

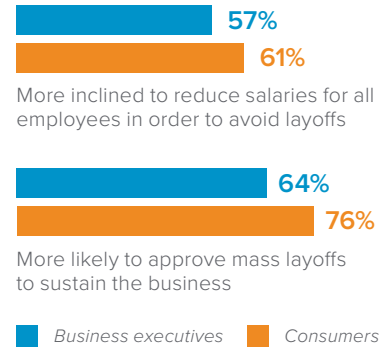
# Corporate Social Responsibility in the Time of COVID-19

## Business executives feel the weight ... but consumers out-tough them in hard business decisions

More business executives (**21%**) than consumers (**4%**) feel large companies are most responsible for making the world a better place.

More business executives (**39%**) than consumers (**28%**) strongly agree that laid-off employees should continue to receive benefits even if that policy entails financial hardship for the company.

Business executives join consumers in ranking **“make money for shareholders”** at the bottom of the list of company responsibilities, behind **“treat employees fairly”** and **“make the world a better place.”**



## Consumers seek health and safety

(**76%**) Consumers are far more concerned than business executives (**60%**) about ensuring the health and well-being of employees.



## Green back-burnered

The “very important” rank of environmental concerns took a precipitous drop between **2019** and **2020** among consumers considering the role of large companies in making the world a better place.



**Still No. 1:**  
Fair and equitable wages for employees

## People power

Roughly half as many consumers in **2020 (17%)** vs. **2019 (32%)** trust the government most to **make the world a better place**, while the assumed responsibility of individual citizens continues to ascend (**from 48% to 55%**).



**48% ↑ 55%**  
Individual responsibility

The entire 2020 Aflac CSR Survey is available here: [www.aflac.com/acsr](http://www.aflac.com/acsr)

Research findings are based on a survey fielded in the United States from June 15-21, 2020, by Teneo. An online survey was completed by 1,260 American adults 18+. Completed interviews were weighted by five variables – age, sex, geographic region, race and education – to ensure reliable and accurate representation of the total U.S. population, 18 years of age and older. A separate online survey of 200 executives was conducted June 12-23, 2020. Respondents were required to be in a leadership role in U.S. companies with 500+ employees across a mix of industries. Respondents in both studies were selected from among those who have volunteered to participate in online surveys; therefore no estimates of sampling error can be calculated. Aflac includes Aflac and/or Aflac New York and/or Continental American Insurance Company and /or Continental American Life Insurance Company.

# 2020 Aflac CSR Survey Report Results and Analysis

July 2020



Report prepared by:  Teneo®

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# Background

- The COVID-19 pandemic and resulting economic downturn in 2020 created significant challenges for companies that require difficult decisions to be made regarding the safety of employees, the economic viability of the company and its dedication to CSR efforts.
- Amidst this backdrop, Americans have once again been forced to address difficult questions related to racial and social inequality in the country. As business leaders, executives at large companies have been placed front-and-center in this debate and asked to declare where their company stands on these issues and what part they will play in enacting change.

# Objectives

- As a part of their ongoing commitment to Corporate Social Responsibility (CSR) Aflac has been sponsoring research since 2017 aimed at understanding what it means to be a socially responsible company.
- The 2020 CSR Survey was designed to meet the following objectives:
  - Understand consumer and executive perceptions of corporate social responsibility, including expectations for the role of large companies in addressing social and environmental issues.
  - Among consumers, compare these perceptions and expectations to pre-COVID-19.
  - Understand how consumers view the dilemmas faced by company executives during the pandemic and economic downturn.

# Research Method

- A survey was conducted online June 15-21, 2020 among 1,260 American adults age 18+. Completed interviews were weighted by five variables: age, sex, geographic region, race and education to ensure reliable and accurate representation of the total U.S. population, 18 years of age and older.
- A separate online survey of 200 Executives was conducted June 12-23, 2020. Respondents were required to be in a leadership role in U.S. companies with 500+ employees across a mix of industries. Quotas were set by gender to enable additional analysis.
- Respondents in both studies were selected from among those who have volunteered to participate in online surveys, therefore no estimates of sampling error can be calculated. Answers may not sum to 100% due to rounding.

# Expectations for Large Companies



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# In an era of COVID-19, trust in government to make the world a better place and environmental concerns have declined among Americans.

***Compared to 2019, trust in government has declined and consumers feel more of a personal responsibility for making the world a better place.***

- Roughly half as many consumers in 2020 (17%) vs 2019 (32%) trust the government most to make the world a better place, while the assumed responsibility of individual citizens increased (from 48% to 55%).
  - Personal responsibility rises to 65% among Boomers, significantly higher than the younger generations.
- The ranking of large companies remains at the bottom of consumers' list (4%) of responsible parties.

***Environmental concerns show a steep drop in importance between 2019 and 2010 among consumers considering the role of large companies in making the world a better place.***

- Addressing climate change fell from 52% 'very important' to 43%.
- Protecting the environment fell from 69% 'very important' to 60%.
- Providing basic access to clean water fell from 70% 'very important' to 57%.

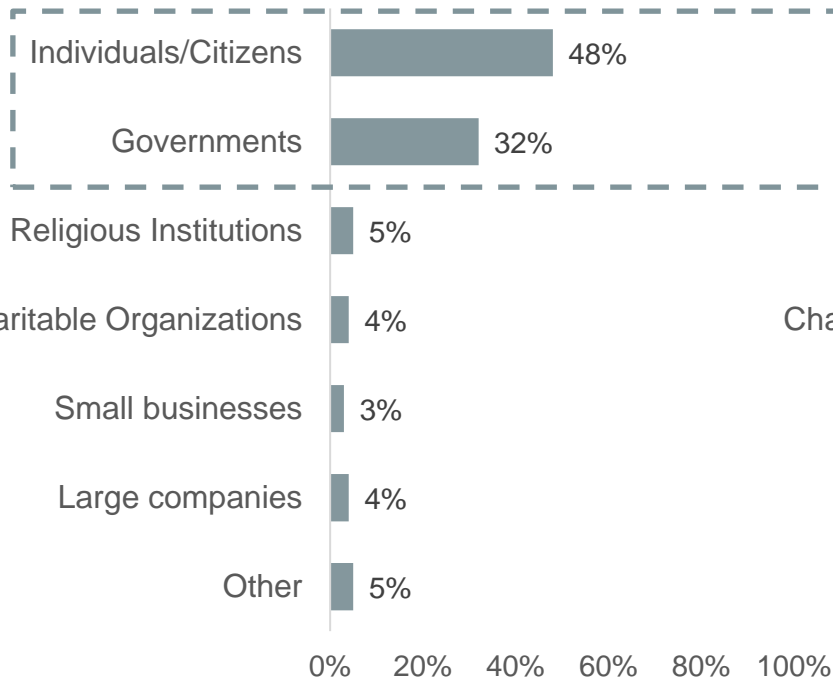
***Providing fair wages for employees, remains the most important issue.***



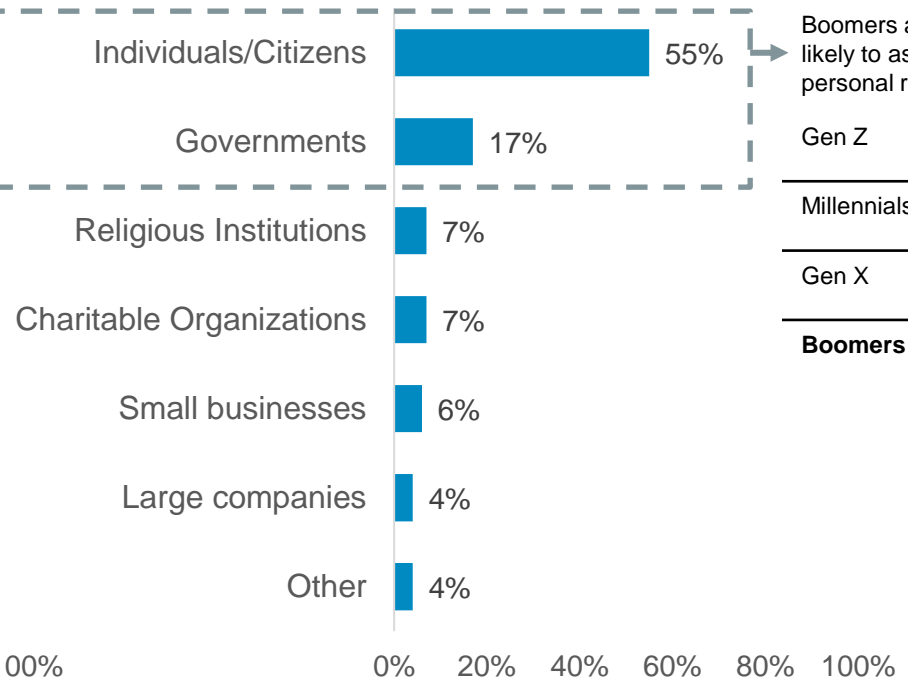
# Compared to 2019, fewer consumers trust the government most to make the world a better place, while the assumed responsibility of individual citizens rose.

