Communications Best Practices for a Global Workforce

Kris Pugsley
Corporate Communications
ON Semiconductor

About

Kris is a first generation American whose passion for communication began after learning English as her second language. After spending 10 years in the legal field, Kris took her passion to the communication area where she now manages:
• employee messaging
• corporate PR
• social media
• brand and reputational risk
• crisis communications
• member of the compliance committee for the company’s compliance and ethics program for a $5.5B public company.

She has spoken at over a dozen conferences on communications best practices, effective compliance communication and brand/reputational impact to organizations.
Key #1

Brand Development
Company
Program
Inclusive of stakeholder needs

Describe the following brands and their reputation.
What’s in a Name: 2018 World’s Most Valuable Brands

<table>
<thead>
<tr>
<th>Rank</th>
<th>Brand</th>
<th>Brand Value</th>
<th>% Value Change</th>
<th>Market Value</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Apple</td>
<td>$1436.8</td>
<td>8%</td>
<td>$1344.6</td>
<td>Technology</td>
</tr>
<tr>
<td>2</td>
<td>Google</td>
<td>$1124.5</td>
<td>8%</td>
<td>$1124.5</td>
<td>Technology</td>
</tr>
<tr>
<td>3</td>
<td>Microsoft</td>
<td>$464.6</td>
<td>5%</td>
<td>$458.1</td>
<td>Technology</td>
</tr>
<tr>
<td>4</td>
<td>Facebook</td>
<td>$317.6</td>
<td>8%</td>
<td>$258.2</td>
<td>Technology</td>
</tr>
<tr>
<td>5</td>
<td>Amazon</td>
<td>$317.6</td>
<td>3%</td>
<td>$258.2</td>
<td>Technology</td>
</tr>
<tr>
<td>6</td>
<td>Coca-Cola</td>
<td>$297.6</td>
<td>5%</td>
<td>$258.2</td>
<td>Consumer</td>
</tr>
<tr>
<td>7</td>
<td>Samsung</td>
<td>$247.4</td>
<td>3%</td>
<td>$258.2</td>
<td>Technology</td>
</tr>
<tr>
<td>8</td>
<td>Disney</td>
<td>$217.6</td>
<td>8%</td>
<td>$258.2</td>
<td>Entertainment</td>
</tr>
<tr>
<td>9</td>
<td>Toyota</td>
<td>$177.6</td>
<td>4%</td>
<td>$258.2</td>
<td>Auto Industry</td>
</tr>
<tr>
<td>10</td>
<td>AT&amp;T</td>
<td>$167.6</td>
<td>2%</td>
<td>$258.2</td>
<td>Telecom</td>
</tr>
</tbody>
</table>

Source: https://www.forbes.com/powerful-brands/list/

United Example

Our agents were left with no choice but to call Chicago Aviation Security Officers to assist in removing the customer from the flight. He repeatedly declined to leave.

Chicago Aviation Security Officers were unable to gain his cooperation and physically removed him from the flight as he continued to resist - running back onto the aircraft in defiance of both our crew and security officials.
Aftermath: How Can You Correct It?

Our goal should be nothing less than to make you truly proud to say, "I fly United."

Ultimately, the measure of our success is your satisfaction and the past several weeks have moved us to go further than ever before in elevating your experience with us. I know our 87,000 employees have taken this message to heart, and they are as energized as ever to fulfill our promise to serve you better with each flight and earn the trust you’ve given us.

We are working harder than ever for the privilege to serve you and I know we will be stronger, better and the customer-focused airline you expect and deserve.

With Great Gratitude,

Oscar Munoz
CEO
United Airlines

From: "United Airlines" <UnitedAirlines@news.united.com>
Date: April 27, 2017 at 3:04:51 PM PDT
To: [email protected]
Subject: Actions Speak Louder than Words
Reply-To: "United Airlines" <noreply@news.united.com>

Impact to Shareholders

UNITED AIRLINES FINALLY APOLOGIZES AFTER ITS STOCK FALLS OFF A CLIFF

It took three tries, and nearly a $1 billion hit to United’s market cap, for C.E.O. Oscar Munoz to get it right.

