

Introduction to Crisis Communications at Covestro

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12/12/2017
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- 1. Introduction**
- 2. Regulations at Covestro**
- 3. Before a crisis – Raising awareness and preparation**
- 4. During a crisis – Applying the theory**
- 5. After a crisis – Evaluating and improving**

1. Brief introduction to crisis communication

Or: Is it important for us at all?

The chemical industry has been hit by severe crises



Landmark cases

Dow Bhopal disaster (1984)

- Gas leak in a pesticide plant
- 500.000 people exposed to Methyl isocyanate
- At least 2.200 casualties



Sandoz chemical spill (1986)

- Fire released toxic agrochemicals
- Tons of pollutants entered the Rhine river
- Massive mortality of fishes



Bayer related incidents

Tanker on fire at the Bayer plant (2001)

- A ship leaked in the Rhine river and caught fire
- Contamination of the Rhine with 1.800 tons of nitric acid
- Advise to residents to keep windows closed



Bayer plant, West Virginia (2008)

- Explosion in a Bayer CropScience plant
- Killed two workers



Despite our high safety standards: Covestro is vulnerable to crises



1. We are a complex organization

- More than 15,700 employees in more than 30 production sites
- Many different languages and cultural backgrounds



2. We are handling dangerous goods

- Chemical production implies hazards
- Intense public supervision of NGOs, media, politicians, etc.



3. Our brand is still new

- The Covestro brand has not yet build up goodwill that could protect us in crises



Due to these factors, there remains a residual risk that a crisis hits us and our reputation

Crises have many face – common types



External

- Natural disasters
- Class-action lawsuit, product incident or environmental catastrophe
- Kidnapping or blackmail
- Terrorism or bomb threat
- Blockade, sabotage or espionage

Internal

- Production incidents
- Compliance cases
- Theft, fraud or other criminal actions
- Workplace violence or sexual harassment
- Personnel scandals

Crises can be triggered by internal and external incidents



Why are media of utmost importance during a crisis?

Media are at the interface of a company and its public perception during a crises



- Up to 80% of crisis management is crisis communication¹
- Stakeholders usually assess crises based on media reports
- Mass media have a huge influence on the perception of a crisis
- Once a crisis frame has been formed by the media, it is hard to change
- The picture is the message
- The company spokesperson is the face of a crisis

Media offers an opportunity to present our viewpoint to the public



Media & Crisis Communications: Facts vs. emotions



- Media compete for the best story – high time pressure
- David against Goliath: the conflict is the story
- Show interest in the story, not necessarily in the facts
- Guilty until proven innocent
- If you remain silent – you must be guilty



Media give everyone a platform – let us make the most of it

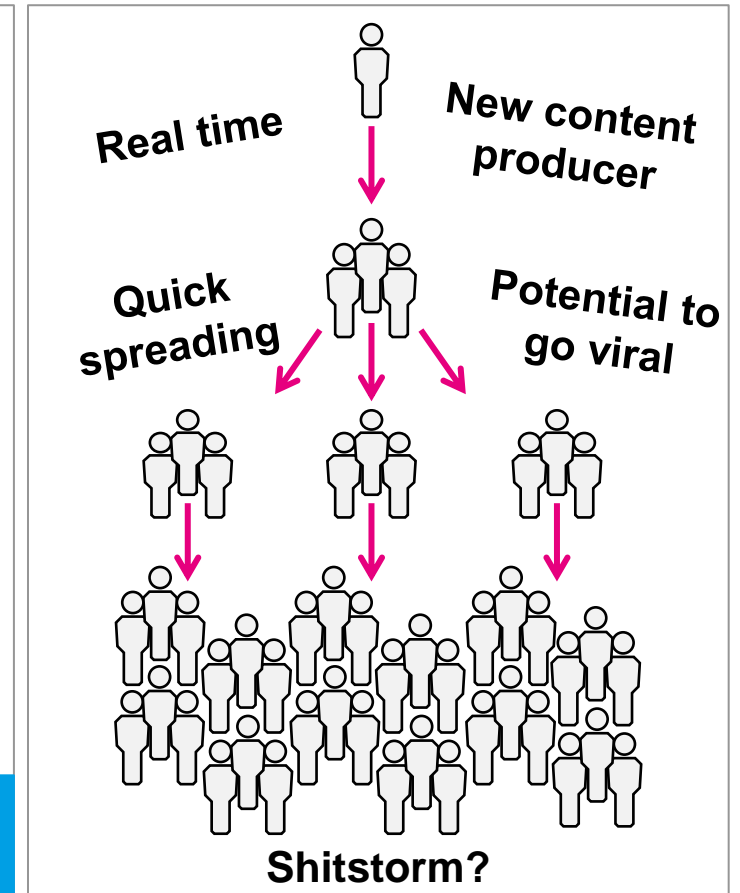
Social media and crisis communication



Social media has tremendous effects on crisis communication:

- Everybody can share a content
- Social media have become an acceptable source for media
- New media increase the distribution speed and range of news
- Good news travel fast, bad news travel faster

In crisis situations, social media presents additional challenges and chances for a company



There is no local crisis anymore!

