

CEO ACTIVISM IN 2018: **THE PURPOSEFUL CEO**



INTRODUCTION

Increasingly, CEOs are speaking out publicly and taking stands on controversial issues. CEOs now have a track record of speaking up about social, political and environmental issues, such as climate change, gender pay equity, same-sex marriage, immigration, gun control and discrimination.

CEO Activism in 2018: The Purposeful CEO is the third annual nationwide poll conducted by Weber Shandwick in partnership with KRC Research about CEO activism, an evolving dynamic in which some chief executive officers have spoken out publicly on controversial issues, and some going so far as to wade into political waters. We surveyed Americans to provide companies with insights into how the public expects business leaders to respond to hot-button issues of the day and how it impacts their purchasing behavior.



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Over the past 12 months, it has become more common for leaders of companies to speak out on policy issues, and the American public is paying attention to this new brand of CEO activism. Americans are beginning to believe that such actions can influence government policy. While most CEOs are not accustomed to participating in the political arena, they and their companies need to be prepared to navigate these uncharted waters, whether they remain silent or not.

Andy Polansky, CEO
Weber Shandwick



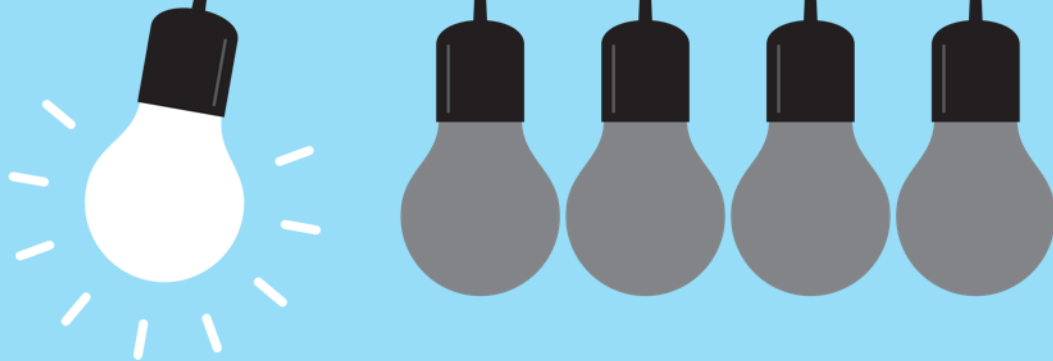


WHAT WE DID

Weber Shandwick partnered with KRC Research in May 2018 to conduct an online survey of 1,006 U.S. adults 18 years of age and older, representing the general population of America. It is the third annual wave of our CEO Activism research.

The survey describes CEO activism to respondents as follows: “In the past year or so, some chief executive officers (CEOs, or top leaders of companies) have spoken out publicly and taken a stand on controversial issues. For example, CEOs have spoken up about social, political and environmental issues such as climate change, gender pay equity, same-sex marriage, immigration, gun control and discrimination.”

WHAT WE LEARNED



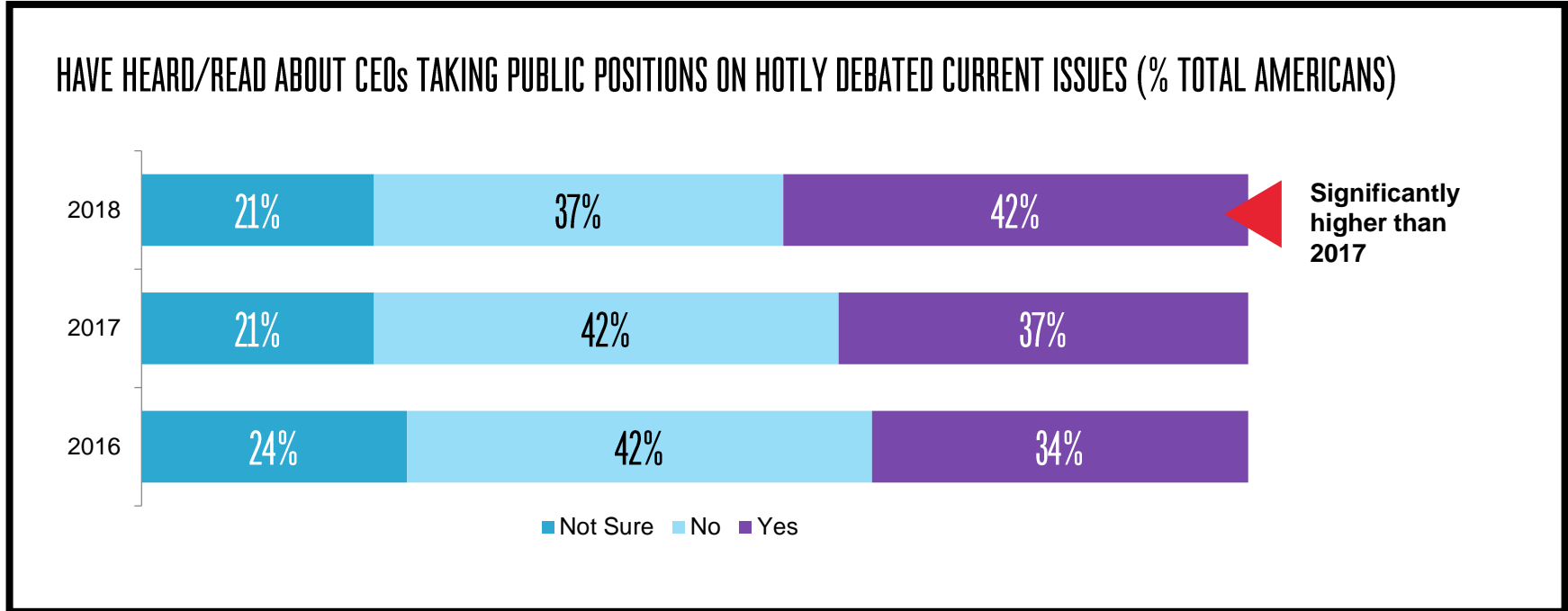
**MORE AMERICANS ARE AWARE
OF CEO ACTIVISM, VIEW IT
FAVORABLY AND SEE ITS
POTENTIAL TO INFLUENCE
PUBLIC POLICY.**

