
FROM PLEDGES TO PROGRESS

PROVING BRAND PURPOSE IN 2021



Introduction

Even before the global pandemic erupted in tandem with social justice protests, consumers were applying more pressure on brands to demonstrate their purpose and take a stance.

The “vote with your wallet” concept was easy for consumers to apply to their day-to-day purchases. The bestselling book written by Whole Foods CEO John Mackey, “**Conscious Capitalism**,” had landed him on Oprah’s podcast, further empowering a new generation of consumer activists. And Havas’ **Meaningful Brands** research had found that 77% of consumers prefer to buy from companies and brands that share their values.

Beyond influencing how people shopped, purpose had also begun to have bearing on where they worked. A study by **Deloitte** found that two out of three millennials—the generation predicted to comprise 75% of the global workforce by 2025—primarily choose to work at a company because of its purpose.

In 2020, the onus to drive change shifted away from consumers who were locked in the pressure cooker of a pandemic and onto

corporate leaders for whom 2020 was the year to show what they were made of and what their company stood for. As Mackey wrote last year in his follow-up book, “**Conscious Leadership**”: “When leaders become more conscious, the organizations they lead become more conscious, creating an ever-widening circle of purpose-driven cultures and communities.”

As this white paper explores, the purpose landscape has changed indelibly over the past year. In particular, there’s been a shift in the substance, style and tonality of brand communications, both internally and externally, around three key themes: employee well-being; diversity, equity and inclusion; and the climate. We don’t want to hear about pledges anymore; we want to see progress.

As a global micro-network specializing in Meaningful Merged Media (earned, social and experiential storytelling with purpose-driven content and data at the heart), we present on the following pages Red Havas’ view on where the future of communications is heading.

Reprioritizing What Matters at Work: Well-Being Before Everything Else

At Red Havas we define a meaningful brand by its impact on our personal and collective well-being, along with its functional benefits. Last year deeply underscored the “well-being” part of that explanation. With employee well-being at an **all-time low** even before the pandemic, more companies were considering how to create workplace environments with healthy, supportive cultures that put more emphasis on work-life balance.

We all know how that worked out. After more than 12 months of COVID-19, we now have employees on the front lines who are anxious about infectious disease; remote workers struggling with the lack of boundaries between work and home life; and people everywhere facing childcare challenges, financial stressors, distraction, loneliness, burnout and exhaustion. That’s to say nothing of the suffering caused by a reported **133 million** global cases of the virus.

Many employers know they missed the mark. More than **two-thirds** say their well-being and caregiving benefits did not adequately support their employees through the pandemic. As they survey the damage, **91%** are concerned about the disproportionate number of female employees who have left the workforce because of pandemic-related family crises.





Destigmatizing employees' mental health challenges

In our 2021 **Red Sky Predictions** report, Red Havas anticipated a scale-up of interest and investment in mental health across the board. This has been reflected by companies putting in the work to revolutionize their wellness strategies and programs: **In 2021**, U.S. employers are investing most in mental health (88%), telemedicine (87%), stress management/resilience (81%), mindfulness and meditation (69%), and COVID-19 risk intake/wellness passport (63%) programs. In turn, they're decreasing their investment in health fairs, free healthy food/stocked kitchens, on-site fitness classes, and gym membership reimbursement—signaling a shifting from focus on employees' physical health (primarily weight loss) to mental health.

In addition to highlighting the universality of mental health challenges, COVID-19 has forced companies to not just focus their attention on long-term employee well-being and burnout prevention, but to also perform triage when necessary—addressing their employees' more immediate challenges. Employers might not have been able to help their workers *thrive* in the wake of a devastating pandemic, but they could do plenty to help them survive.

What employers need to understand is that people are still living in crisis mode. The “new normal” isn't something we are waiting for; we are already living and breathing it. While on the surface it seems as though most companies handled the transition to remote working rather seamlessly, it's the underlying cumulative stress and anxiety that puts people's well-being at risk. Leaders must be empathetic and agile, focusing as much on company culture and employee well-being as they do on the bottom line.

“This is an opportunity for employers to make a positive difference—to prove that people come first,” said **Alex Will**, Calm's chief strategy officer. “So many organizations have recognized that mental health is a must-have for employees rather than a nice-to-have.”