## Most Responsible for Making the World a Better Place

### Consumers 2019



### Consumers 2020



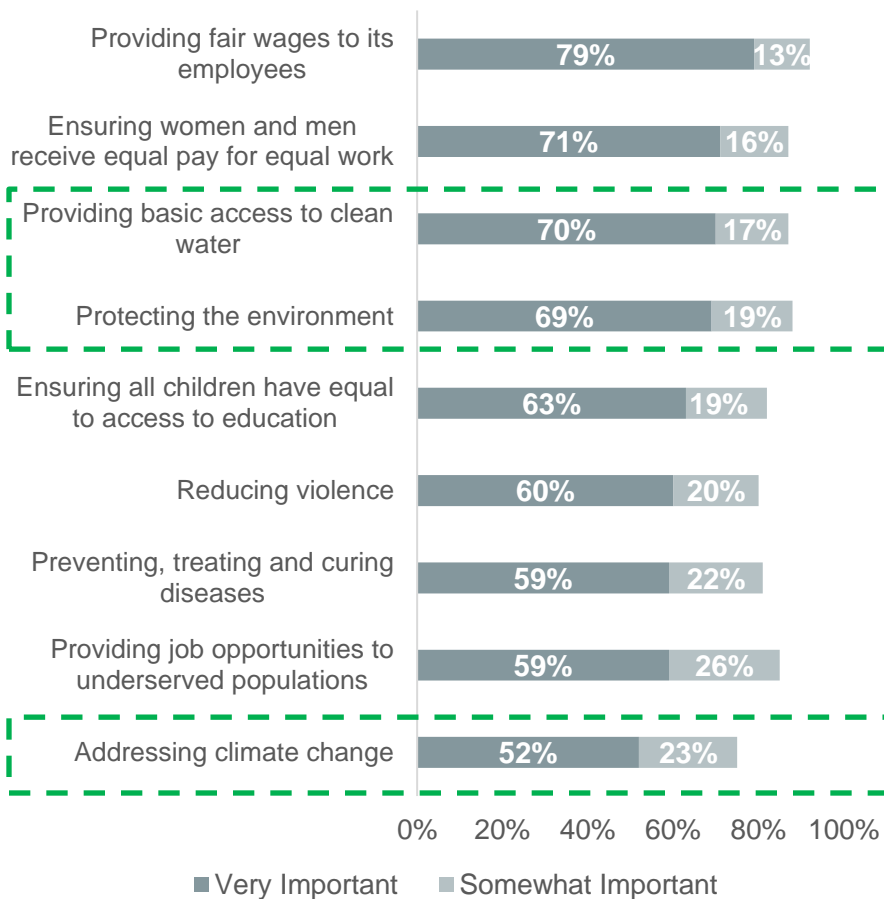
Boomers are most likely to assume personal responsibility.

Gen Z	46%
Millennials	48%
Gen X	56%
<b>Boomers</b>	<b>65%</b>

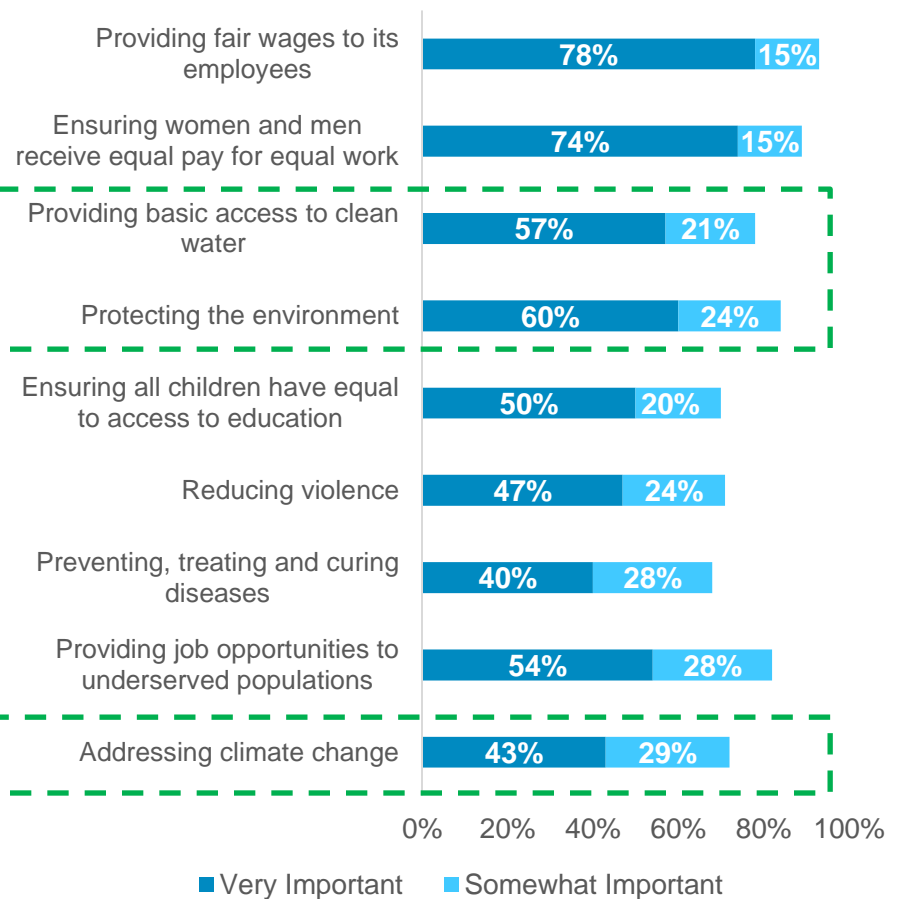
# Environmental concerns show a steep drop in importance between 2019 and 2020 among consumers considering the responsibilities of large companies to make the world a better place.

## Important Issues for Large Companies to Address to Make the World a Better Place

### Consumers 2019



### Consumers 2020



# Business executives show a surprising sense of responsibility for making the world a better place.

*In 2020, executives are far more likely than consumers to feel large companies are responsible for making the world a better place.*

- Five times as many business leaders (21%) than consumers (4%) feel large companies are most responsible for making the world a better place.
- More business executives (88%) than consumers (70%) strongly or somewhat agree that large companies have a **special** responsibility to make the world a better place.
- Business executives join consumers in ranking “make money for shareholders” at the bottom a list of company responsibilities, behind “treat employees fairly” and “make the world a better place.”

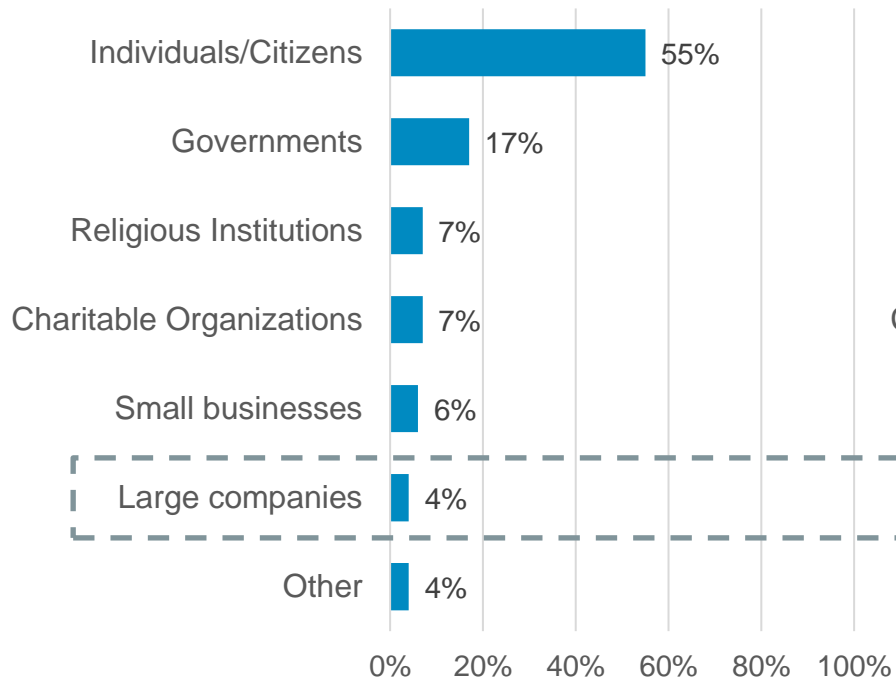
*Consumers and executives rank the very important issues for companies to address similarly, with fair wages and employee health and well-being topping both lists. However, consumers are far more concerned with ensuring the health and well-being of employees than business executives.*

- 76% of consumers rate the health and well-being of employees as very important, compared to 60% of business executives.