BY KESS LEVIN
APRIL 11, 2017 5:12 PM
Volkswagen Example

Volkswagen suspends 9 managers over diesel scandal

Volkswagen sales plunge on emissions scandal

Wells Fargo Example

Top Fed official likens Wells Fargo fraud to mortgage crisis - Mar. 21 ...

Wells Fargo Scrambles to Deal With New Crisis - WSJ

Wells Fargo's Textbook Case of Botched Crisis Management - WSJ

Wells Fargo Scandal Shows Next Bank Crisis Coming - Forbes
Roseanne Barr and the Aftermath

Roseanne Barr blames Ambien: "I'm not a racist, just an idiot"

By Brian Walter and Innes Khattak Updated at 06:38 on Wednesday, May 30

New York (CNBCMoney) - Roseanne Barr is blaming Ambien for her racist tweets and telling her fans, “I’m not a racist, just an idiot who made a bad joke.”

Sanofi, the maker of Ambien, responded with a statement full of shade: "While all pharmaceutical treatments have side effects, racism is not a known side effect of any Sanofi medication."

Impact to Revenue

Which types of reputational crises spook the markets most?

Crisis types:
- Behavioral
- Operational
- Corporate
- Informational

Doing Your Part Impacts Revenue

*Ethics Is a Measurable Differentiator*

**Three-Year Ethics Premium: 4.9 Percent**

Performance of the listed 2018 Honorees as compared to the US Large Cap Index over the 2016-2017 calendar years.

Source: Ethisphere. Equity price data from publicly traded 2018 World’s Most Ethical Companies.

Source: http://worldsmostethicalcompanies.ethisphere.com/

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**Areas of Assessment**

**What is a CRISIS?**

**POLICY**

Crisis Communications’ goal is to get ahead of all crisis situations.

Once a crisis or ethics concern has been identified:

- Media statements prepared
- Media monitoring begins - online, social, media, TV, print
- Customer communications prepared
- Employee communications prepared
- Employee channels monitored
- Customized crisis communications plan outlined
- CMT situation updates commence

**Perceived Responsibility**

**Organization is VICTIM:**

- Natural Disasters
- Product Tampering
- Counterfeiting
- Protests
- Kidnapping
- Extortion
- Terrorism
- Boycotts

**Organization is at FAULT:**

- Major Product Recall/Failures
- Environmental Spills/Leaks
- Misappropriation of Funds
- Discrimination/Harassment
- Evacuations
- Data Breach
- Layoffs/Closings
- Leadership Fraud/Misconduct

**Responsibility is UNCLEAR:**

- Transportation Accidents
- Government Investigations
- Employee Misconduct
- Fire/Explosion
- Litigation
- Injuries/Fatalities

**Investor Relations Crisis:**

- Hostile Takeover
- Executive Management Changes
- Analyst Major Sell Recommendation
- Bankruptcy
- Death
- Earnings Restatement
RepRisk Scoring Against Competitors

Corporate benchmarking report assessing company’s exposure to these risks:
- Environmental
- Social
- Governance (ESG)

Key #2

Leadership Buy-In & Successful Partnerships
Integrated plans
Voice of the program spans the entire organization
Leveraging compliance core in everything you do
Tie in to the Organization

Corporate Message
- Consistent
- Appropriate
- Accurate
- Timely
- Media
- Investors
- Customers
- Employees

Security/Business Continuity
External Comm
Employee Comm
Government Relations
Legal
Social Media
Executives & Board of Directors
Human Resources
Investor Relations
Manufacturing
Quality
Supply Chain
Sales
Business Units

Global Communications

Mail Lists
- All Employees
- Leaders
- Region
- Country
- Site
- Departmental
* Note: all have restricted access and messaging must be approved by internal communications

