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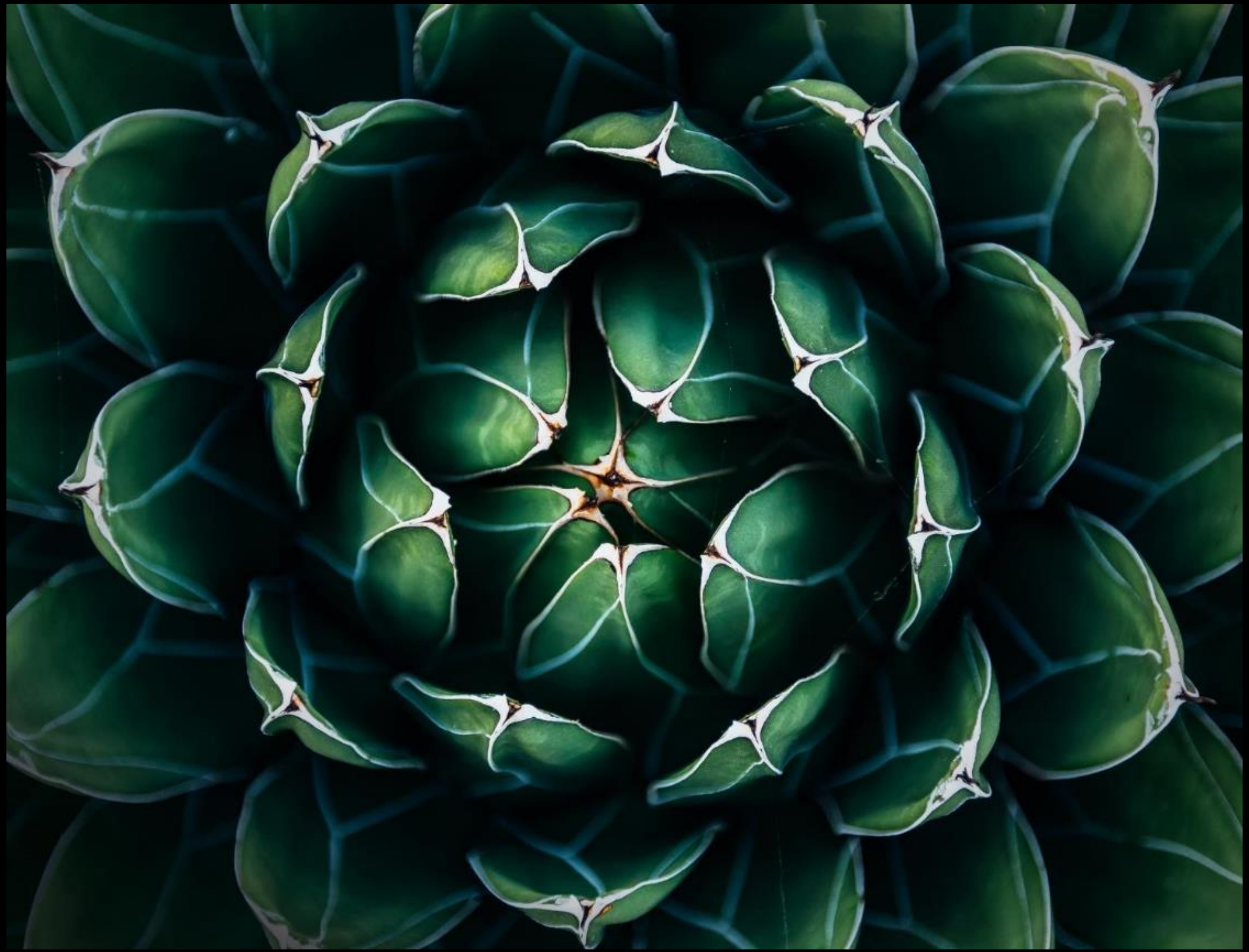
Designed and produced by the Global Risk Advisory PCoE at Deloitte, London. RA0267

#GetOutInFront

December 2020

Global Research Report



Deloitte.

MAKING AN IMPACT THAT MATTERS since 1845

ALL YOU NEED TO KNOW ABOUT GET OUT IN FRONT

WHAT IS GET OUT IN FRONT?

A study of 10,000 people in six advanced economies testing public attitudes to issues before and after COVID-19, and how those issues influence behaviour and reputation.

WHAT DOES IT FOCUS ON?

We researched attitudes to and public engagement with six global themes – climate, environment, growth and consumption, global change, digital issues and social and cultural change.

WHY?

To make sense of a volatile outside world for our clients. We set out to put major trends under the microscope and to test if COVID-19 has changed public attitudes and whether we are entering an age of activism.

WHAT DO WE LEARN?

After COVID-19, 40 per cent of the general public say they are more likely to be activist. 38 per cent classify as activist already, and a fifth say they switched brands because of how they feel about the issues. 2020 is a tipping point year for society and business

WHAT IS THE LESSON?

Organisations need to work harder to anticipate and adapt to dynamic external issues. For many firms, these are traditionally a blind spot. Spotting shifts in public opinion will make a business more resilient to risk. What's more, being a responsible business brings reputational and business so long as you are part if, and in step with, social and environmental change.

REPORT STRUCTURE

01
Introduction

WE INCREASINGLY LIVE IN AN ERA OF ACTIVE CITIZENS, WHERE MEMBERS OF THE PUBLIC ARE READY FOR CHANGE AND NOT AFRAID TO DO SOMETHING ABOUT IT

AN AGE OF ACTIVISM

Real movements and campaigns now play a central role in our life, work and news feeds. Issue campaigns set the agenda and capture global attention:

WOMEN'S WALL

#ME TOO

YELLOW VESTS

BLUE PLANET AND PLASTICS

EXTINCTION REBELLION

BLACK LIVES MATTER

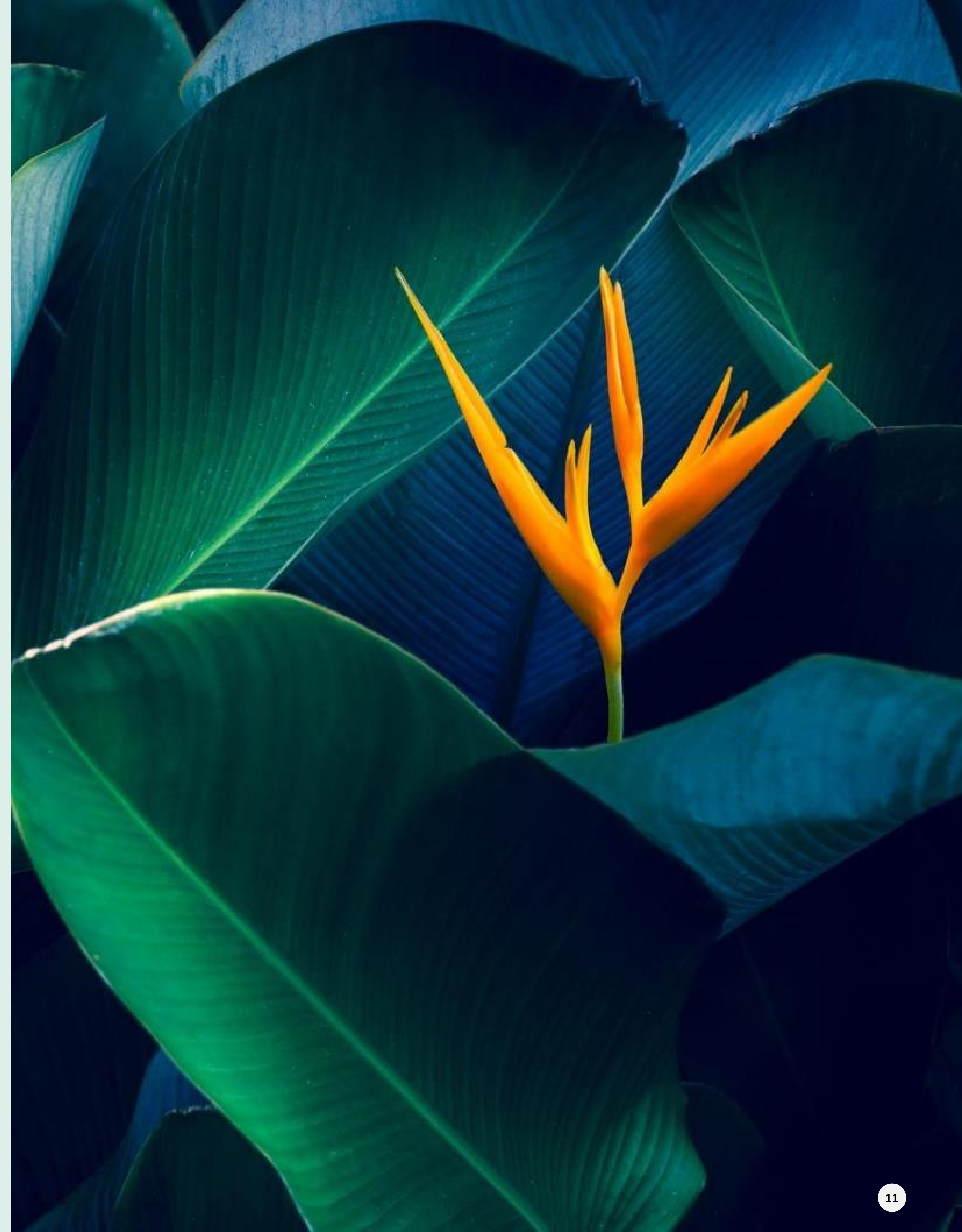
Over the last five years, the public has demonstrated that they care passionately about social, cultural and environmental issues and they will not settle for the status quo.

Major shifts have contributed to this groundswell of activism in society:

- Post financial crisis inequality gap and the feeling of being left behind.
- Empowerment of the individual to find common cause through social media.
- Rise of millennial consumers.