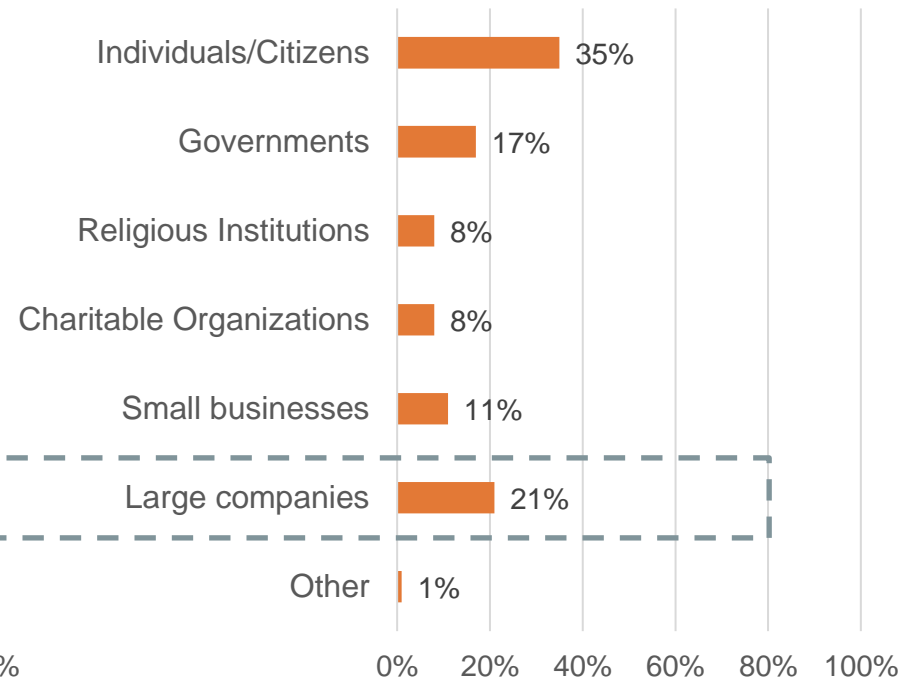
**In 2020, executives are far more likely than consumers to feel large companies are responsible for making the world a better place.**

## Most Responsible for Making the World a Better Place

**Consumers 2020**



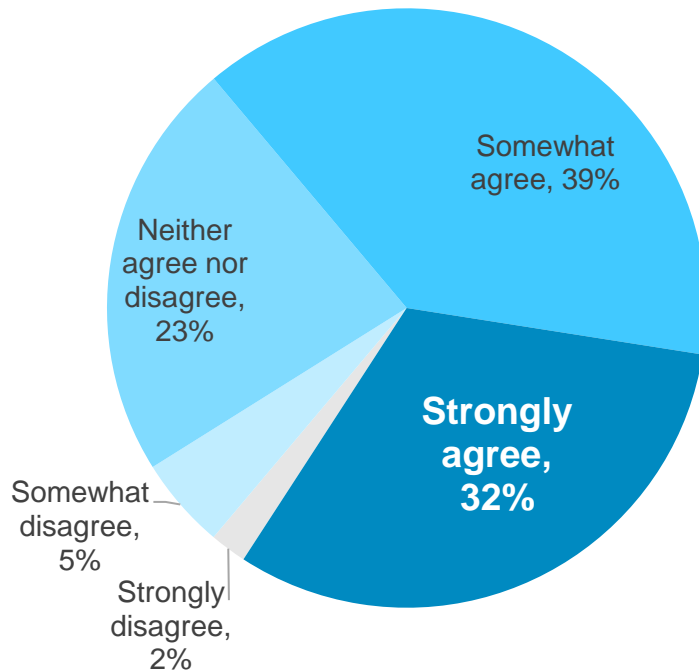
**Executives 2020**



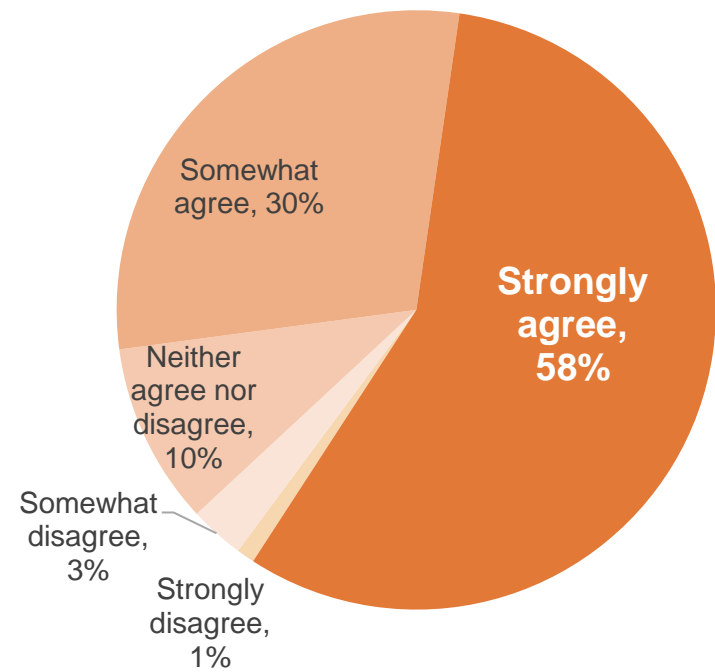
# Business executives feel much more strongly than consumers about large companies having a special responsibility to make the world a better place.

*Large companies have a special responsibility for helping to make the world a better place*

Consumers 2020



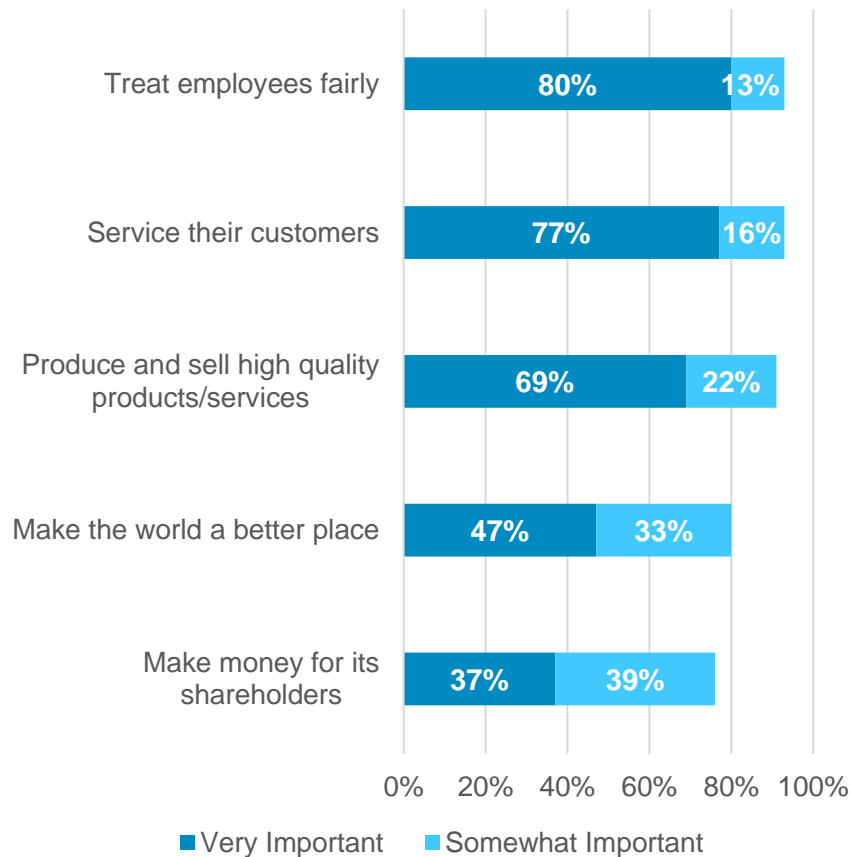
Executives 2020



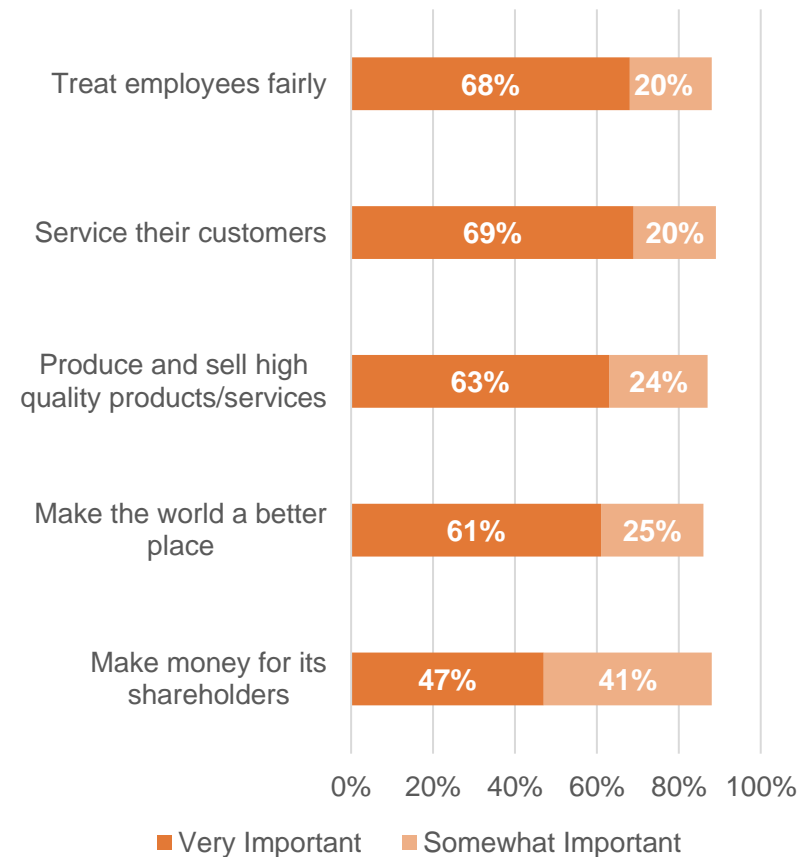
# Business executives join consumers in ranking ‘make money for shareholders’ at the bottom of a list of company responsibilities, behind ‘treat employees fairly’ and ‘make the world a better place’.