**AMERICANS EXPECT CEO
ACTIVISM TO CONTINUE TO RISE.**



AWARENESS OF CEO ACTIVISM IS UP SIGNIFICANTLY IN 2018

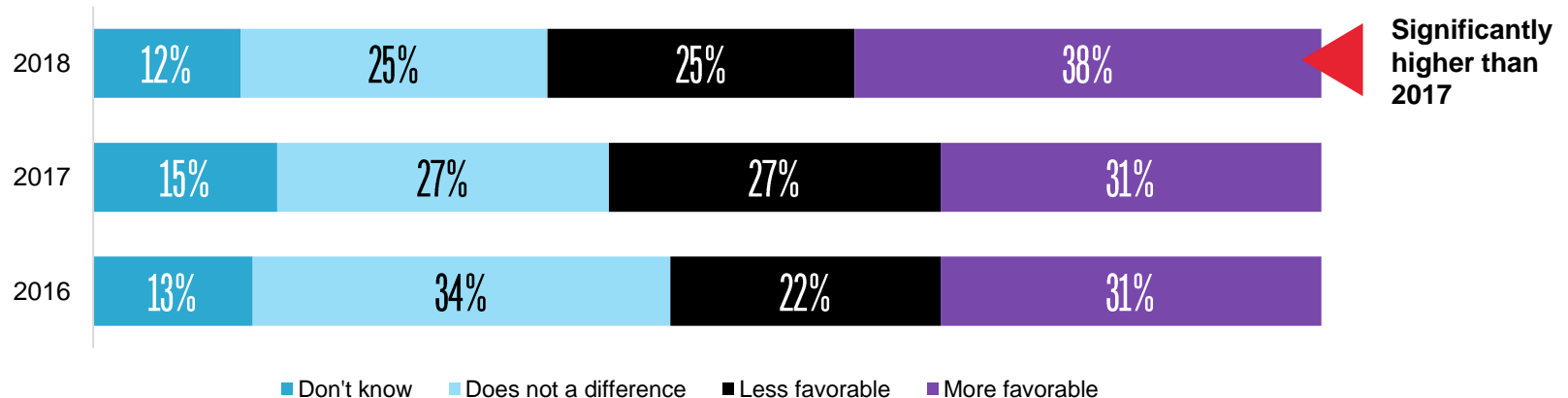
42% of Americans are aware of CEO activism, a significantly higher level of awareness than past years.