Social media mentions after the BASF incident in Oct. 2016



How to communicate with the media



1 Inform proactively, regularly and stay with the facts already known!

2 Be prepared: Know your messages, keep them short and simple!

3 Show empathy before talking about property damage!

4 Support journalists in their work as speed is very important for them!

5 Appear confident and show how you will solve the problem.

6 Name the substances involved and areas of application for a better understanding!

How not to communicate with the media



- 1** No piecemeal tactics because this will only undermine your credibility!
- 2** Don't speculate about causes or answer hypothetical questions!
- 3** Avoid worst case scenarios, communicate the facts as they are!
- 4** Don't play matters down, but take the concerns of citizens seriously!
- 5** Never say, "There was no risk at any time!" – That's a cliché!
- 6** Avoid technical terms, but use a simple and understandable language instead!
- 7** Never insist on approving media texts, but be available for follow-up questions!

2. Regulations at Covestro

Different directives describe standard procedures for crisis situations



The Crisis COM Manual complements the Corporate Directives 63 & 71 from a COM perspective

Relevant materials can be found in the COM Connections Group



Crisis COM Manual



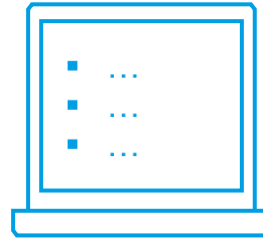
- Thorough introduction to crisis communication

Checklists & working documents



- Checklists, work documents and templates to enable a structured and fast procedure

Presentations



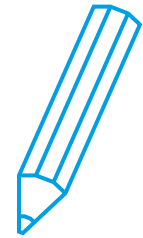
- A set of slides covers different aspects of Crisis COM for training sessions

Contacts



- Alarm list for Corporate COM and telephone list with worldwide contacts

Case Studies



- Regular publication of interesting case studies

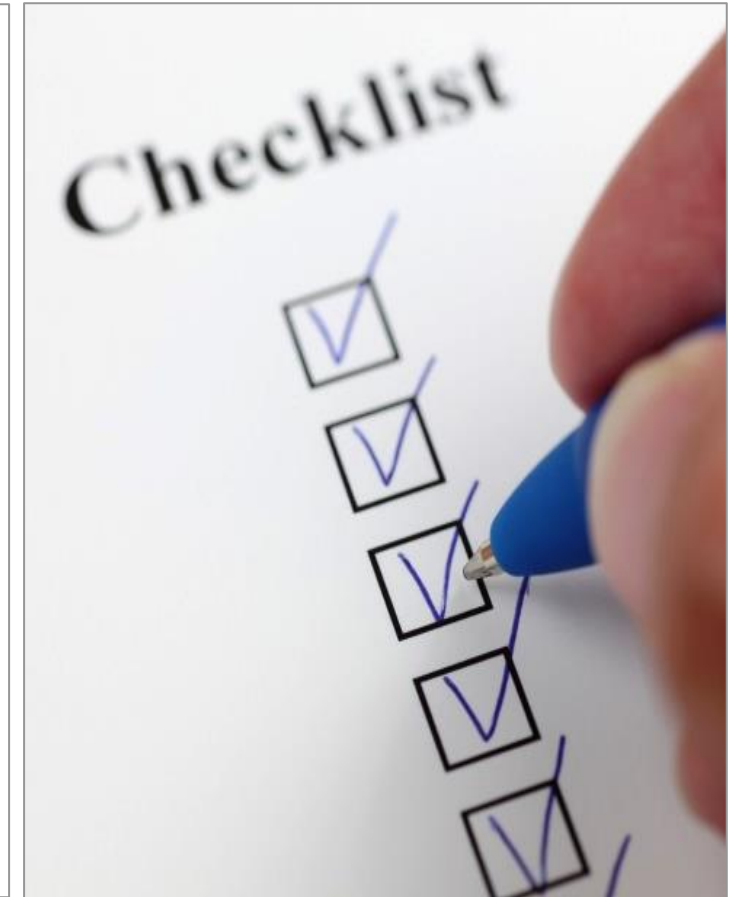
The materials will be kept up-to-date on a regular basis