02

Executive summary



WE NOW MANAGE REPUTATION AND RISK IN A TRULY DYNAMIC WORLD

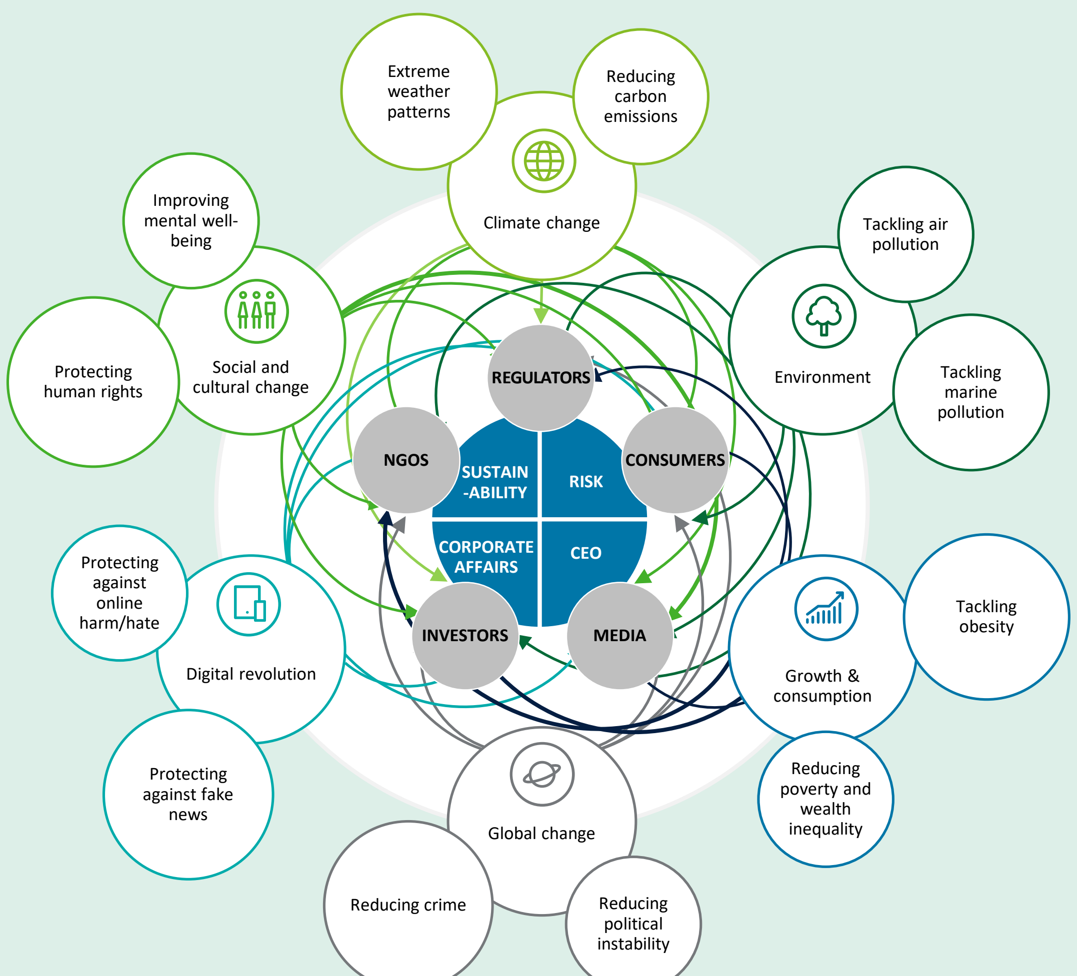
AMPLIFIED BY COVID-19 TRENDS

TRUST AND AUTHENTICITY

SUPPORTING LOCAL

MORE CONSCIOUS CONSUMPTION

- Organisations are constantly challenged to spot, assess and act on emerging issues as both risks and opportunities.
- With COVID-19, it is an even more emotive, volatile environment.
- Issues that appeared distant a few years ago now flare up rapidly and are materially shaping the attitudes and actions of stakeholders.
- Forward-thinking businesses are making the link between these emerging issues and reputation risk.
- Get Out In Front is a deep-dive into these dynamic issues to understand their trajectory and how they shape reputation.



EXECUTIVE SUMMARY

2020 IS A TIPPING POINT YEAR WITH MORE PEOPLE TAKING CHANGE INTO THEIR OWN HANDS, ACCELERATING ACTIVISM

01

ERA OF CITIZEN ACTIVISM.

2020 is a year of change and a tipping point.

We are entering an era of more mainstream activism.

People care passionately. Those sentiments have been intensified by the pandemic. 40 per cent, on average, say COVID-19 will make them more actively involved in issues.

02

CONSUMERS ARE TAKING CHANGE INTO THEIR OWN HANDS.

38 per cent on average classify as actively engaged in last 12 months.

They signed a petition, attended a protest, donated and campaigned.

Levels of active engagement across topics were similar; top two are human rights 45 per cent, and animal welfare 46 per cent.

03

PROXIMITY AND MATERIALITY.

Consumers become invested where issues directly impact their lives and prospects.

The top three are reducing carbon emissions 38 per cent, reducing crime 37 per cent and reducing poverty and wealth inequality 34 per cent.

04

THE TREND FOR ACTIVISM IS ACCELERATING.

60 per cent of respondents say they care more about improving data privacy than they did in 2019.

63 per cent care more about improving mental well-being than a year ago.

05

EMOTIONS ARE RUNNING HIGH.

The dominant emotion associated across issues is anxiety.

There is still optimism, as 14 per cent say things can be turned around. This view is most held by millennials.

06

ACTIVISM CORRELATES TO BRAND LOYALTY AND REVENUE.

23 per cent say they will switch their loyalty to a company or brand that shares their values on environmental issues.

42 per cent have changed consumption habits because of their feelings towards environmental issues.

07

CONSUMERS LOOK TO GOVERNMENT AND CEOS FOR CHANGE.

65 per cent expect Chief Executives to do more to make progress on issues.

Business in general and leading sectors are failing to meet rising expectations.

08

BUSINESS HAS MORE TO DO TO MEET EXPECTATIONS.

58 per cent want organisations to change business practices.

55 per cent want brands to create awareness of issues.

09

REPUTATIONALLY, NONE OF THE SECTORS IS A SHINING STAR.

The technology sector has a modest lead in terms of trust and reputation compared with Financial Services and Consumer Goods.

However, consumer brands experienced a 2 per cent rise in reputation due to COVID-19.

10

GENERATION ACTIVIST.

People are not just consumers. They are becoming activists.

18–24-year-olds are three times more likely to switch brands based on values than those 65 years old and above.

They are using their brand choices, spending and personal energy to advance their beliefs.

03

Our methodology

OUR METHODOLOGY

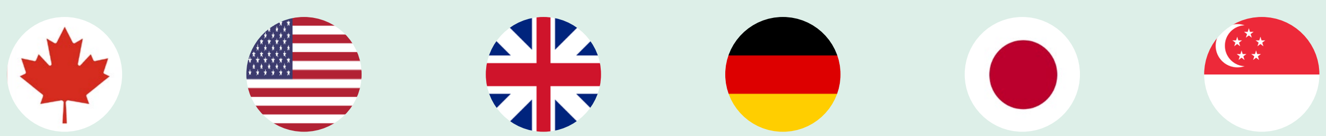
We commissioned Savanta to conduct an online survey with 9,369 respondents across six markets.

The fieldwork took place between 8-28 January 2020 and to avoid bias, all markets started, progressed and completed fieldwork at the same time.

In May, we conducted a further research wave post COVID-19 with a follow up survey on a 10 per cent sample in each of the six markets using the same questions as before, but with a new sample base.

The audience was screened for households of SEG (social economic grouping) of ABC1 90 per cent and C2DE 10 per cent.

Regional and demographic quotas were in place to ensure wide market representation.



CANADA	US	UK	GERMANY	JAPAN	SINGAPORE
1,568	1,625	1,617	1,507	1,536	1,516

THE SURVEY WAS BASED ON THE FOLLOWING THEMES:

- Climate change
- Environment
- Growth and consumption
- Global change
- Digital revolution
- Social and cultural change

WE SPLIT THE SECTOR-SPECIFIC QUESTIONS INTO GROUPS:

- Financial services
- Technology, media and telecoms
- Consumer brands

THEMES EXPLORED IN THE RESEARCH

HOT ISSUES

WE USED DELOITTE'S EXTENSIVE RESEARCH INTO RISK TO CREATE A DIVERSE AND DYNAMIC ISSUES FRAMEWORK:

CLIMATE CHANGE

- Reducing carbon emissions
- Extreme weather patterns
- Combatting rising sea levels
- Reducing meat and dairy consumption

ENVIRONMENT

- Tackling air pollution
- Tackling marine pollution
- Recycling and re-using/circular economy
- Reducing resource depletion (e.g., reducing the speed of consuming raw materials)
- Improving animal welfare
- Reduction in single use plastics

GROWTH AND CONSUMPTION

- Tackling obesity
- Reducing poverty and wealth inequality
- Improving responsible business supply chains and resource usage
- Making capitalism fairer (e.g., balancing profit with responsible and sustainable business practices and fair taxation)
- Improving future job opportunities

GLOBAL CHANGE

- Reducing political instability
- Promoting free trade and movement of goods/people
- Reducing crime
- Healing social division (e.g., Improving social mobility, reducing prejudice)

DIGITAL REVOLUTION

- Protecting against:
  - Cyber crime/hacking/online fraud
  - Fake news
  - Online harm/hate
- Improving data privacy
- Ensuring ethical development of artificial intelligence/machines

SOCIAL AND CULTURAL CHANGE

- Improving mental well-being
- Improving diversity, inclusion and gender equality fair and ethical migration policies (e.g., fair access to healthcare, education and employment for nationals and migrants alike)
- Improving integration or tolerance of different attitudes/opinions/ways of life
- Protecting human rights

04

Hot issues and the strength of public feeling

PUBLIC CARE STRONGLY ABOUT ENVIRONMENTAL AND SOCIAL ISSUES THAT HAVE A DIRECT IMPACT ON THEIR LIVES

HOT ISSUES AND THE STRENGTH OF PUBLIC FEELING

CLIMATE CHANGE

Topic most people ranked 1st per theme

Reducing carbon emissions

percentage who ranked it 1st

38%

ENVIRONMENT

Topic most people ranked 1st per theme

Improving animal welfare

percentage who ranked it 1st

20%

GROWTH AND CONSUMPTION

Topic most people ranked 1st per theme

Reducing poverty and wealth inequality

percentage who ranked it 1st

34%

GLOBAL CHANGE

Topic most people ranked 1st per theme

Reducing crime

percentage who ranked it 1st

37%

DIGITAL REVOLUTION

Topic most people ranked 1st per theme

Protecting against cyber crime/hacking/online fraud

percentage who ranked it 1st

32%

SOCIAL AND CULTURAL CHANGE

Topic most people ranked 1st per theme

Protecting human rights

percentage who ranked it 1st

29%

Q1. Which of the following topics are the most important to you? Please rank them in order of importance.

Base: All (n=9,369)

PUBLIC FEELING IS HIGHEST AROUND RECYCLING AND RESOURCES AND LOWEST ON PROTECTING AGAINST FAKE NEWS AND OBESITY

HOT ISSUES AND THE STRENGTH OF PUBLIC FEELING

ISSUES PEOPLE FEEL STRONGLY ABOUT (NET TOP 3 – TOP 10)

Topic	percentage who ranked topic in top 3
Recycling and re-using/circular economy	64%
Reduction in single use plastics	64%
Protecting against cyber crime/hacking/online fraud	64%
Improving mental well-being	63%
Tackling air pollution	62%
Reducing crime	62%
Improving data privacy	62%
Protecting human rights	62%
Tackling marine pollution	60%
Reducing carbon emissions	59%

ISSUES PEOPLE FEEL LESS STRONGLY ABOUT (NET TOP 3 – BOTTOM 10)

Topic	percentage who ranked topic in top 3
Reducing meat and dairy consumption	39%
Tackling obesity	42%
Promoting free trade and movement of goods/people	43%
Ensuring ethical development of Artificial Intelligence/machines	43%
Improving responsible business supply chains and resource usage	47%
Reducing political instability	49%
Protecting against fake news	50%
Making capitalism fairer (e.g., balancing profit with responsible and sustainable business practices and fair taxation)	51%
Fair and ethical migration policies	51%
Healing social division (e.g., improving social mobility, reducing prejudice)	52%

Q3. How strongly do you feel about each of these topics? Please rate on a scale of 0 to 10, where 0 means you do not feel strongly about this topic at all, and 10 means you feel very strongly about this topic.