FAVORABILITY OF CEO ACTIVISM ROSE SIGNIFICANTLY IN 2018

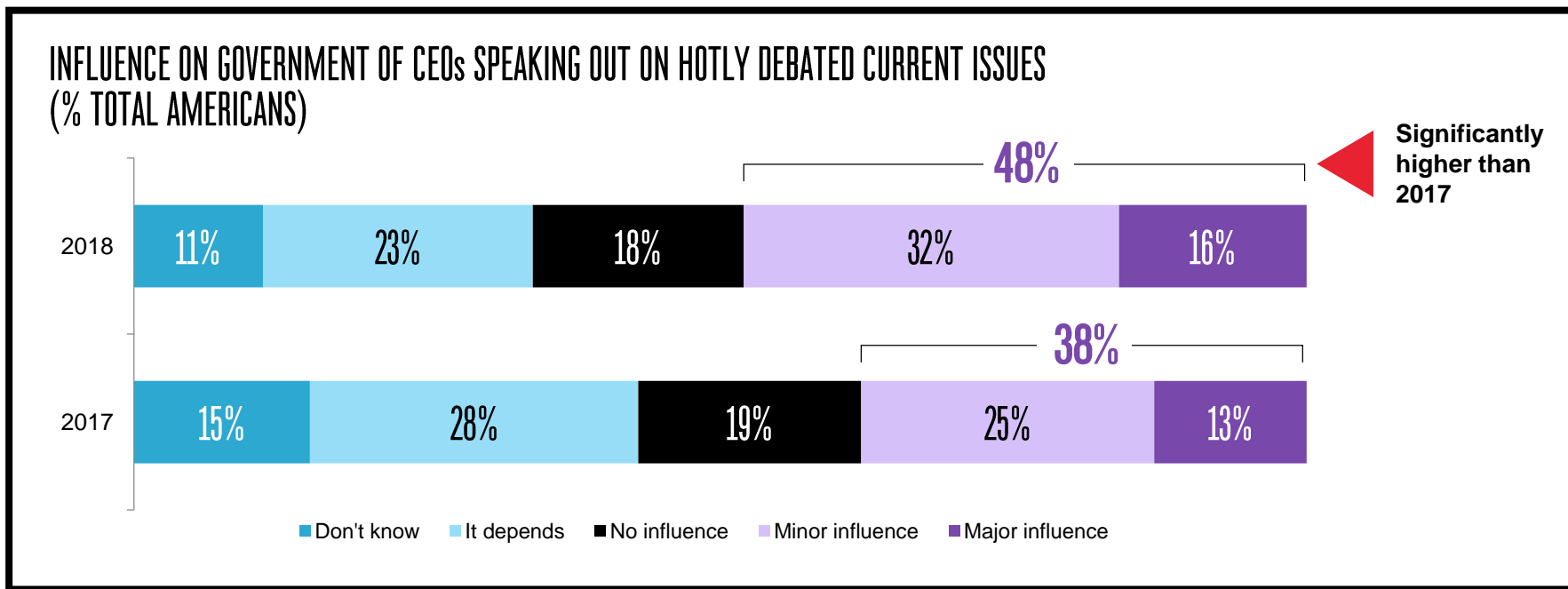
38% of Americans have a favorable opinion on CEO activism, a rate which is significantly higher than in 2017 (31%). While fewer (25%) say they have a less favorable opinion, the largest proportion (37%) don't take a firm position, saying either it doesn't matter to them (25%) or they don't know (12%).

FAVORABILITY OF CEOs TAKING PUBLIC POSITION ON HOTLY DEBATED CURRENT ISSUES IN GENERAL
(% TOTAL AMERICANS)



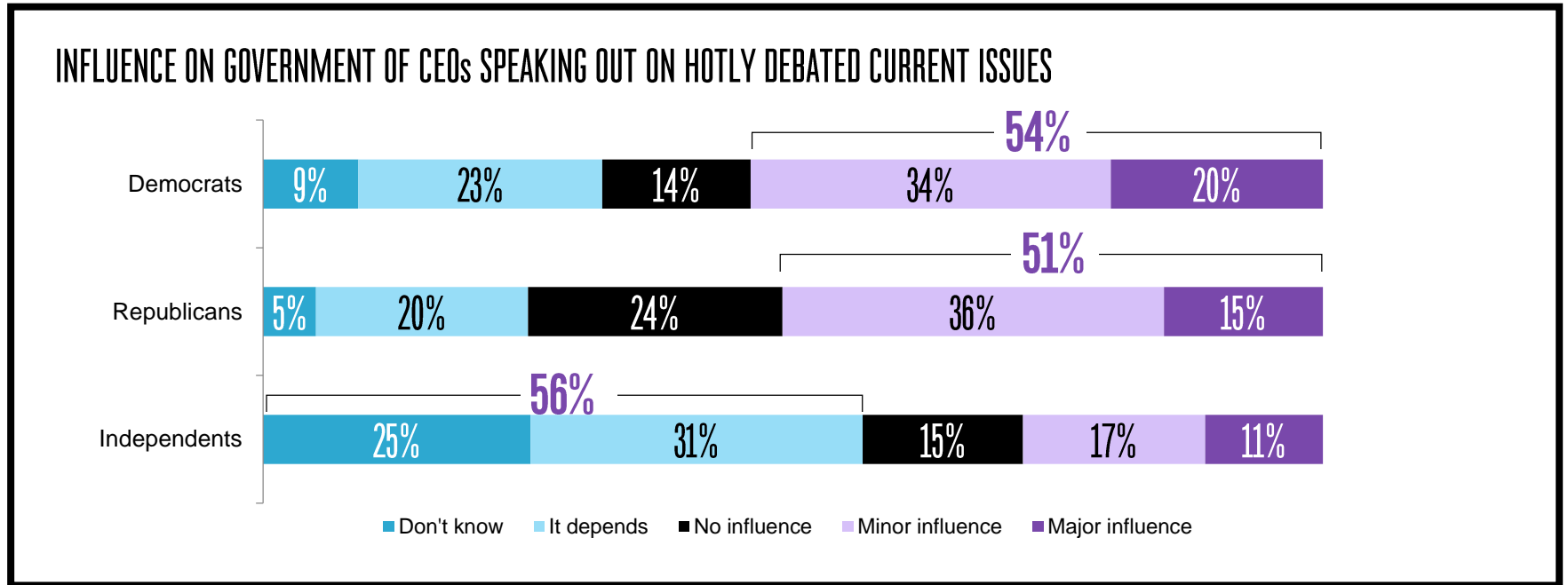
PERCEPTIONS THAT CEO ACTIVISM INFLUENCES GOVERNMENT POLICY ROSE SIGNIFICANTLY

Approximately half of Americans (48%) think CEO activism has an influence on the government, considerably larger than one year ago (38%). Only 18% say it has no influence.