## Important Responsibilities for Large Companies to Address

### Consumers 2020



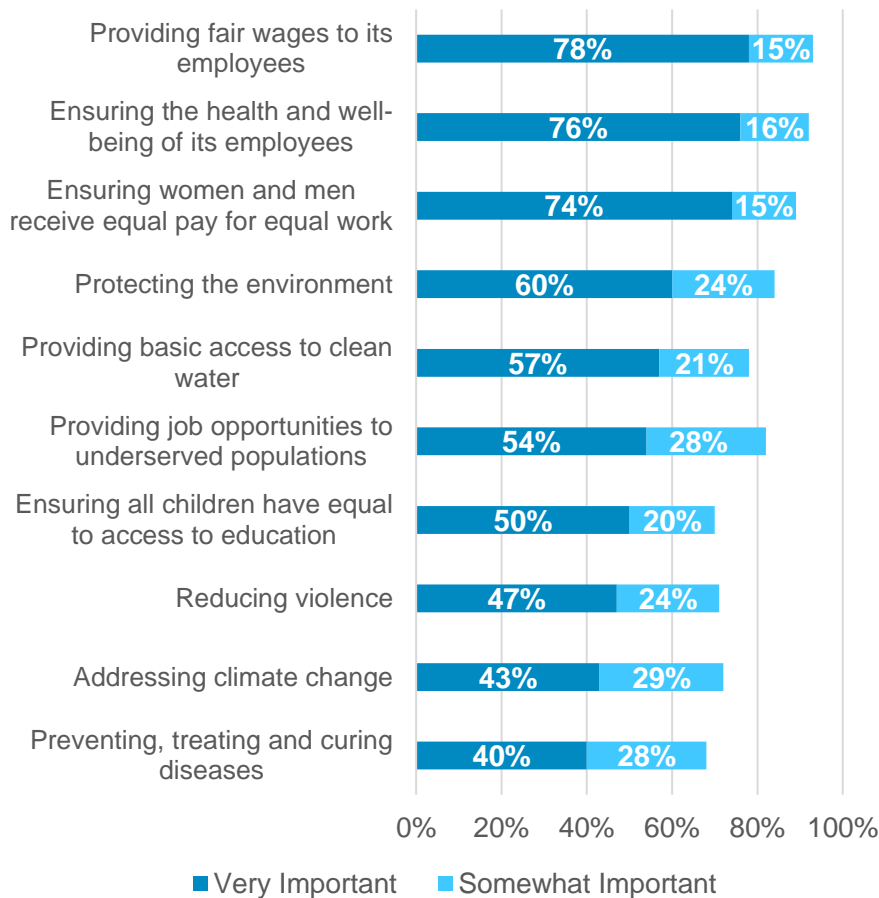
### Executives 2020



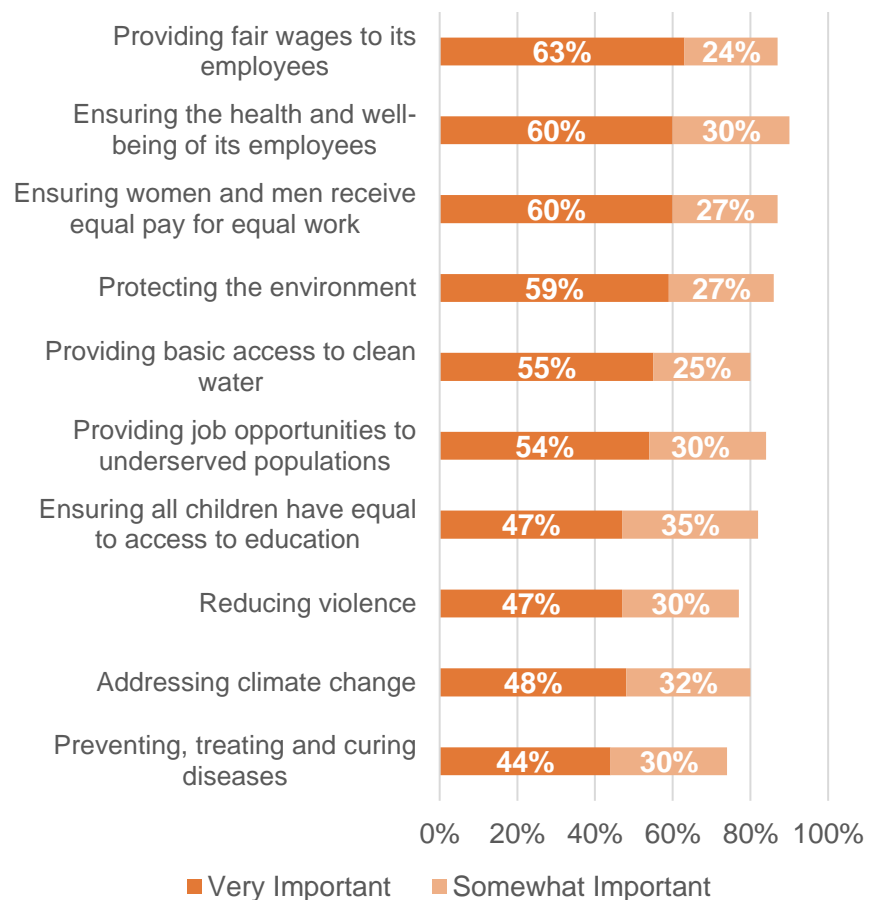
# Consumers and executives rank the very important issues for companies to address similarly, with fair wages and employee health and well-being topping both lists.

## Important Issues for Large Companies to Address to Make the World a Better Place

### Consumers 2020



### Executives 2020



## Consumers in the C-Suite

*For the following questions, consumers were asked to imagine themselves in the role of a CEO in charge of running a large company in the midst of the COVID-19 pandemic. Their responses were compared to Executives faced with real-life decisions for their own companies.*



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# Americans appreciate the dilemmas forced on businesses by an economic downturn.

## *When consumers put themselves in the role of a CEO, their decisions align with business executives.*

- Consumers are just as inclined as business executives to layoff employees in order to maintain healthcare and other essential benefits for others.
  - GenZ (59%) are more likely to layoff employees than GenX or Boomers (50%).
- Consumers are slightly more inclined (61%) than business executives (57%) to reduce salaries for all employees in order to avoid layoffs.
  - Boomers (72%) are significantly more likely to reduce salaries across the board to avoid layoffs, compared to GenX (58%), Millennials (55%) or GenZ (54%).
- And in dire straits, consumers would be far more likely (76%) than executives (64%) to approve massive layoffs to sustain the business.

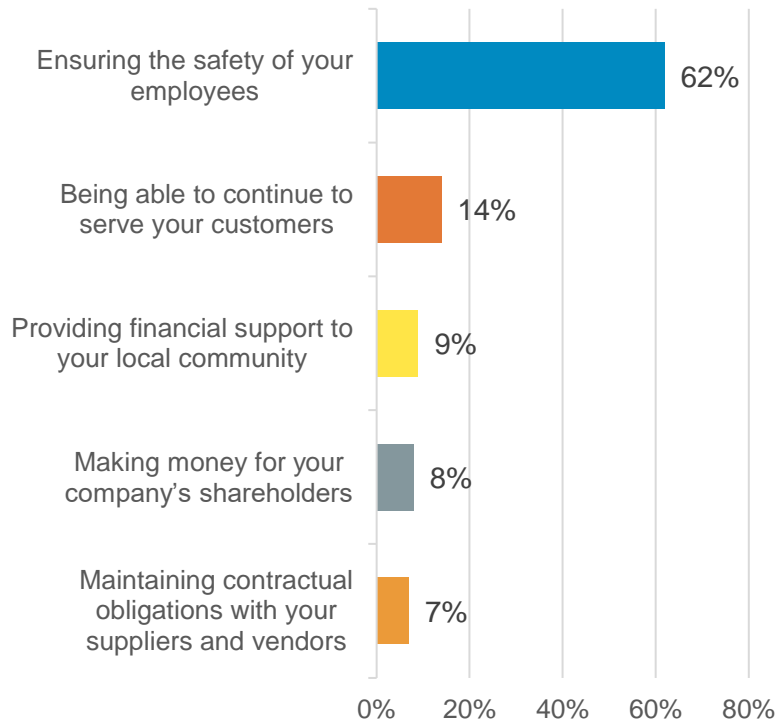
## *Executives are more likely to feel that companies are responsible for bearing the burden during the pandemic.*

- Twice as many business execs (31%) than consumers (15%) strongly agree that employees should be allowed to sue their employers if they contract COVID-19 at work.
- More business executives (39%) than consumers (28%) strongly agree that laid off employees should continue to receive benefits even if that policy entails financial hardship for the company.

