



CORPORATE COMMUNICATION

How to keep corporate communication
honest



PUBLIC TRUST

TRUST DRIVES TANGIBLE BUSINESS RESULTS

Through a two-year validation program, we demonstrated the tangible business value of trust.



STOCK MARKET PERFORMANCE

Trusted companies perform 5% better than their sector.



STOCK MARKET RESILIENCE

During adverse events, trusted companies lose 4.7 percentage points less than distrusted companies.



INVESTOR DECISIONS

Institutional investors claim trust in a company is the #1 driver when making decisions.



EMPLOYEE LOYALTY + ADVOCACY

Employees who trust their employer are twice as loyal and recommend their company twice as much.



MEDIA COVERAGE

Trusted companies receive twice the positive coverage of distrusted companies.



CONSUMER PURCHASE + ADVOCACY

Six in 10 consumers would be among the first to buy from companies they trust and six in 10 would defend a company they trust.



REGULATOR SCRUTINY

Trust lowers the demand for regulatory scrutiny. Only one in five would lobby for more regulations for companies they trust vs. two in five for distrusted companies.

What is Trust?

TL:DR

- A future looking inclination to rely on the source in the future
- Inclination to trust on statements on the current state of things
- Highly volatile, and valuable
- Building trust is more an art rather than a science

Majority in 24 countries

Which are you more likely to believe?

59% **My tendency is to distrust** until
I see evidence that something is trustworthy

VS. _____

My tendency is to trust until I see evidence
that something is untrustworthy

What is Trust?

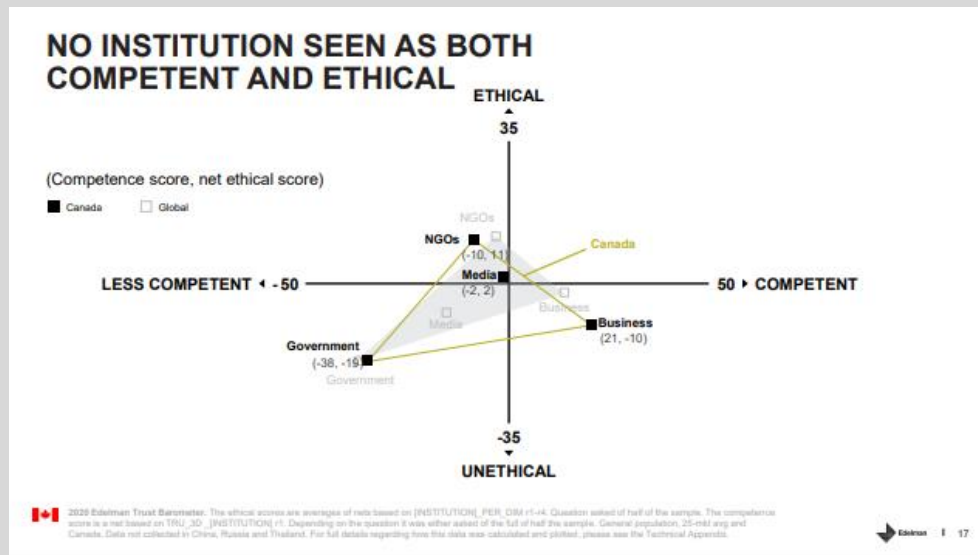
Trust determines whether we will accept a new proposition as true or not without requesting more evidence.

Evaluating evidence is expensive and time consuming.

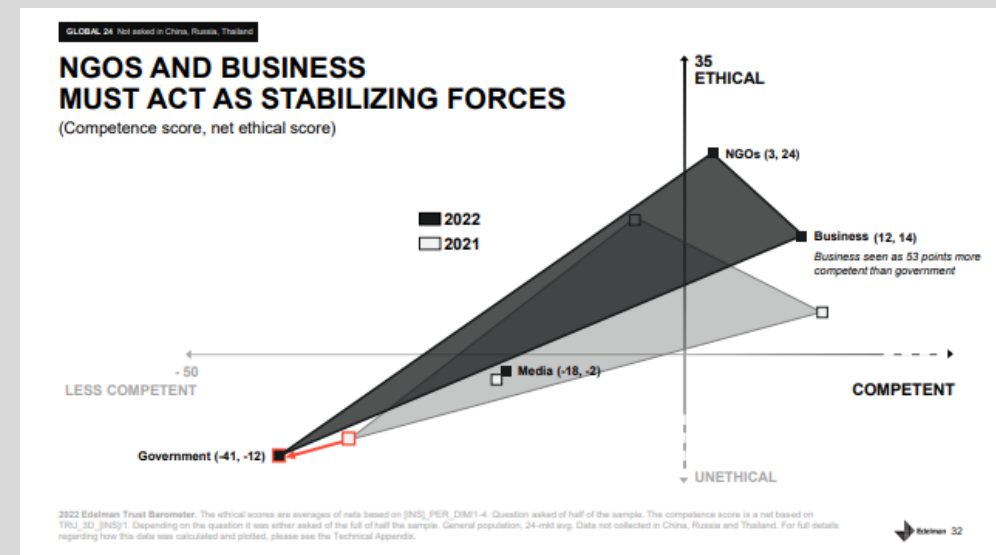
We should have measures to make sure that public trust is not abused.