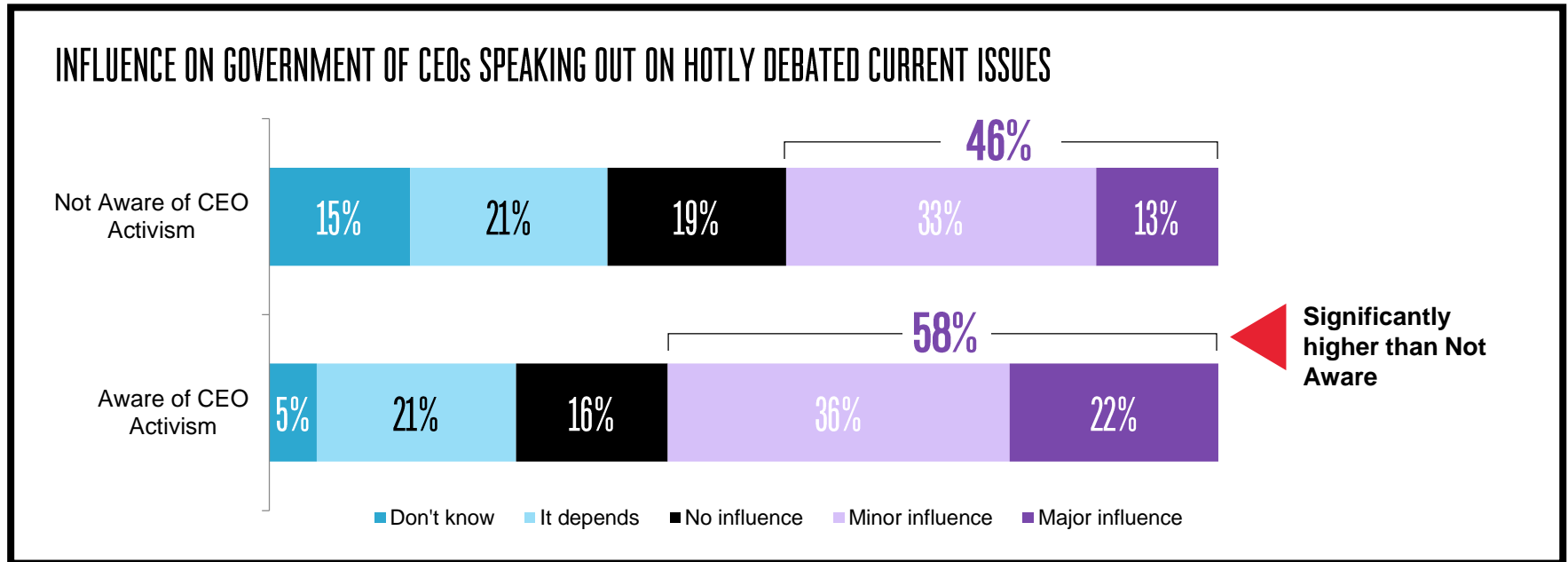
DEMOCRATS AND REPUBLICANS AGREE ON THE IMPACT OF CEO ACTIVISM ON GOVERNMENT

Democrats and Republicans similarly see CEO activism as legislatively influential (54% and 51%, respectively) while approximately the same proportion of Independents (56%) say either that it depends or they don't know.



AMERICANS WHO ARE “IN THE KNOW” ARE MORE CONVINCED OF THE IMPACT OF CEO ACTIVISM ON GOVERNMENT POLICY

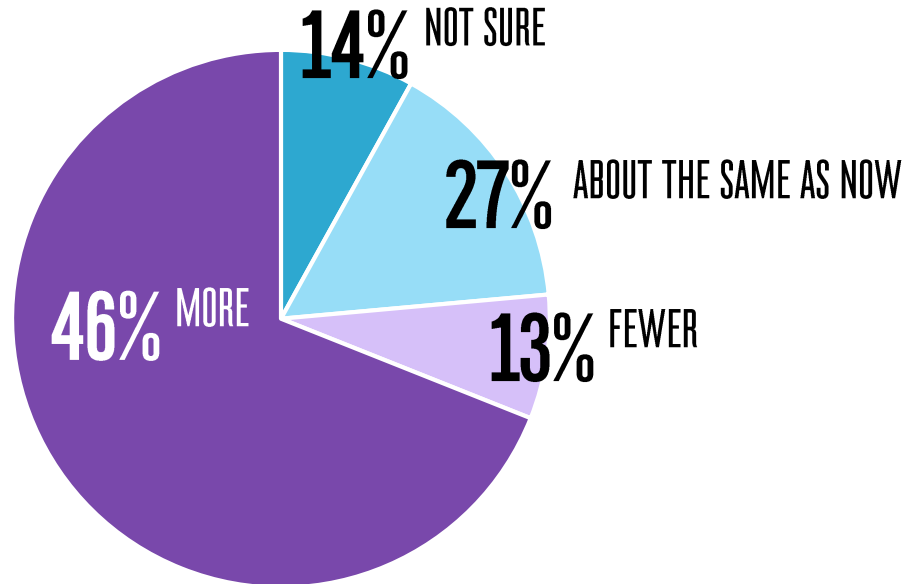
Those who are aware of CEOs speaking up are significantly more likely than those not aware to believe that CEO activism influences the decisions and actions of the government (58% vs 46%, respectively).