Base: (n-differs)

CONTEXT IS CRITICAL. THERE ARE UNIVERSAL ISSUES SUCH AS CLIMATE CHANGE AS WELL AS LOCAL HOT TOPICS LIKE IMPROVING DATA PRIVACY IN SINGAPORE

HOT ISSUES AND THE STRENGTH OF PUBLIC FEELING

TOP 1						
CLIMATE CHANGE	Reducing carbon emissions (47 per cent)	Reducing carbon emissions (44 per cent)	Reducing carbon emissions (34 per cent)	Reducing carbon emissions (45 per cent)	Reducing carbon emissions (38 per cent)	**Extreme weather patterns (62 per cent)**
ENVIRONMENT	Improving animal welfare (23 per cent) **Reduction in single use plastics (21 per cent)**	Tackling air pollution (22 per cent)	Improving animal welfare (23 per cent)	Improving animal welfare (20 per cent) Tackling air pollution (19 per cent)	Tackling air pollution (20 per cent)	Tackling air pollution (25 per cent)
GROWTH AND CONSUMPTION	Reducing poverty and wealth inequality (40 per cent)	Reducing poverty and wealth inequality (33 per cent)	Reducing poverty and wealth inequality (38 per cent)	Reducing poverty and wealth inequality (40 per cent)	Reducing poverty and wealth inequality (30 per cent)	Reducing poverty and wealth inequality (25 per cent)
GLOBAL CHANGE	Reducing crime (45 per cent)	Reducing crime (39 per cent)	Reducing crime (37 per cent) **Healing social division (35 per cent)**	Reducing crime (37 per cent)	Reducing crime (32 per cent)	Reducing crime (34 per cent)
DIGITAL REVOLUTION	Protecting against cyber crime/hacking/online fraud (34 per cent)	Protecting against cyber crime/hacking/online fraud (33 per cent)	Protecting against cyber crime/hacking/ online fraud (33 per cent)	Protecting against cyber crime/hacking/online fraud (34 per cent)	**Improving data privacy (31 per cent)** Protecting against cyber crime/hacking/online fraud (30 per cent)	Protecting against cyber crime/hacking/ online fraud (29 per cent)
SOCIAL AND CULTURAL CHANGE	**Improving mental well-being (34 per cent)**	**Protecting human rights (34 per cent)**	**Protecting human rights (41 per cent)**	**Protecting human rights (36 per cent)**	**Improving mental well-being (24 per cent)**	**Improving mental well-being (34 per cent)**

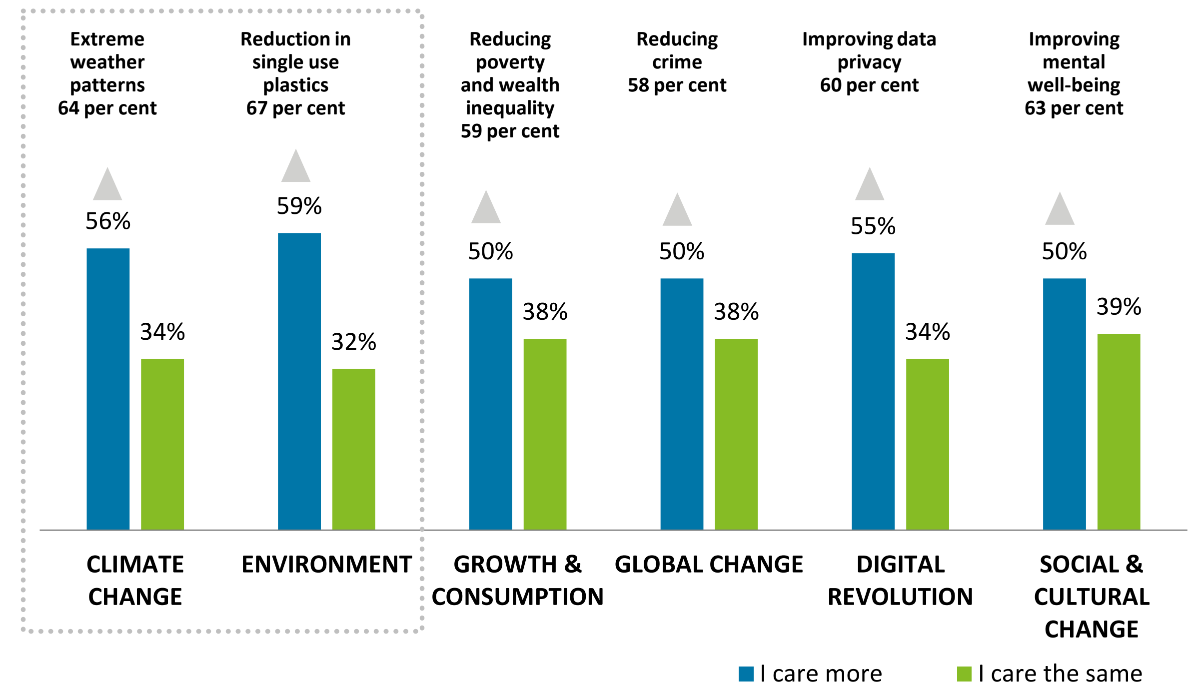
Q1. Which of the following topics are the most important to you? Please rank them in order of importance.

Base: All (n=9,369)

CLIMATE CHANGE AND SINGLE USE PLASTIC ARE THE ISSUES CONSUMERS CARE MORE ABOUT COMPARED TO A YEAR AGO. 60PER CENT SAID THEY CARE MORE ABOUT IMPROVING DATA PRIVACY THAN THEY DID IN 2019

HOT ISSUES AND THE STRENGTH OF PUBLIC FEELING

AVERAGE PER CENT 'CARE ABOUT' CHANGE SINCE LAST YEAR

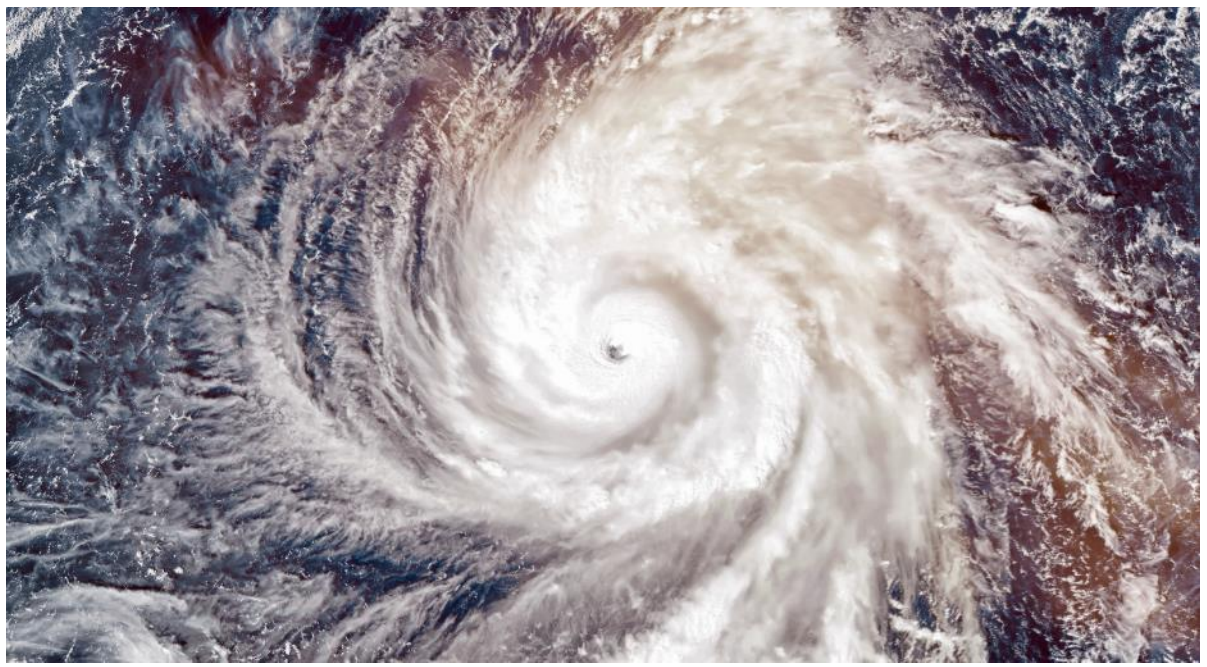


Q9. How much do you care about these topics now compared to a year ago?

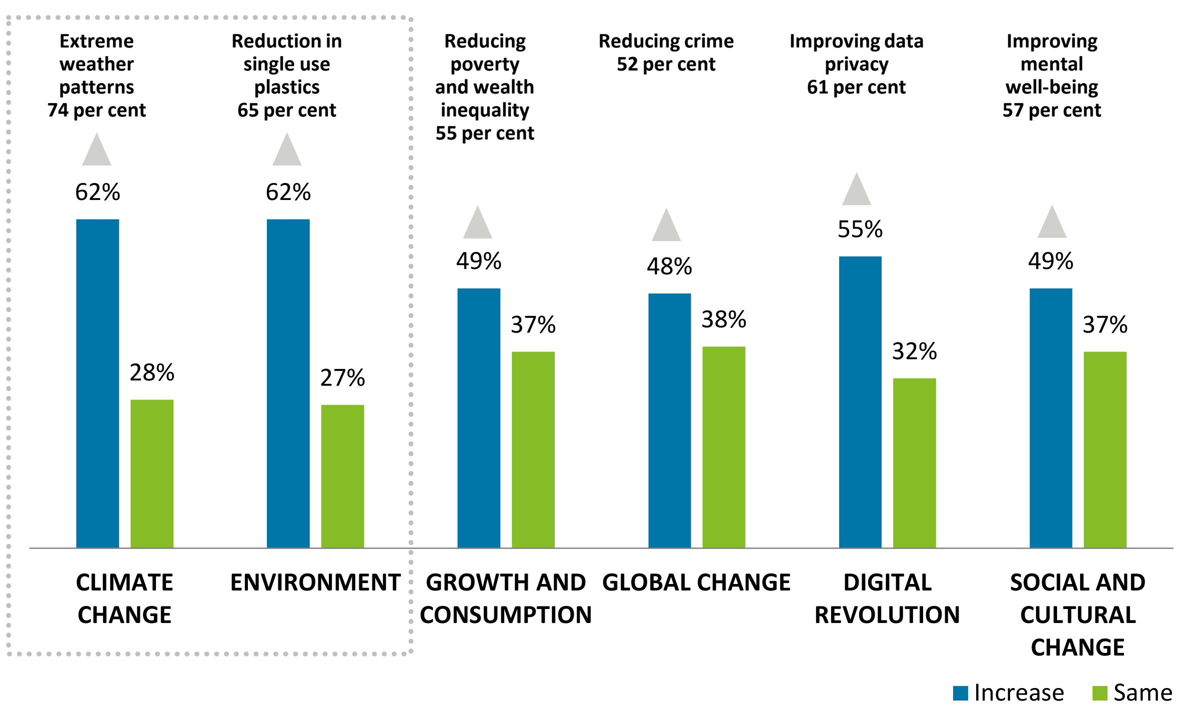
Base: All answering for number 1 topics (n=differs)

BY 2025, 74 PER CENT FELT EXTREME WEATHER PATTERNS WOULD BECOME EVEN MORE IMPORTANT ISSUES

HOT ISSUES AND THE STRENGTH OF PUBLIC FEELING BY 2025



AVERAGE PERCENTAGE FUTURE IMPORTANCE ACROSS THEMES



Q10. Imagine it is 2025, do you think the importance of these topics will have increased, stayed the same, or decreased?

Base: All answering for number 1 topics (n=differs)

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ISSUES ARE EMOTIONALLY ENGAGING THE PUBLIC WHO ARE ANXIOUS TODAY, MISTRUST TECHNOLOGY BUT STILL OPTIMISTIC THAT CHANGE IS POSSIBLE

HOT ISSUES AND THE STRENGTH OF PUBLIC FEELING

CLIMATE CHANGE

- Anxiety
- Fear
- Optimism (reducing meat and dairy consumption)

ENVIRONMENT

- Anxiety
- Optimism
- Confidence (recycling and re-using, reduction in single use plastics)
- Sadness (improving animal welfare, tackling marine pollution)

GROWTH AND CONSUMPTION

- Anxiety
- Optimism
- Pessimism (reducing poverty, making capitalism fairer)
- Mistrust (making capitalism fairer)
- Confidence (future job opportunities

GLOBAL CHANGE

- Anxiety (reducing crime)
- Mistrust (reducing political instability)
- Optimism
- Confidence

DIGITAL REVOLUTION

- Anxiety anger fear
- Mistrust (protecting against fake news)
- Optimism (data privacy, ethical AI)
- Confidence (data privacy, ethical AI)
- Excitement (ethical development of AI)

SOCIAL AND CULTURAL CHANGE

- Anxiety
- Optimism
- Confidence

FEELING		ANXIETY	EXCITEMENT	CONFIDENCE
Top feelings skew	Across country			
				
	Age	Older generations	Younger generations	

Anxiety is a prevalent feeling across topics, but there is also optimism and confidence that some of these themes can be resolved.

There are some stark generational and country differences in terms of feelings spectrum.

Q4. Which of these best describe how you feel about this topic? For each topic, please select up to 3 feelings that most closely match your own feelings about this matter.