3. Before a crisis – preparation is key

Our key elements for the preparation of crisis scenarios





- ☒ Evaluation of potential crisis scenarios
- ☒ Definition of target groups
- ☒ Media monitoring
- ☒ Familiarity with support materials and work documents
- ☒ Spatial and personnel requirements
- ☒ Crisis communication trainings




Anticipating possible crisis scenarios




Examples




Production-related accidents



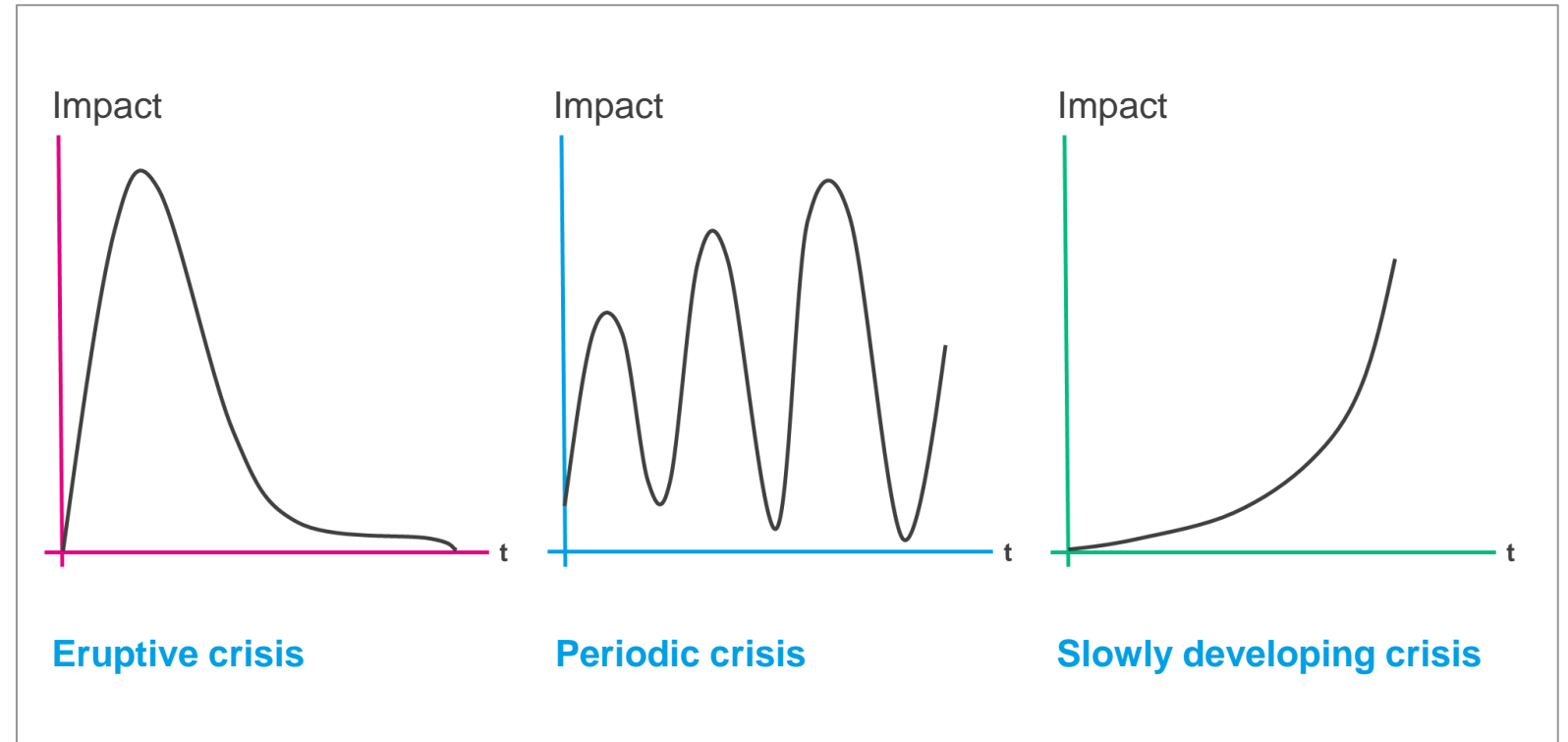
Natural disasters



Country-specific issues



Employee misconduct



“You can master a crisis best by anticipating it.”