AMERICANS EXPECT CEO ACTIVISM TO GROW

46% of consumers think there will be an increase in the number of CEO activists in the next few years, compared to just 13% who expect there will be fewer.

CHANGE IN NUMBER OF CEOs SPEAKING
OUT ON HOTLY DEBATED CURRENT ISSUES
IN THE NEXT FEW YEARS
(% TOTAL AMERICANS)





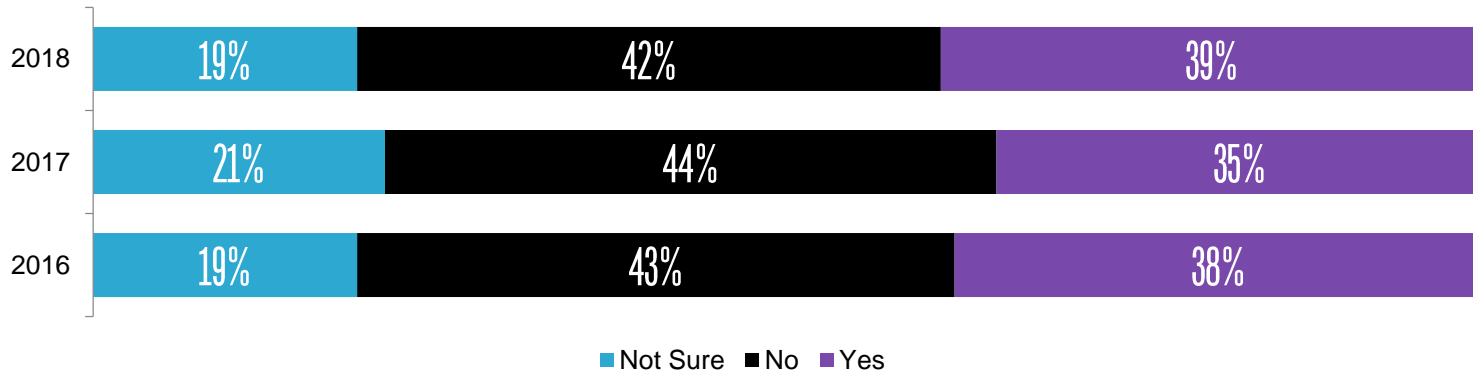
**HOWEVER,
DIVISION OVER
CEO ACTIVISM
EXISTS**



AMERICANS ARE DIVIDED ON ACTIVISM AS A CEO RESPONSIBILITY

39% of Americans believe that CEOs have a responsibility to speak up on important social issues of the day. Roughly the same percentage – 42% – disagree.

CEOs HAVE RESPONSIBILITY TO SPEAK UP ABOUT ISSUES THAT ARE IMPORTANT TO SOCIETY
(% TOTAL AMERICANS)

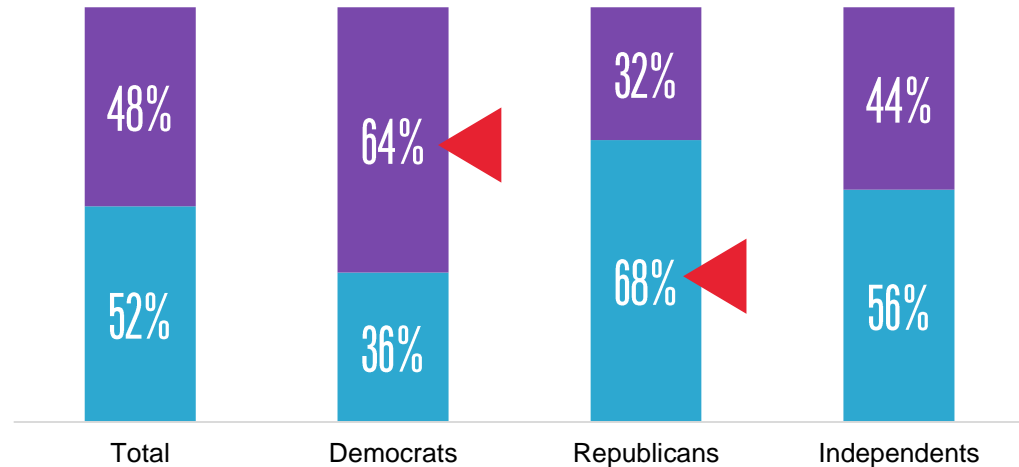


SHOULD COMPANIES TAKE POSITIONS OR STICK TO BUSINESS? AMERICANS ARE NEARLY EVENLY DIVIDED

Democrats are significantly more likely than Republicans and Independents to say companies should take positions. Republicans are significantly more likely to say they should stick to business.