Business and NGOs are expected to fill the trust gap in other public institutions

Public Trust in Institutions in 2020



Public Trust in Institutions in 2022

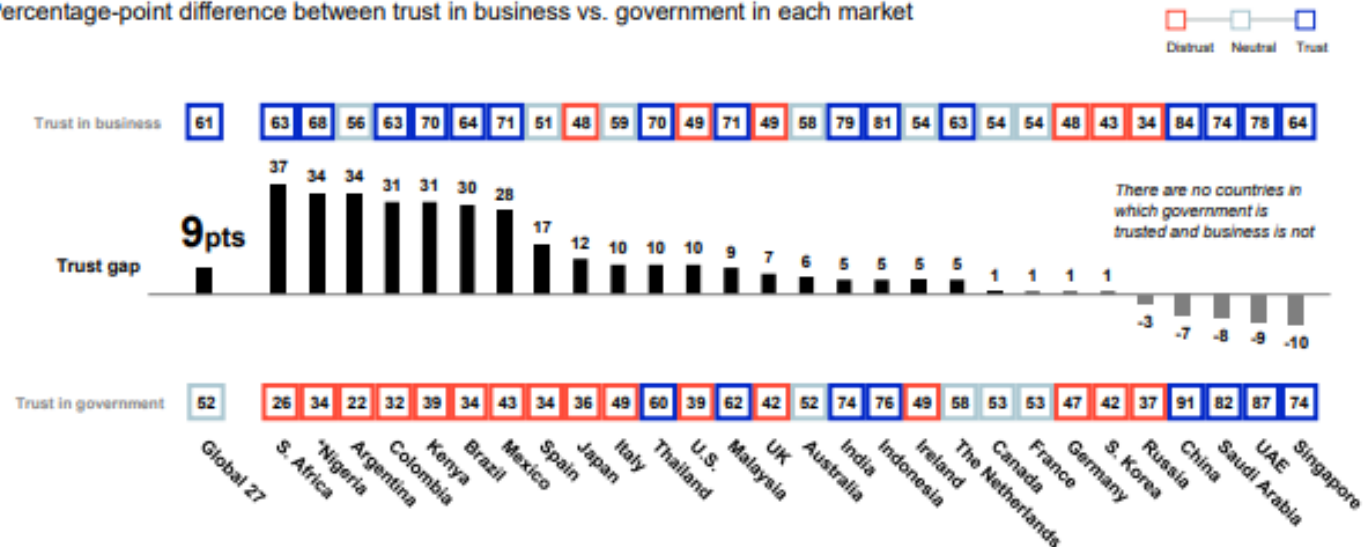


https://www.edelman.com/sites/g/files/aatuss191/files/2022-01/2022%20Edelman%20Trust%20Barometer%20FINAL_Jan25.pdf

Businesses are more trusted when trust in government is low

BUSINESS MORE TRUSTED THAN GOVERNMENT IN 23 OF 28 MARKETS

Percentage-point difference between trust in business vs. government in each market



2022 Edelman Trust Barometer. TRU_INS. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right. 9-point scale; top 4 box, trust. General population, 27-mkt avg. *Nigeria is not included in the global average.