Communication Channels
- The Circuit Newsletter
- The Connection
- Mail Lists
- All Hands Meetings
- Corporate Press Releases
- Press Meetings
- Promotional Materials
- Corporate Events
- Social Media
- Other Publications
Key #3

Reporting and Metrics
Employees
Board
Leadership team

Areas Addressed by Corporate Communications

- Analyst Relations
- Internal Communications
- Investor Relations
- Corporate Governance (communications about the set of processes, customs, policies, laws in which a corporation is directed, administered, or controlled)
- Change Management (communications aspects of growth management, mergers and acquisitions, etc.)
- Corporate Social Responsibility
- Litigation (communications on/around litigation)
- Crisis Communications / Issue Management
Create a Risk Assessment

1. Risk
   - Mitigation Plan
2. Risk
   - Mitigation Plan
3. Risk
   - Mitigation Plan

Top Risks

Short overview

Internal Communications Messaging

<table>
<thead>
<tr>
<th>Total Messages</th>
<th>All Employee Messages</th>
<th>Open Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>648</td>
<td>7%</td>
<td>36%</td>
</tr>
</tbody>
</table>

648 internal messages have been sent in 2018.

7% of all internal messages were sent to all employees.

The average open rate for all internal messages, adjusted with auto image %.

Average open:

Kris Pugsley, ON Semiconductor

10/17/2018
**The Circuit (Newsletter Data)**

**Articles Submitted**
- **259**

259 articles have been contributed to the Circuit; 64% of these were contributed by Asia employees.

**Articles by Executive**
- **90**

35% of all articles were contributed by the 40 Executives.

**Readership**
- **28%**

The message sent for The Circuit - average open rate.

**ARTICLES BY REGION**

<table>
<thead>
<tr>
<th>Region</th>
<th>Apr'18</th>
<th>May'18</th>
<th>Jun'18</th>
<th>Jul'18</th>
<th>Aug'18</th>
</tr>
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<tbody>
<tr>
<td>North America</td>
<td>13</td>
<td>16</td>
<td>11</td>
<td>17</td>
<td>11</td>
</tr>
<tr>
<td>Europe</td>
<td>12</td>
<td>13</td>
<td>15</td>
<td>12</td>
<td>15</td>
</tr>
<tr>
<td>Asia</td>
<td>14</td>
<td>11</td>
<td>16</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>Global</td>
<td>17</td>
<td>11</td>
<td>16</td>
<td>16</td>
<td>12</td>
</tr>
</tbody>
</table>

10/17/2018

**QX 2018 Compliance Liaison Communications Activity**

**CEL Participation by Region**
- **50%** Asia
- **15%** Europe
- **34%** North America

41% of all liaisons participated

**Compliance Activity by Country**
- **16** Asia location
- **20%** North America Locations
- **14%** Asia location
- **14%** North America Locations

Informational meeting with employee
- Presented at a local conference or compliance event...
- New signage at site (engage internal communications...
- Info posting on local communications SharePoint site
- Video for internal communications
- Work with local team to send a site communication...
- Engage Internal Communications to send an email...
- Photos to Internal Communications taken at a site or...
- Small Group Session
- QM/Site Presentation Slide on Compliance
- Local Mentor Slide
- Lunch and Learns
- Circuit Article/Photo/Chart

10/17/2018
QX Compliance Communications Updates

Recent updates and activity
• Compliance and Ethics Conference and Post-Conference Support
• EMEA Regional CEL Conference
• APAC Regional CEL Conference
• External Communications:
  • Compliance and Ethics PR
  • Blog Post
  • Conference Speaking Engagements
• Updates to SharePoint site
• Updates to compliance posters
• Compliance and Ethics Circuit articles
• Annual Compliance Training Support and Planning
• Quote forms (sales)

Communication Support
172

Number of hours dedicated to the compliance program in Q2 by the communications team.

Thank you.