COMPANIES SHOULD... (% TOTAL AMERICANS)

- Take positions on social issues that they consider important to their workforce and to society, even if they are not directly related to their business
- Stick to conducting their business and not take positions on social issues
- Significantly higher than comparative sub-groups



AMERICANS IDENTIFY RISK OF CEOs SPEAKING OUT VS. STAYING SILENT – RISK OF SPEAKING OUT IS GREATER THAN SILENCE BUT DOUBLE EDGED SWORD

RISKS OF CEOs SPEAKING OUT ON HOTLY DEBATED CURRENT ISSUES

TOTAL AMERICANS

Any Risk	89%
Criticism from customers	60%
Criticism in social media	59%
Company could be hurt financially	57%
Criticism from employees	51%
Boycotts	51%
Criticism from traditional media	50%
Employees quitting	39%
Potential job candidates not applying	38%
Criticism from the government	27%
Instigation of a march or rally	24%
There are no risks	1%
Don't know	10%

RISKS OF CEOs **NOT** SPEAKING OUT ON HOTLY DEBATED CURRENT ISSUES

TOTAL AMERICANS

Any Risk	61%
Criticism in social media	35%
Criticism from customers	30%
Criticism from employees	29%
Criticism from traditional media	28%
Company could be hurt financially	22%
Boycotts	20%
Employees quitting	17%
Potential job candidates not applying	16%
Criticism from the government	12%
Instigation of a march or rally	12%
There are no risks	22%
Don't know	17%