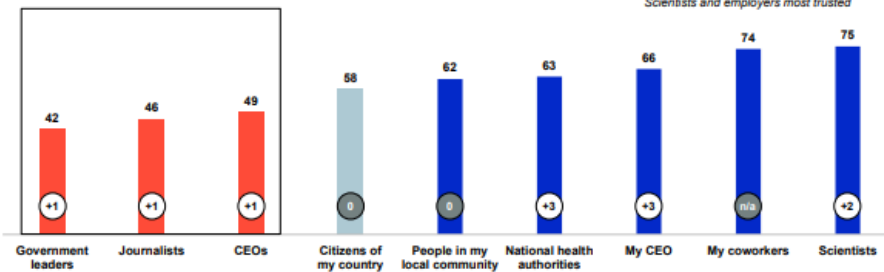


WHAT DRIVES TRUST

Trust in business despite distrust in business leaders

SOCIETAL LEADERS NOT TRUSTED

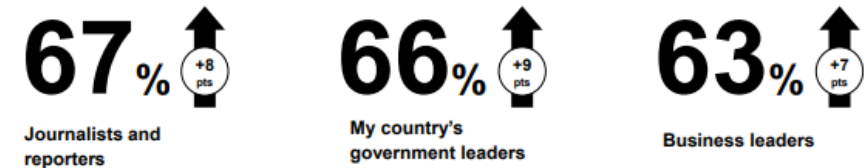
Percent trust



2022 Edelman Trust Barometer. TRU_JEP. Below is a list of groups of people. For each one, please indicate how much you trust that group of people to do what is right using a 9-point scale where one means that you "do not trust them at all" and nine means that you "trust them a great deal". 9-point scale; top 4 box, trust. Some attributes asked of half the sample. General population, 27-44 avg. "My coworkers" and "my CEO" only shown to those who are an employee of an organization (Q43/1).

MORE CONVINCED WE'RE BEING LIED TO BY SOCIETAL LEADERS

Percent who worry



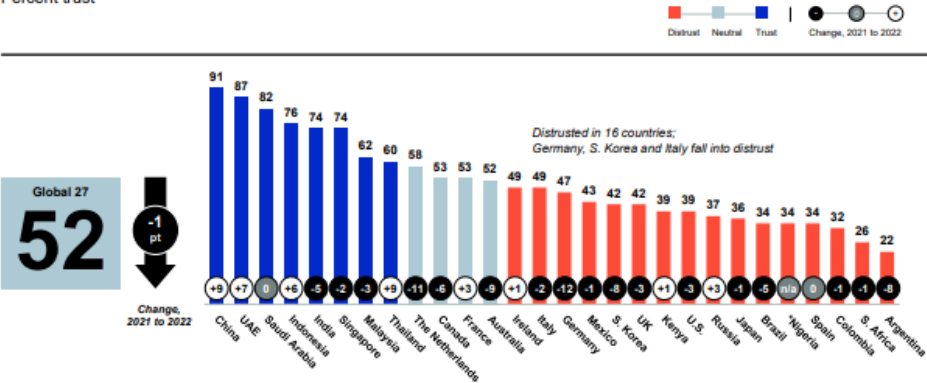
are purposely trying to mislead people by saying things they know are false or gross exaggerations

2022 Edelman Trust Barometer. POP_EMO. Some people say they worry about many things while others say they have few concerns. We are interested in what you worry about. Specifically, how much do you worry about each of the following? 9-point scale; top 4 box, worry. Attributes shown to half of the sample. General population, 27-44 avg.

Trust correlates with perceived ability to solve problems and competence

TRUST IN GOVERNMENT FALLS IN 17 OF 27 COUNTRIES

Percent trust

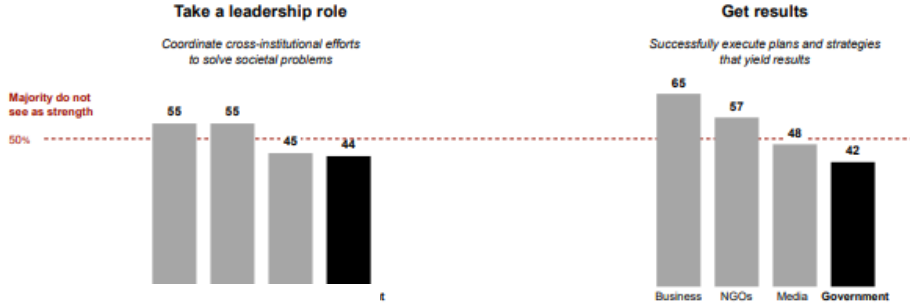


2022 Edelman Trust Barometer. TRU_PNS. (Government in general) Below is a list of institutions. For each one, please indicate scale, top-4 box, trust. General population, 27-mkt avg. *Nigeria is not included in the global average

GLOBAL 24 Not asked in China, Russia, Thailand

GOVERNMENT NOT SEEN AS ABLE TO SOLVE SOCIETAL PROBLEMS

Percent who say each is a strength of institutions



today, please indicate whether you consider each of the following dimensions to be one of their top strengths. General population, 24-mkt avg. Data not collected in China, Russia and Thailand.