Walt Whitman Rostow, U.S. national security adviser (1916-2003)

Our most important stakeholders in the first hours after an incident – Example

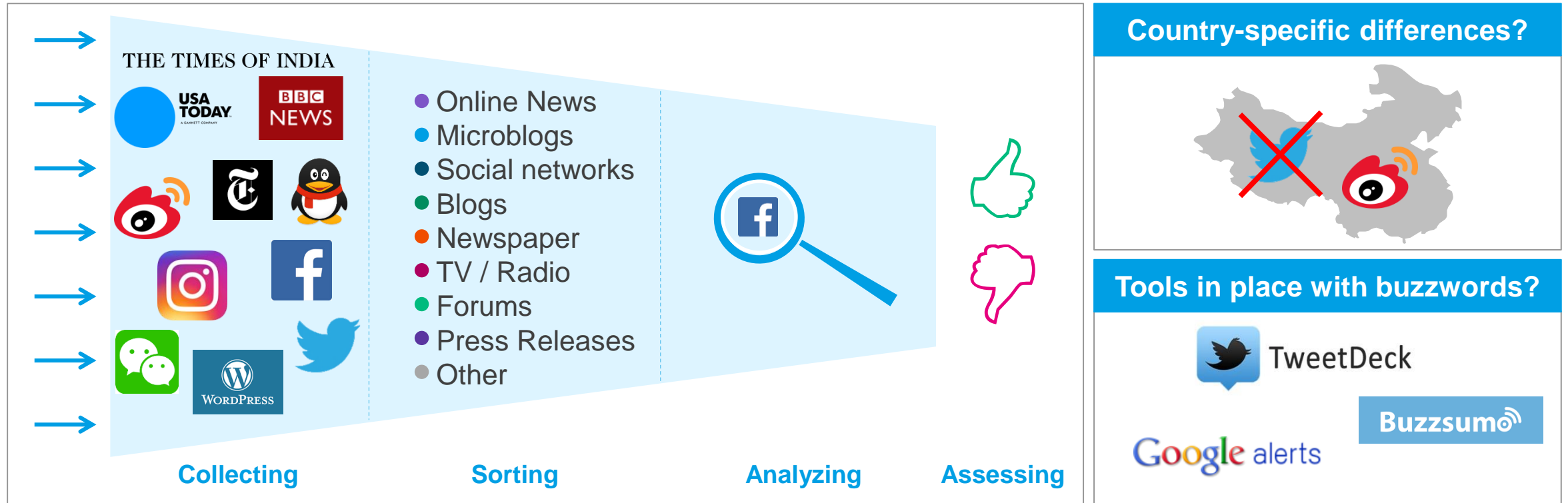


The definition of target groups depends on country-specific and situation-related circumstances

- Which persons / institutions do we have to contact internally and externally?
- Who will be most likely contacted by the media and therefore needs a briefing?
- Who are our most relevant multipliers outside the company?
- Do we have an up-to-date contact list readily at hand?



Preparing and installing the media monitoring



Media monitoring requires extensive preparation and possibly external support

Case example: New crises types



Coca Cola relaunched “Fanta Klassik” on the German market in 2015.

Then “BuzzFeed News” combined the phrase “good old times” from a video with the date of origin of Fanta Klassik at the start of the 1940s and made a link to the Nazi period.

