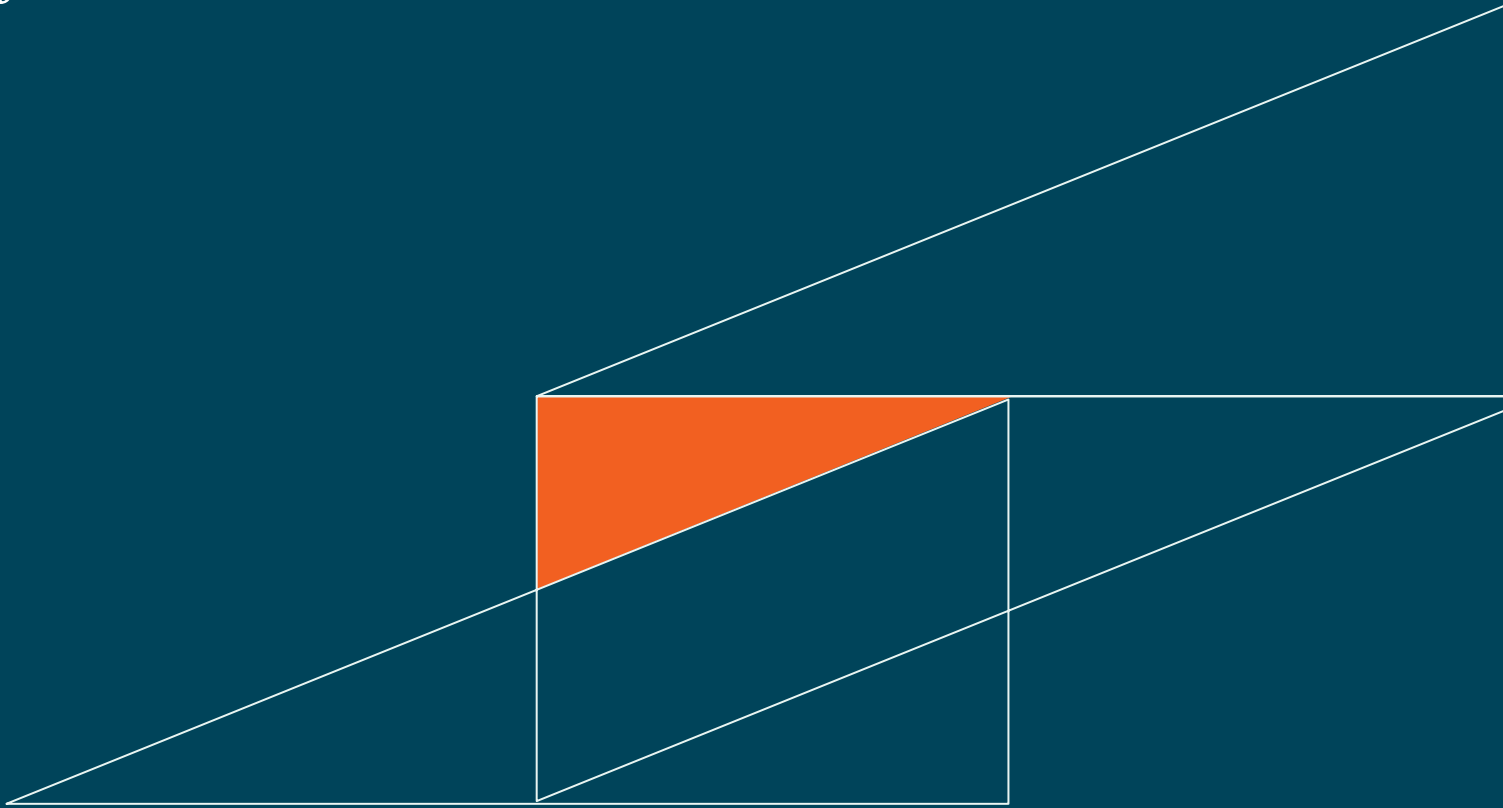


DR INSIGHTS SERIES

# Crisis Communications:

*Developing an IR Strategy  
for COVID-19*



# Introduction

The impact of COVID-19 is being felt broadly, across all regions, sectors and markets. The Investor Relations (IR) professional plays a critical role in how a company communicates through rapidly changing market dynamics. In addition to a well-thought-out crisis communications plan, it is crucial for companies to showcase basic tenets of good corporate governance, such as their leadership and business resiliency, as well as to maintain control of the dialogue when handling a crisis like COVID-19.