Base: All answering for each theme (n=differs)

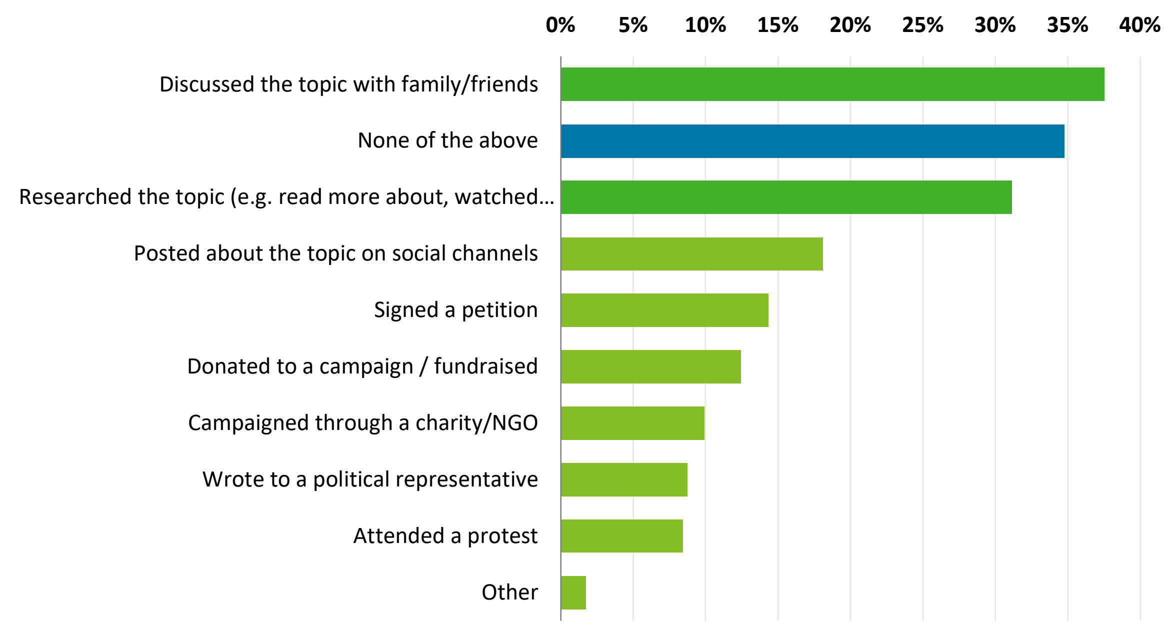
05

What this tells us about the world and public opinion

38 PER CENT OF THE PUBLIC HAVE BEEN ACTIVISTS TO DRIVE CHANGE. IN THE PAST THEY HAVE SIGNED PETITIONS, PROTESTED, DONATED AND TAKEN PART IN A CAMPAIGN

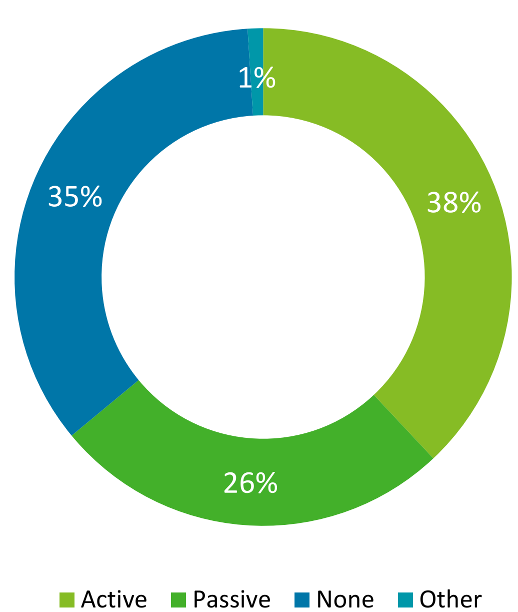
WHAT THIS TELLS US ABOUT THE WORLD AND PUBLIC OPINION

PERCENTAGE WHO ENGAGED WITH ACTIVITY (AVERAGE ACROSS THEMES)



ACTIVE	PASSIVE	NONE OF THE ABOVE
• Signed a petition • Attended a protest • Posted about the topic on social channels • Wrote to a political representative • Campaigned through a charity/NGO • Donated to a campaign/ fundraised	(Ticked on its own without active) • Discussed the topic with family/ friends • Researched the topic (e.g. read more about, watched the programs)	

ACTIVE VS PASSIVE ENGAGEMENT



Q2a. How, if at all, did you get involved in this topic over the past 12 months? (Average across all themes)

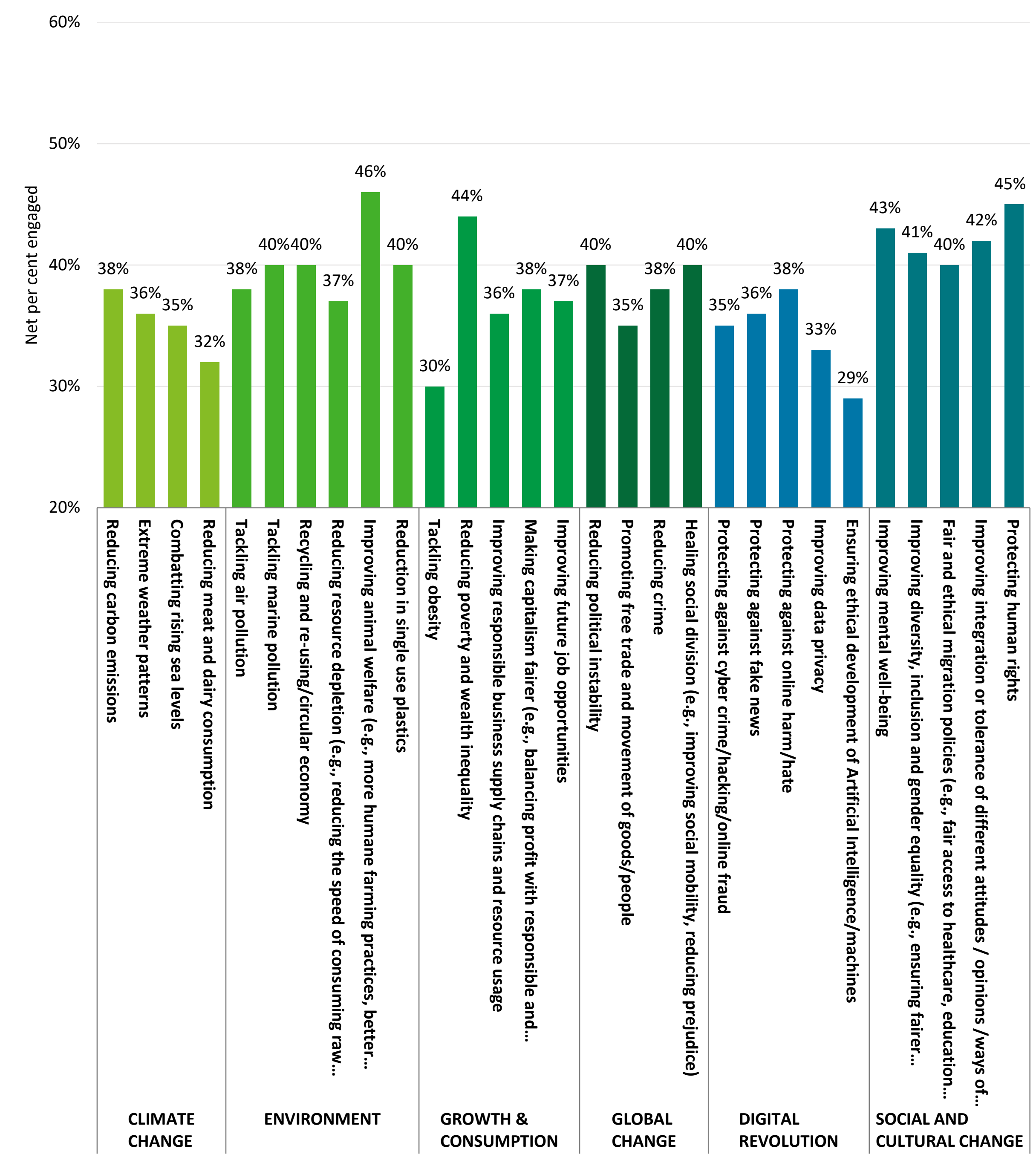
Base: All answering for each theme (n=differs)

HUMAN RIGHTS AND ANIMAL WELFARE INSPIRE THE HIGHEST LEVELS OF ACTIVISM

FOR NOW, OBESITY AND AI ARE THE LEAST

WHAT THIS TELLS US ABOUT THE WORLD AND PUBLIC OPINION

PERCENTAGE OF RESPONDENTS NET ENGAGED BY THEME



Q2a. How, if at all, did you get involved in this topic over the past 12 months? (Average across all themes)

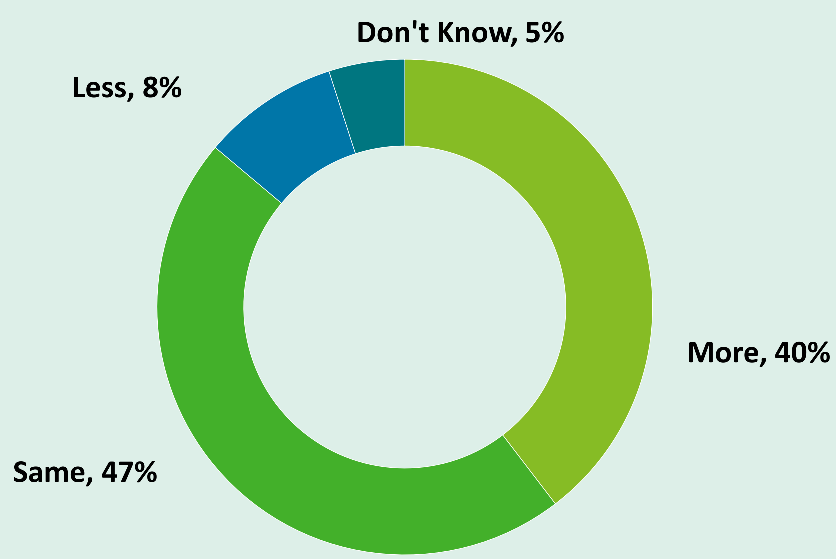
Base: All answering for each theme (n=differs)

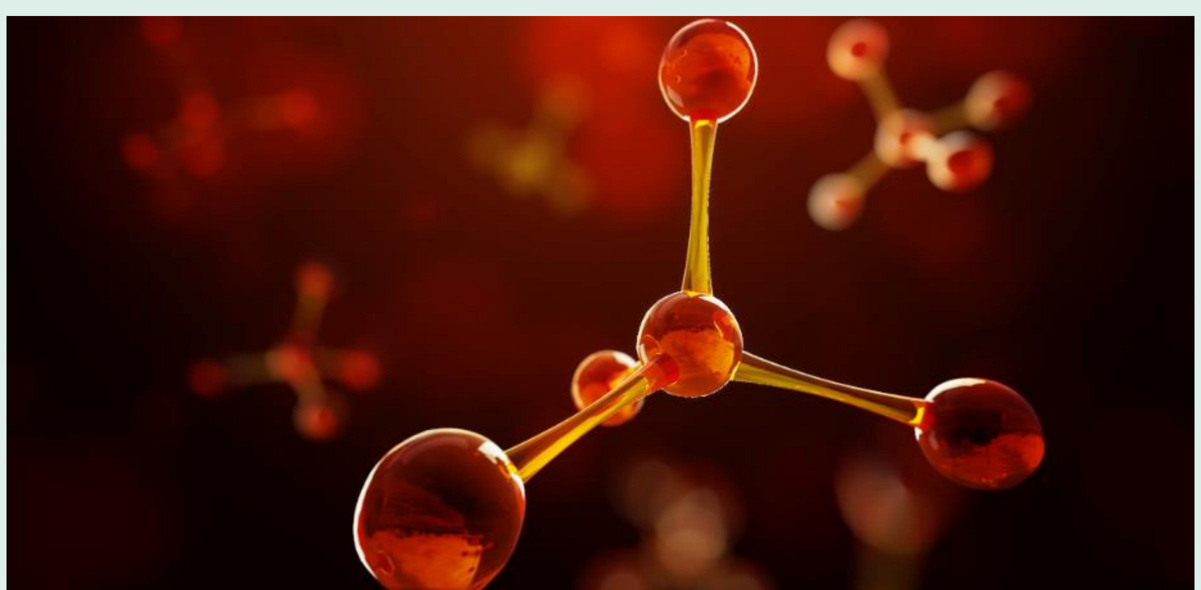
COVID-19 IS A CHANGE MOMENT. 40 PER CENT OF THE PUBLIC SAY IT WILL MAKE THEM MORE ACTIVIST