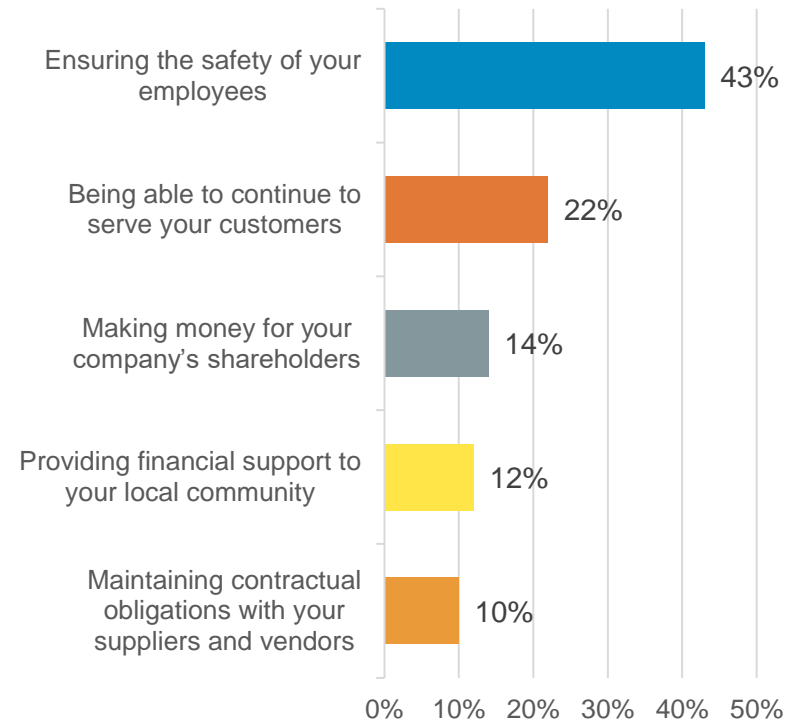
# Both consumers and executives see ensuring the health and safety of employees as their top priority, however executives balance the importance of other issues more than consumers.

*Top priorities in order to ensure that their company can continue to operate in light of COVID-19.*

## Consumer “CEOs”



## Executives



# Consumers are just as inclined as business executives to layoff employees in order to maintain healthcare and essential benefits for others.

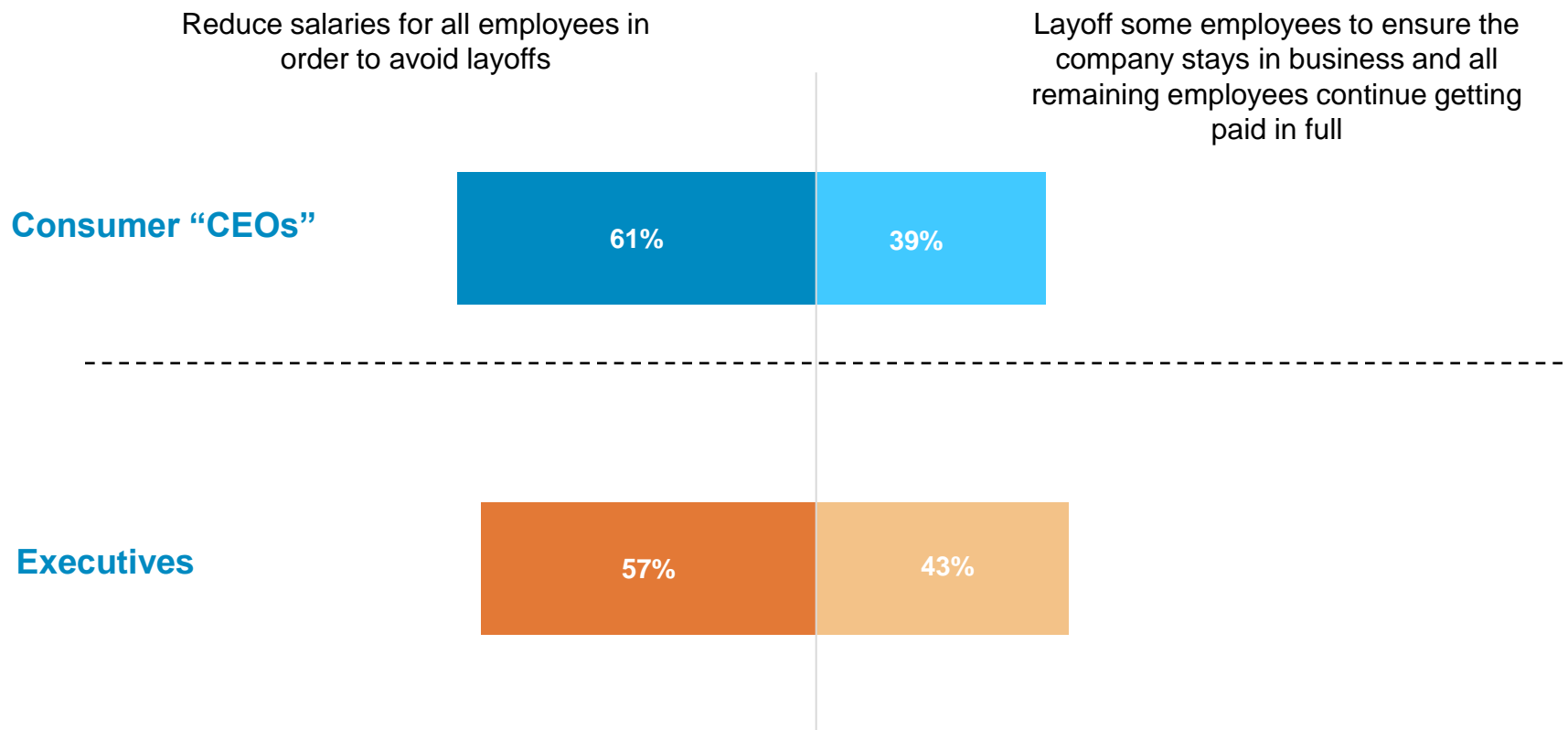
*Scenario #1: In order to keep the company in business, would you choose to...?*



Many companies have had to make difficult decisions in light of the COVID-19 pandemic. Assume that the company you are in charge of as CEO has lost significant income and needs to reduce its expenses in order to continue operations. For each scenario, if you were in charge of running the company, which option would you choose in order to reduce expenses and keep the company in business?

# Consumers are slightly more inclined than business executives to reduce salaries for all employees in order to avoid layoffs.

*Scenario #2: In order to keep the company in business, would you choose to...?*



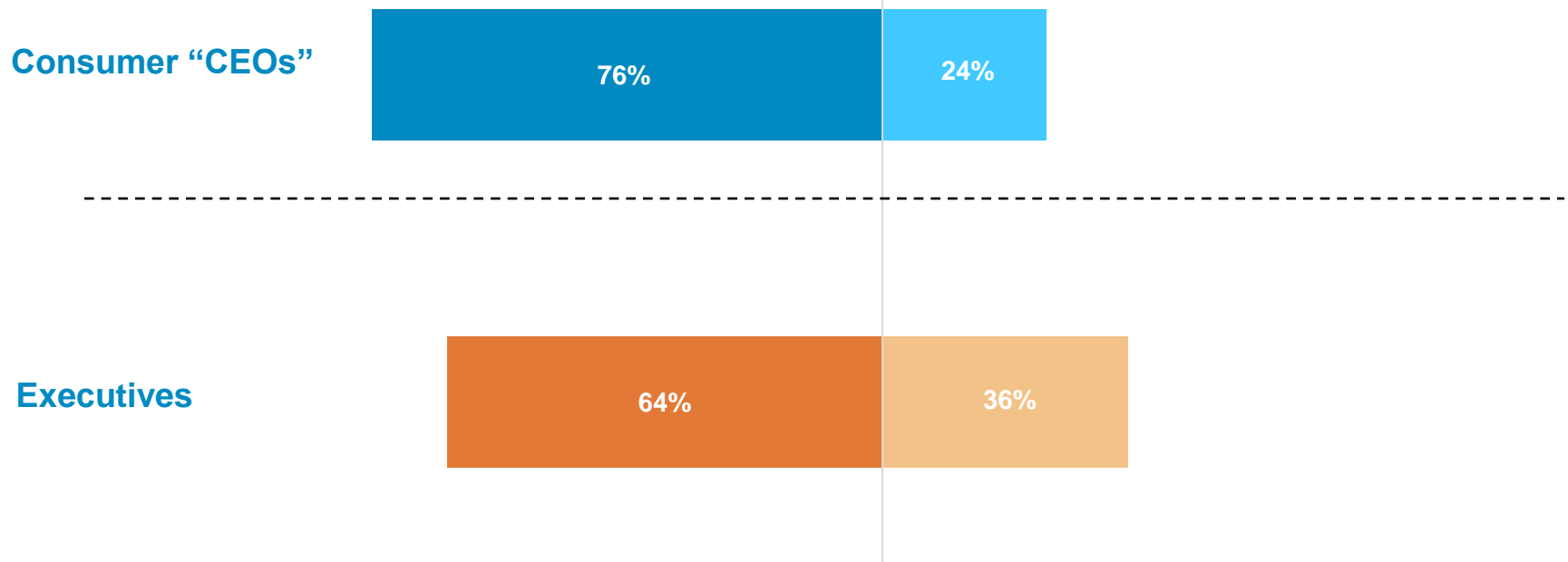
Many companies have had to make difficult decisions in light of the COVID-19 pandemic. Assume that the company you are in charge of as CEO has lost significant income and needs to reduce its expenses in order to continue operations. For each scenario, if you were in charge of running the company, which option would you choose in order to reduce expenses and keep the company in business?

