScan and BSR partnered to conduct a five-minute survey of corporate sustainability professionals across our respective communities to understand some initial perceptions about the impact of the COVID-19 crisis on the corporate sustainability field.
- | We surveyed 102 companies in total. The surveys were taken by senior sustainability professionals representing some of the largest companies on the planet.
- | Collectively, this is a highly informed group of corporate professionals on the leading edge of sustainable business. Their views provide deep insight into the current state of sustainable business amid the early months of the COVID-19 crisis.
- | Fieldwork was conducted between April 8 – May 26.
- | Unless otherwise stated, all charts shown are based on the response of all 102 responses.

About the Research: Sample Breakdown

Sector	Consumer Products and Retail	31%
	Information and Communications Technology	15%
	Financial Services	14%
	Energy and Extractives	9%
	Food, Agriculture, and Beverage	9%
	Healthcare	6%
	Heavy Manufacturing	4%
	Media and Entertainment	3%
	Transportation and Logistics	3%
	Infrastructure	1%
	Power and Utilities	1%
	Travel and Tourism	1%
	Other	5%

Region	North America	58%
	Europe	19%
	Other regions	22%

Company Revenue	Less than \$5 billion	25%
	\$5 - \$20 billion	33%
	\$20 - \$50 billion	18%
	\$50 billion +	15%

Job Level	Vice president or above	24%
	Director	42%
	Manager or below	28%
	Other	6%

Note: Some respondents did not provide an answer to one or more of these demographic questions.

Executive Summary

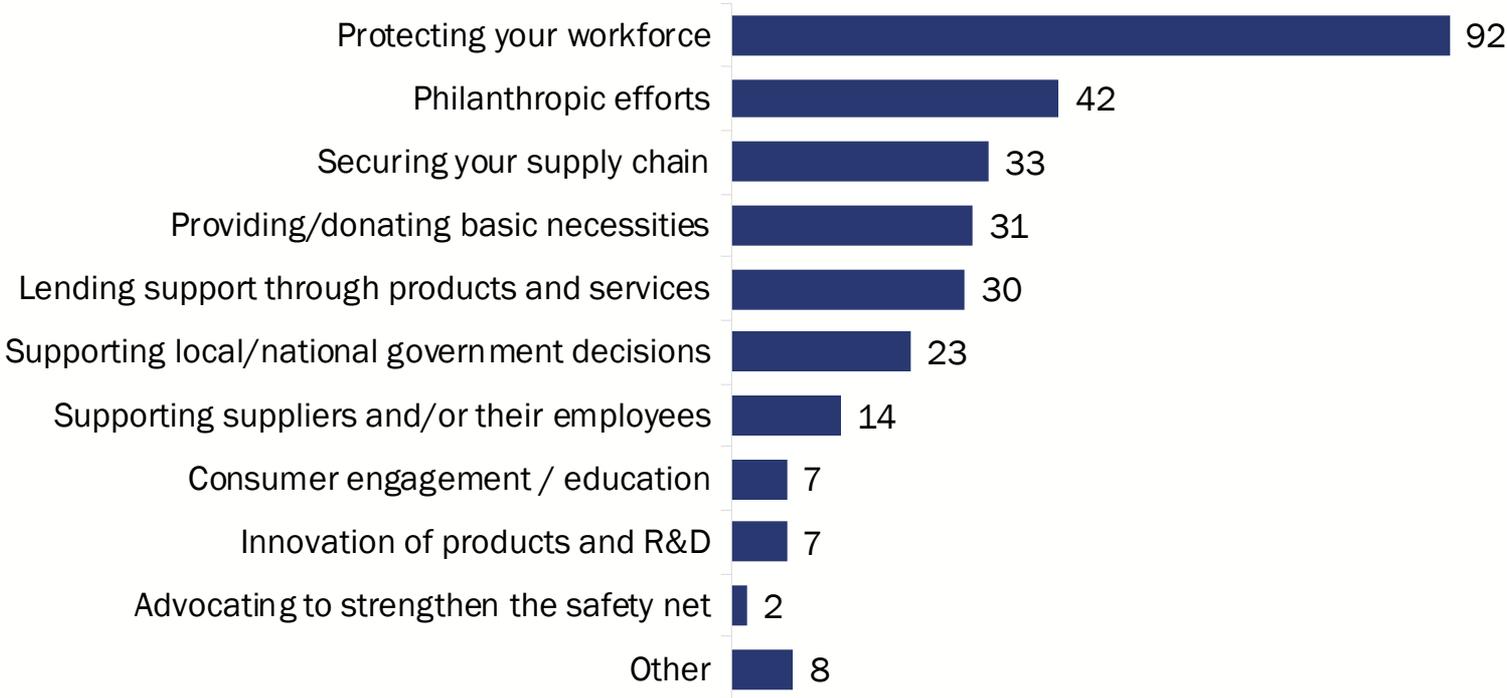
- | A majority believe that the crisis will either **enhance the need and relevancy of corporate sustainability** going forward as we adapt to the new reality, or that it will lead to **additional expectations or challenges** for corporate sustainability (for example greater emphasis on social issues or health and safety).
- | The focus of companies' response to the COVID-19 crisis has been targeted at **immediate shorter term needs** around protecting the workforce and philanthropic efforts.
- | Sustainability teams have been supporting efforts through **stakeholder engagement and community engagement activities**, as well as with efforts around **health and safety** and **philanthropic** activities.
- | Most corporate **sustainability efforts have been impacted by the crisis**, with over four-in-ten reporting a significant impact on their day to day work.
- | The **outlook for corporate sustainability budgets** is fairly negative, with almost half saying that the budget for their sustainability activities will decrease over the next 12-months. This is a more negative outlook than that seen in 2008.
- | The **corporate sustainability activities that will be most affected** by the crisis and its impacts relate to supply chain, inclusive economy, climate action, and philanthropy.