WHAT THIS TELLS US ABOUT THE WORLD AND PUBLIC OPINION

The general public is becoming more actively engaged, with 40 per cent of people saying they are more likely to get involved/take action on these issues in the future after COVID-19

Average respondents per cent across themes





Q12. Do you think COVID-19 will make you more or less actively involved (e.g. sign a petition, attend a protest, campaign) in any of these topics going forward? (Average across all topics)

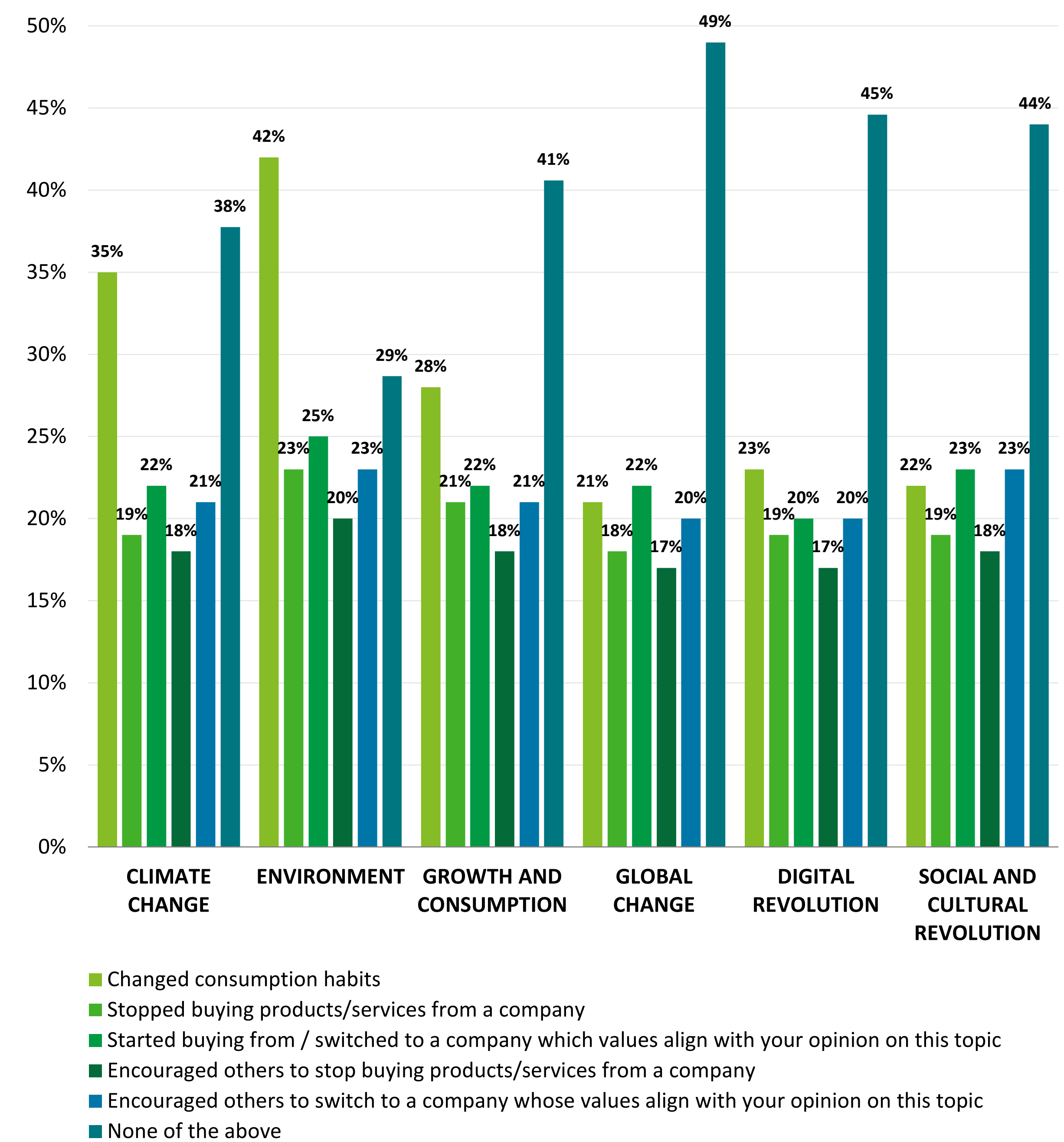
Base: All who ranked each theme as top choice in Q1 (n=differs)

SOME BUSINESSES ARE LOSING CUSTOMERS. ATTITUDES TO HOT ISSUES ARE DIRECTLY IMPACTING REVENUE. 42 PER CENT OF PEOPLE CHANGED CONSUMPTION HABITS BECAUSE OF THE ENVIRONMENT

WHAT THIS TELLS US ABOUT THE WORLD AND PUBLIC OPINION

ONE IN FIVE HAVE SWITCHED THEIR BUYING TO A COMPANY OR BRAND WHO SHARE THEIR VALUES ON THESE ISSUES

Average percentage of respondents taking action taken across themes

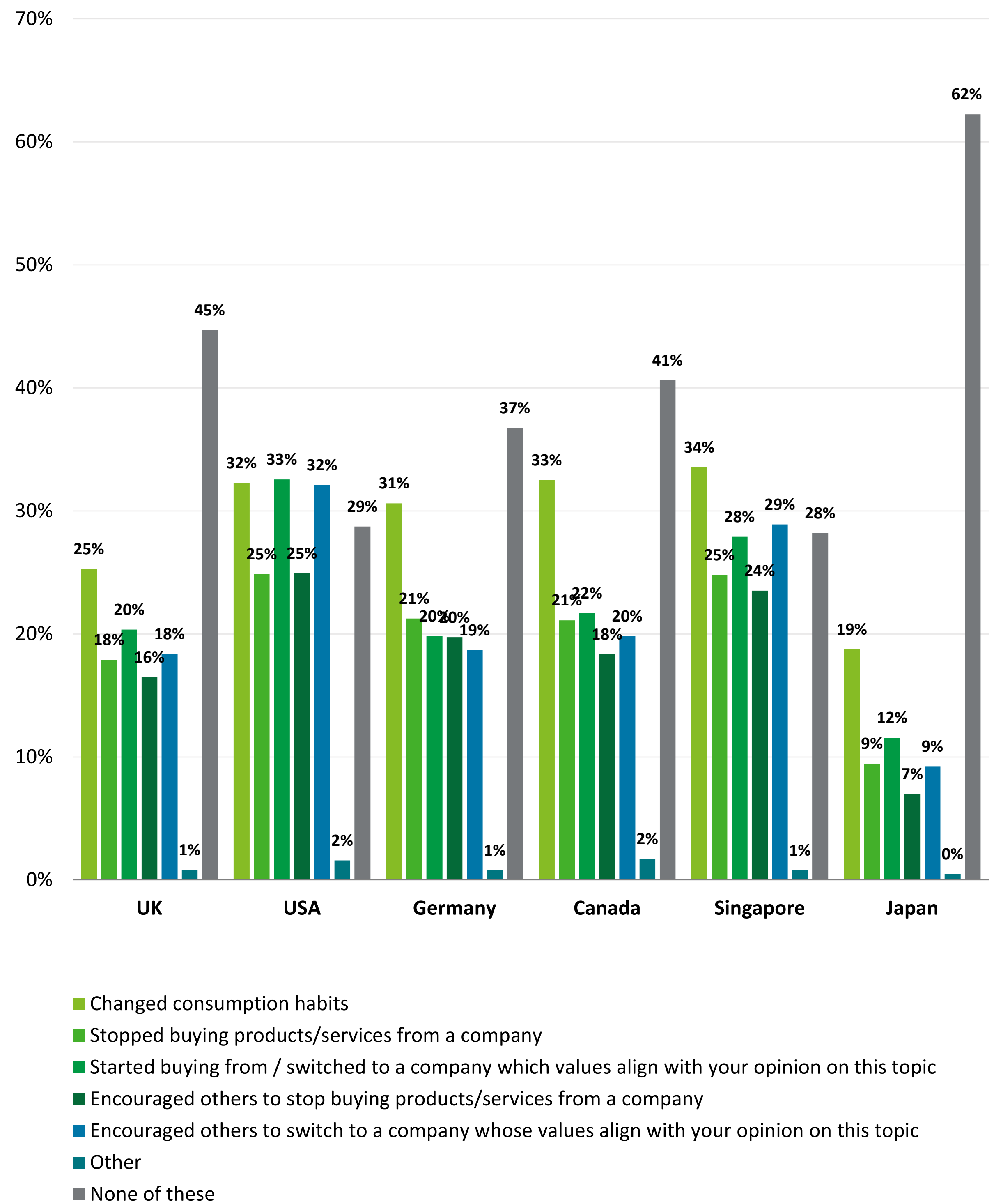


Q5. Which, if any, of the following have you personally done as a direct result of your feelings on this topic?

Base: All answering for each theme (n=differs)

ACTIVISM IS MOST WIDESPREAD IN THE US, SINGAPORE AND GERMANY. ISSUES HAVE LESS INFLUENCE WITH JAPANESE CONSUMERS

WHAT THIS TELLS US ABOUT THE WORLD AND PUBLIC OPINION



Q5. Which, if any, of the following have you personally done as a direct result of your feelings on this topic?

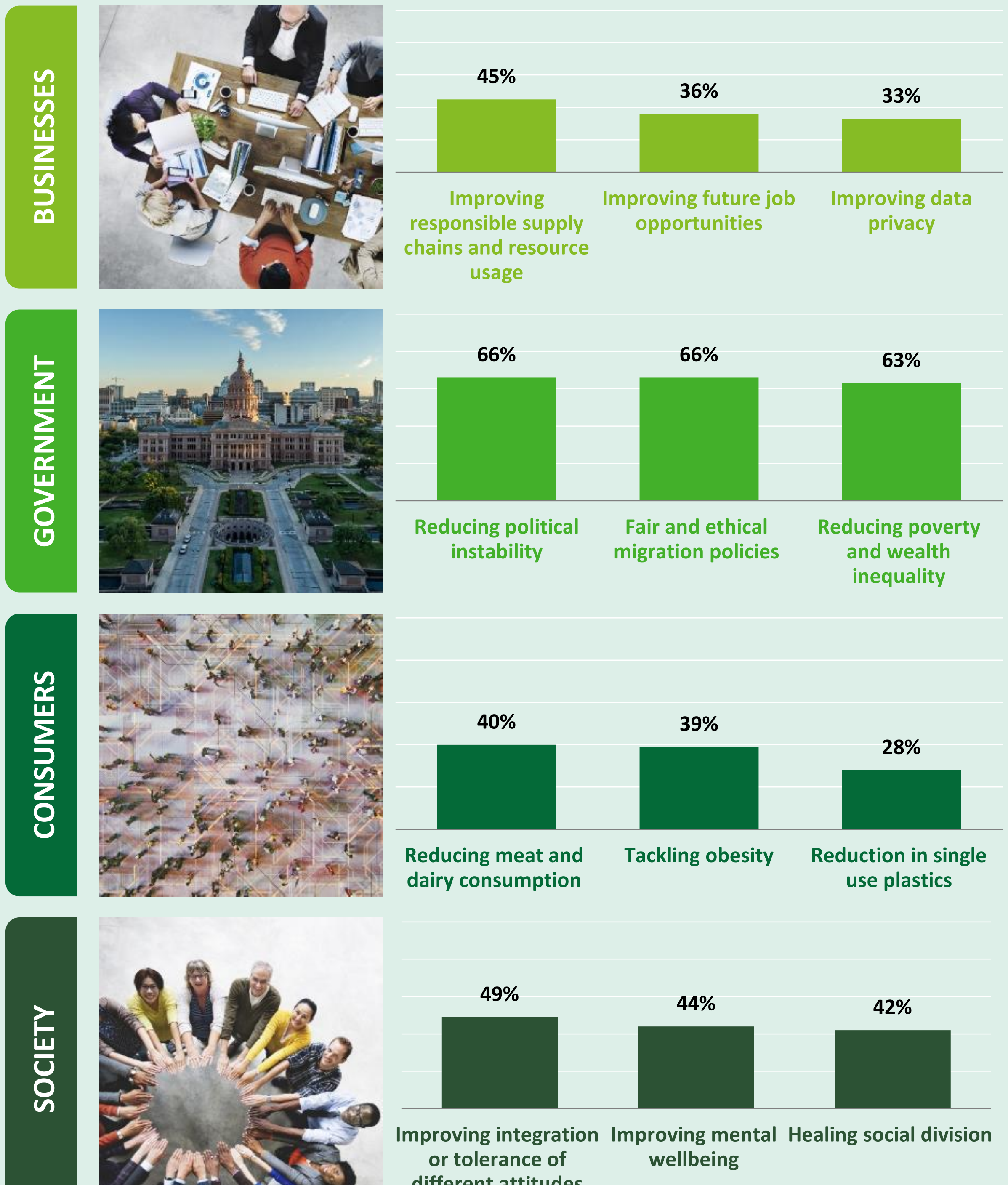
Base: All answering for each theme (n=differs)

06

What change does the public want to see and who do they expect to lead change?