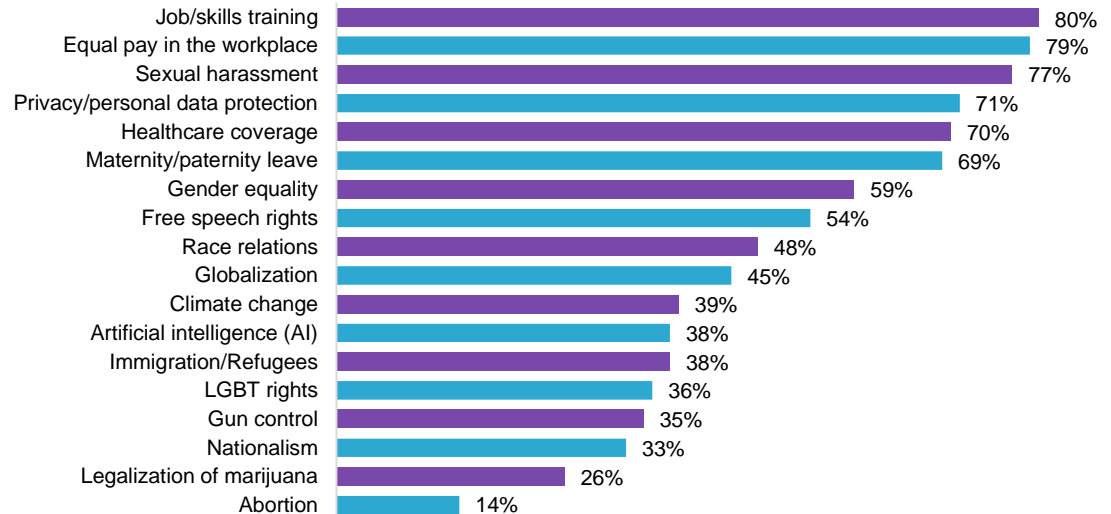
WHAT SHOULD CEOs SPEAK OUT ON? THE WORKPLACE + CORPORATE VALUES



ISSUES AMERICANS FAVOR CEOs SPEAKING OUT ON ARE JOB/SKILLS TRAINING, EQUAL PAY AND SEXUAL HARASSMENT

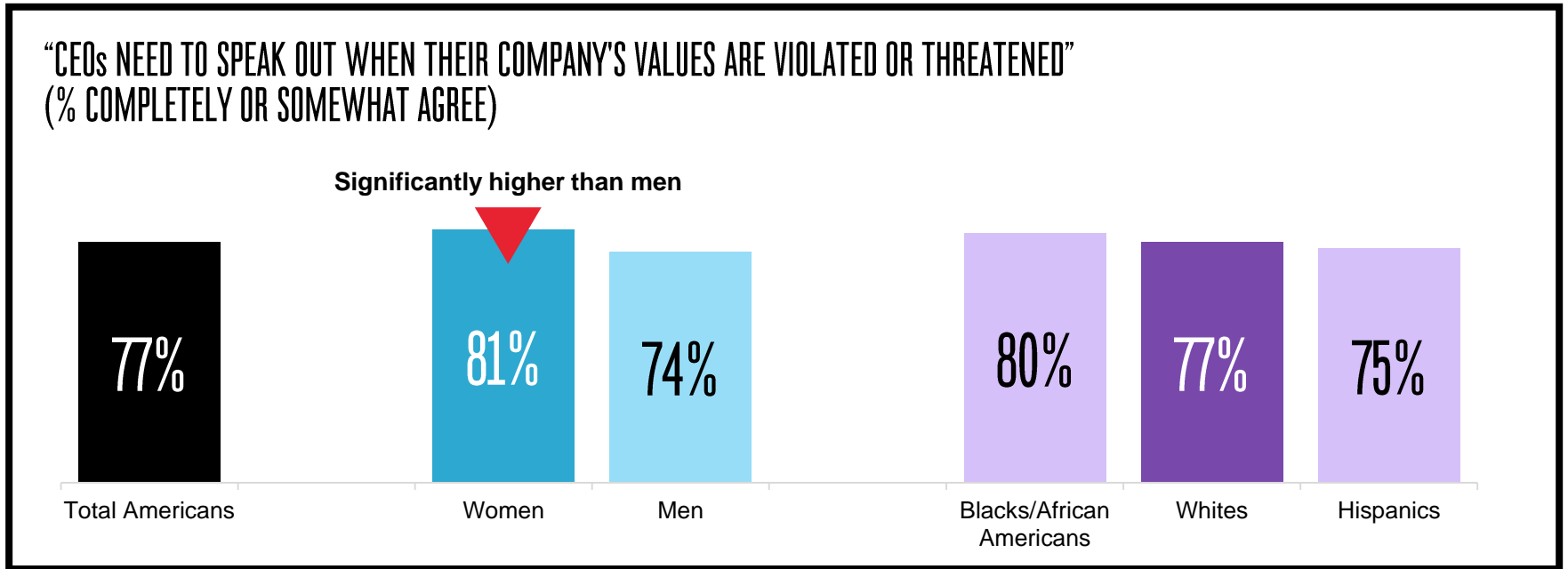
The issues Americans are least likely to think CEOs should express an opinion on are the legalization of marijuana and abortion.

ISSUES CEOs/BUSINESS LEADERS SHOULD EXPRESS AN OPINION ON (% TOTAL AMERICANS)



77% OF AMERICANS AGREE CEOs NEED TO SPEAK OUT IN DEFENSE OF THEIR COMPANY'S VALUES

Women are significantly more likely than men to believe that CEOs need to defend company values.



CEO ACTIVISM PAYS!



NEARLY TWO-THIRDS OF AMERICANS AWARE OF CEO ACTIVISM HAVE TAKEN ACTION BECAUSE OF A CEO'S STANCE

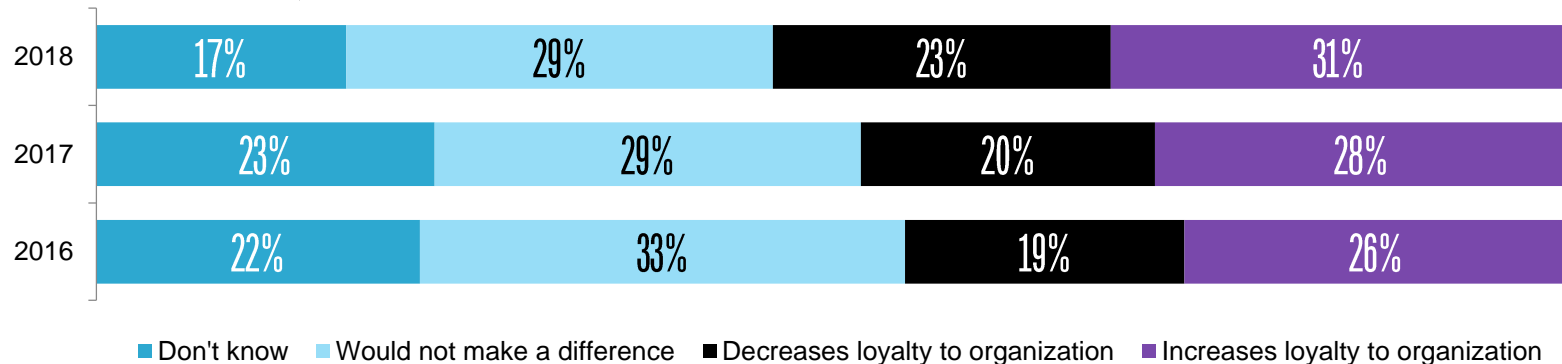
42% of consumers aware of CEO activism have taken action through purchasing behavior, usually boycotting (35%).

