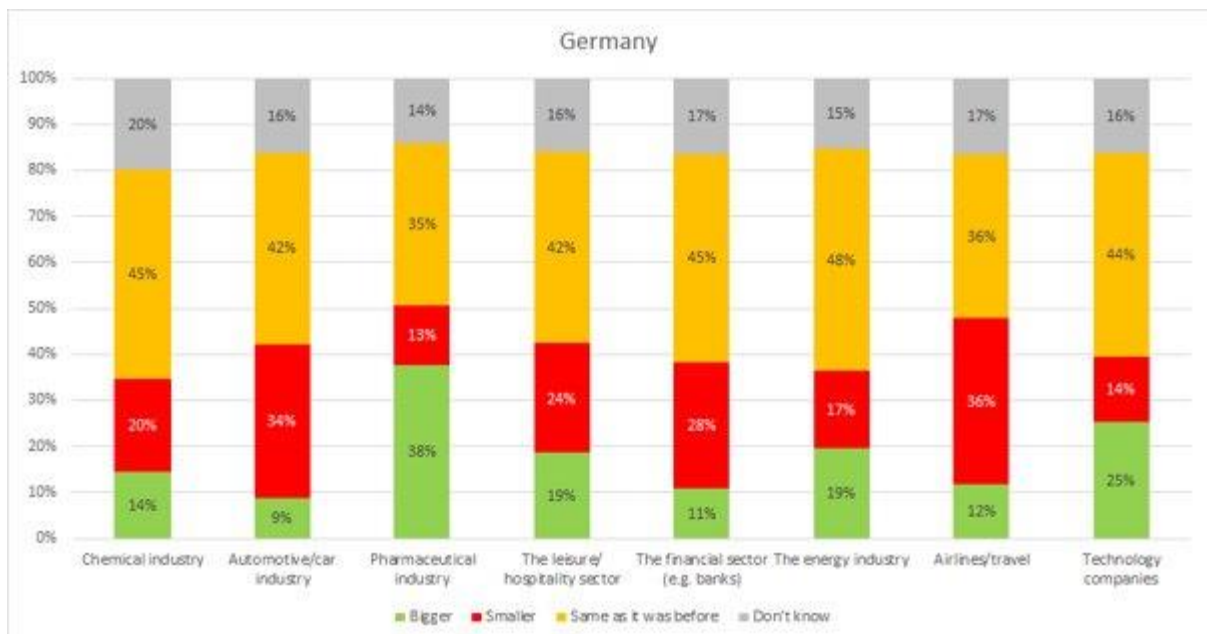


Fifth international COVID-19 Opinion Tracker by Kekst CNC: Economy in upheaval: Germans have doubts about their key industries

- Which sectors should form the foundation of the future German economy? Pharmaceuticals and technology win out, while the automotive industry loses
- Environmental and climate protection are a priority for consumers once again
- Working from home to remain the future of work – yet at the same time, employees are longing for a sense of unity in the Corona crisis

Munich, October 12, 2020 - The German population would like to see a reshuffle of the economy after the Corona crisis. In particular, the historically strong role of the automotive industry is being called into question. This is shown by the fifth edition of the “Kekst CNC COVID-19 Tracker” in Germany, Great Britain, Sweden, France, Japan and the USA.



When asked which industries should play a major role in the German economy after the corona crisis, an increasingly clear picture emerges in Germany: in a post-corona economy, the car and aviation industries are the big losers. Among the traditional German key industries, the automotive

industry is the worst performing. One in three (34%) would like to see the car industry become less relevant in the future, and an economy that is more heavily built around the pharmaceutical industry and technology companies. Around 38% of Germans surveyed would like the pharmaceutical industry to play a greater role in the future, while a quarter would like technology companies to come to the forefront. Germany's relationship with its own key industry is remarkable, especially when compared with other large automotive nations, such as Japan or the USA. Both the Japanese and Americans are more likely to want to see the automotive industry play a greater role in their economies in the future.

Environmental and climate protection become a consumer priority once again

While the relevance of environmental and climate protection had faded into the background at the beginning of the corona pandemic, these factors are once again clearly moving into the focus of consumers' consumption and investment decisions - more noticeably in Germany than in other markets.

50% of Germans would primarily invest in companies that clearly take environmental and climate protection into account in their strategy. For comparison, without a focus on environmental factors, the willingness to invest in these companies would be at only 18%. A comparable picture is also evident in consumer behaviour: Here, too, 51% of Germans prefer products from companies that show a corresponding commitment.

Bernhard Meising, co-CEO and partner at Kekst CNC: *"Germany's economy is in a state of upheaval, and the speed of this historic change has been accelerated by the Corona pandemic. As with any change, this process also requires increased communication and new positioning approaches: Companies and entire industries have to prove their social and societal relevance for the country and its citizens much more than before. At the same time, the growing expectation of companies to be more climate- and environmentally friendly creates additional pressure - and additional need for communication".*

Working from home to remain the future of work – yet at the same time, employees are longing for a sense of unity in the Corona crisis

More than three-quarters of Germans (76%) who are currently working from home want to be able to work from home in the long term. 43% justify this by saying that it is more comfortable overall, while 36% appreciate the time flexibility that working from home offers. Work productivity hasn't gone down either: 36% feel more productive at home than in the office. The trend towards working from home has also already left a significant mark on the office real estate market: In the third quarter of 2020, office space turnover slumped by 37% compared to the previous year. Yet despite the lasting desire to work from home, company employees do not want to lose the sense of unity during the Corona crisis. When asked what the greatest priorities of employers should currently be, the creation of a sense of unity scores highest with 33%. This shows that maintaining the sense of unity scores trumps the desire to keep salaries at an appropriate level (22%) or to ensure job security (22%). Overall, it can be seen that employees expect their companies to make a commitment that will help them personally get through the crisis. Governance issues such as diversity in management or employee rights are not currently high on the agenda of employees.

Natali Brandis, partner at Kekst CNC and expert in change communication: *"The more working from home becomes routine, the more difficult it will become for companies to maintain cohesion within the workforce. Managers in particular are faced with the challenge of having to remain approachable and responsive despite increasing unpredictability and uncertainty. Only with open, direct and personal communication they will be able to create a sense of unity in the crisis, without which no company can be successful in the long term."*

The complete results can be found at:

<https://www.kekstcnc.com/insights/covid-19-opinion-tracker-edition-5>

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Methodology

The underlying survey is representative. It was conducted in the period from 16 to 22 September 2020 among 1,000 adults each in Germany, Great Britain, Sweden, France, Japan and the USA. The maximum deviation of the sample results from the real values in the population (margin of error) is +/- 3.3%. The selection procedure was based on quotas and weighting of gender, age and region in each country.

About Kekst CNC

Kekst CNC is a leading global consultancy for strategic communications. A team of over 250 experienced professionals serves its clients from 13 offices in New York, London, Munich, Berlin, Frankfurt, Paris, Brussels, Tokyo, Seoul, Hong Kong, Dubai, Abu Dhabi and Stockholm. As a trustworthy consultant Kekst supports CNC in highly relevant topics such as: M&A, activist shareholders and corporate governance, crisis communication, restructuring, litigation support, investor relations, IPO communication, reputation and issue management, change management and change communications, and digital transformation and communication. Further information is available at www.kekstcnc.com.

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