PUBLIC HOLDS BUSINESSES RESPONSIBLE FOR TACKLING SUPPLY CHAIN, IMPROVING FUTURE JOB OPPORTUNITIES AND DATA PRIVACY ISSUES

WHAT CHANGE DO CONSUMERS WANT TO SEE AND WHO DO THEY EXPECT TO LEAD CHANGE?



Q2c. Who should be the most responsible?

Base: All answering for each theme (n=differs)

CONSUMERS WANT CHIEF EXECUTIVES TO MAKE PROGRESS ON DATA PRIVACY, REDUCING CARBON EMISSIONS AND IMPROVING RESPONSIBLE BUSINESS SUPPLY CHAINS

WHAT CHANGE DO CONSUMERS WANT TO SEE AND WHO DO THEY EXPECT TO LEAD CHANGE?

CEOs of consumer brands are expected to be making more progress on reducing carbon emissions (75%)

CEOS ARE SEEN AS HAVING MORE RESPONSIBILITY THAN ORGANISATIONS ACROSS SECTORS

65 per cent of respondents on average agreed that ***I expect CEOs to do more to make progress on this topic***.

When asked about the topics, issues particularly highlighted as the responsibility of CEOs include:

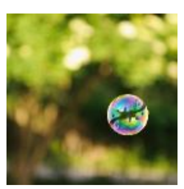
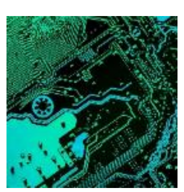
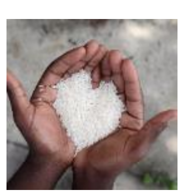
- **Protecting against cyber crime/hacking/online fraud**
- **Improving data privacy**
- **Tackling air pollution**
- **Reducing carbon emissions**
- **Improving responsible business supply chains**

Q6. When thinking about a certain topic, how strongly do you agree or disagree with each of the following statements?

Base: All answering for number 1 topics (n=differs)

THE PUBLIC LOOKS TO GOVERNMENT AND BUSINESS TO LEAD ON CHANGE

WHAT CHANGE DO CONSUMERS WANT TO SEE AND WHO DO THEY EXPECT TO LEAD CHANGE?

THEME	ISSUE	BUSINESSES	GOVERNMENT	CONSUMERS	SOCIETY
 CLIMATE	Reducing carbon emissions	24%	33%	13%	22%
	Extreme weather patterns	13%	37%	8%	24%
	Combatting rising sea levels	10%	43%	9%	24%
	Reducing meat and dairy consumption	10%	16%	40%	23%
 ENVIRONMENT	Tackling air pollution	21%	43%	9%	20%
	Tackling marine pollution	16%	42%	12%	22%
	Recycling and re-using/circular economy	19%	27%	23%	25%
	Reducing resource depletion	25%	32%	16%	19%
	Improving animal welfare	13%	35%	13%	28%
	Reduction in single use plastics	23%	22%	28%	22%
 GROWTH AND CONSUMPTION	Tackling obesity	6%	16%	39%	30%
	Reducing poverty and wealth inequality	8%	63%	5%	17%
	Improving responsible business supply chains and resource usage	45%	29%	7%	10%
	Making capitalism fairer	19%	56%	5%	12%
	Improving future job opportunities	36%	43%	4%	11%
 GLOBAL CHANGE	Reducing political instability	5%	66%	4%	18%
	Promoting free trade and movement of goods/people	16%	59%	7%	11%
	Reducing crime	4%	51%	4%	35%
	Healing social division	6%	37%	6%	42%
 DIGITAL REVOLUTION	Protecting against cyber crime/hacking/ online fraud	22%	47%	9%	15%
	Protecting against fake news	13%	38%	11%	26%
	Protecting against online harm/hate	12%	33%	11%	34%
	Improving data privacy	33%	40%	8%	11%
	Ensuring ethical development of Artificial Intelligence/machines	30%	39%	6%	11%
 SOCIAL AND CULTURAL CHANGE	Improving mental well-being	9%	24%	14%	44%
	Improving diversity, inclusion and gender equality	13%	42%	6%	31%
	Fair and ethical migration policies	7%	66%	5%	15%
	Improving integration or tolerance of different attitudes/opinions/ways of life	5%	28%	9%	49%
	Protecting human rights	5%	58%	5%	24%

KEY: GREEN 35% AND ABOVE;
BLUE 20% TO 34%

07

Trust, attitudes and reputation

THE TECHNOLOGY, MEDIA & TELECOMMUNCIATIONS (TMT) SECTOR IS CONSISTENTLY PERCEIVED MORE POSITIVELY THAN THE FINANCIAL SECTOR (FS) AND CONSUMER BRANDS SECTORS (CB) WHEN IT COMES TO IMPACT AND RESPONSIBLE BEHAVIOUR

TRUST, ATTITUDES AND BUSINESS

	Financial services	Technology, media and telecoms	Consumer brands
THE SECTOR HAS A POSITIVE IMPACT ON SOCIETY (% Net agree)	44%	50%	45%
THE SECTOR HAS A GOOD REPUTATION OVERALL (% Net Agree)	40%	44%	40%
THE SECTOR LEADS DEBATE ON ISSUES IMPORTANT TO ME (% Net agree)	38%	44%	39%
I TRUST THE SECTOR TO DO THE RIGHT THING (% Net agree)	42%	41%	41%
THE SECTOR BEHAVES RESPONSIBLY (% Net agree)	38%	38%	36%

Financial services *Technology, media and telecoms* *Consumer brands*

Q7. Thinking about the sector, how strongly do you agree or disagree with each of the following statements about the sector?

Base: All answering for a sector: Financial services (n=3,128), Technology, media and telecoms (n=3,121) and Consumer brands (n=3,120)

Note the size of the circles only relative to the order of the %age size, not the value itself

NONE OF THE SECTORS IS A SHINING STAR. ONLY A THIRD OF THE PUBLIC THINK THE THREE SECTORS BEHAVE RESPONSIBLY AND LESS THAN A THIRD ASSIGN THEM A GOOD REPUTATION

TRUST, ATTITUDES AND REPUTATION

NONE COMPANY ASSOCIATED percentage	FS	TMT	CB
Always do the right thing	41%	46%	45%
Have a positive influence on society	29%	27%	31%
Lead debates on issues important to me	40%	29%	40%
Behave responsibly	30%	32%	31%
Have a good reputation overall	28%	27%	28%

Q8. Thinking about the sector, how strongly do you agree or disagree with each of the following statements about the sector?

Base: All answering for a sector: Financial services (n=3,128), Technology, media and telecoms (n=3,121) and Consumer brands (n=3,120)

COVID-19 PANDEMIC HAS MOVED THE DIAL SLIGHTLY ON THE REPUTATION FOR CONSUMER COMPANIES

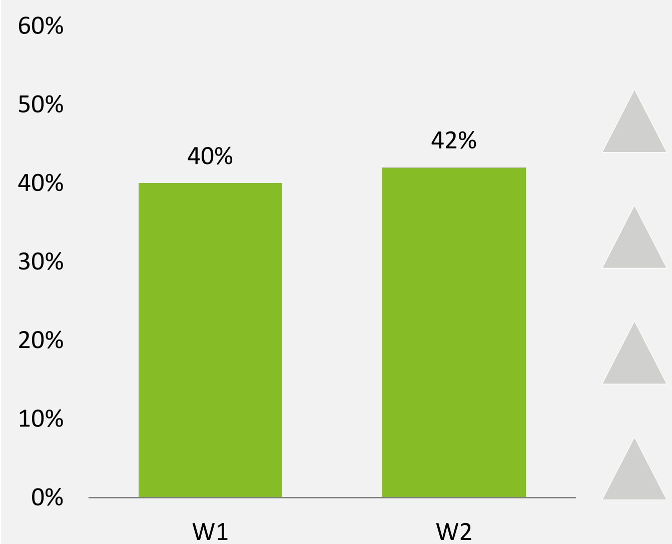
TRUST, ATTITUDES AND REPUTATION

We conducted top-up fieldwork between 5-20 May 2020 with the new topic included (protecting against future health pandemics). Findings validate our main research (Wave 1 – W1) done between 8-28 January 2020

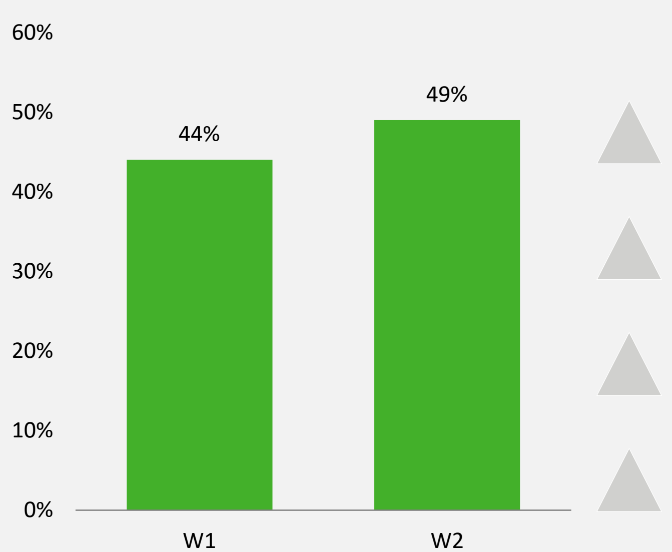
We observed similar headlines in W2 as in W1 across questions. Some differences worth highlighting are:

- Consumer brands improved 2 per cent when asked 'Do consumer brands have a good overall reputation' – likely to be the result of the way consumer brands responded during the pandemic:
  - TMT companies saw a 5 per cent improvement in agreement scores for technology and media companies for leading debate on issues important to me
  - 40 per cent on average said the impact of COVID-19 would increase their future active involvement across issues
  - 61 per cent believe that governments have sole responsibility for protecting against future health pandemics

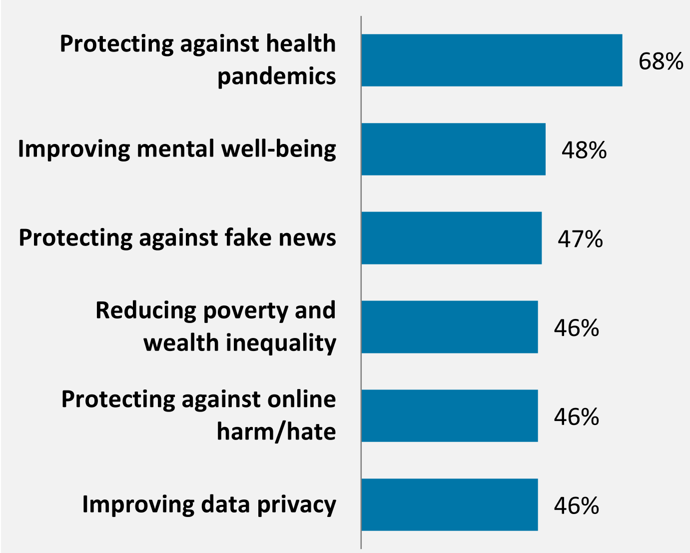
NET PERCENTAGE WHO AGREED WHEN THINKING ABOUT THE CONSUMER BRANDS SECTOR. THEY HAVE A GOOD REPUTATION OVERALL.