ACTIONS TAKEN BECAUSE OF A CEO'S STANCE (AMONG THOSE AWARE OF CEO ACTIVISM)	2017	2018
Any action (net)	66%	64%
Changed purchasing behavior (net)	37%	42%
Decided not to buy from or boycotted the company	28%	35%
Decided to buy more from the company	18%	18%
Talked about the CEO's stance with your friends and family	25%	24%
Talked about the CEO's stance with your co-workers	13%	15%
Posted positively about the CEO or company on social media	9%	14%
Posted negatively about the CEO or company on social media	12%	14%
Signed a petition addressed to the CEO or company	13%	12%
Contacted the company to share your opinion	9%	8%
Made a decision to buy that company's stock	8%	7%
Looked into selling that company's stock	n/a	5%
Joined a march or rally against the CEO or company	n/a	5%
None of the above	34%	36%

CEO ACTIVISM IS MORE LIKELY TO BENEFIT EMPLOYEE LOYALTY THAN TO ERODE IT

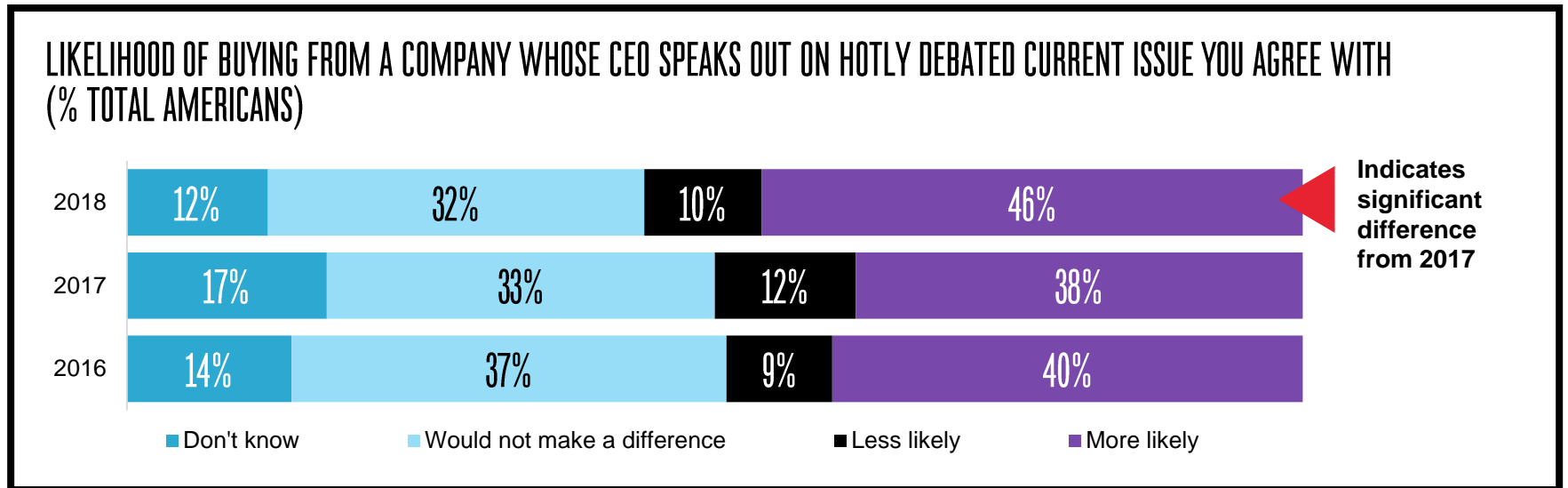
31% of employed Americans say they would be more loyal to their organization if their CEO took a public position on a hotly debated issue and nearly the same percentage (29%) say it would not matter to them. Fewer (23%) would be less loyal.

LOYALTY TOWARD OWN ORGANIZATION IF CEO TOOK PUBLIC POSITION ON HOTLY DEBATED CURRENT ISSUE
(% EMPLOYED AMERICANS)



CONSUMER LIKELIHOOD OF BUYING FROM A COMPANY WHOSE CEO ACTIVIST STANCE THEY AGREE WITH ROSE SIGNIFICANTLY SINCE A YEAR AGO

46% of Americans are more likely to buy from a company when the CEO speaks out a hotly debated issue they agree with, a rate that is significantly higher than in 2017 (38%).



CEO ACTIVISM GUIDELINES



GUIDING PRINCIPLES FOR CEO ACTIVISTS

AMERICANS SEE CEO ACTIVISTS AS PURPOSE-DRIVEN – AFFECTING GOVERNMENT, DEFENDING WORKPLACE VALUES & BEING THE NEW PUBLIC SERVANTS.

ACCEPT THE EXPECTATION THAT CEOs HAVE A ROLE TO PLAY IN INFLUENCING GOVERNMENTAL POLICY.

MAKE YOUR COMPANY VALUES CRYSTAL CLEAR, BOTH INTERNALLY AND EXTERNALLY & BE PREPARED TO DEFEND THEM.

ENSURE YOUR OWN HOUSE IS IN ORDER BEFORE ACTIVATING.

EMPLOYEE LOYALTY IS BEING TESTED IN NEW WAYS. BE FIRMLY TAPPED INTO THE EMPLOYEE PULSE.

RECOGNIZE THAT SOME ISSUES ARE “SAFER” THAN OTHERS.



THANK YOU



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