



lexington

Crisis & Risk: How to navigate today's challenging reputational landscape

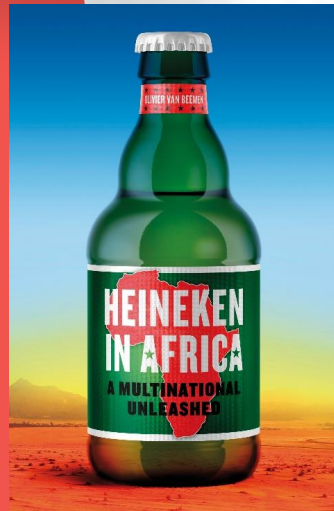
A WEBINAR FOR THE **FOOD & DRINK FEDERATION**

October 2024



Charlie Howard

Head of Corporate Communications & Reputation, Lexington Communications



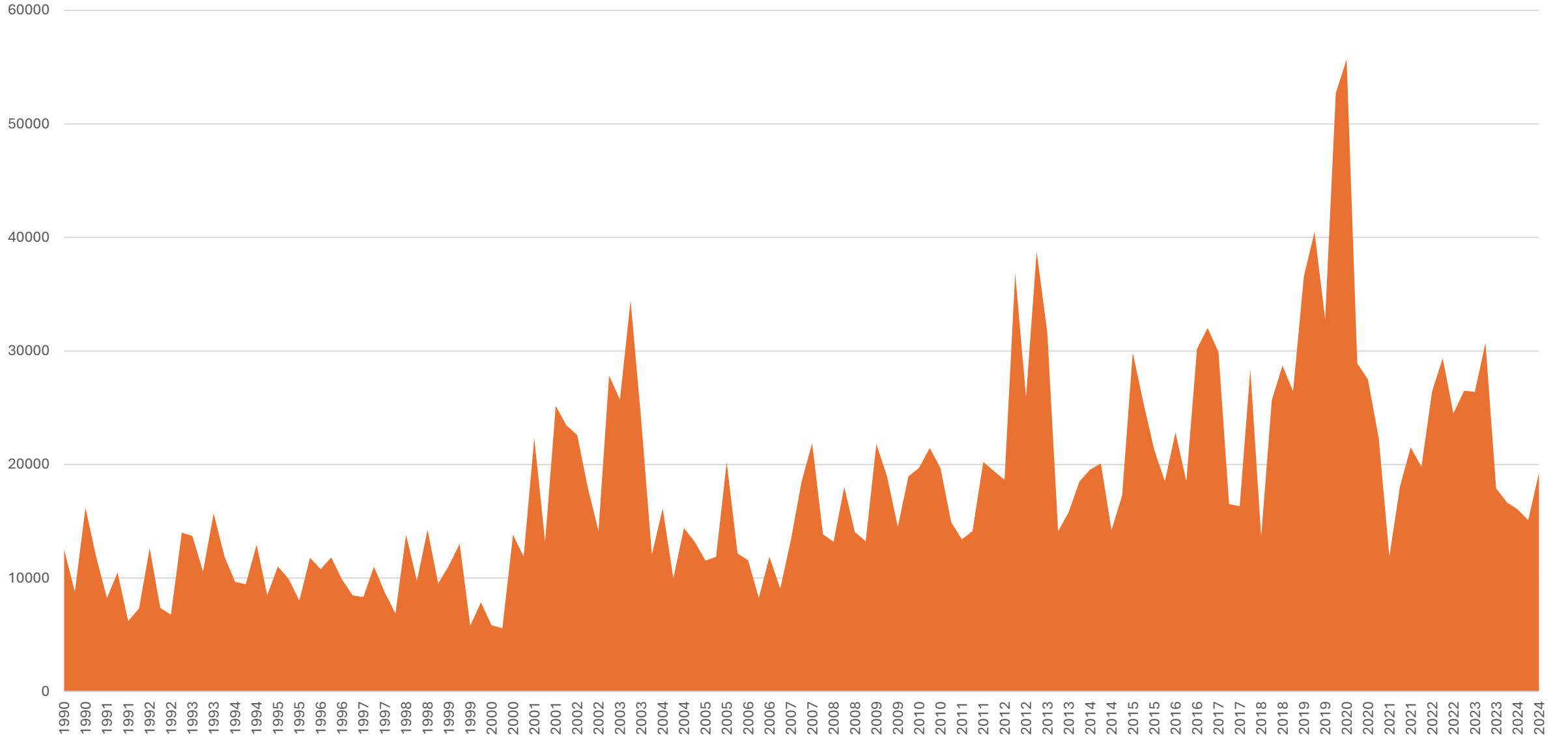
A world of uncertainty



TECHNOLOGY

AI is spawning a flood of fake Trump and Harris voices. Here's how to tell what's real.

World Uncertainty Index



Reputations are fragile

*It takes 20 years to build a reputation
and five minutes to ruin it. If you think
about that, you'll do things differently.*

- Warren Buffet

Where are we now?



