



# A Test of Corporate Purpose

## Multi Stakeholder Attitudinal Survey

Summer 2020



# Introduction

Thank you for joining this 10-minute consultation about corporate response to the COVID-19 crisis and inequality around the world.

This study is part of a larger research program – **A Test of Corporate Purpose** - to look at how purpose-driven companies respond in a time of severe global crisis and if they “walk the talk” in delivering value for stakeholders across society.

Your input in this consultation will help to:

- Identify best practices for large publicly traded corporations in managing the fallout from the pandemic, inequality, and social unrest
- Develop a benchmark tool to measure and drive corporate action on systemic crises
- Analyze the impact of corporate action on systemic issues, particularly those exacerbated by the pandemic
- Highlight companies that are performing best on employee, community, environmental, and consumer interests

**Your voice and input into this process at the pivotal moment is critically important.** We are very grateful for your time, consideration and engagement and look forward to sharing the collective findings later this year.

For more information on the Test of Corporate Purpose (TCP), visit [thecorporatepurpose.com](https://thecorporatepurpose.com).

## Survey questions

1. How would you rate each of the following types of organizations in terms of their contribution to addressing the **COVID-19** crisis?

*Please use a scale from 1 to 5, where 1 is "Very poor" and 5 is "Excellent"*

- a) Large companies
- b) Non-governmental organizations, such as environmental and social advocacy groups
- c) Independent research and academic organizations
- d) Charitable foundations
- e) National governments
- f) Institutional investors

2. How would you rate each of the following types of organizations in terms of their contribution to addressing the **inequality** crisis?

*Please use a scale from 1 to 5, where 1 is "Very poor" and 5 is "Excellent"*

- a) Large companies
- b) Non-governmental organizations, such as environmental and social advocacy groups
- c) Independent research and academic organizations
- d) Charitable foundations
- e) National governments
- f) Institutional investors

3. Please rank the below systemic issues, in terms of how much priority you think large companies should be placing on each today.

*Number 1 issue is the Top Priority, and the Number 3 issue is the third priority.*

- a) COVID-19
- b) Climate change
- c) Inequality
- d) Other (Optional)

4. Which corporate sectors do you think have performed best in terms of being responsive to stakeholder needs throughout these challenging times?

*Please choose up to 3 sectors.*

- a) Consumer Goods
- b) Extractives & Minerals Processing
- c) Financials
- d) Food & Beverage
- e) Healthcare

- f) Infrastructure
- g) Renewable Resources & Alternative Energy
- h) Resource Transformation
- i) Services
- j) Technology & Communications
- k) Transportation
- l) Other (please specify): \_\_\_\_\_

5. One important outcome from this research will be an assessment tool to measure corporate action throughout the COVID-19 and inequality crises. As you've been thinking about corporate response to these crises, there are a wide range of factors to consider and we are interested in what **you** think is most important to include in this assessment.

Below is a list of activities that might influence how you rate companies in responding to COVID-19 and inequality crises.

While all are important activities, some are relatively less likely to affect your opinion than others .

For each item, please rate how important it is to your rating of corporate performance in addressing current societal challenges. Please use a scale of 1 to 5, where 1 means "Less important" and 5 means "Essential."

| Survey Q No. | S.no | Dimension- Indicator/KPI   | Rating (1-5) |
|--------------|------|--|--------------|
| Q5_1         | 1    | Industry's capacity to incorporate environmental, social and political transitions       |              |
|              | 2    | Management of environmental, social and governance (ESG) risks in company's supply chain |              |
|              | 3    | Composition and breakdown of the compensation of leadership team                         |              |
|              | 4    | Company's investment in local community initiatives and/or projects.                     |              |
|              | 5    | Philanthropic activities of the company  |              |
|              | 6    | COVID-19 and its impact on the broader economy.  |              |
|              | 7    | COVID-19 and its impact on employees   |              |
|              | 8    | COVID-19 and its impact on R&D and unusual crisis-specific services or products          |              |
|              | 9    | COVID-19 and its impact on quality of living   |              |
|              | 10   | COVID-19 and its impact on supply chain  |              |
|              | 11   | Company's decision of furlough schemes during the Covid-19                               |              |
|              | 12   | Company's effort for creating new jobs during the Covid-19                               |              |
|              | 13   | Company's decision of job cuts or layoffs during the Covid-19.                           |              |
|              | 14   | Company's policy related to providing paid sick leave                                    |              |
|              | 15   | Company's policy to deduct wages/ employee pay during Covid-19                           |              |