# Consumers would be far more likely than executives to approve massive layoffs in order to sustain the business.

**Scenario #3: In order to keep the company in business, would you choose to...?**

Layoff 50% of employees, but ensure that the remaining 50% employees will not lose their job and the business will remain open

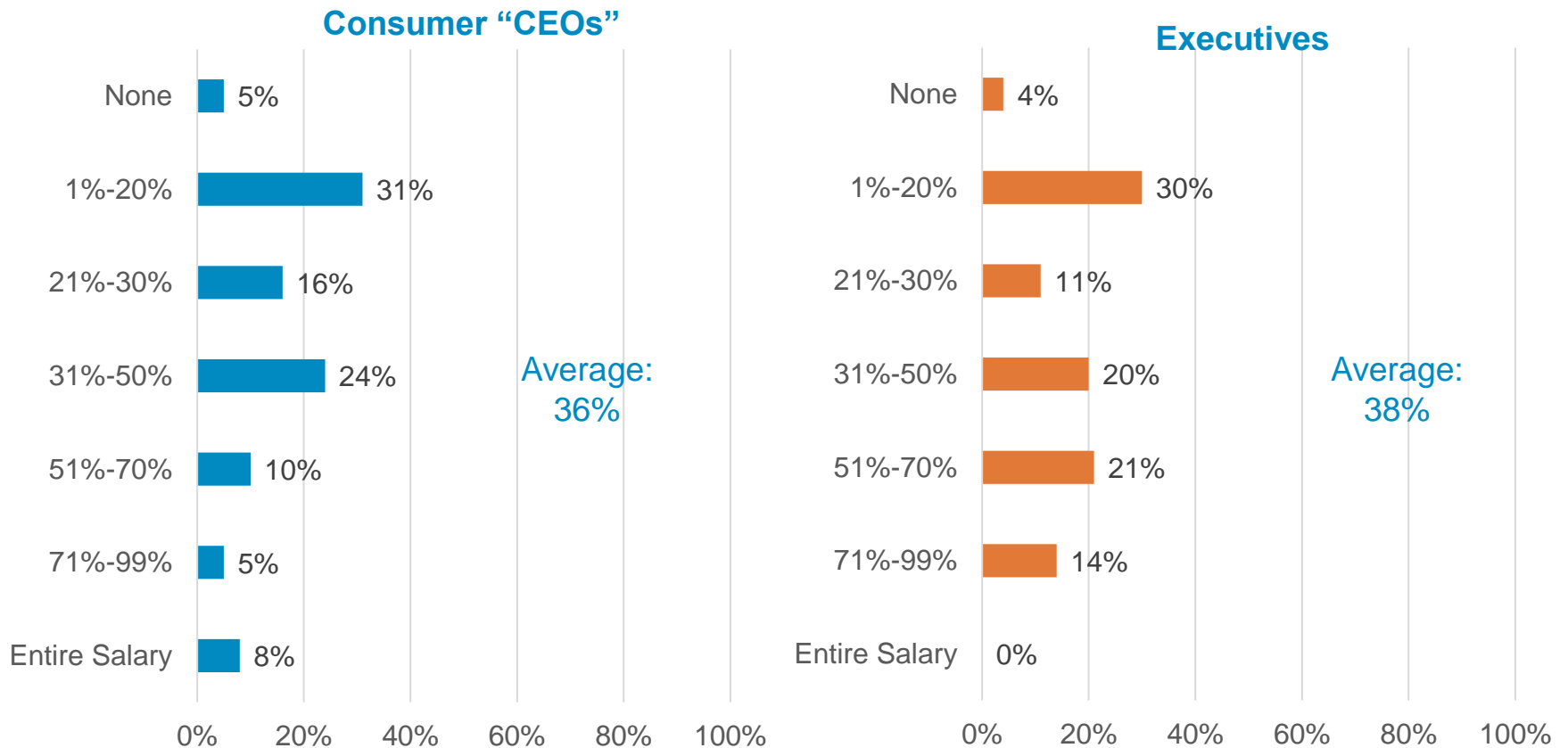
Retain all employees, but with a high likelihood that the company may go out of business within a year



Many companies have had to make difficult decisions in light of the COVID-19 pandemic. Assume that the company you are in charge of as CEO has lost significant income and needs to reduce its expenses in order to continue operations. For each scenario, if you were in charge of running the company, which option would you choose in order to reduce expenses and keep the company in business?

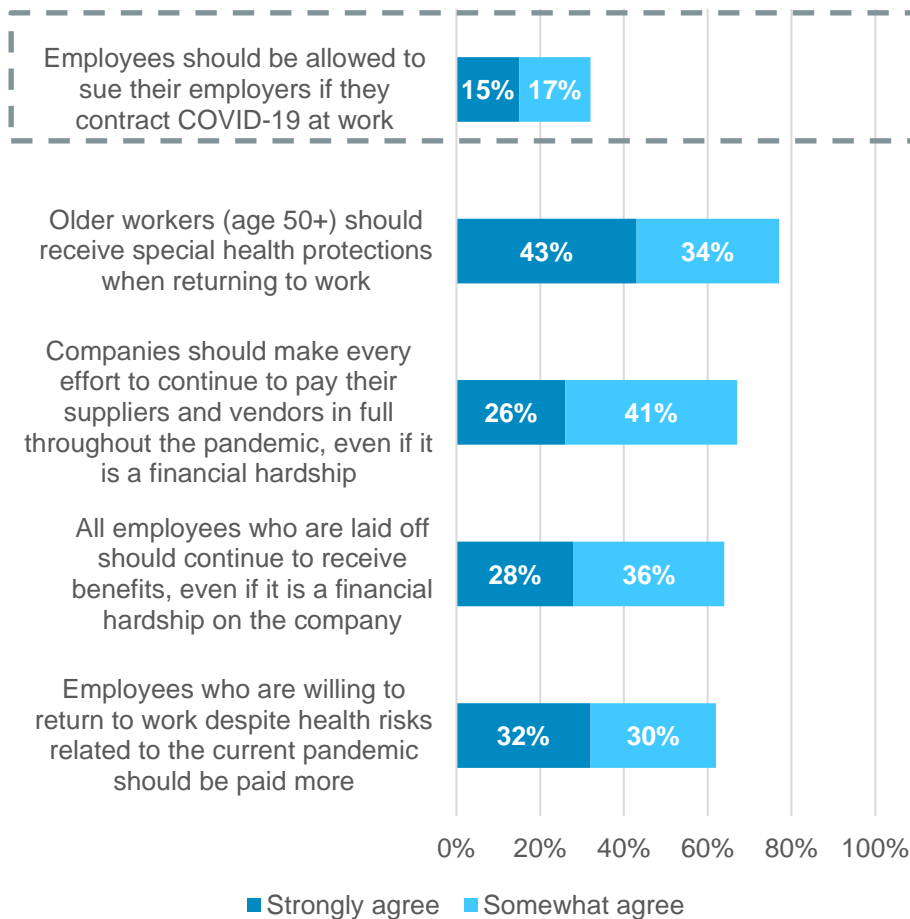
# Consumers and executives are in agreement that they would give up an average of more than one-third their annual salary in order to avoid layoffs at their company.

In order to save jobs and avoid layoffs at your company, what is the maximum level of pay reduction you personally would be willing to take?