“Everyone is just a lot more open about mental health in general. We've found that [workers are] having to do a lot less convincing to people about the importance of mental health in the workplace.”

—**Anna Naify**, Consulting Psychologist at California's Mental Health Services Oversight and Accountability Commission

“I know there are jobs to be done, but if you can have your employees mentally fit, then you’re going to have so much more productivity in the long run. You’re really looking after the entire person, not just their pay packet. ... If you’re working on their mental fitness, you’re being the best possible employer you can be. I want people to live it, walk it, volunteer, and work, work, work on it—action not words.”

—Gus Worland, founder of Gotcha4Life

Putting health and well-being measures into practice

One positive outcome from the pandemic would be for employers to, at long last, put worker **health and equity first**. Some of the **big players**—e.g., Amazon, UPS, IBM and many international airlines—pledged and followed through with their purpose-driven leadership, not only for employees but for their customers and the broader community. Some of these measures were in direct response to the pandemic and included introductions or adjustments to policies like paid sick leave, adjusted/flexible hours, remote working arrangements, financial assistance and community relief funds.

Starbucks was inspired by the National Council for Behavioral Health’s Mental Health First Aid program to roll out its own Starbucks Mental Health Fundamentals training for employees. It includes four 30-minute modules on effective listening, providing encouragement and reassurance, providing resources and information, and teaching the importance of self-care.

Other companies empowered colleagues to support one another through employee resource groups and virtual events like **3M Inspire**, through which nearly 1,300 3M employees from around the world tune in to engage in weekly 30-minute mindfulness sessions.



In the previous 12 months, companies like Cisco that are guided in part by **social justice principles** also acknowledged the impact of racial injustice on employees' mental health. Following the murders of Breonna Taylor, Ahmaud Aubrey and George Floyd, Cisco CEO Chuck Robbins called an all-company meeting, inviting employees into "a conversation that was raw and real and painful and ugly," **says Shari Slate**, Cisco's chief inclusion and collaboration officer. Robbins then postponed "Cisco Live," Cisco's largest company meeting with its employees, customers and suppliers, to make space for healing, understanding and reflection.

Leaders who want to be at the forefront need to consider the factors influencing employees' mental health. And they aren't as simple as work-life balance, return-to-office protocols or continued remote working—they include everything that comes with being a human in the workforce: childcare benefits, competitive wages, job security and, above all else, empathy.

Getting close to employees' challenges and putting conscious measures into practice to address them can be the difference between being part of the problem or part of the solution. It will also be important to measure and track employee well-being to grow support systems and initiatives into the future.

As our client ManpowerGroup **wrote** in its recent Social Impact report, "This year must be a catalyst for a new future of work that is more flexible, more diverse, and more well-being-oriented than we could ever have imagined."





Looking Away Is No Longer an Option: Doubling Down on Diversity, Equity and Inclusion

Many of us will never forget the year that was 2020 despite how much we may want to. An eventful 12 months—compounded by the pandemic, #BlackLivesMatter protests and global economies in double-digit decline—shone a floodlight on the strides yet to be made in diversity, equity and inclusion (DE&I). We also saw more clearly how companies treat employees, and we tracked a shift in the

employee mindset, with many now realizing the power of their voice at work. The employee experience has moved beyond the four walls of the office. With a greater number of workers representing and speaking to their personal beliefs publicly, they are now looking to their employers to also take action on societal issues and ensure consistency between a company's words and its actions.

Putting company money where its megaphone is

According to research by **Grant Thornton LLP**, more than half of CFO respondents are planning to increase investment in DE&I in 2021. Listening and acting is becoming the M.O. for many companies. Take Goldman Sachs as an example. It held forums for leaders to learn more about barriers and challenges people in the company face and created action plans. When the employer heard that managers wanted to learn about allyship, it created an **Active Ally Action Plan** that included a printable list of actionable steps.

Other examples of DE&I in action include **PayPal's** announcement of a \$500 million fund to support Black and minority businesses, as well as funds for strengthening the company's internal diversity and inclusion programs. It has largely delivered on its promises, as well as announcing additional programs and initiatives, including investing \$50 million in the Local Initiatives Support Corporation (LISC) Black Economic Development Fund and committing an additional \$5 million to a grant program for Black-owned businesses as the pandemic continues to impact communities.