Summary of Findings

The focus of company responses to the COVID-19 crisis has most commonly been around protecting the workforce

Focus of Company Response to COVID-19.

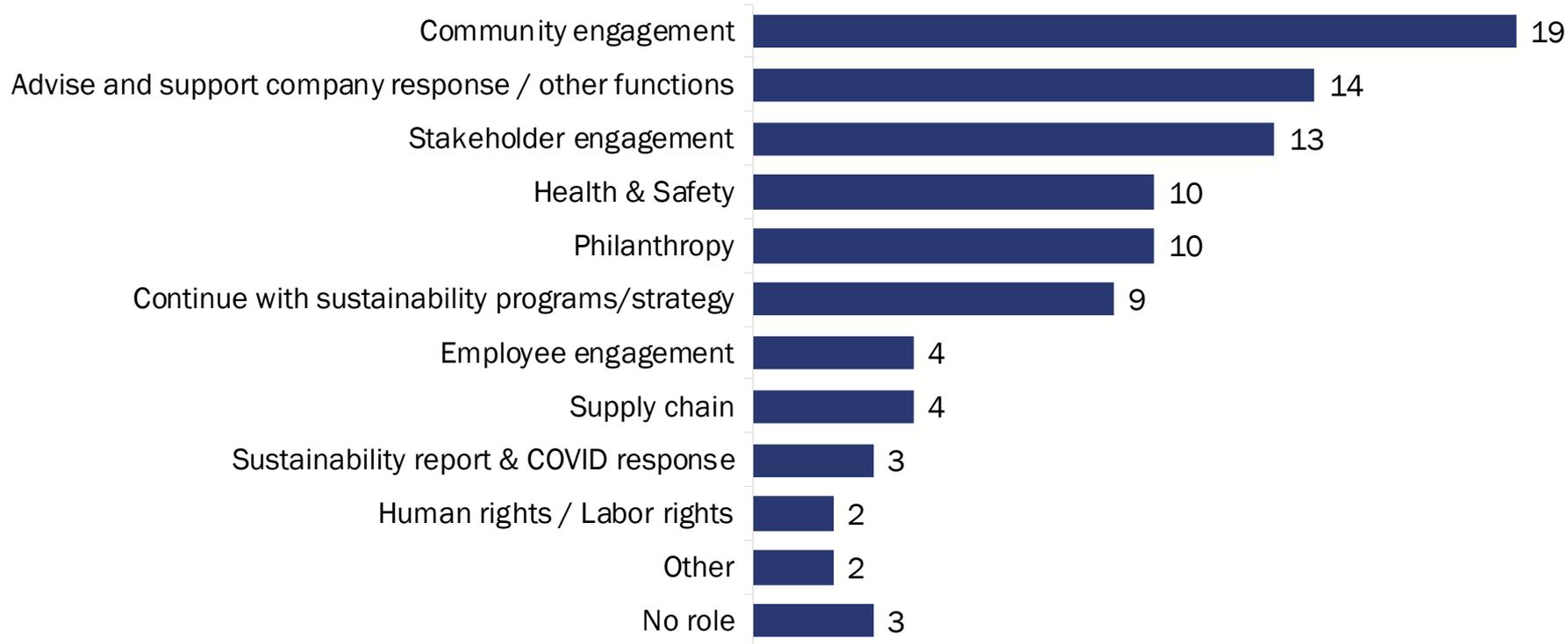
Percentage of Respondents. Total Mentions.