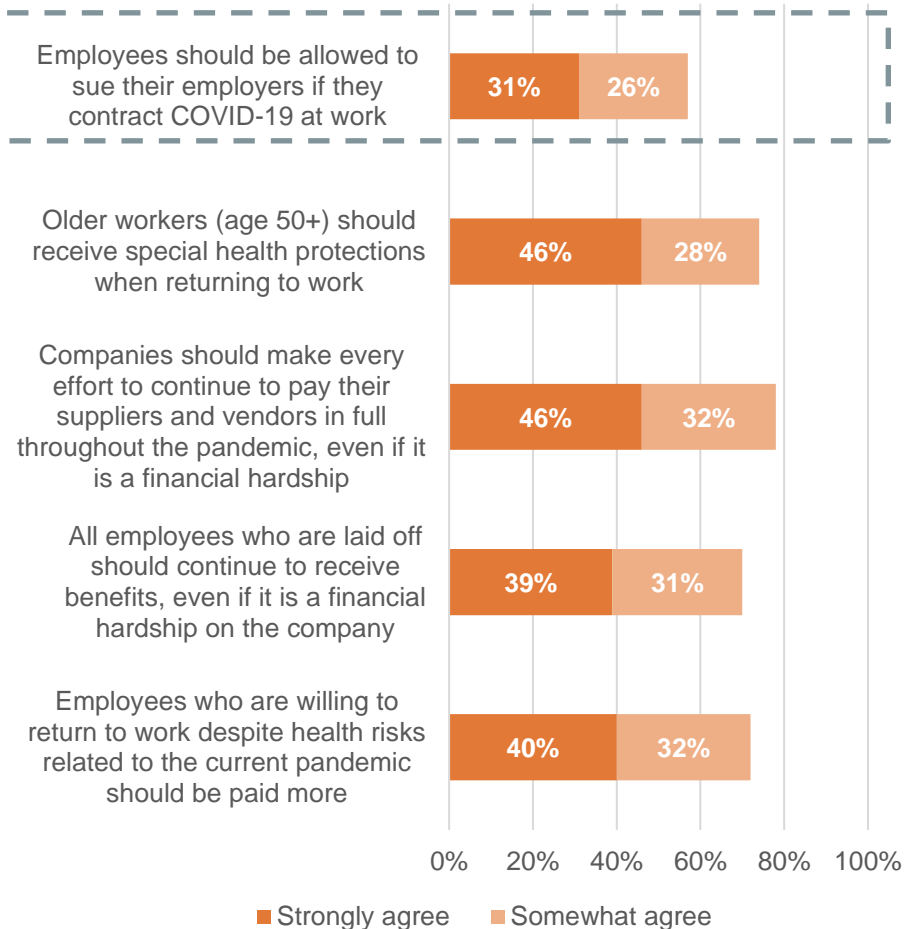


# Executives are more likely to feel that companies are responsible for bearing the burden during the pandemic, including twice as many who strongly agree that employees should be allowed to sue their employers if they contract COVID-19 at work.

## Consumer “CEOs”



## Executives



# Despite the economic downturn, COVID-19 may benefit corporate philanthropy.

## ***Business executives are more likely than consumers to increase the company's philanthropic giving.***

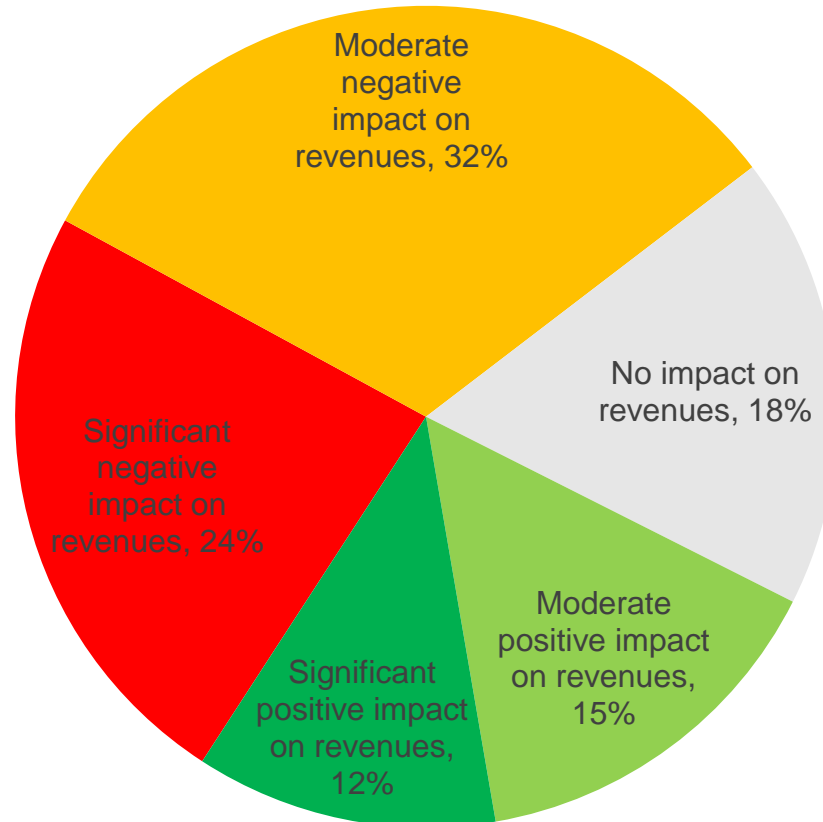
- Even though 56% of business executives claim moderate to significant negative company revenue impact due to the COVID-19 epidemic, 74% are willing to significantly or moderately increase corporate giving going forward.
- This is significantly higher than 42% of consumer “CEOs” who would increase ‘their company’s’ commitment to charitable or philanthropic programs.
  - GenZ (65%) are significantly more likely to say that if they were a CEO they would increase their company’s philanthropic giving, compared to Millennials (55%), GenX (45%) and Boomers (23%).



# Over half of executives report the COVID-19 pandemic had a negative impact on their company's annual revenue.

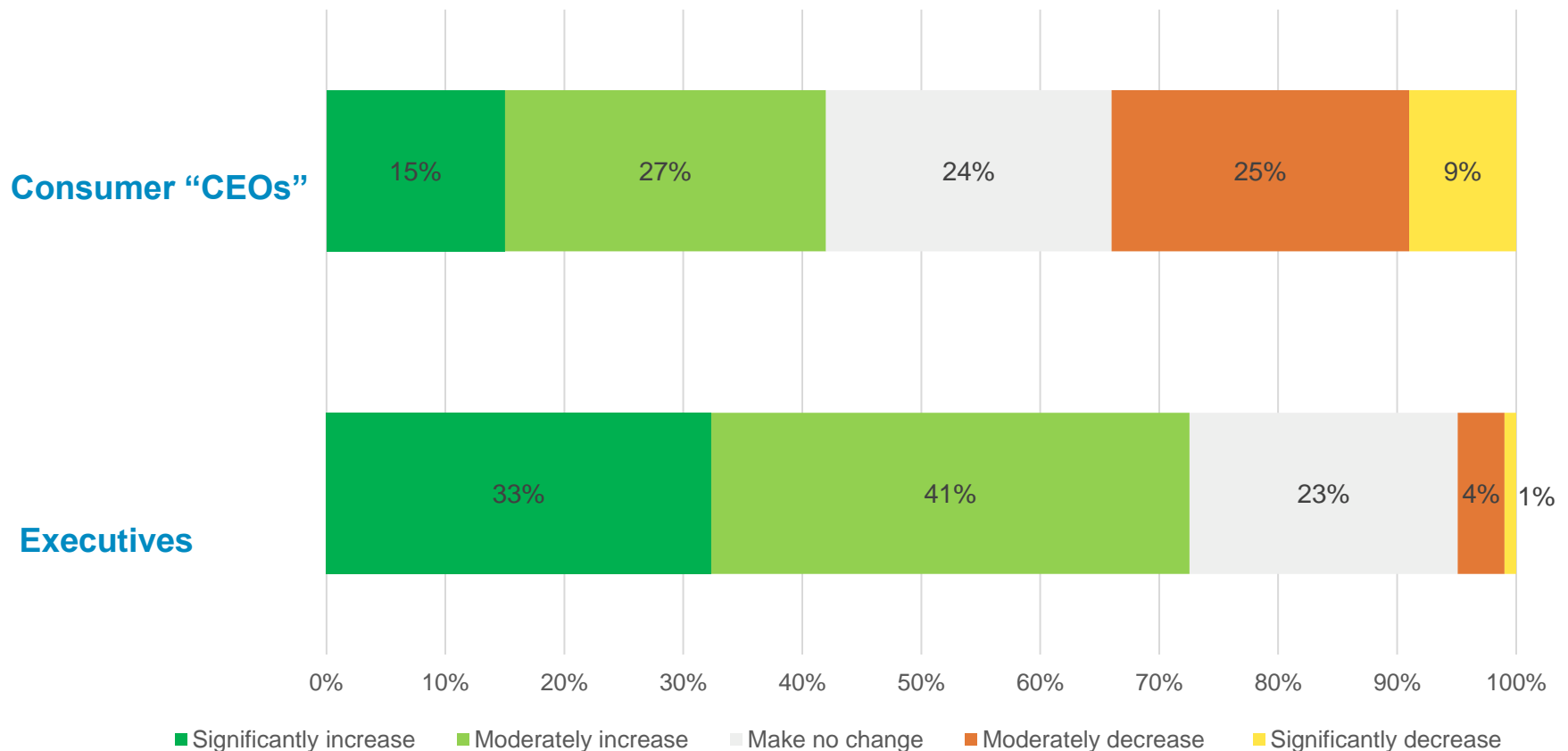
## Executives:

*Which of the following best describes the impact the COVID-19 pandemic has had on your company's revenues?*



# Despite the negative impact on revenue, three-in-four executives are willing to increase corporate giving going forward.

In light of the COVID-19 pandemic, what are 'your company's' plans for your commitment to CSR / charitable or philanthropic programs?



# Consumers appreciate the difficulty executives face in balancing current issues.

*Consumers and Executives have similar views on prioritizing the short-term and long-term issues of the COVID-19 pandemic, the economic downturn and providing a fair and respectful work environment with equal opportunities for people of all backgrounds, regardless of race or ethnicity.*

- Both audiences are in agreement that guaranteeing workplace safety should be a company's near-term and long-term priority.
  - In general, GenZ and Millennials place more emphasis on making a fair and respectful workplace a priority in the near and long-term than GenX or Boomers.