|      |    |  |  |
|------|----|--|--|
|      | 16 | Company's impact on ecosystem and biodiversity   |  |
|      | 17 | Direct greenhouse gas (GHG) emissions that a company generates   |  |
|      | 18 | Company's ability to support building of a diverse and inclusive workforce                                 |  |
| Q5.2 | 19 | Company's ability to create and maintain safe and healthy working environments                             |  |
|      | 20 | Inequality - Covering Employee Engagement, Diversity & Inclusion / Labor Practices, Worker health & safety |  |
|      | 21 | Company's ability to uphold commonly accepted labor standards  |  |
|      | 22 | Quality of employer-sponsored health insurance not provided by the government                              |  |
|      | 23 | Engagement of company in tax avoidance schemes   |  |
|      | 24 | Company's approach to managing risks and opportunities related to ethical conduct of business              |  |
|      | 25 | Company's use of management systems to address critical incidents and risks                                |  |
|      | 26 | Alignment of company's lobbying and political spending activities to its purpose                           |  |
|      | 27 | Company's level of reliance upon regulatory policies and ability to comply with regulations                |  |
|      | 28 | Assessment of company's resilience in the face of COVID-like upheavals                                     |  |
|      | 29 | Company's reliance on subsidies, tax incentives, or other government support                               |  |
|      | 30 | Social issues associated with existence of monopolies  |  |
|      | 31 | Company's ability to ensure broad access to its products and services                                      |  |
|      | 32 | Management of risks related to the use of personally identifiable information                              |  |
|      | 33 | Company's ability to address customer welfare concerns   |  |
|      | 34 | Management of risks related to collection, retention and use of customer or user data                      |  |
|      | 35 | Management of the relationship between businesses and communities in which they operate                    |  |
|      | 36 | Issues involving product /services that may create health or safety risks                                  |  |

6. We'd also like to know if you feel companies are delivering on their business purpose and commitments during the COVID-19 and inequality crises.

How much, if any, consistency do you see between what companies proclaim (via their purpose, policies, communications and commitments) and their actual actions in terms of meeting the needs of all their stakeholders (i.e., employees, communities, suppliers, customers, investors, etc.)?

*Please use the Scale below:*

- a) No consistency at all
- b) Not very consistent

- c) Some consistency
- d) Fairly consistent
- e) A great deal of consistency

7. In a year from now, how do you think societal expectations for purposeful corporate leadership will differ from today?

- a) Significantly lower
- b) A little lower than they are today
- c) Unchanged
- d) A little higher than they are today
- e) Significantly higher than they are today

8. In building the post-COVID-19 economic recovery, do you think the priority should be on:

- a) Getting our economy back to normal as soon as possible
- b) Restructuring our economy so it deals better with other challenges like inequality and climate change as well

9. For each of the following statements, please indicate if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree.

- 01 Strongly agree
- 02 Somewhat agree
- 03 Somewhat disagree
- 04 Strongly disagree

- a. Companies with a strong corporate purpose have responded better to the *COVID-19 crisis* than companies without a strong purpose.
- b. Companies with a strong corporate purpose have responded better to the *inequality crisis* than companies without a strong purpose.
- c. Companies communicate honestly and truthfully about their social and environmental performance.
- d. The free market system and free market economy is the best system on which to base the future of the world.

10. Which of the following statements is closest to your opinion?

*Please choose one.*

- a) The purpose of business is to make a profit and deliver returns to shareholders
- b) The purpose of business is to create value for all stakeholders

11. This year is the 50<sup>th</sup> anniversary of a statement by Milton Friedman that “there is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits.”

How much, if at all, do you agree or disagree with this statement?

- 01 Strongly agree
- 02 Somewhat agree
- 03 Somewhat disagree
- 04 Strongly disagree

12. How would you best describe the purpose of business today?

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**Thank you for your response and feedback so far. We are nearly finished, there are a few questions for classification purposes left.**

### **Profile Questions**

1dd. Which one of the following best describes the sector in which you work?

*Please select one.*

- a) Academia
- b) Civil society organization
- c) Consultants
- d) Community-based organisations
- e) Consumer associations
- f) Corporate
- g) Finance / Financial services
- h) Foundation
- i) Government
- j) Industry associations
- k) Labour
- l) Media
- m) MLO / BLO
- n) NGO / NPO
- o) Political (excluding govt)
- p) Religious bodies
- q) Think Tanks
- r) Other (please specify): \_\_\_\_\_

**If 1dd= "business / company / private sector" above:**

2dd\_corp. In which sector do you operate?

