An Open Letter to Leaders: Meeting This Moment with Purpose

To Our Fellow Purpose-Driven Leaders,

Many of you are feeling uncertain right now. Recent shifts in U.S. policy—including <u>federal funding</u> <u>freezes for nonprofits</u> and heightened scrutiny on DEI, ESG, and climate initiatives—have created new complexities for businesses committed to social and environmental impact. This is undeniably an unpredictable period, but we have faced headwinds together before. We've handled global crises, economic volatility, and societal shifts. And time and again purpose–driven companies don't just weather these storms; they lead through them.

Why Purpose is More Critical Than Ever

At the recent Chief Executives for Corporate Purpose's <u>Board of Boards</u>, top CEOs reinforced that the connection between purpose, values and business goals isn't a trend; it's a business imperative. It shapes how companies engage and earn the trust of employees, customers and communities at large. While leaders acknowledged the complexities of the current landscape, they also made it clear that purpose remains at the heart of business success.

In these turbulent times, we want you to know that Benevity remains your trusted partner and advisor. We have published a new *resource center* where we'll share the latest guidance to help executives, CSR program leaders and nonprofit partners continue on their purpose journey so we can keep driving real, lasting change for people and the planet.

Business remains the most trusted force for driving societal change, but that trust is fragile. Confidence in business leaders to act is waning (2025 Edelman Trust Barometer).

Early data from our upcoming 2025 <u>State of Corporate Purpose</u> report, to be released in May, confirms similar insight:

- Corporate caution creates a vacuum for distrust to grow: 76% of companies expect more employee activism as people hold businesses accountable.
- The "say-do" gap in measurement persists: As pressure mounts to prove impact and ROI of social investments, 63% of companies are considering adopting standardized measures, and looking to alleviate the administrative burden on nonprofits.

- Volunteering fuels resilience. 94% of companies say it helps build a resilient business and 93% say it helps individual resilience.
- ERGs hold strong during the DEI storm. 42% of companies are continuing to invest in DEI-albeit more quietly-with employee resource groups (ERGs) emerging as a key component in maintaining trust.

So this is not the moment for companies to step back. Navigating this requires a risk-adjusted strategy—not withdrawal, but thoughtful, strategic action. We understand the instinct to pause, to avoid controversy, to wait for clarity. But hesitation comes at a cost. Inaction erodes the trust and credibility that businesses have spent decades building.

The companies that stay true to their core purpose, even in difficult times, not only endure, they emerge stronger and more resilient.

What You Can Do Now

To sustain impact while managing risk, we urge you to:

- 🔽 Assess your risk posture: Understand how policy changes affect your programs and adjust strategies accordingly.
- 🔽 Analyze your giving data: Identify potential areas of risk and ensure balanced, strategic support.
- Engage nonprofit partners: Proactively adapt funding strategies to meet their evolving needs.
- Accelerate granting & remove restrictions: Speed up committed disbursements to bridge funding gaps and embrace trust-based philanthropy.
- Support infrastructure nonprofits: Invest in the organizations that exist to provide stability to the nonprofit sector.
- Educate and engage employees: Awareness and matching campaigns can mobilize sustained funding to at-risk nonprofits. (Benevity clients can access an awareness News Item in their admin dashboards.)
- Prepare for ongoing uncertainty: Flexibility in engagement strategies will be key to long-term success.

Benevity's Commitment: We Are With You

We know the weight of the decisions you're making. We know the responsibility you feel – not just to your shareholders, but to your employees, communities and the world. And we want you to know that you are not alone. Benevity has been here through every major moment of change, and we are here now.

We have always believed that "doing well by doing good" isn't just a nice idea. Connecting purpose and business goals is the way forward. It's how companies create real impact and earn the trust that fuels long-term success.

So, together, we will ensure that corporate purpose remains steadfast, that nonprofits continue their critical work, and that we emerge stronger than before.

Now is the time for action. Now is the time for leadership. And we are right here with you.

Please reach out to us to discuss how we can help you navigate these times and build a powerful force for good, together.

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