NET PERCENTAGE WHO AGREED WHEN THINKING ABOUT THE TECHNOLOGY SECTOR; THEY LEAD DEBATE ON ISSUES IMPORTANT TO THEM.



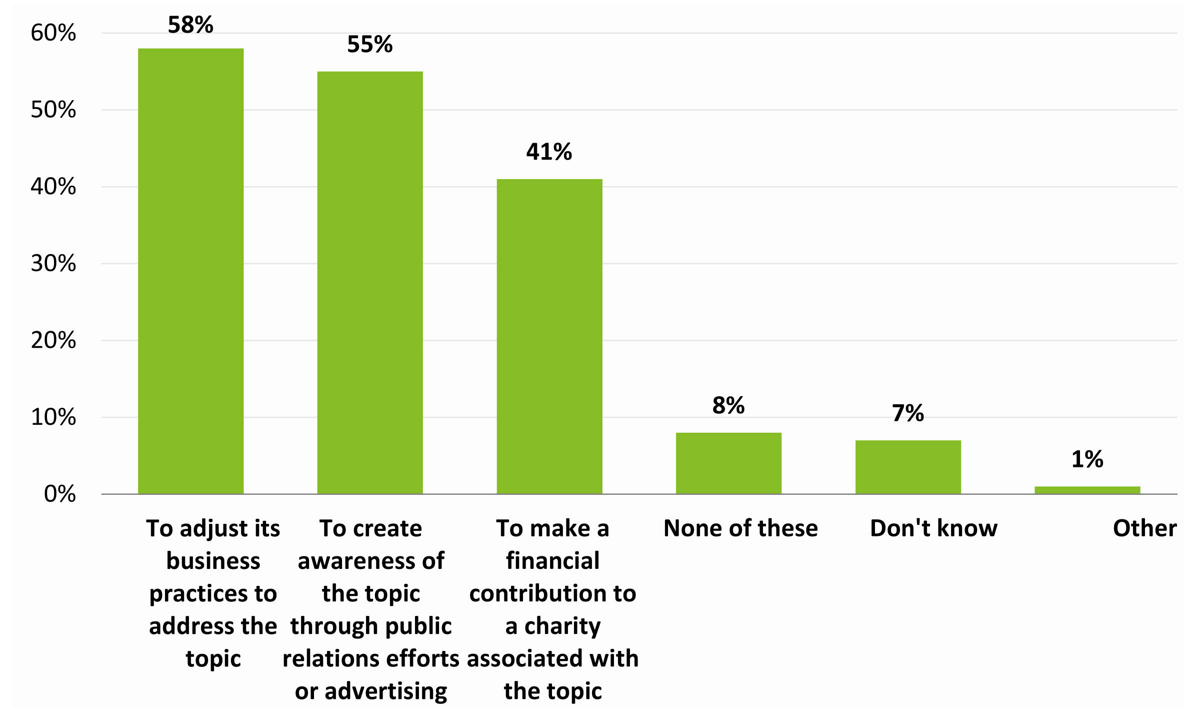
TOP FIVE TOPICS THAT PEOPLE THINK THEY WILL BE MORE ACTIVELY ENGAGED IN.



58 PER CENT WANT TO SEE BUSINESSES THAT TAKE A STAND ON AN ISSUE, FOLLOW THROUGH WITH REAL CHANGE AS WELL AS CREATE AWARENESS EXTERNALLY

TRUST, ATTITUDES AND BUSINESS

PERCENTAGE WHO AGREE WITH THE STATEMENT



Q11. When a business takes a stance on a topic, what do you expect from that business?

Base: All (n=9,369)

As the age range increases, so does people's expectations that a business would adjust its practices to address a topic.

Younger respondents prefer businesses to create awareness of issues.

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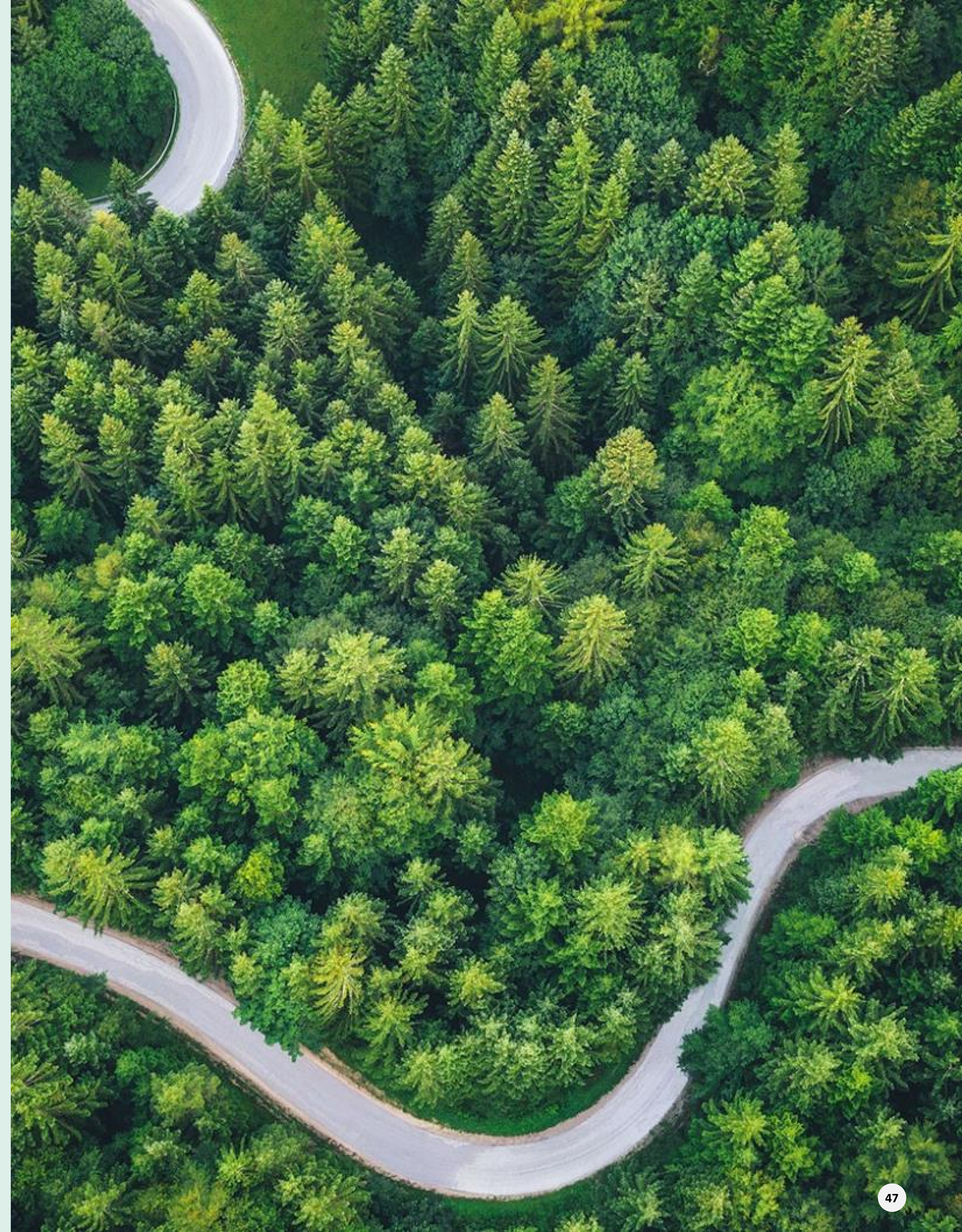
Emerging themes and how to use the report



A DYNAMIC ENVIRONMENT THAT BRINGS RISK, REPUTATION AND RESILIENCE TO THE TOP OF THE AGENDA

EMERGING THEMES

Volatility brings risk
- Our research shows COVID-19 has added to the levels of volatility and public appetite for change
- It reinforces the need for firms to have a wider field of vision when looking at emerging social and cultural risks, traditionally a blind spot
- Risk management should incorporate and measure more of these emotional, opinion-led reputation risks, which should be on every organisation's risk radar

Reputation dividend for driving change
- Corporate reputation is increasingly driven by action, not words, and demonstrating progress on the big issues of the day (e.g. climate change)
- There is a danger that companies take a more defensive position on issues as the public and campaign groups become more activist.
- However there is reputational gain for firms having an optimistic vision, using emotion, being comfortable with change and having convictions

Reputation resilience is the way
- Resilience in the face of fast-moving and often adverse social change should be a key organisational objective
- Pivoting on issues and correctly sensing the public mood are skills to achieve reputational resilience
- Be responsive to external perceptions; scrutinise your behaviours, meet external expectations in order to build reputational capital and trust

Corporate Affairs is critical
- Corporate Affairs is be a strategically critical function for CEOs to lean into
- As the external environment becomes more dynamic, it falls to the Corporate Affairs team to ensure the signs and signals of change are detected and acted on early
- Corporate Affairs can help turn ESG reporting into more consumer-friendly storytelling as activist consumers want to know if you are walking the talk on things like climate change

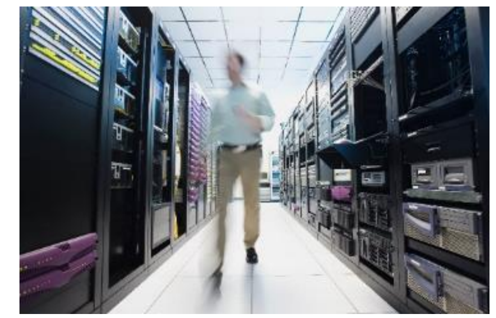
Reputational risk escalates
- Less than half of people believe companies share their views or act in step with their expectations
- We know from corporate history when public expectations are not met there are risks ahead
- Reputation, which acts as a judgement of companies and brands, is becoming more dynamic
- Consumers expect companies to be active on numerous issues, making it harder to maintain the trusted relationships that businesses depend on

Issues as brand strategy
- Calculating the long-term viability for a market or product should go beyond consumer sentiment, and think of social sentiment
- Strategies should consider the license to operate in a sector, as our research suggests it is becoming harder to earn
- Consumers appear willing to reward socially aware and engaged companies that take the lead and have credible positions on issues with loyalty and revenue

Behaviour is the true driver of reputation
- Our view is that reputation is driven by performance, behaviour and communications
- However, the research confirms that behaviour is the kingpin of reputation
- Consequently, we predict that more reputational issues will catch fire if a company's behaviour falls short when under the microscope of public opinion
- Ethics, integrity and trustworthiness are critical determinants of reputation