*Please select one.*

- a) Consumer Goods
- b) Extractives & Minerals Processing
- c) Financials

- d) Food & Beverage
- e) Healthcare
- f) Infrastructure
- g) Renewable Resources & Alternative Energy
- h) Resource Transformation
- i) Services
- j) Technology & Communications
- k) Transportation
- l) Other (please specify \_\_\_\_\_)

If 1dd= "financial services" above, OR if 2dd\_corp=Financials:

2dd\_fin. Which of the following best describes the type of institution where you work?

- a) Investment firm
- b) Pension fund
- c) Banking institution
- d) Other (please specify): \_\_\_\_\_

3dd. Where are you mainly based?

*[dropdown list]*

4dd. How would you describe your role in your organizations?

- a) Leadership (CEO / Executive Director / Chair / Board Member)
- b) Management
- c) Middle management
- d) Entry level
- e) Other (please specify) \_\_\_\_\_

5dd. How would you describe yourself??

- a) Male
- b) Female
- c) In another way
- d) Prefer not to say

We are very grateful for your time, consideration and engagement. Please select the submit button to complete the survey.

----- *End of Survey* -----

Full Indicator List with Definitions – for reference only. Definitions not shown in survey.

| S.no | Dimension- Indicator/KPI   | Description   | Rating (1-5) |
|------|--|---|--------------|
| 1    | Industry's capacity to incorporate environmental, social and political transitions       | Industry's capacity to successfully manage risks and opportunities associated with incorporating environmental, social and political transitions into long-term business model planning. This includes responsiveness to transition to the low-carbon and climate-constrained economy, and as well as growth and creation of new markets among unserved and underserved socio-economic populations. |              |
| 2    | Management of environmental, social and governance (ESG) risks in company's supply chain | Management of environmental, social and governance (ESG) risks in company's supply chain. Issues include, but are not limited to, environmental factors, human rights, labor practices and management include conducting supply chain audits, screening, selection, monitoring and engagement with suppliers on their environmental and social impacts.   |              |
| 3    | Composition and breakdown of the compensation of leadership team                         | Composition and breakdown of the compensation of the leadership team.   |              |
| 4    | Company's investment in local community initiatives and/or projects.                     | Company's investment in local community initiatives and/or projects.  |              |
| 5    | Philanthropic activities of the company  | Philanthropic activities of the company linked to its business model, resources, and competencies.  |              |
| 6    | COVID-19 and its impact on the broader economy.  | COVID-19 and its impact on the broader economy.   |              |
| 7    | COVID-19 and its impact on employees   | COVID-19 and its impact on employees, layoffs, working from home, paid sick leave, unemployment, and related topics.  |              |
| 8    | COVID-19 and its impact on R&D and unusual crisis-specific services or products          | COVID-19 and its impact on R&D or efforts to create vaccines or to shift manufacturing to produce test kits, ventilators, sanitizer, or any other unusual, crisis-specific goods, services, or products   |              |
| 9    | COVID-19 and its impact on quality of living   | COVID-19 and its impact on quality of living, access to education, social distancing, mental health, depression, access to healthy food, and related topics.  |              |
| 10   | COVID-19 and its impact on supply chain  | COVID-19 its impact on supply of goods, production halts, manufacturing stoppages, and other related issues   |              |
| 11   | Company's decision of furlough schemes during the Covid-19                               | Company's decision/ announcement of furlough schemes for its employees during the Covid-19  |              |
| 12   | Company's effort for creating new jobs during the Covid-19                               | Company's effort for creating full and/or part-time new jobs during the Covid-19  |              |
| 13   | Company's decision of job cuts or layoffs during the Covid-19.                           | Company's decision/ announcement of job cuts or layoffs during the Covid-19.  |              |
| 14   | Company's policy related to providing paid sick leave                                    | Company's policy related to providing paid sick leave to its full and part-time employees   |              |
| 15   | Company's policy to deduct wages/ employee pay during Covid-19                           | Company's policy to deduct wages/ employee pay during Covid-19.   |              |
| 16   | Company's impact on ecosystem and biodiversity   | Company's impact on ecosystem and biodiversity through activities including, but not limited to, land use for explorations, natural resource extraction, as well project development, construction and siting. The impacts include (but are not limited to) - biodiversity loss, habitat destruction and deforestation  |              |
| 17   | Direct greenhouse gas (GHG) emissions that a company generates                           | Direct greenhouse gas (GHG) emissions that a company generates through its operations. Also includes environmental compliance, regulatory risks, reputational risks and opportunities, as related to direct GHG emission  |              |
| 18   | Company's ability to support building of a diverse and inclusive workforce               | Company's ability to ensure that its culture, hiring and promotion practices support the building of a diverse and inclusive workforce that reflects the makeup of the local talent pool and its customer base. It  |              |