Then there's Slack. Not only is it focused on hiring diverse talent, but it is also ensuring that once people join the company, they are treated with respect and given support. Slack seeks to embrace diversity and create conditions that provide everyone with an equal opportunity to thrive. One of its flagship DE&I programs that fosters company values is **Rising Tides**, a six-month sponsorship program for a talented and diverse group of high performers and emerging leaders who have historically lacked access to this support. Program participants receive career development training, executive coaching and one-on-one sponsorship with a Slack executive team member, with a focus on building a supportive community of peers.

Power to the employee (and customer)

Companies are increasingly giving power to their employees, establishing the workplace as a safe space for people to champion DE&I in their teams and social circles. On our **"Red Sky Fuel for Thought" podcast**, IBM's manager of Digital and Advocacy Communications, **Brandi Boatner**, spoke about how the company empowered employees who had a vision of using technology to be part of the solution in combating systemic racism.



As a result, IBM's **Call for Code program** emerged and is dedicated to breaking down some of the systems that have been in place and perpetuating oppression. The company also abandoned racial profiling and facial recognition technology for mass surveillance, violations of basic human rights and freedom.

Similarly, boards and executives are being held to account on their DE&I progress and investment. Companies like Verizon, Mastercard, Nike and Starbucks are even tying executive compensation to DE&I impact.

DE&I initiatives can no longer be considered nice-to-haves, and economic instability can't mean that organizations regress. Moreover, when discussing the benefits of DE&I in the workplace, leaders shouldn't talk about the positive impact it has on profit margins and marketable branding but rather how better business practices can drive social change, reaching beyond the workplace and into the human spirit.



Big Business Takes on Discriminatory Voting Law Legislation

By the end of March 2021, 361 election bills that would make it harder to vote had been introduced in 47 states, according to the nonpartisan **Brennan Center for Justice** at New York University. Who can be expected to take on these widespread threats to American democracy? Look no further than the CEOs of Amazon, Google, Netflix, Starbucks, GM and many other corporations. Led by Kenneth Chenault, former CEO of American Express, and Kenneth Frazier, CEO of Merck & Co., hundreds of CEOs stood in solidarity on April 14, 2021, when they published a **statement** in The New York Times that collectively called for greater voting access.

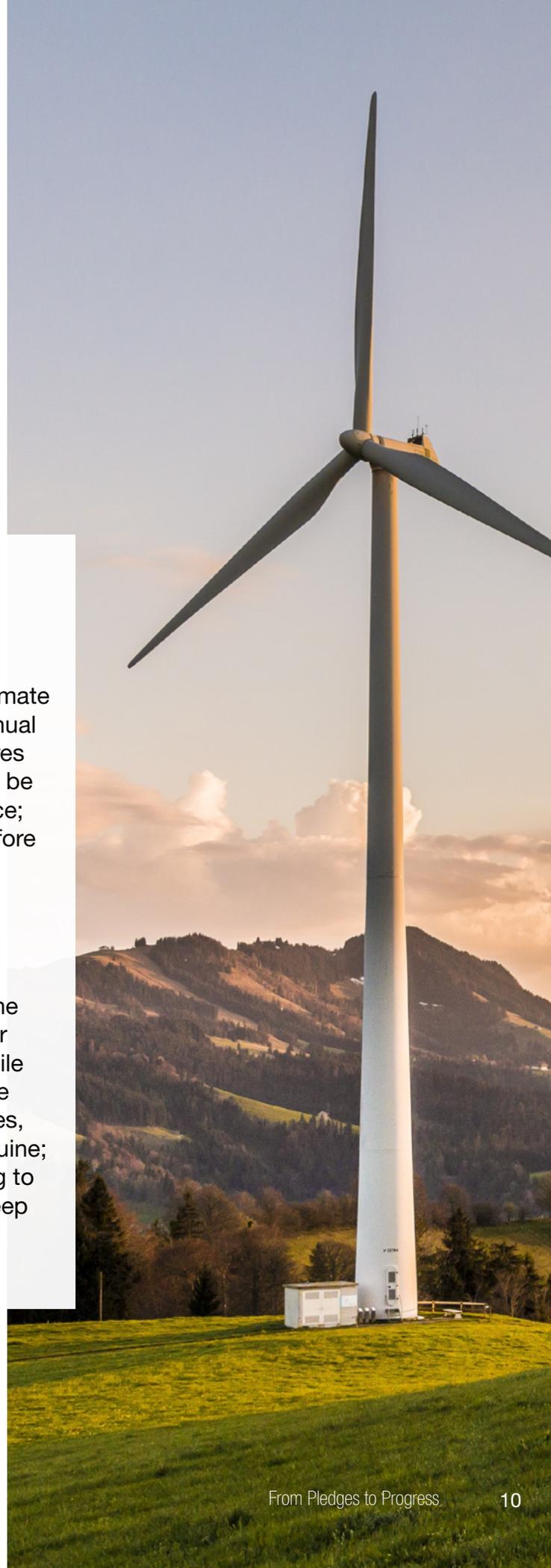
Those executives who did not sign the statement are receiving as much attention as those who did. As Jeff Sonnenfeld, associate dean for leadership studies at Yale School of Management, said on CNBC's "Squawk Box," "CEOs aren't doing this for grandiosity. They hate playing politicians. They don't want to get involved, [but] there's no middle ground anymore. Their silence means acquiescence; it means agreement, and they don't want that. What they want is a harmonious society."