Q3 - What has been the focus of your company's response to COVID-19 so far? Please select up to three.

Sustainability teams have played various roles in company responses to COVID-19 including community engagement and as advisors

Most Important Role Played by Sustainability Function in Company Response



Q2 - What has been the most important role that the sustainability function has played so far in your company's response to COVID-19? (Open-ended comments coded into similar categories).

Open-end commentary on most important role sustainability team has played in company response to COVID-19 crisis

Open-end Commentary

Community Engagement

Creating a global approach to our local community emergency response in our markets and securing extensive funding for this initiative.

Developing and coordinating a consistent and holistic community response approach across our operations.

Advise and support company response

1) Helping to develop educational content and; 2) connecting ideas with the right resources to meet employee, customer, and community needs.

Supporting our business units and other functions within the organisation in their efforts to meet new and unprecedented requests and demands (including market demands).

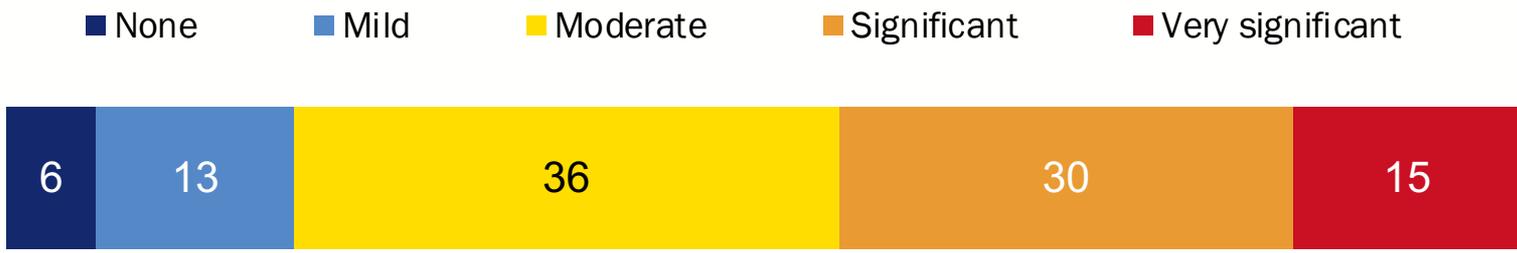
Stakeholder Engagement

Monitoring our key stakeholders' responses to COVID-19 and providing updates to our Leadership Team and Board. Including the approach of our largest institutional investors, competitors, consumers, retailers, etc.

Anticipating, understanding, and managing external stakeholder expectations of our company's response.

Nearly half believe that COVID-19 crisis is having a significant impact on the day to day work of their company's sustainability efforts

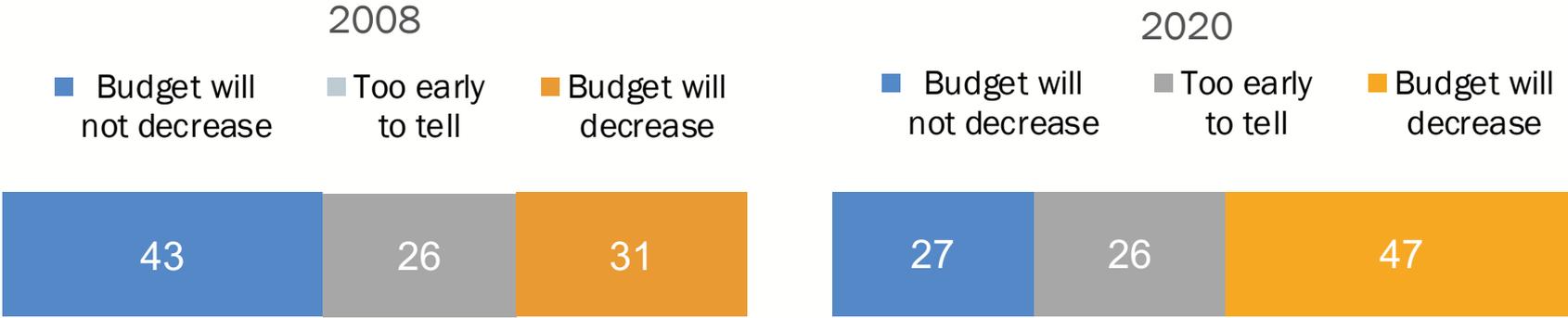
Impact of COVID-19 on Company's Sustainability Work



When examining the response by sector we see that respondents from **consumer product / retail** companies report a more significant impact (56%) of COVID-19 on their sustainability work (very significant + significant) compared to **all other sectors** combined (41%).