A DYNAMIC ENVIRONMENT THAT BRINGS RISK, REPUTATION AND RESILIENCE TO THE TOP OF THE AGENDA

HOW TO USE THIS REPORT



DATA AND INSIGHT	CHALLENGE	ACTION
• 38 per cent of the respondents identify as activist and 40 per cent likely to be more engaged post COVID-19	• Stay on top of consumer and stakeholder expectations for your business • In a volatile market, prepare to spot the external issues next to arise	• Deploy dynamic risk sensing and rigorous, continuous assessment of data • Use stakeholder listening and crowd sourcing research to assess stakeholder attitudes • Conduct regular brand and reputation risk assessment and management
• 75 per cent say CEOs of consumer brands are expected to be making more progress on reducing carbon emissions	• Failing to set and meet progressive commitments on climate change is a risk that could damage consumer, employee and investor trust	• Invest in Sustainability, ESG and climate change strategies • Coach leadership to communicate on climate change
• 50 per cent say consumer brands businesses are in line with public expectation on improving responsible supply chains	• Expect negative media, investor and consumer criticism on supply chain issues if you fall below accepted standards	• Invest in supply chain governance, ethics and third party risk management
• 61 per cent of respondents say they care about data privacy more than a year ago	• Firms that are perceived to misuse data risk reputational and regulatory issues	• Take a digital ethics approach • Comply with new regulations • Be Transparent about data handling policies
• 23 per cent of the public are switching loyalty because of a brand's stance on certain issues	• Misreading your customer's mood on issues, or failing to meet responsible standards leads to consumer backlash, boycott and negative publicity	• Conduct horizon-scanning research • Invest in consumer research on issues
• 58 per cent of the public want organisations to change business practices rather than donate money	• Fundamental changes in operations not CSR is what the public now expects	• Adopt a purpose ledand responsible business agenda at Board level • Constantly review corporate social responsibility programs
• 55 per cent of respondents want organisations to create awareness of issues	• Disengaging from the external debate on important issues will imply indifference and lose loyal customers	• Support CEOs to communicate on issues • Develop robust communications strategy and ESG reporting on social impact

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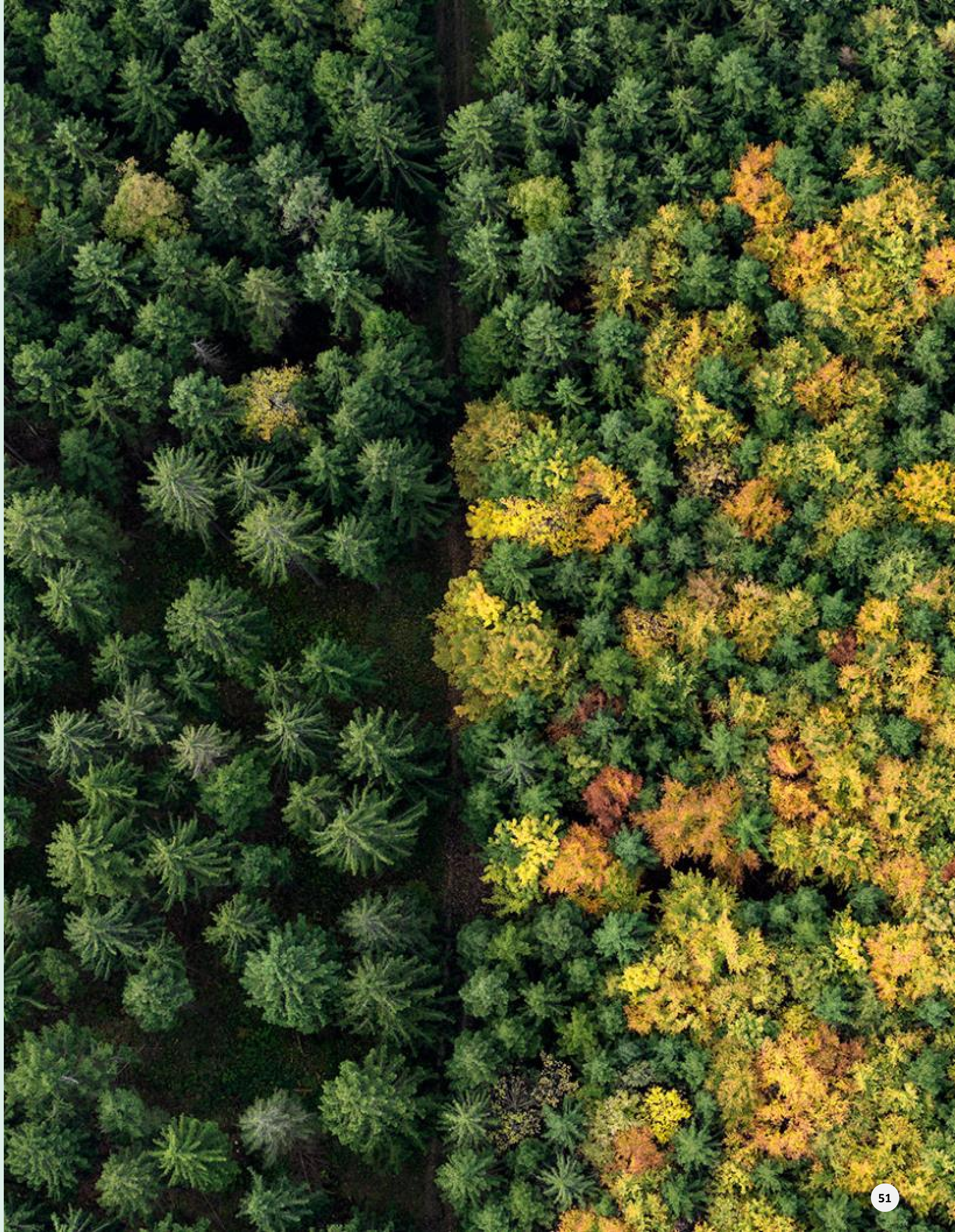
Sector deep dives



FINANCIAL SERVICES DEEP DIVE

DOES THE SECTOR MEET PUBLIC EXPECTATIONS?

54 per cent of respondents agreed that businesses from the financial sector are:

- In line with their expectations on promoting free trade
- Making progress on improving data privacy

The sector expectations are:

- **71 per cent** expect CEOs to be doing more to protect against cyber crime/hacking/online fraud
- **19 per cent** agreed that businesses are keeping their promises on reducing poverty and wealth inequality, with **41 per cent** responding they were unable to see progress being made
- **36 per cent** feel that businesses in this sector do not hold similar views as them on making capitalism fairer

HOW HAS THIS IMPACTED ITS REPUTATION?

- **Only 38 per cent** of respondents agree the sector behaves responsibly
- **40 per cent** agree it has a good reputation, on par with Consumer Brands as joint lowest of the three sectors
- **38 per cent** say it leads on debating issues important to me
- **42 per cent** trust the industry to do the right thing
- Financial services scored the lowest on having a positive impact on society, with **44 per cent**
- Reputations of business types within the sector showed Retail banks performed best, but Brokerage & Mortgage companies were the worst

REGIONAL DIFFERENCES

- **Germany** and **Japan** trust the sector the least across all the regional markets
- 64 per cent from **Singapore** feel the sector has a positive impact on society
- Older age groups scored the sector's overall reputation less than younger groups (45per cent vs 29 per cent: 18-24yrs vs 65+)
- Based on the follow-up survey after the COVID-19 pandemic began, the sector has not seen any positive rise in public perceptions

Commentary: On issues such as data privacy and free trade, the financial services sector is meeting public expectations. Crucially, on a touchstone issue like making capitalism fairer, nearly half believe it was not making progress or meeting the public's expectations of change.

TECHNOLOGY, MEDIA & TELECOMMUNICATIONS DEEP DIVE

DOES THE SECTOR MEET PUBLIC EXPECTATIONS?

Compared with the other sectors, TMT is seen to be making the most progress, but is not perceived to be keeping promises for digital revolution issues:

- Healing social divisions is the issue it is least meeting public expectations – only **29per cent** disagree
- Only **36 per cent** of respondents feel the sector is keeping promises on protecting against fake news, and **30 per cent** protecting against online harm
- **57 per cent** say the industry is making progress on data privacy
- Improving diversity, inclusion and gender equality was the issue TMT most met public expectations – **47 per cent**

HOW HAS THIS IMPACTED ITS REPUTATION?

TMT leads on four out of the five reputation indicators:

- **50 per cent** agreed that the sector has a positive impact on society
- **44 per cent** agreed that the sector leads debate on issues "most important to me", and has a good overall reputation
- **41 per cent** trust the sector to do the right thing
- Positive associations with organisations in the sector, were highest in Media and News companies, and worse across Mobile and Gaming across all association statements

REGIONAL DIFFERENCES

- **Japan** trusts the sector the least across all the regional markets
- **Singapore** trusts the sector to do the right thing (but the variance across all markets was high with 60 per cent agreement from **Singapore** vs 25 per cent from **Japan**)
- Based on results from the survey carried out after the outbreak of COVID-19, the sector's reputation for leading debate on issues valued by the public has improved

Commentary: For such an iconic sector, the results reflect its best and worst characteristics. It is seen as championing diversity and inclusion. but failing to meet expectations in terms of healing social division. Despite controversies, it leads rival sectors on three out of five reputation indicators.

CONSUMER BRANDS SECTOR DEEP DIVE

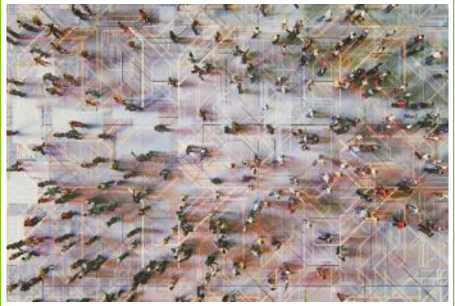
DOES THE SECTOR MEET PUBLIC EXPECTATIONS?

Issues where consumer brands are in line with consumer expectations:

- **50%** feel the industry is making progress on improving responsible supply chains

Environmental issues are where the public feels most strongly the sector needs to do more:

- **38%** feel the consumer sector is not in line with expectations on reducing single use plastics
- **35%** feel it is not keeping promises on reducing resource depletion and improving animal welfare
- **77%** expect CEOs to do more on recycling and re-using materials for a circular economy, and **75%** on reducing carbon emissions and reduction in single use plastics



HOW HAS THIS IMPACTED ITS REPUTATION?

- **36%** of respondents agree that the consumer sector behaves responsibly
- **40%** agree that the industry has a good overall reputation
- **45%** feel it makes a positive impact on society
- **39%** feel that the sector leads debate on issues “most important to me”
- **Food companies** on average scored the best across positive reputation associations, with alcohol and tobacco scoring the worst (17% versus 5%)

REGIONAL DIFFERENCES

- **Singapore** and **USA** rate the sector significantly more highly than other markets for having a positive impact on society, compared with **Japan** and **Germany** rating the sector the lowest
- It could be claimed that the **COVID-19** pandemic has somewhat improved the sector’s overall reputation, as the results from the follow-up survey indicate a **2%** rise in scores (highest rise across three sectors)

Commentary: On the critical issue of responsible supply chains, half believe the industry is in line with their expectations and making progress. But expectations are high for CEOs to lead, and the public wants to see more action on carbon emissions and reducing plastics. Our research shows the COVID-19 response of the sector led to a 2% increase in overall reputation.

TO DISCUSS THE REPORT AND LEARN MORE ABOUT OUR APPROACH, GET IN TOUCH:

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COVID-19 HAS RALLIED AN INCREASINGLY ACTIVIST PUBLIC ON CLIMATE CHANGE AND SOCIAL ISSUES, OFFERING A BUSINESS AND REPUTATION DIVIDEND FOR THOSE ORGANISATIONS THAT STEP UP

AT A GLANCE – OUR RESEARCH IN NUMBERS

40%
say COVID-19 will most likely result in more active engagement in issues going forward

38%
already actively engaged with an issue in several ways over the last 12 months

38%
ranked reducing carbon emissions as the hot issue they care most about

1/5
have stopped their loyalty to a company as a result of their feelings on an issue

23%
switched their loyalty to a company or brand who share their values on issues

59%
care more about environmental issues now than they did a year ago

77%
expect CEOs in the consumer brands sector to be making more progress on recycling and re-use

19%
associate businesses across the sectors with having a positive influence on society

45%
changed consumption habits because of the environment

58%
expect businesses to adjust their practices to address the issues they take a stance on