Counteracting Climate Change: The Challenge Worth Every Brand's Energy

2020 wasn't just a year of civil unrest and political disarray: We ushered in the new decade with record-setting climate disasters. According to [Climate.gov](#), "there were 22 separate billion-dollar weather and climate disasters across the U.S., shattering the previous annual record of 16 events." In Australia, devastating bushfires burned more than 46 million acres. If one lesson is to be learned from such a year it's that change isn't a choice; it's a necessity. It's more important now than ever before for brands to prove their climate purpose.

Separating fluff from fact

After the adoption of the Paris Agreement in 2015 by nearly every nation, businesses and brands around the globe have proposed green goals and populated their websites with sustainability promises and efforts. While at first glance it all looks good in terms of rhetoric, are brands' pledges and progress aligning? In many cases, the commitments and work supporting them are genuine; in others, they lack merit or tangibility. Brands looking to do their part in slashing emissions by 2050 should keep the following in mind.





Understand the urgency

Answering the call to mitigate climate change and ramp up sustainability efforts is both an immediate need and an expectation. The pandemic has caused consumers to rethink their priorities when considering brands, and environmental consciousness has been heightened even further. Research by **Forrester** found that 2020 marked a turning point for consumers: 68% of “highly empowered consumers” plan to step up their efforts to identify brands that reduce environmental impact, 61% look for energy-efficient labels when making purchases, and 47% regularly buy organic products.

Executive orders recently signed by President Biden have also put the environment back into the center of U.S. policy, strengthening the link between environmental sustainability and economic prosperity.

As more companies join **The Climate Pledge**, CEOs and board members recognize that the window of time to avert the worst impacts of climate change is quickly closing, and now is the time to move from pledges to progress. Devising a plan of immediate action to reach both near-term and long-term goals will prove to be essential to profitability, and employee and customer retention.

Offsets are just the start

With no regulatory standards in place, climate pledges for companies vary due to a range of factors from size to industry and everything in between. One of the most common pledges is setting “net zero targets” (or going carbon/climate neutral)—which typically refers to a company’s plans to address the issue of planet-heating emissions by offsetting its own. Though there’s nothing wrong with joining the offset boom—companies like **Amazon**, **JetBlue** and others have done it, too—it’s not an end-all, be-all approach. Steps to reduce emissions also need to be taken. According to Bill Wehl, executive director of ClimateVoice, offsetting “is not automatically a bad thing. But...we’re not going to offset our way out of this problem. We actually have to reduce emissions.” Net-net, while technology and nature-based solutions can be positive tactics that support larger goals, they’re not a substitute—they’re simply the start.

“It’s vital that companies decarbonize their own operations and their supply chain. But even more importantly, we need to decarbonize how society works.”