GLOBAL 24 Not asked in China, Russia, Thailand

BUSINESS AND NGOS SEEN AS COMPETENT AND EFFECTIVE DRIVERS OF POSITIVE CHANGE

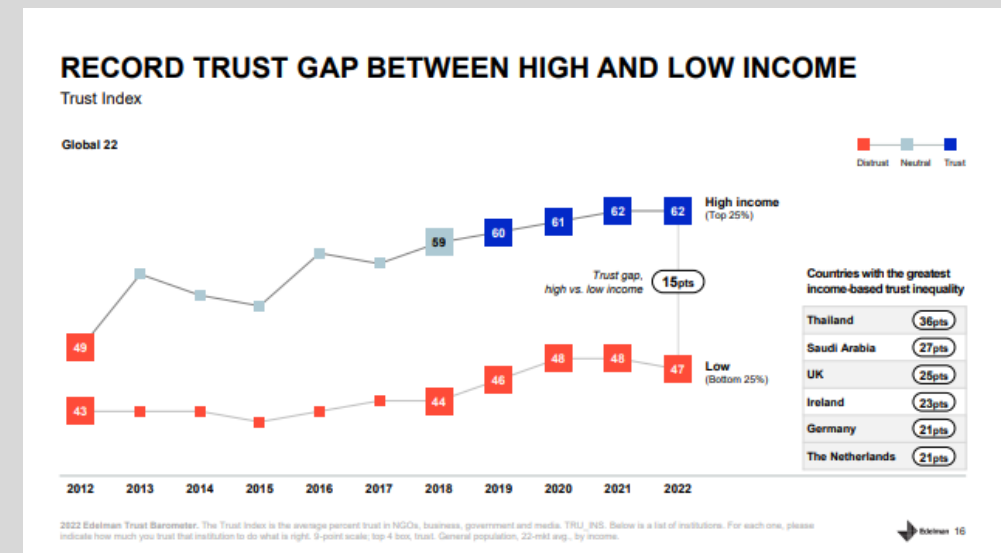
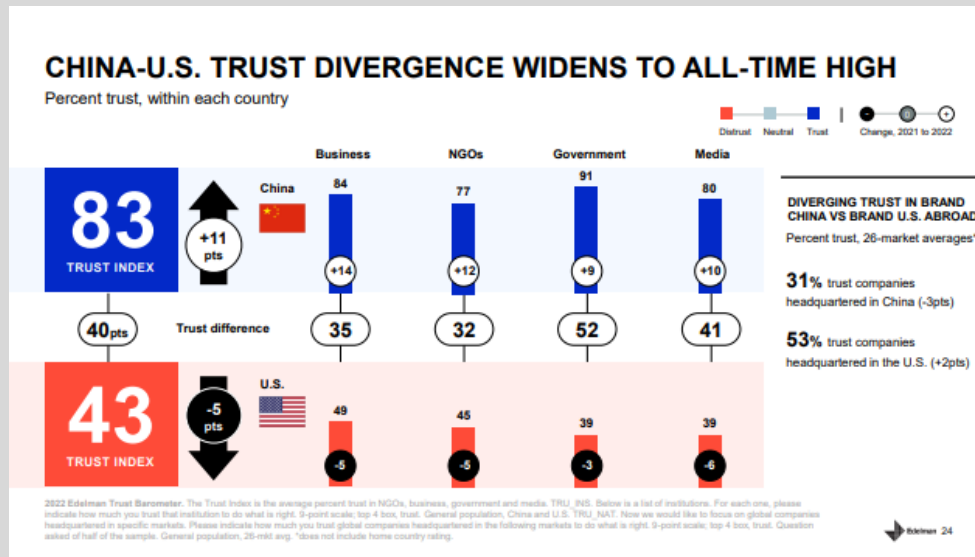
Net ethical scores in detail

	Business Net score	NGOs Net score	Government Net score	Media Net score	
Effective	29pts	30	-7	9	Highly effective agent of positive change vs Completely ineffective agent of positive change
Visionary	19	22	-10	-5	Has vision for the future I believe in vs Does not have a vision for the future I believe in
Fair	-7	11	-19	-12	Serves the interests of everyone equally and fairly vs Serves the interests of only certain groups of people

Watchout for business:
negative score for fairness

2022 Edelman Trust Barometer. [INS], PER_DIM. In thinking about why you do or do not trust [institutions], please specify where you think they fall on the scale between the two opposing descriptions. 11-point scale, top 5 box, positive; bottom 5 box, negative. Questions asked of half of the sample. General population, 24-mkt avg. Data not collected in China, Russia and Thailand.