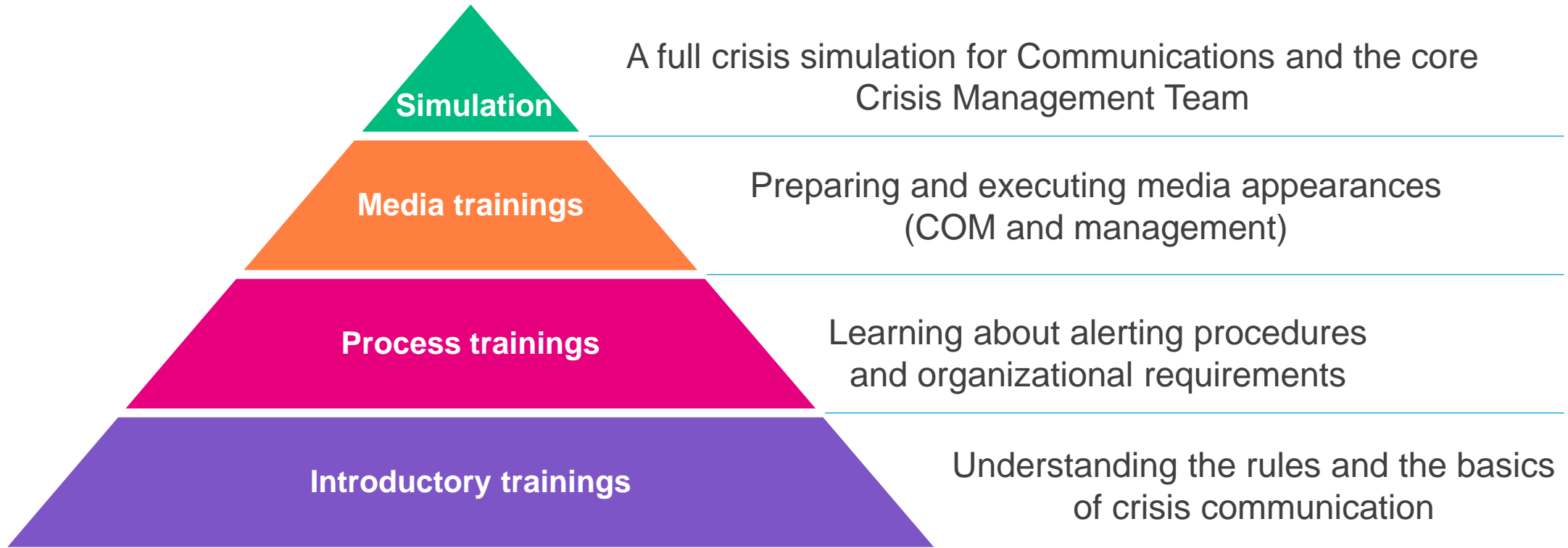
This “news” travelled around the world as a result of “clickbaiting”. That’s plugging (often content-free) content and boosting access figures with an enticing headline (“clickbait”).

The accusation of glorifying the Nazi period was taken up by a lot of large media outlets and a big late-night show in the USA.

Coca Cola reacted quickly, took the video down and apologized for the misunderstanding.



Training Covestro's employees on a regular basis



Solid preparation and trainings on a regular basis help to create best possible routine for real crises

4. During a crisis – Applying the manual

During all phases of a crisis the COM team is responsible for three fundamental tasks



Advice & Coordination

- Communication situation assessment
- Recommendation of internal and external communication strategy
- Advice and briefing for media appearances
- Ensuring that information is communicated consistently

External Communication

- Monitoring of all relevant media channels
- Creation and provisioning of up-to-date wordings
- Responding to press inquiries
- Organization of press events and contact with press offices

Internal Communication


- Collaboration and information sharing
- Creation and distribution of employee information

Some frequently asked topics

The emergency statement is a first immediate reaction to a crisis



Press Release



City,
Date

Faketown site

Bomb threat taken seriously

Safety precautions initiated

The **Faketown** security agency has received an anonymous bomb threat relating to a Covestro production plant. They are taking the threat seriously. The affected area is being evacuated in close collaboration with the relevant authorities, and the production lines are being shut down. Specially trained police units are in the process of conducting a search at the site. Residents of **Faketown's Downtown** and **Midtown** districts have been requested to stay indoors and to keep windows and doors shut as a precaution.

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- Informing about a critical incident is a matter of speed to prevent further harm
- Comprehensiveness of information therefore is not as important
- If information is missing, then leave it open for the time being
- Emergency statements should be released within the first hour after an incident has happened
- Our templates can be used for the drafting of ad-hoc press releases

In favor of a fast responsiveness, emergency statements must only be approved by local task force

Social media channels at Covestro



Twitter



YouTube

Facebook



LinkedIn



Lufthansa and Germanwings have set a benchmark for a crisis communication via social media



Incident:

- On March 24, 2015, a Germanwings plane was deliberately crashed by the co-pilot
- All 150 passengers were killed

Germanwings's reaction:

- The company's logo was attached with a black ribbon
- Online condolence messages and condolence book
- Video message from the CEO



5. After a crisis – Evaluation and improvement

Follow-up measures



Reputation repair

- Act consistently with what you have announced during the crisis
- Provide additional information, e.g. on investigations concerning the cause
- Keep stakeholders up-to-date about any mid-term impacts
- Define a post-crisis communication strategy with internal and external measures

Lessons learned

- Evaluate the crisis communication
- Define milestones for improvement – the next crisis might be just ahead
- Incorporate the lessons learned into pre-crisis trainings and procedures

“Continuous improvement is better than delayed perfection”

Mark Twain

Be prepared

- Trainings / Crisis simulations
- Have communications tools ready

Be quick

- Speed before completeness
- Communicate the facts

Be proactive

- Shape the public opinion
- Target key influencers

Be seen

- Use all relevant communication channels
- Be available to prevent rumors

Perception is reality



»Oh dad, if a tree has fallen in the forest and the media are not there, has the tree then really fallen?«



Thank you for
your attention!