Compared to 2008 it appears that the prediction of future budget cuts is more dire

Outlook on Budget for Sustainability, 2008 and 2020



Do you anticipate that your company will decrease its budget for CSR/sustainability initiatives as a result of the current economic situation?

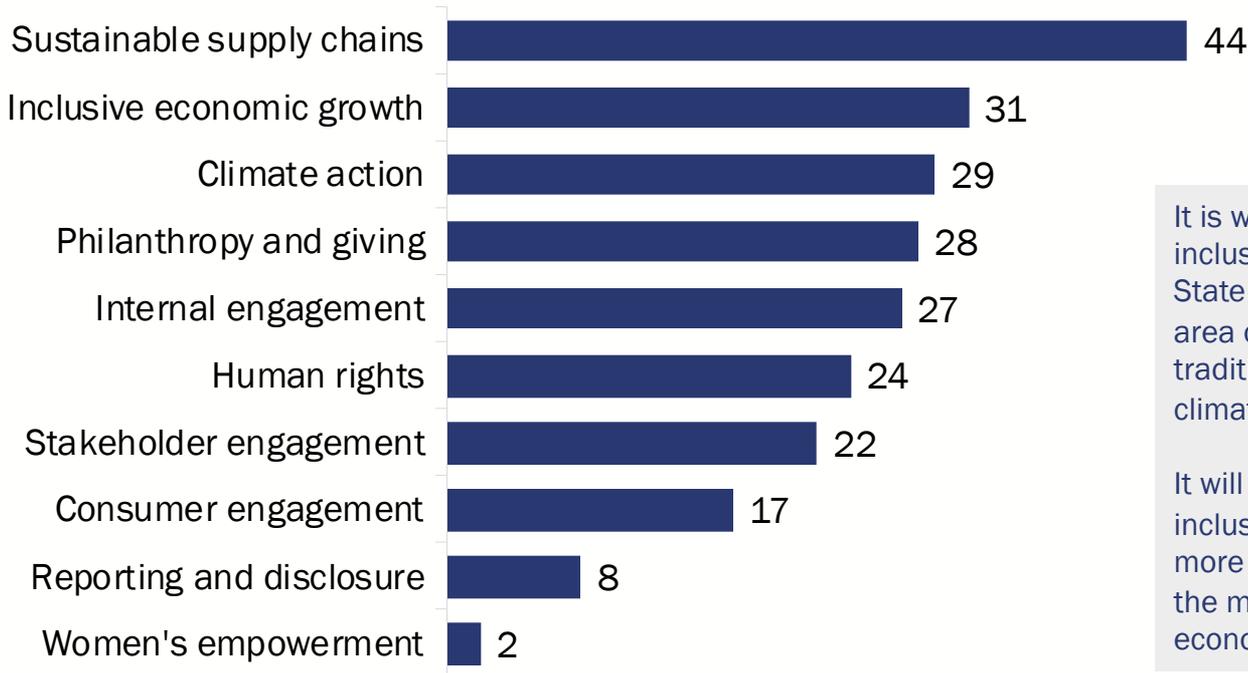
Q5 - How much, if at all, do you think the budget for your company's sustainability initiatives will change over the next 12 months?

SOURCE: BSR/GlobeScan State of Sustainable Business Survey 2008

Biggest impacts relate to supply chain, inclusive economy, climate action, and philanthropy

Elements of Sustainability Approach Most Impacted.

Percentage of Respondents. Total Mentions.