Trust correlates with well-being and perceptions on who is responsible for well-being outcomes



Trust has become arm's length

CIRCLES OF TRUST BECOME MORE LOCAL

Percent who say each has increased or decreased during the pandemic

LESS TRUST FOR OUTSIDERS

My trust in...	Net change	increased	decreased
people from other countries	-8	18	26
people who live in other states, provinces, or regions	-2	20	22

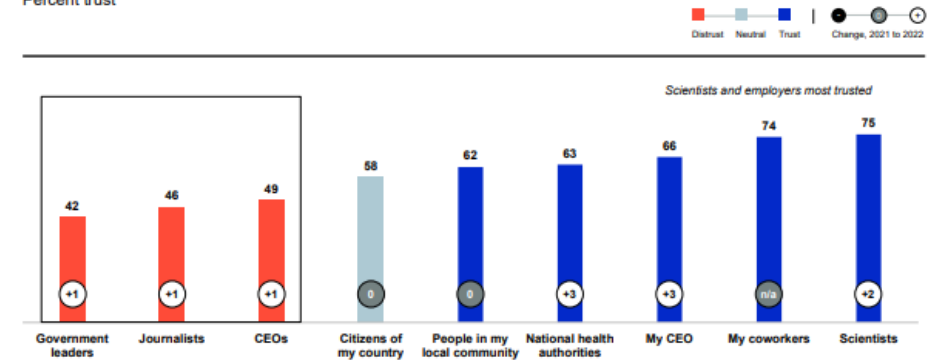
CLOSER BONDS WITH COWORKERS AND NEIGHBORS

How close I feel...	Net change	increased	decreased
to my coworkers	+12	32	20
to my neighbors	+7	28	21

2022 Edelman Trust Barometer. PAN, MRE, LSS. For each of the following, please indicate whether life during the pandemic is: code 1, decreased; code 2, increased. General population, 27-mkt avg. "To my co-workers" data is filtered to be among 9

SOCIETAL LEADERS NOT TRUSTED

Percent trust

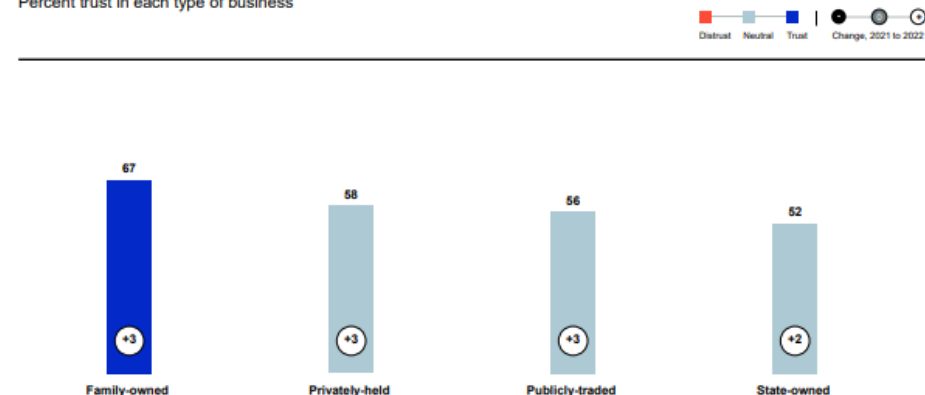


one, please indicate how much you trust that group of people to do what is right using a 9-point scale great deal" 9-point scale; top 4 box, trust. Some attributes asked of half the sample. General population of an organization (G43/1).

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FAMILY-OWNED BUSINESSES MOST TRUSTED

Percent trust in each type of business



2022 Edelman Trust Barometer. TRU_ORG. Thinking about different types of businesses, please indicate how much you trust each type of business to do what is right using a 9-point scale where one means that you "do not trust them at all" and nine means that you "trust them a great deal". 9-point scale; top 4 box, trust. Question asked of half the sample. General population, 27-mkt avg.

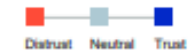
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Limited public attention budget

TRUST IN INDUSTRY SECTORS: 10-YEAR TRENDS

Percent trust

Global 22



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Change, 2012 - 2022
Technology	77	74	77	74	76	76	75	78	75	68	72	-5
Healthcare	-	-	-	-	64	67	65	68	67	66	69	n/a
Food and beverage	64	64	65	64	65	68	64	69	67	65	67	+3
Automotive	63	66	70	67	62	66	63	69	67	60	63	0
Telecommunications	69	61	62	60	61	64	64	67	65	61	62	+3
Energy	54	58	57	57	59	62	63	65	63	59	61	+7
Entertainment	-	63	66	64	66	65	63	68	65	59	61	n/a
Consumer packaged goods	58	61	62	61	62	64	61	65	62	60	60	+2
Financial services	44	47	49	48	52	55	55	57	56	52	54	+10

2022 Edelman Trust Barometer. TRU_IND. Please indicate how much you trust businesses in each of the following industries to do what is right. 9-point scale; top 4 box, trust. Industries shown to half of the sample. General population, 22-mid avg.

