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Disaster Preparedness, Relief,
and Recovery

Helping communities rebound from a traumatic event or natural disaster requires a multi-level and cross sector effort.

There are immediate community needs to be met—such as trauma support, food, water, and shelter—and long-term needs to support recovery and development. In order to deploy corporate resources quickly and efficiently, corporate citizenship professionals must partner internally and externally to make the best possible use of all available resources, from corporate giving and volunteering to security, logistics, and supply chain management.

recognize the need to prepare for disaster efforts. According to the Boston College Center for Corporate Citizenship's 2023 Community Involvement Study, disaster relief continues to be among the top five social issues that companies address through their community involvement programs.

Investing in disaster relief not only benefits communities, but also benefits businesses. Employees are often a firm's most direct link to those affected by a disaster. Research suggests that involvement in corporate giving efforts increases commitment and dedication to the company and leads employees to advocate for the organization externally.

Corporations can offer assistance after a disaster strikes

by donating cash and in-kind products, deploying employee volunteers, and leveraging corporate assets and capabilities such as infrastructure, security, transportation, and logistics.

Disaster relief planning should start before the event actually occurs. Preparedness is an important component of any program as it allows companies to address the crisis more effectively when it happens. Consider the following when exploring how your company can prepare for disasters:

- Is there a difference between natural disasters and man-made disasters? Determine how to evaluate the severity of impact in order to guide the company's response. For example, consider how the location of a potential disaster in relation to business operations, employees, and customers impacts the effects of the event. Determine the level of response the company will provide based on the different types of disasters and severities that may occur.
- Consider what measures your company has in place to aid employees and maintain business operations. Establish methods of internal and external communication, as well as business continuity plans.
- Corporate citizenship professionals must develop strong relationships with government organizations, nonprofits, and philanthropic peers. In many cases, these companies are already active in the community and have the connections needed to react quickly. If you are developing a disaster relief strategy for your company, do not neglect the important work of forging and fostering relationships in local government, the nonprofit community, and with other corporate funders during time of non-crisis so that when an event does occur, you can move more quickly.
- When engaging in partnerships with nonprofits, put the work first, draw on the strengths specific to the partner organization, and focus on the tangible impacts of the joint efforts.

- Think carefully about maintaining the safety and well-being of employees. Put their safety first when organizing employee volunteer efforts.

take into consideration not only community-specific factors, but also those that affect your industry-operating context. Look to long-term needs in the impacted communities to assist with recovery. One way to do this is by looking for skills-based volunteering opportunities for employees. Accord-

FIGURE 3
Disaster Preparedness and Response Plan



FedEx mobilized relief efforts for those affected by the war in Ukraine. Over a year of war in Ukraine has caused massive destruction to cities, homes, families, and infrastructure including businesses, grocery stores, restaurants, and healthcare centers. Nearly 8 million refugees from Ukraine have been recorded across Europe and over 6 million more are internally displaced and lack access to basic needs. Through FedEx Cares Delivering for Good, the company has connected survivors to \$2.3 million in humanitarian aid including medicine and medical supplies, personal protective equipment (PPE), feminine hygiene products, laptops and mobile phones, water purification systems, and an entire field hospital. To support refugees, 270 FedEx team members from the U.K.,

France, and the Netherlands packed 2,400 food boxes on behalf of the Rise Against Hunger. Each box contained a two-week supply of shelf-stable food.

The impact of natural disasters in 2021 on Dow communities around the world—including Hurricane Ida in Louisiana, Super Typhoon Rai in the Philippines, widespread flooding in Malaysia, India, and China, and a historic freeze in Texas—led team Dow to rise to the challenge and provide a hand to employees, stakeholders, and communities in need.

In 2021, Dow invested in and launched a global Employee Relief Fund, strengthening its response capabilities. This fund, managed by E4E Relief LLC, provides short-term monetary assistance to employees experiencing significant financial hardship following a catastrophic disaster. It is supported through company and individual donations. The fund supported 417

colleagues affected by Hurricane Ida, Hurricane Nicholas, and flooding in India with a total of \$479,029.

In February 2021, winter storm Uri devastated infrastructure across Texas. Dow and other industry leaders replaced approximately 42,000 feet of metal pipe with leak-and-corrosion-resistant high-density polyethylene (HDPE).