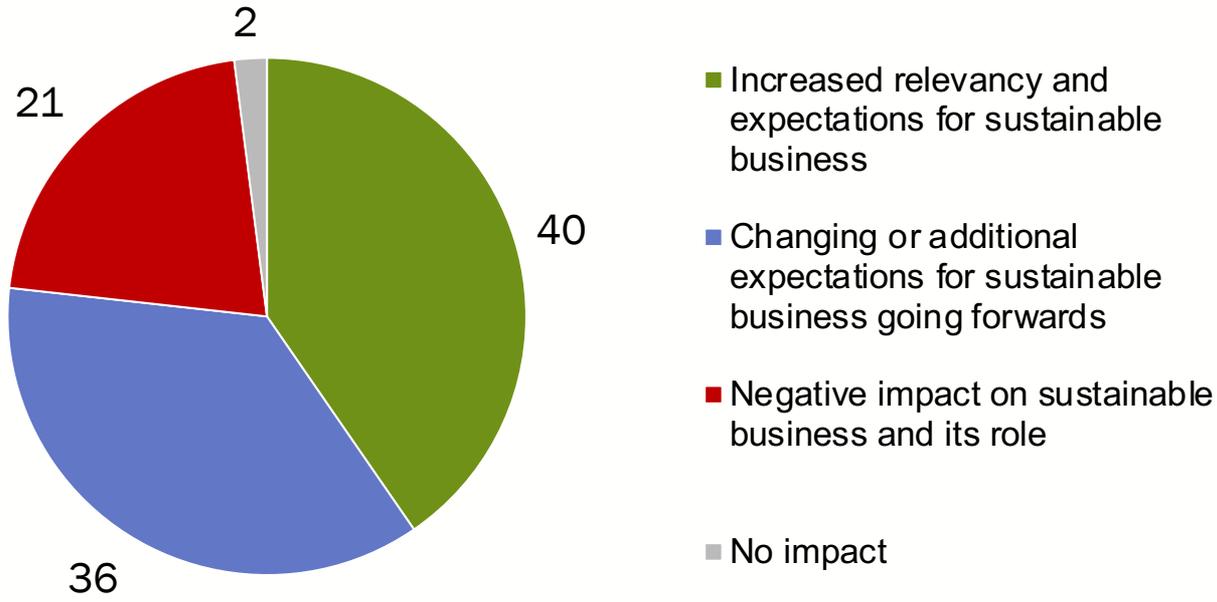
It is worth noting the reported impact on inclusive economic growth. In our annual State of Sustainable Business Survey this area of the sustainability agenda has traditionally been a lower priority, behind climate, human rights and workers rights.

It will be interesting to monitor whether inclusive economic growth becomes a more important corporate priority given the monumental business and socio-economic impact of the COVID-19 crisis.

Q4 - Which elements of your company's sustainability approach/strategy do you think the COVID-19 crisis will impact the most? Please select up to three.

Most see an increased relevance or a changing role for corporate sustainability in the future because of COVID-19 and its effects

Biggest Implications for Corporate Sustainability



Q6 - Generally, what do you currently see as the biggest implication for the future of sustainable business/corporate sustainability from COVID-19 and its effects? (Open-ended comments coded into similar categories).

Increased relevancy and expectations for sustainable business

Selection of Open-ended Comments

“*Purpose driven brands that play that out through all aspects of their business and how they drive the economy toward a more just and sustainable outcome are being put to the test of how deeply they hold those values.* – Consumer Products / Retail”

“*Covid-19 will likely be a **catalyzer for the future we hoped and were working for.** Despite or because of all the difficulties, companies have been pushed to step up and some did, creating a new reference point which society will expect of all.* – Food, Agriculture, and Beverage”

“*Social impacts will be massive with poverty, violence and inequality increasing to higher levels. **Sustainable businesses will have to find ways to amplify positive impact in society through products, services and community support.***” Financial Services”

“*We believe it's **more relevant than ever.** We also see and will continue to underscore the explicit connection between human impacts and climate impacts.* – Consumer Products / Retail.”

“*The importance of our company's sustainability work will be **further mainstreamed** within the organisation and acknowledged as a critical business function.* - Information and Communications Technology”

Changing or additional expectations for sustainable business going forwards

Selection of Open-ended Comments

“ *Occupational Health & Safety (OHS) part will become the MOST significant, critical and material aspect of every sustainable business as an aftermath of COVID-19. – Heavy Manufacturing* ”

“ *Heighten social factors in sustainability and the role of resilience in operations, supply chains and communities. – Information and Communications Technology* ”

“ *It will be a paradox. On one side, we expect that sustainable consumption practices will increase and focus on sustainability will also increase. At the same time, our teams and resources may be impacted significantly. This means that we will be less prepared to support new trends and consumption patterns. – Consumer Products / Retail* ”

“ *The future of sustainable business/corporate sustainability is one of narrower and deeper focus, as well as leaner investment (albeit more meaningful investment). – Consumer Products / Retail* ”

“ *There will be significant discussion around supply chain and sourcing, flexible working arrangements, innovation and technology, and employee benefits. – Power and Utilities* ”

Negative impact on sustainable business and its role

“Less **capacity** for businesses to support new sustainability initiatives due to pandemic response measures and reduced budgets/resources. – Financial Services”

“Gears have shifted to **survival mode**, leaving little bandwidth for longer-term concerns. Priorities will be reorganized for sure. – Information and Communications Technology”

“Major economic impact on our company means we will **progress more slowly** in our sustainability journey as we will not have the financial ability to do some of the items in our plan. – Heavy Manufacturing”

“That the company, as a whole will fail, and if not outright failure, then layoffs, furloughs, or reduced work hours will **force hard choices about giving up particular workstreams.**” – Media and Entertainment”

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