Fortune/Deloitte CEO survey
June 2020 Highlights
More than 140 CEOs participated in a mid-June Fortune/Deloitte CEO Survey with 11 questions, the first in a series of three

55% of CEOs have chosen to freeze hiring in response to the crisis, while also taking other workforce actions

- 55% Hiring freeze
- 35% Laid off/furloughed
- 33% Reduced executive or employee pay
- 18% Increased workforce

60% of CEOs who agreed that their cash management has been severely affected also laid off or furloughed employees

On the bright side
18% of CEOs increased hiring during the pandemic

CEOs in Consumer Products & Retail, Healthcare, and Technology industries indicated increased demand for talent

- 39% Consumer Products & Retail
- 28% Healthcare
- 25% Technology

6% of CEOs self-reported that they have taken other positive workforce-related actions, such as increased pay, early bonuses, and enhanced benefits and healthcare coverage

Despite taking tough workforce decisions, CEOs graded themselves highly with employees

- 75% of CEOs gave themselves an “A” for their performance with employees over the past 3 months
- 67% of them increased investment in employees, workplace safety, and employee healthcare
- 34% of them reported actions to lay off, furlough, reduce benefits, or cut pay as a response to COVID

Two out of three CEOs believe that their employees and revenues will return to pre-crisis levels by June 2021
However, 14% think their employee count will not return to pre-crisis levels in the foreseeable future, potentially indicating an expectation of further job cuts or permanent changes to the business model or operating structure

- Employees
  - 43% Already returned or exceeded
  - 23% Before Jun’21
  - 20% Before Jun’22
  - 14% Not in the foreseeable future

- Revenues
  - 30% Already returned or exceeded
  - 37% Before Jun’21
  - 29% Before Jun’22
  - 4% Not in the foreseeable future

More than 75% of CEOs from Technology, Financial Services, and Consumer Products & Retail industries expect the number of employees to return to pre-crisis levels before June 2021

50% of CEOs in Oil, Gas & Chemicals expect employment levels to return to pre-crisis levels before June 2021

Return to pre-crisis levels – Number of employees

<table>
<thead>
<tr>
<th>Industry</th>
<th>Before Jun'21</th>
<th>Before Jun'22</th>
<th>Not in the foreseeable future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tech</td>
<td>61%</td>
<td>16%</td>
<td>13%</td>
</tr>
<tr>
<td>FS</td>
<td>59%</td>
<td>24%</td>
<td>8%</td>
</tr>
<tr>
<td>CP&amp;R</td>
<td>50%</td>
<td>33%</td>
<td>6%</td>
</tr>
<tr>
<td>HC</td>
<td>29%</td>
<td>47%</td>
<td>6%</td>
</tr>
<tr>
<td>OG&amp;C</td>
<td>25%</td>
<td>25%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Return to pre-crisis levels – Revenue

<table>
<thead>
<tr>
<th>Industry</th>
<th>Before Jun'21</th>
<th>Before Jun'22</th>
<th>Not in the foreseeable future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tech</td>
<td>42%</td>
<td>32%</td>
<td>26%</td>
</tr>
<tr>
<td>FS</td>
<td>29%</td>
<td>50%</td>
<td>18%</td>
</tr>
<tr>
<td>CP&amp;R</td>
<td>31%</td>
<td>50%</td>
<td>6%</td>
</tr>
<tr>
<td>HC</td>
<td>41%</td>
<td>35%</td>
<td>18%</td>
</tr>
<tr>
<td>OG&amp;C</td>
<td>13%</td>
<td>38%</td>
<td>38%</td>
</tr>
</tbody>
</table>

Tech – Technology  FS – Financial Services  CP&R – Consumer Products and Retail  OG&C – Oil, Gas & Chemicals
Remote working seen as the new normal

Even after the pandemic eases, CEOs expect more than one third of employees to continue working from home.

Survey results indicate that CEOs see remote work as here to stay—and are looking to build effective infrastructure to support business continuity.

Estimated percentage of employees working remotely

<table>
<thead>
<tr>
<th>Pre-crisis levels</th>
<th>Jun-20</th>
<th>Jan-21</th>
<th>Jan-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>13%</td>
<td>73%</td>
<td>43%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Investment priorities for CEOs post pandemic

- 40% IT infrastructure/platforms
- 36% Innovation
- 35% Consumer Experience

The following percentages of CEOs agreed that the pandemic:

- 83% Is accelerating innovation
- 77% Created significant new opportunity
- 77% Significantly accelerated digital transformation

Of this 77%:

- 94% of Consumer industry CEOs agree
- 88% of Oil, Gas & Chemicals industry CEOs agree
- 83% of Financial Services industry CEOs agree

62% of CEOs say they plan to make policy changes in the wake of George Floyd’s death.

The pandemic has introduced unprecedented need for structural and organizational changes, pushing CEOs to reimagine their strategies for the longer term.

70% of CEOs prioritize changes in consumer behavior as the most important factor to setting their future direction.

CEOs who gave themselves high marks on performance with their customers also increased investment in consumer experience and customer engagement.

51% of CEOs rate themselves an “A” when it comes to performance with their customers over the past 3 months.

40% of them increased their investment in customer/end-use engagement.

The following percentages of CEOs agreed that the pandemic:

- 58% Will lead to changes in strategy
- 50% Will lead to future workforce-related actions
- 32% Severely challenged cash management

Of this 77%:

- 94% of Consumer industry CEOs agree
- 88% of Oil, Gas & Chemicals industry CEOs agree
- 83% of Financial Services industry CEOs agree

25% of CEOs who responded to the question on ‘what was the biggest mistake you have made during the crisis’ cited not acting fast enough.

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