How Companies Can Navigate Difficult Social Issues
Investors Want Companies to Focus on Social Issues Via Workforce

Employees Bring Expectations and Scrutiny to the Table

Do you think organizations should respond to social change issues?

- Yes: 72%
- Sometimes: 27%
- No: 1%


If your organization found the 2021 political environment at least somewhat challenging, what factors contributed to this?

- The frequent emergence of new social/political issues on which there is pressure for the company to take a stance: 77%
- Employee attention: 69%
- Media attention: 69%
- Actions by policymakers you have supported in the past: 62%
- Board/senior management attention: 57%
- Investor attention: 32%
- Resistance by policymakers to accepting corporate political contributions: 28%
- Shareholder activism: 27%
- Actions by third-party associations you have supported in the past: 20%

Source: Survey by The Conference Board of Government Relations Executives, November 2021
Young, non-white, higher-income consumers favor corporate social involvement the most.

### US consumers’ opinion about whether companies should actively involve themselves in important social and political issues through words and action

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Agree (very much)</th>
<th>Disagree (very much)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asian</td>
<td>57%</td>
<td>47%</td>
</tr>
<tr>
<td>Black</td>
<td>56%</td>
<td>24%</td>
</tr>
<tr>
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<td>50%</td>
<td>28%</td>
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<tr>
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<td>45%</td>
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<tr>
<td>Under $35k</td>
<td>43%</td>
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</tr>
<tr>
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<td>47%</td>
<td>23%</td>
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<tr>
<td>$75k+</td>
<td>52%</td>
<td>23%</td>
</tr>
<tr>
<td>Under 35 years</td>
<td>53%</td>
<td>14%</td>
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### Source:
Multicultural Consumer Survey Q2 2022, The Conference Board, 2022

Equitable pay and health care top US consumers’ wish list for corporate action


Source: Multicultural Consumer Survey Q2 2022, The Conference Board
Taking a stance helps overall, but not with some groups

US consumers’ reaction to a brand’s stance on a social/political issue

- Liked position and bought brand more/recommended it to others
- Disagreed with position and boycotted brand

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<tr>
<th>Age</th>
<th>Liked (%)</th>
<th>Disagreed (%)</th>
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<tr>
<td>Total</td>
<td>43%</td>
<td>42%</td>
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<td>28%</td>
<td>37%</td>
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Source: Multicultural Consumer Survey Q2 2022, The Conference Board, 2022

Companies Generally Don’t Know If Taking a Stand Was Beneficial or Harmful

To what extent has your company faced negative consequences from taking a stand on social issues?

- Not sure or not applicable: 58.62%
- As much as expected: 20.89%
- Less than expected: 17.24%
- More than expected: 3.45%

To what extent has your company benefited from taking a stand on social issues?

- Not sure or not applicable: 53.17%
- As much as expected: 24.14%
- More than expected: 17.24%
- Less than expected: 3.45%

Insights for Our Members for Deciding Whether and How to Respond

**Whether?**

- **Consistent Criteria**
  - Alignment with company’s core values
  - Connection between issue and business
  - Internal and external expectations
  - Significance of issue to society
  - Incremental impact company can have
  - Connection with existing CSR/Sustainability program

- **Clear process**
  - Have core group (e.g., communications, HR, legal)
  - Consult more broadly as appropriate (business units, regional/international, ERGs)
  - CEO tends to make final decision
  - Avoid surprises with board

**How?**

- **Levels**
  - Public leadership
  - Public engagement/education
  - Engage through employees
  - Engage through third parties

- **Considerations**
  - Prior track record
  - Resources
  - Ability to follow through
## Lessons Learned on What to Do When Responding . . . Or Not

### When Responding
- **Empathy:** what may be “new” to you is a way of life to others
- **Inclusion:** Ground company’s position in company’s values, not partisan or “charged” language
- **Tailoring:** Consult with regional/international leadership on how to present
- **Follow through:** Decide how to follow through *before* taking a stand
- **Assess impact:** Through surveys, data-based analyses, etc.
  - ✅ Gauge *reaction of stakeholders*
  - ✅ Measure *impact on issue*

### When Not Responding

**Engage**
- ✅ Listen
- ✅ Explain
- ✅ Adjust

Emphasize other ways to address issue