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## IR BEST PRACTICES: CRISIS COMMUNICATIONS

- State a strong commitment to the health and well-being of all stakeholders
- Outline the operational impact
- Comment on the longer-term sustainability of the company's value proposition
- Summarize liquidity and/or cost containment plans
- Amend or withdraw guidance as needed

A clear message and plan to manage an organization through a crisis is an exercise in leadership. This is more than a soft skill. Companies that have not demonstrated their resilience may end up in a new, self-inflicted situation where they may have eroded or will continue to erode shareholder value.

It is critical for senior management to communicate in plain language the decisions they make and the metrics they use to make those choices. Investors may have questions about the monitoring systems firms have in place to reinforce their approach, or their ability to rapidly alter the course given a new set of business insights. An ability to clearly articulate what is both known and unknown will offer the market transparency and build credibility.

## EXPERIENCE IN ACTION

We recently heard from a client, a large multinational manufacturing company, about their experience in this crisis. The market was fixated on their supply chain and the massive disruption to their normal processes. The company was able to convey based on the experience they had gained from past natural disasters that they would experience no business impact to their supply chain. They have been able to deploy redundancies and emergency responses developed following a previous crisis. While they still have the difficult task of forecasting the operational impact in an uncertain demand environment, they have been able to address the market from a position of strength by demonstrating their understanding of their own supply chain and processes to address weaknesses.

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**To help our clients efficiently and effectively deploy communication strategies, the following are some tools and tips to demonstrate decisive action to help protect your company's reputation.**

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# Your Strategy

<b>Be Authentic</b>	<ul style="list-style-type: none"><li>• Communicate the company's strong corporate culture and how taking care of its employees is its first priority.</li><li>• Focus your message to investors on business operations, liquidity level, impact to financial statements, ongoing safety of stakeholders, and long-term business strategy.</li></ul>
<b>Be Aligned</b>	<ul style="list-style-type: none"><li>• This is the opportunity to build credibility with all stakeholders.</li><li>• Collaborate aggressively with your Corporate Communications team. Your messaging must have the same foundation.</li></ul>
<b>Be Proactive</b>	<ul style="list-style-type: none"><li>• Issue a standalone press release to inform and update market participants, instead of waiting for a required periodic regulatory report.</li><li>• Understand your investor outreach and virtual meeting options, and review your media distribution channels.</li></ul>
<b>Be Strategic</b>	<ul style="list-style-type: none"><li>• The IRO needs to be approachable and straightforward with investors in order to stand in for management as they focus on the business's needs.</li><li>• Prioritize your interactions with the sell side, current and prospective investors, institutional and retail investors, debt investors, ESG funds, and the media.</li></ul>

# Your Checklist

<input type="checkbox"/>	Create a SWOT analysis to identify and defend against threats and seize opportunities
<input type="checkbox"/>	Issue a press release including all your crisis disclosures and activities (avoid burying your communications in a regulatory filing)
<input type="checkbox"/>	Leverage holding statements and elaborate as appropriate
<input type="checkbox"/>	Ensure the IR section of your company website is accessible and well-organized
<input type="checkbox"/>	Create a dedicated hub or platform for ongoing communications
<input type="checkbox"/>	Update your organization's FAQs or develop a new Q&A document, including debt structure if applicable
<input type="checkbox"/>	Produce a short video or letter from executive management that conveys their confidence and trust in your company's employees, clients and suppliers
<input type="checkbox"/>	Utilize social media to increase content distribution and employee engagement
<input type="checkbox"/>	Track what is being said about the company and what information is being distributed by the peer group and industry

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We build relationships across the capital markets and partner with issuers to help them more fully realize broader global market access opportunities.

The BNY Mellon Depository Receipts Global Investor Relations Advisory team works in close coordination with each client to enhance their strategy with an accompanying action plan, timeline and targets.

Team members bring experience from IR agency, capital markets, asset management, proxy and shareholder ID backgrounds. We help identify appropriate opportunities to meet those targets. We focus on engaging investors in order to help our clients reach their capital market goals.



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