



CSR and the COVID-19 Pandemic

A quick-read report for CEOs on the benefits of CSR

New Understandings and Directions Emerging During Recovery

The COVID-19 pandemic increased demands on society and exhausted resources, but it also provided an opportunity for business leaders with clear corporate purpose and values to shine as they made meaningful contributions to their communities. For other leaders, the pandemic allowed companies to define their purpose and begin to put in place their own Corporate Social Responsibility (CSR) programs.

A recent study showed that consumers believe that businesses are the only institutions to be competent and ethical as compared to NGOs, media, and government entities.ⁱ 80% of business leaders say, that due to the lack of government regulation and progress, they believe business has more of a role than ever to address pressing social and environmental issues. (*Executive Purpose Study, Porter Novelli, 2020*) Moving forward, businesses will set the tone and lead the way to address societal challenges, the economy, the workforce, the environment and more.

Statistics: The Role of Corporations in Creating Better Communities

- 85% of CEOs say it is no longer acceptable for companies just to make money; companies must positively impact society as well. (*Executive Purpose Study, Porter Novelli, 2020*)
- 80% of Americans believe that companies can be a force for positive societal change in 2020. (*JUST Capital's 2020 Survey*)
- 70% of respondents want CEOs of large companies to take a stand on important social issues. (*JUST Capital's 2020 Survey*)

9 in 10 Americans believe that COVID-19 has created an opportunity for companies to hit “reset” and focus on doing good for their workers, customers, communities, and environment.ⁱⁱ

Statistics: Businesses Have the Power to Create Change

- 80% of executives feel that business has the scale, speed, and acumen to solve today's most pressing problems. (*Executive Purpose Study, Porter Novelli, 2020*)
- 73% of people believe that a company can take actions that both increase profits and improve conditions in communities where it operates. (*Edelman's 2020 Trust Barometer*)
- 70% of CEOs think the coronavirus pandemic will force companies to act more responsibly in the long-term. (*Porter Novelli, 2020*)

“Businesses cannot succeed in societies that fail.”

Paul Polman, CEO, Unilever

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Continued Importance of Diversity, Equity & Inclusion (DE&I)

The social challenges during 2020 brought additional focus on the importance of racial equity and social justice, highlighting the need for companies to develop thoughtful and intentional programs that take a stance on social justice issues beyond ensuring that workforces reflect the communities they interact with. Business leaders have a new opportunity to use their influence to support the basic human values and the systems that enable them – rebutting racial discrimination or sexism.

- 80% of companies take an inclusive approach that spans their CSR efforts across all areas of their philanthropic portfolio. (*Diversity & Inclusion in Corporate Social Engagement, CECP, 2018*)
- 79% of Americans say companies must address social issues by making internal changes. 76% think companies need to make more progress on advancing DE&I in the workplace. (*PN Purpose Tracker, Porter Novelli, 2020*)
- 64% of CSR leaders say racial justice is a new long-term CSR priority, with nearly half (45%) reporting increased funding and 79% reporting increased CSR integration with company DE&I initiatives. (*The Impact of Pandemic & Racial Justice Movement on CSR, ACCP & Rocket Social Impact, 2021*)

Climate & Sustainability is Critical

Climate change has been moved back in focus and stakeholders expect corporations to revive and build their environmental and sustainability commitments. Nearly two thirds of Americans think the pandemic created opportunities for companies to thoughtfully incorporate eco-friendly practices into their business models. Additionally, research shows companies that target social and environmental issues in their CSR efforts outperform the rest of the market by 3-5% annually.

- 47% of Americans think it is more important than ever for companies to address climate change. (*PN Purpose Tracker: COVID-19 & Climate Special Edition, Porter Novelli, 2020*)
- 21% of the world's largest public companies have commitments to reach net zero emissions. (*Taking Stock, Energy & Climate Intelligence Unit, March 2021*)
- 75% of investors say sustainable investments have become more important over the last five years, driven by younger generations. (*Organization for Economic Cooperation and Development, 2019*)

Technology Driven Innovation

The global health crisis catalyzed the acceleration of digital advancements and innovations, resulting in many organizations increasing their reliance on technology and connectivity to do business and broaden their reach. Moving forward, many corporations and nonprofits will continue to leverage technology for meetings, fundraising volunteering, and more.

- 36% of CSR leaders said they're moving at least some volunteer engagement to virtual opportunities. (*VolunteerMatch's 2020 Impact of COVID-19 on Volunteering*)
- Digital giving increased by 20.7% in 2020. (*Blackbaud Institute, Charitable Giving Report, 2020*)

Today's consumers do not want more and better goods and services for a reasonable price. Rather, they increasingly expect companies to contribute to social welfare and the common good. (*Post Covid Capitalism, Schwab, Oct. 2020*)

ⁱ Edelman Trust Barometer 2021

ⁱⁱ Survey: What American's Want from Corporate America During the Response, Reopening and Reset Phases of the Coronavirus Crisis, JUST Capital, 2021) <https://justcapital.com/reports/survey-what-americans-want-from-corporate-america-during-the-response-reopening-and-reset-phases-of-the-coronavirus-crisis/>