The take-away

- Trust increasingly becoming an arm's length relationship
- People who are well-off feel more trusting generally
- Institutions perceived to be responsible for the current state of well-being hit the hardest when well-being is generally low
- In times of hardship, we trust faraway public figures such as politicians, business leaders, and big institutions less
- Local, private, and small businesses become seen as more trust worthy as centers of community and self-help among like-minded people
- We trust institutions that are effective problem solvers



DO CORPORATIONS
COMMUNICATE
RESPONSIBLY

Coca Cola 2013 'Coming together Advertisement'

- "Beating obesity will take action by all of us, based on one simple common sense fact: 'All calories count, no matter where they come from. Including Coca Cola and everything else with calories. If you eat and drink more calories than you burn off, you will gain weight.'" (1:25 – 1:45 in the original advertisement).
<https://www.theguardian.com/business/video/2013/jan/15/coca-cola-ad-obesity-video>
- Coca-Cola has since cut off this portion of their public messaging from the 2013 advertisement videos uploaded on their official channel.
<https://www.youtube.com/watch?v=oV2D0Zq124g>
- Current corporate position: "Many of our beverages contain sugar, which has calories. While sugar is fine in moderation, too much of it isn't good for anyone. Having too many calories, including from soft drinks with sugar, can contribute to weight gain." <https://www.coca-colacompany.com/faqs/how-much-sugar-is-in-coca-cola#>



<https://www.npr.org/2021/07/01/1012138741/exxon-lobbyist-caught-on-video-talks-about-undermining-bidens-climate-push>

Exxon Lobbying Efforts Against Climate Change

“Did we aggressively fight against some of the science? Yes. Did we join some of the shadow groups to work against some of the early efforts? Yes, that’s true. But there is nothing illegal about that. You know we were looking out for our investments, our shareholders.”

Made-to-order Scientific Publishing

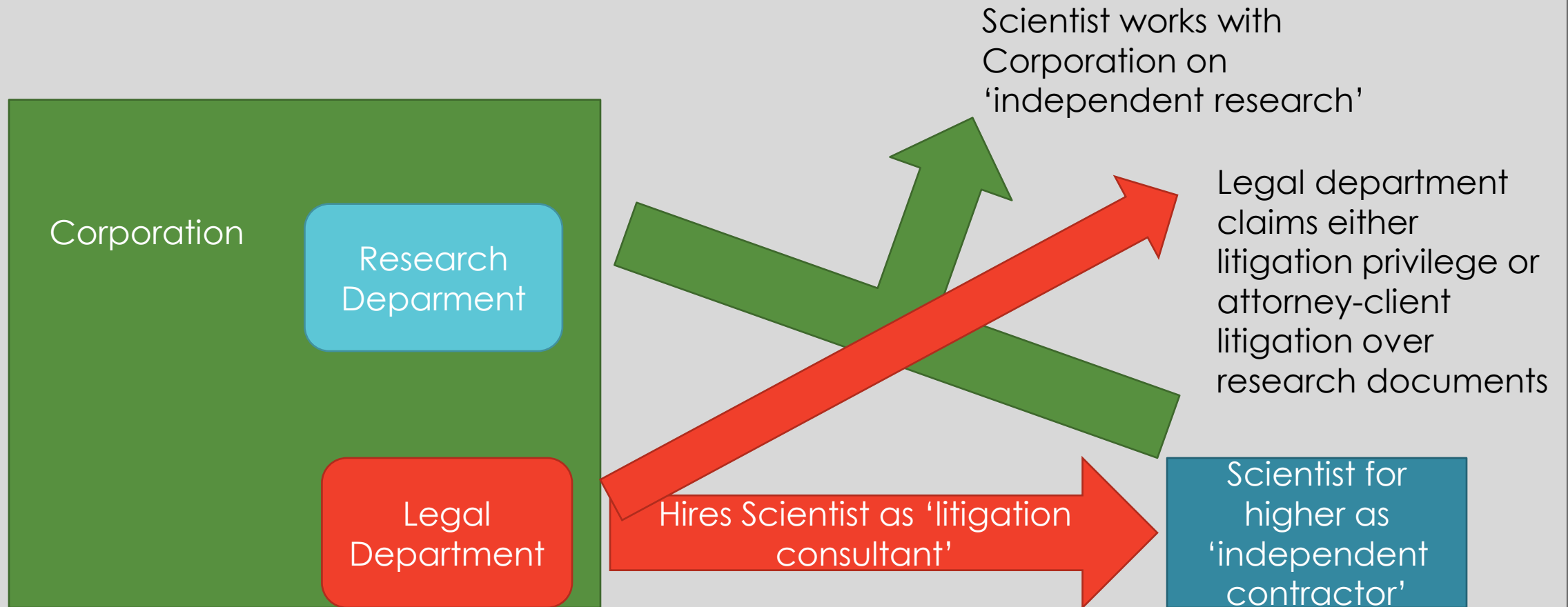
- In 1967, an influential medical literature review called “Dietary Fats, Carbohydrates and Atherosclerotic Disease” was published in the New England Journal of Medicine, funded by the “Sugar Research Foundation”, Co-authored by academics in high-profile research institutions such as Harvard. Correspondents between the academic editors and the SRF reveal that SRF strongly guided the research process.
- Funding terms: the SRF would pay them \$6500 (\$48900 in 2016 dollars) for “a review article of the several papers which find some special metabolic peril in sucrose and, in particular, fructose
- Example of communications between the SRF and the authors:
“Nine months into the project, in April 1966, Hegsted told the SRF that the review had been delayed because of new evidence linking sugar to CHD: “Every time the Iowa group publishes a paper we have to rework a section in rebuttal[emphasis added].” The “Iowa group” included Alfredo Lopez, Robert Hodges, and Willard Krehl, who had reported a positive association between sugar consumption and elevated serum cholesterol level.”