—Bill Wehl, executive director, ClimateVoice

Climate commitments can't be conservative

Granted, initiating sustainability efforts isn't always a simple task for businesses. First, they have to determine their own direct emissions and measure how much greenhouse gas they are responsible for. For companies aiming to reduce **Scope 2** emissions (indirect emissions from electricity purchased and used by the organization) and the much trickier **Scope 3** emissions (emissions that are the result of activities not owned or controlled by the organization), research must be conducted to understand their indirect emissions from electricity, supply chain and consumers themselves. And finding cleaner or alternative energy sources without hurting operations comes with its own set of challenges.

But experts urge businesses not to be conservative when it comes to climate commitments. "To realize the necessary emission reductions, more ambitious targets urgently need to be set," says **Viola Lutz**, deputy head of ISS ESG Climate Solutions, an arm of Institutional Shareholder Services. And it's not just the experts: **Havas Prosumer study ReACT** found that 75% of Prosumers and almost as many mainstream consumers believe radical action is required to solve our environmental issues.

"Most people—including 3 in 4 Prosumers—believe solving the big issues we face will require radical action. A third of the study's youngest respondents (aged 18–34) think solving the climate crisis will require a complete reorganization of government and society."

—Havas Group, ReACT: Moving Beyond Awareness to Action



Innovations are imperative

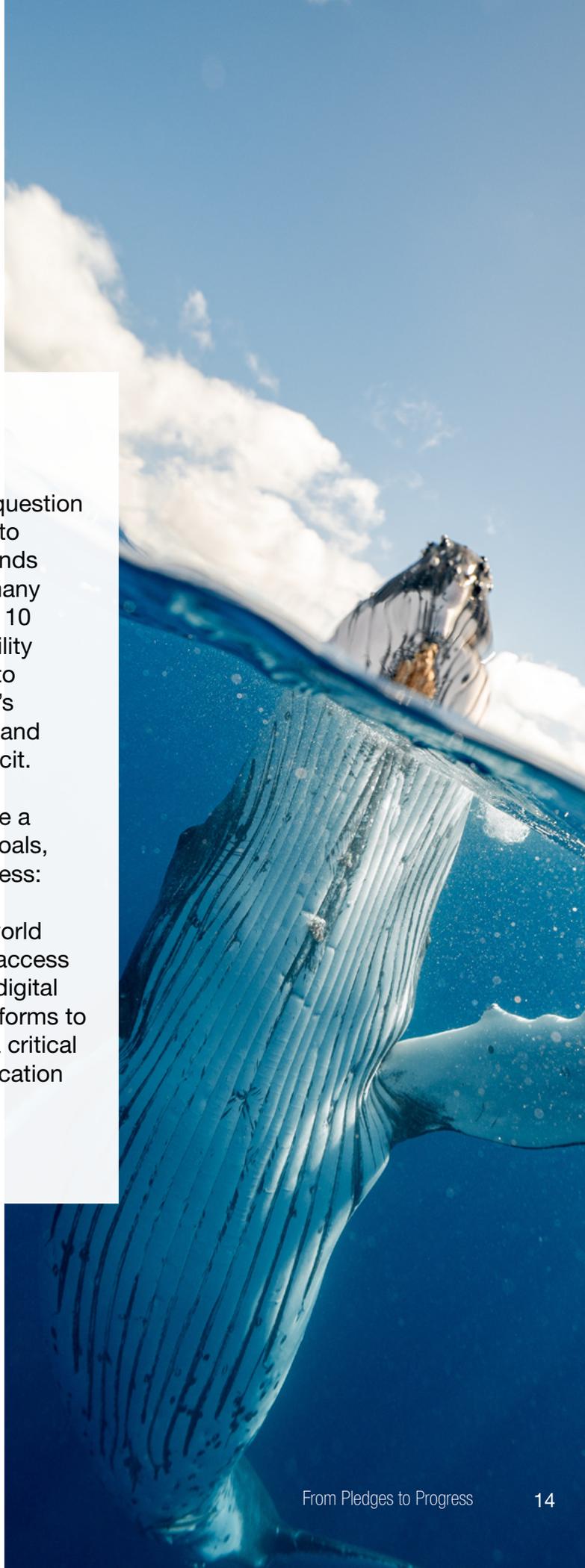
Companies like **Microsoft** have not only made pledges to be carbon negative, but they are also backing it up with funding for innovations. Microsoft started a \$1 billion **Climate Innovation Fund** to accelerate the growth of carbon removal. Elon Musk pledged \$100 million to the winner of the **X Prize** for carbon capture, which he **said** would go to those able to “build real systems that can make a measurable impact and scale to a gigaton level.”