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CoBank partners with customers, Farm Credit

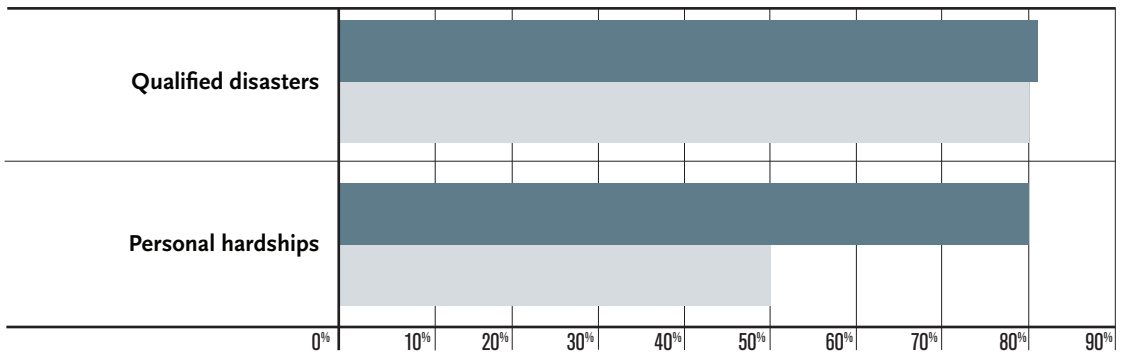
- Employer-sponsored private foundations:** Employer-sponsored private foundations may provide assistance to employees or family members affected by a qualified disaster, as defined in section 139 of the Code, as long as certain safeguards are in place to ensure that such assistance is serving charitable purposes, rather than the business purposes of the employer.

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- Donor advised funds:** Donor advised funds can make grants to 501(c)(3) public charities and, under certain conditions, to other organizations for charitable purposes, but cannot make grants to individual persons. However, there is an exception for certain employer-related funds or accounts established to benefit employees and their family members who are affected by a qualified disaster.

In summary, public charities may provide a broader range of assistance to employees than can be provided by donor-advised funds or private. Compare the flexibility offered to public charities vs. private foundations.

According to the IRS in Publication 3833, Disaster Relief, Providing Assistance Through Charitable Organizations, in some instances, a corporation or other non-exempt entity may choose to provide direct assistance to disaster victims rather than funneling its assistance through a charity or governmental entity. In addition, sometimes an employer may provide assistance through a non-exempt fund established to receive contributions from the employer as well as employees. In certain circumstances, payments from such sources may receive favorable tax treatment as well. The Code provides for special tax treatment of qualified disaster relief payments made to victims of a qualified disaster, regardless of the source. Qualified disaster relief payments are not included in the income of recipients to the extent that any expenses covered by these payments are not otherwise compensated by insurance or other reimbursements. Qualifying payments are not subject to income tax, self-employment tax, or employment taxes (Social Security, Medicare, and federal unemployment taxes) even if the payments are made directly from an employer.

FIGURE 4
 Employee assistance funds: Eligible
 2023 2021





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Providing disaster relief through its Employee Disaster Relief fund, CSX distributed more than \$96,000 in grants in 2021 to support 14 employees who had been impacted by medical issues, including COVID-19, and property damage due to natural disasters. Throughout 2021, several tornadoes impacted communities across CSX's service network, specifically in Kentucky, Alabama, and Tennessee. In response to these disasters, CSX partnered with the American Red Cross, donating a total of \$350,000 to provide relief for individuals and families in need. The company's Pride in Service partners are also great allies in the face of disasters, providing opportunities for CSX employees to give back and support their local communities. When a tornado touched down in Kentucky, CSX's local Special Agents asked how they could help. CSX connected them with Pride in Service First Responders Children's Foundation, and together they donated \$25,000 and eight pallets of clothing, toiletries, masks, personal protective equipment (PPE), hand sanitizer and toys for first responders and their families.

Target empowers their team members to extend a helping hand to each other. The Target Team Member Giving Fund was created to help colleagues who are facing financial hardship after a natural disaster or unforeseen personal events. The fund relies primarily on contributions from Target, with support from individual donations. Team members across the U.S. and India can apply for a grant up to \$2,000 to help in times of hardship. During 2021, \$1.2 million was contributed by team members, and nearly \$3.1 million in direct support was granted to 3,920 team members.