Sugar Industry and Coronary Heart Disease Research - A Historical Analysis of Internal Industry Documents*

Following the *NEJM* review, the sugar industry continued to fund research on CHD and other chronic diseases “as a main prop of the industry’s defense.”⁵¹ For example, in 1971, it influenced the National Institute of Dental Research’s National Caries Program to shift its emphasis to dental caries interventions other than restricting sucrose.⁸ The industry commissioned a review, “Sugar in the Diet of Man,” which it credited with, among other industry tactics, favorably influencing the 1976 US Food and Drug Administration evaluation of the safety of sugar.⁵¹ These findings, our analysis, and current Sugar Association criticisms of evidence linking sucrose to cardiovascular disease^{6,7} suggest the industry may have a long history of influencing federal policy.

Many industries sponsor research to influence assessments of the risks and benefits of their products.⁵⁵⁻⁵⁷ The influence of industry sponsorship on nutrition research is receiving increased scrutiny.⁵⁸ Access to documents not meant for public consumption has provided the public health community unprecedented insight into industry motives, strategies, tactics, and data designed to protect companies from litigation and regulation.⁵⁹ This insight has been a major factor behind successful global tobacco control policies.⁶⁰ Our analysis sug-

Hiding Research Programs Behind Legal Confidentiality



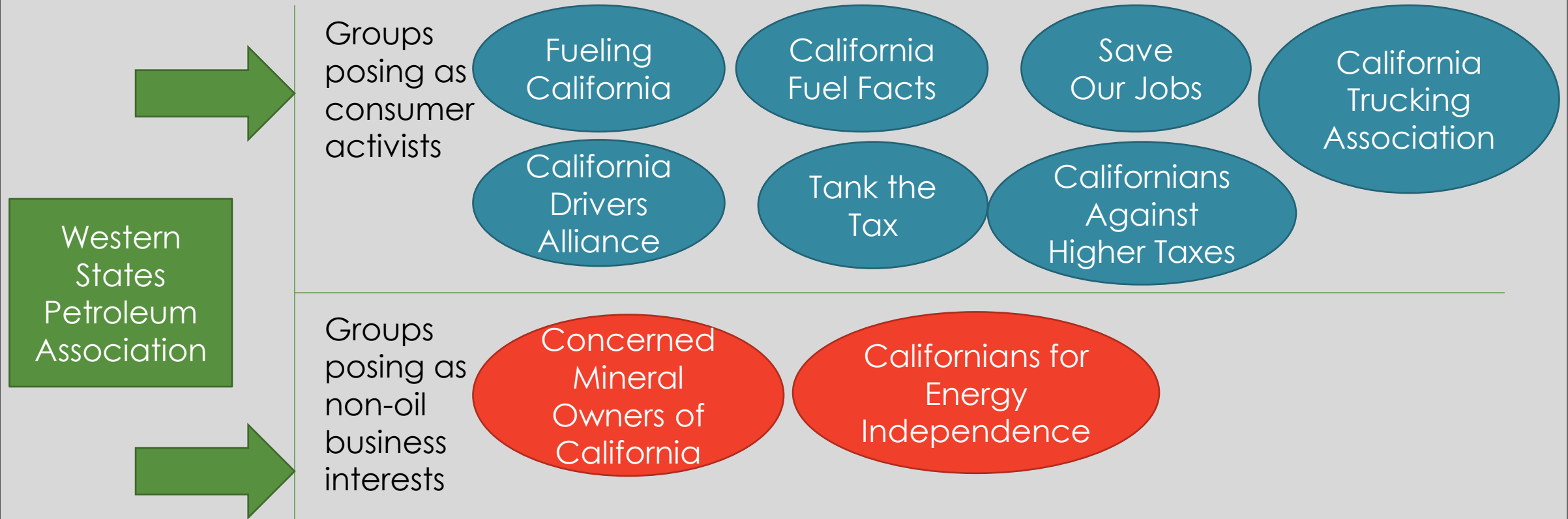
Astro-turfing the discussion

- NGO's with complicated ownership structures are created and funded by corporate beneficiaries to create the impression that there is grassroots opposition against stricter public health and benefit rules.
- Astroturf groups keep the funders of their campaign confidential by putting many layers of intermediaries between the corporate and corporate interest funders, and the astroturf activists.



President of CRA in 2009 per leaked emails: "our sponsorship of this campaign is confidential. We are funding Berman & Co. directly, not the Center for Consumer Freedom, which is running the ads. If asked, please feel free to state the following: 'The Corn Refiners Association is not funding the Center for Consumer Freedom. It is not surprising, however, that the food and beverage industry would want to defend this highly versatile ingredient.'"

Astroturfing in Oil and Energy



<https://www.ucsusa.org/resources/how-fossil-fuel-lobbyists-used-astroturf-front-groups-confuse-public>, https://www.indybay.org/uploads/2014/12/12/washington_research_council_-_cathy_reheis-boyd.pdf

