#GetOutInFront

Global Research Report

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

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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:

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.
Executive summary
WE NOW MANAGE REPUTATION AND RISK IN A TRULY DYNAMIC WORLD

AMPLIFIED BY COVID-19 TRENDS

• 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

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.

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.

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.

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.

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.

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.

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.

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.

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.

MORE CONSCIOUS CONSUMPTION

TRUST AND AUTHENTICITY

SUPPORTING LOCAL

12

13
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.

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

WE USED DELoitte’s EXTENSIVE RESEARCH INTO RISK TO CREATE A DIVERSE AND DYNAMIC ISSUES FRAMEWORK:

- **Climate Change**
  - Reducing carbon emissions
  - Extreme weather patterns
  - Combating 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**
  - 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

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

HOT ISSUES

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

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

Base: All (n=9,369)

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 STRONGLY ABOUT (NET TOP 3 – TOP 10)

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

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

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

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

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 BY 2025

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)

Average percentage future importance across themes

Extreme weather patterns 74 per cent
Reduction in single use plastics 65 per cent
Reducing poverty and wealth inequality 55 per cent
Reducing crime 52 per cent
Improving data privacy 61 per cent
Improving mental well-being 57 per cent

CLIMATE CHANGE

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

ENVIRONMENT

• Anxiety
• Optimism
• Confidence (recycling and reusing, 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)

SOCIAL AND CULTURAL CHANGE

FEELING ANXIETY EXCITEMENT CONFIDENCE

Top feelings skew

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.
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)

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

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)

ACTIVE VS PASSIVE ENGAGEMENT

(Clicked on its own without active) • 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

CLIMATE CHANGE | ENVIRONMENT | GROWTH & CONSUMPTION | GLOBAL CHANGE | DIGITAL REVOLUTION | SOCIAL AND CULTURAL CHANGE

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

Don’t Know, 5%
Less, 8%
More, 40%
Same, 47%

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)

- Changed consumption habits
- Stopped buying products/services from a company
- Started buying from / switched to a company which values align with your opinion on this topic
- Encouraged others to stop buying products/services from a company
- Encouraged others to switch to a company whose values align with your opinion on this topic
- None of the above
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)

- Changed consumption habits
- Stopped buying products/services from a company
- Started buying from / switched to a company which values align with your opinion on this topic
- Encouraged others to stop buying products/services from a company
- Encouraged others to switch to a company whose values align with your opinion on this topic
- Other
- None of these
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)

- **45%** Businesses: Improving responsible supply chains and resource usage
- **36%** Business: Improving future job opportunities
- **33%** Business: Improving data privacy
- **66%** Government: Reducing political instability
- **66%** Government: Fair and ethical migration policies
- **63%** Government: Reducing poverty and wealth inequality
- **40%** Consumers: Reducing meat and dairy consumption
- **39%** Consumers: Tackling obesity
- **28%** Consumers: Reduction in single use plastics
- **49%** Society: Improving integration or tolerance of different attitudes
- **44%** Society: Improving mental wellbeing
- **42%** Society: Healing social division

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 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
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?

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

KEY: GREEN 35% AND ABOVE; BLUE 20% TO 34%
Trust, attitudes and reputation
THE TECHNOLOGY, MEDIA & TELECOMMUNICATIONS (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

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%

TRUST, ATTITUDES AND REPUTATION

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

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

<table>
<thead>
<tr>
<th>Statement</th>
<th>FS</th>
<th>TMT</th>
<th>CB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Always do the right thing</td>
<td>41%</td>
<td>46%</td>
<td>45%</td>
</tr>
<tr>
<td>Have a positive influence on society</td>
<td>29%</td>
<td>27%</td>
<td>31%</td>
</tr>
<tr>
<td>Lead debates on issues important to me</td>
<td>40%</td>
<td>29%</td>
<td>40%</td>
</tr>
<tr>
<td>Behave responsibly</td>
<td>30%</td>
<td>32%</td>
<td>31%</td>
</tr>
<tr>
<td>Have a good reputation overall</td>
<td>28%</td>
<td>27%</td>
<td>28%</td>
</tr>
</tbody>
</table>

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

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

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

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.
08
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 shines 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 is 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 hard 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

DATA AND INSIGHT
- 38 per cent of the respondents identify as activist and 40 per cent likely to be more engaged post COVID-19
- 75 per cent say CEOs of consumer brands are expected to be making more progress on reducing carbon emissions
- 50 per cent say consumer brands businesses are in line with public expectation on improving responsible supply chains
- 61 per cent of respondents say they care about data privacy more than a year ago
- 23 per cent of the public are switching loyalty because of a brand’s stance on certain issues
- 58 per cent of the public want organisations to change business practices rather than donate money
- 55 per cent of respondents want organisations to create awareness of issues

CHALLENGE
- Stay on top of consumer and stakeholder expectations for your business
- Failing to set and meet progressive commitments on climate change is a risk that could damage consumer, employee and investor trust
- Expect negative media, investor and consumer criticism on supply chain issues if you fall below accepted standards
- Firms that are perceived to misuse data risk reputational and regulatory issues
- Misreading your customer’s mood on issues, or failing to meet responsible standards leads to consumer backlash, boycott and negative publicity
- Fundamental changes in operations not CSR is what the public now expects
- Disengaging from the external debate on important issues will imply indifference and lose loyal customers
- Adopt a purpose led responsible business agenda at Board level
- Support CEOs to communicate on issues

ACTION
- 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
- Invest in Sustainability, ESG and climate change strategies
- Coach leadership to communicate on climate change
- Take a digital ethics approach
- Comply with new regulations
- Be Transparent about data handling policies
- Conduct horizon-scanning research
- Invest in consumer research on issues
- Constantly review corporate social responsibility programs
- Develop robust communications strategy and ESG reporting on social impact

RESILIENCE TO THE TOP OF THE AGENDA

HOW TO USE THIS REPORT
09

Sector deep dives
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.

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

COMMENARY: 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.

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)

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