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|    |  | also addresses issues of discrimination based on race, gender, religion, ethnicity, sexual orientation and others.  |  |
| 19 | Company's ability to create and maintain safe and healthy working environments                             | Company's ability to create and maintain safe and healthy working environments that are free of fatalities and illness. It also covers how companies ensure physical and mental health through technology, training, corporate culture, etc.  |  |
| 20 | Inequality - Covering Employee Engagement, Diversity & Inclusion / Labor Practices, Worker health & safety | Measured by signals on Employee Engagement, Diversity & Inclusion / Labor Practices / Worker health & safety  |  |
| 21 | Company's ability to uphold commonly accepted labor standards  | Company's ability to uphold commonly accepted labor standards, including compliance with labor laws and internationally accepted norms and standards. It includes, but is not limited to, minimum wages, child labor, forced labor, overtime wages and other basic worker's right.  |  |
| 22 | Quality of employer-sponsored health insurance not provided by the government                              | Evaluates quality of employer-sponsored health insurance in countries where such is not provided by the government  |  |
| 23 | Engagement of company in tax avoidance schemes   | Does the company engage in tax avoidance schemes?   |  |
| 24 | Company's approach to managing risks and opportunities related to ethical conduct of business              | Company's approach to managing risks and opportunities related to ethical conduct of business, including, corruption, bribery, facilitation payments, fraud, fiduciary responsibilities and other behavior that may have ethical component.   |  |
| 25 | Company's use of management systems to address critical incidents and risks                                | Company's use of management systems to identify, understand and prevent or minimize the occurrence of low-probability, high-impact accidents and emergencies with significant potential environmental and social externalities. It relates to culture of safety at a company - relevant safety management systems and technological controls  |  |
| 26 | Alignment of company's lobbying and political spending activities to its purpose                           | To what extent do the company's lobbying and political spending activities align with its public statements about its corporate purpose?  |  |
| 27 | Company's level of reliance upon regulatory policies and ability to comply with regulations                | Company's level of reliance upon regulatory policies or policy incentives (subsidies or taxes), actions to influence policy (through lobbying), overall reliance on a favorable regulatory environment for business competitiveness and ability to comply with relevant regulations   |  |
| 28 | Assessment of company's resilience in the face of COVID-like upheavals                                     | Assessment of company's resilience in the face of COVID-like upheavals  |  |
| 29 | Company's reliance on subsidies, tax incentives, or other government support                               | Company's reliance on subsidies, tax incentives, or other government support, including less reliance than competitors or strategy/processes to reduce such reliance  |  |
| 30 | Social issues associated with existence of monopolies  | Social issues associated with existence of monopolies, which may include but are not limited to, excessive prices, poor quality of service and inefficiencies. It addresses company's management of legal and social expectation around monopolistic and anti-competitive practices, including issues related to bargaining power, collusion, price fixing or manipulation, and protection of patents and intellectual property (IP). |  |
| 31 | Company's ability to ensure broad access to its products and services                                      | Company's ability to ensure broad access to its products and services, especially in the context of underserved markets and/or population groups. It includes management of issues related to accessibility and affordability of healthcare, financial services, utilities, education and telecommunication.  |  |
| 32 | Management of risks related to the use of personally identifiable information                              | Management of risks related to the use of personally identifiable information (PII) or other user/customer data for secondary purposes but not limited to marketing to affiliates and non-affiliates.   |  |
| 33 | Company's ability to address customer welfare concerns   | Customer welfare concerns over issues of (but not limited to) health and nutrition of food and beverages, antibiotic use in animal production, management of controlled substances, as well as companies ability to prevent counterfeit products.   |  |
| 34 | Management of risks related to collection, retention and use of customer or user data                      | Management of risks related to collection, retention and use of sensitive, confidential and/or proprietary customer or user data.   |  |

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|----|---|---|--|
| 35 | Management of the relationship between businesses and communities in which they operate | Management of the relationship between businesses and communities in which they operate. It covers (but is not limited to) management of direct and indirect impacts on core human rights, treatment of indigenous people, socio-economic community impacts, environmental justice, impact on local businesses, license to operate. |  |
| 36 | Issues involving product /services that may create health or safety risks               | Issues involving unintended characteristics of product /services that may create health or safety risks for end users. It includes, (but is not limited to) issues involving liability, management of recalls and market withdrawals, product testing and chemical/content/ingredient management in products.                       |  |