Product innovations will also be imperative to address climate change. In his book “How to Avoid a Climate Crisis,” Bill Gates lays out where breakthrough technologies are needed and who is working on these essential innovations to overcome what he calls the **green premium**, the difference in cost between a product that involves emitting carbon and one that does not. Automotive is just one industry leading the charge, and 2021 will be a “**pivotal year**” for electric vehicles—reflecting the change in consumer demands and corporate commitments for making real changes in supply chains, operations and products.

Transparency leads to trust

A business's role in social causes is no longer a question but an expectation. From small local businesses to large global corporations, consumers believe brands have the power and ability to take action—and many are. Even so, there's a lack of trust. Around six in 10 global respondents don't trust brands' sustainability commitments, saying companies are only trying to "polish their image," according to **ReACT**. And it's not without warrant. The concepts of "collusion" and "greenwashing" have caused a justified trust deficit.

To curb climate misinformation, brands must have a concrete understanding of the issues, set clear goals, and be transparent regarding their ongoing progress: releasing reports, partnering with nonprofits and collaborating with credible climate groups. In a world that thrives on tech, the demand for immediacy, access to information and action has migrated from the digital confines of search engines and social media platforms to every facet of life. Sustainability efforts are now a critical point of connectivity and a platform for communication between businesses, brands and consumers.





NEXT UP: CHANGE IN ACTION

With stakeholders wanting to see corporations' pledges on everything from climate change to diversity and inclusion produce demonstrable results, purpose took on even more significance in 2020.

For many consumers and employees, the past year clarified what truly matters (people, purpose, action) and what doesn't (best intentions). And faced with the dire consequences of their impotent policies, more employers have learned that the time to act is now. Not just because everyone is watching—especially their employees—but

because tethering a brand to a purpose is the surest way to protect the things that matter most, whether we're persisting through the longest year or the most prosperous.

The best way for companies to demonstrate that their pledges aren't just words and that progress is indeed being made: Be an open book. Transparency not only holds businesses accountable, but it helps uncover inequities and misalignments that leaders may not be aware of.

Resources

The Blueprint awards a “diversity mark” that helps organizations attract, retain and nurture diverse talent.

Business in the Community convenes a unique network of purposeful leaders to share insight and expertise and create innovative programs that deliver impact.

Business Roundtable is an association of chief executive officers of leading companies working to promote a thriving economy and expanded opportunity for all Americans through sound public policy.

BSR is an organization of sustainable business experts that works with its global network of the world’s leading companies to build a just and sustainable world.

CEO Action for Diversity & Inclusion is the largest CEO-driven business commitment to advance diversity and inclusion within the workplace.

Chief Executives for Corporate Purpose empowers corporations to be a force for good in society by providing data-driven resources.

Deloitte provides a “Climate Change 101 for business leaders” guide.

Diversity Action Alliance is a coalition of public relations and communications leaders joining forces to accelerate progress in the achievement of meaningful results in diversity, equity and inclusion across the profession.

Ethical Investment Research and Information Service (EIRS) is a global provider of environmental, social and governance solutions serving the investor and issuer communities.

European Business Network for Corporate Sustainability and Responsibility supports businesses in their sustainability journey with best practices, collaborative platforms and policy dialogue.

Forum for Sustainable and Responsible Investment is the leading voice advancing sustainable investing across all asset classes.

GreenBiz advances the opportunities at the intersection of business, technology and sustainability through its website, events, peer-to-peer network and research.

Sustainable Brands aims to inspire, engage and equip business leaders and practitioners who see social and environmental challenges as an essential driver of brand innovation, value creation and positive impact.

World Business Council for Sustainable Development is a global, CEO-led organization of over 200 leading businesses working together to accelerate the transition to a sustainable world.

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