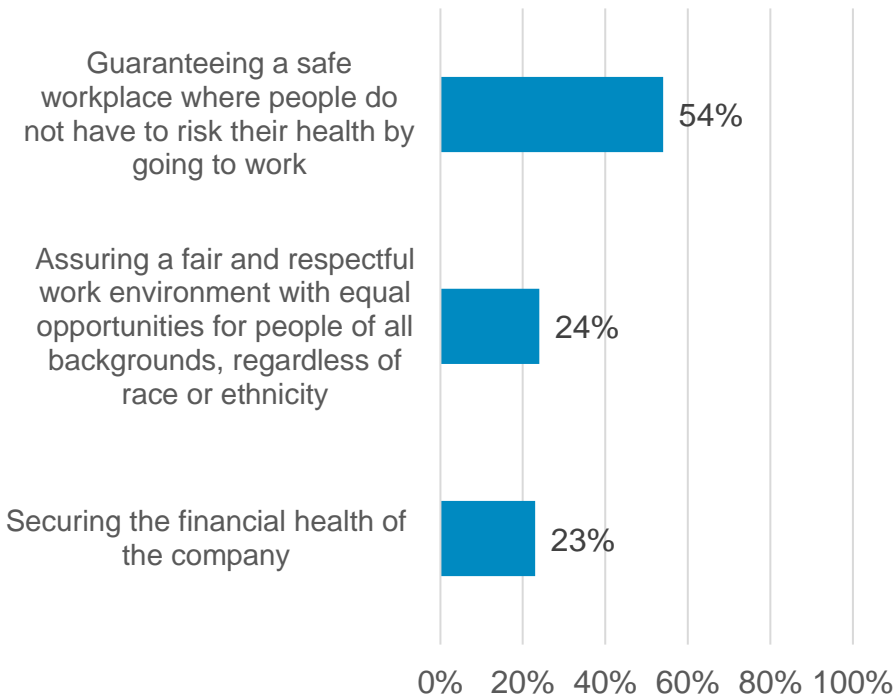
*However they differ on their views of which issue will be the most difficult to deal with.*

- Consumers are more likely to view economic issues as the most difficult for companies to solve, while executives find all three issues to be equally difficult to manage.

# Consumers and CEOs are in agreement that guaranteeing workplace safety is a company's near-term priority.

*Ranked as most important for 'your company' to address in the near term*

## Consumer "CEOs"



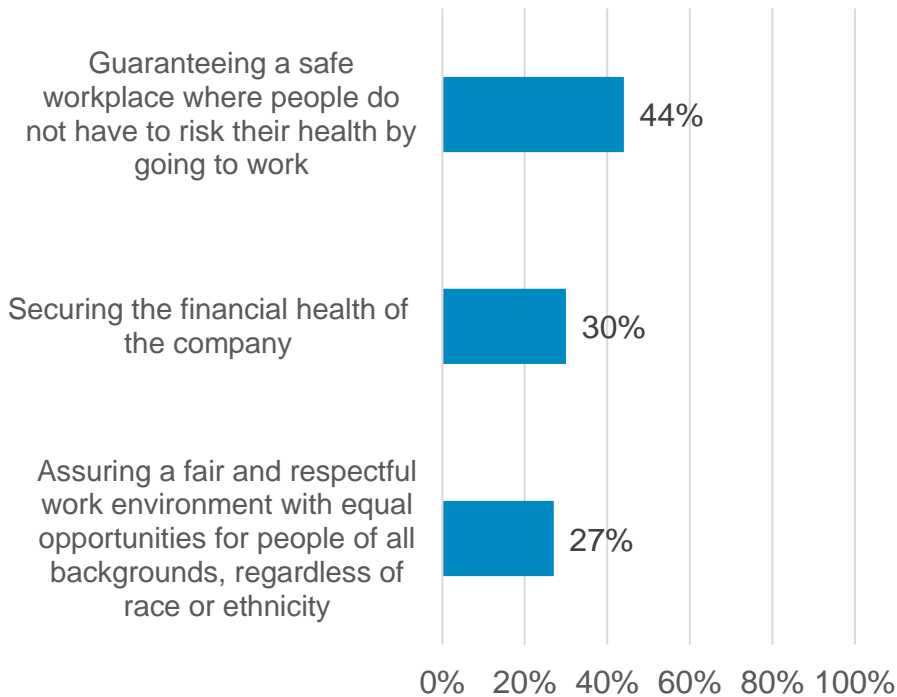
## Executives



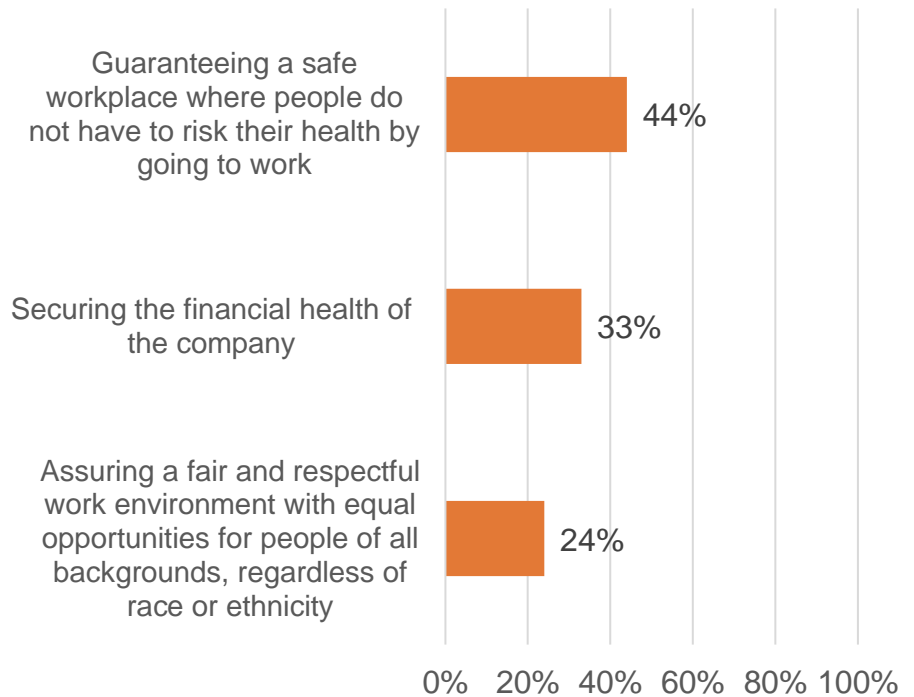
# Both audiences are also in agreement that guaranteeing workplace safety is a long-term priority.

*Ranked as most important for your company to address in the long term*

## Consumers “CEOs”



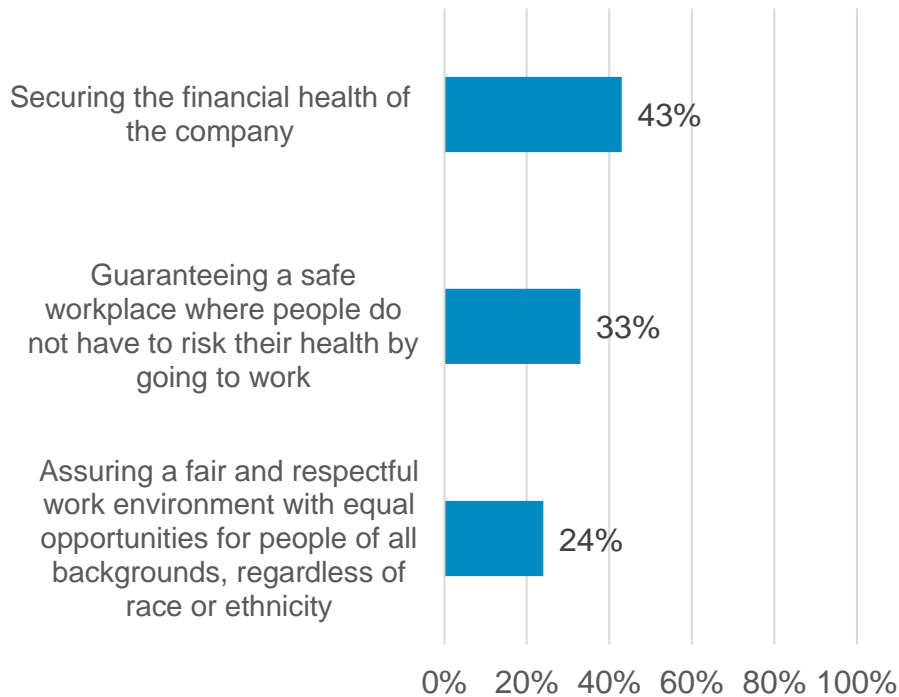
## Executives



# Consumers are more likely to view economic issues as difficult for companies to solve than executives.

*Which one do you believe will be the most difficult problem for your company to solve?*

## Consumers “CEOs”



## Executives



# Return to Work



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# Consumers and executives are aligned on what is needed to make a safe return to work.

*Thinking about yourself personally and returning to your job, which of the following best describes how you feel about returning to work?*

## Consumers Laid-off / Furloughed Due to COVID-19