'Grassroots movements'

Definitely real person



Definitely real Oregonian consumers



Real drivers definitely paid for these ads:



Put the
brakes on
the “Hidden”
Gas Tax!

On January 1, 2015, California drivers can expect a large “hidden” gas tax that the California Air Resources Board notes may climb to an additional 76 cents per gallon.

For further information, or to **SIGN THE PETITION** to Stop the Hidden Gas Tax, visit:

www.CaliforniaDriversAlliance.org



**Stop the
Hidden Gas Tax!**

The California Air Resources Board (CARB) has refused to hold any hearings to allow those impacted by a January 1st Hidden Gas Tax to be heard.

Why are California drivers and other fuel consumers being shut out? Call the Air Resources Board at (800) 242-4400 and demand that this costly regulation be delayed until California drivers have the opportunity to be heard!

Visit our website and sign the petition to help
STOP the Hidden Gas Tax

 www.CaliforniaDriversAlliance.org



STATE OF THE LAW EFFECTING CORPORATE COMMUNICATION

Disclosure Requirements

The Lobbying Act

- The purpose is to enable the Canadian public to know who communicates with public office holders and what interests they represent
- Communicating:
 - Making, developing or amending of federal legislative proposals, bills or resolutions, regulations, policies or programs
 - Awarding of federal grants or other financial benefits
 - Awarding of a federal government contract
- Lobbying registrations and communication record reports not updated since 2016 in a collated manner.
- Database:
<https://lobbycanada.gc.ca/app/secure/ocl/lrs/do/rcntCmLgs>

Securities Law

- Only effects public corporations and private corporations in the course of going public
- Must disclose all material facts before going public.
- Must disclose all material changes on an ongoing basis once public
- Such mandatory continuous disclosure is not vetted for the accuracy of their statements.

Court litigation:

- Class actions might be available on:
 - Commercial negligence
 - Misrepresentation
 - Fraud
 - Example: Tobacco Litigations (USA v Philip Morris USA, INC)
 - State of Rhode Island v Shell Oil Co et al (on going)
 - City & County of Honolulu v Sunoco LP et al
- Individual actions may be based in torts law such as commercial negligence, or statutory actions provided under consumer protection laws
 - Johnson v. Monsanto Co.



WHAT ARE THE PROBLEMS WITH LITIGATION MODEL