24/7 news cycle, deadlines are minute-by-minute



Digital media dominant; pay per click model



Ongoing decline in the quality of journalism



Increasingly polarised and politicised media landscape



Social media remains largely unregulated, and increasingly unmoderated



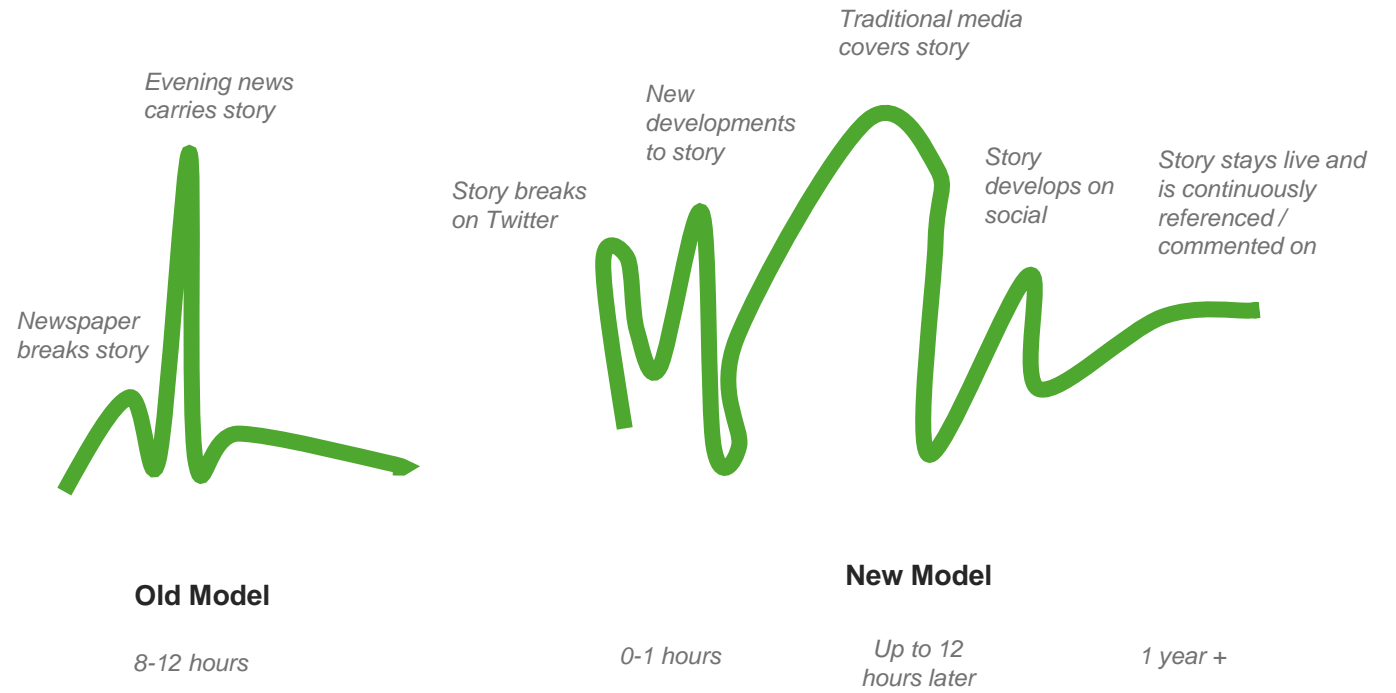
Higher expectations of business – standards of behaviour and role in society



Co-opting of business for political ends



The changing media landscape



The Food & Drink sector's risk landscape

ESG

Employees

Product
Sourcing

Supply Chain

Food Safety

Food Quality

Compliance

Data & Cyber
Security

Political
Involvement





An existential, global crisis

Heineken claims its business helps Africa. Is that too good to be true?

The Dutch beer giant likes to blow its own trumpet about the economic and social benefits it brings to Africa – but revelations of sexual harassment and low pay show a different picture.

Non-Fiction [+ Add to myFT](#)

Heineken in Africa by Olivier van Beemen – potent brew

Heineken Says It's "Brewing A Better World" In Africa. It's Not.

A new book accuses the Dutch beer company of tax evasion, sexual abuse, human rights violations, and high-level corruption.



What's next for reputation

- ✘ Uncertain outlook for social media – potential fragmentation, threat of regulation
- ✘ Continued pressure on media, and decline in traditional media circulation
- ✘ Call for ever-greater levels of transparency from businesses
- ✘ Increased pressure on businesses to define their greater role, and in some areas to take political stances
- ✘ Technology continues to throw up challenges – everything from AI to self-driving cars

Movers and shakers



AI, deepfakes, and ethics



Politics in business



ESG backlash



Social disruption



Global connectedness



Social media

Don't cry for Boo-hoo

Fashion giant faces 'slavery' investigation

Priti Patel 'appalled' by illegal wages

Caroline Wheeler, Amardeep Bassey and Vidhathi Matety

Workers in Leicester making clothes destined for the fashion giant Boo-hoo are being paid as little as £3.50 an hour, an undercover Sunday Times investigation has found.

The factory, which displayed the sign Janwal Fashions, was also operating last week during the localised coronavirus lockdown without additional hygiene or social distancing measures in place. The undercover reporter spent two days working in the factory where he was told to expect £3.50 an hour, despite the minimum wage in Britain for those aged 25 and over being £8.72.

He obtained covert video footage of himself packing garments made in the factory under the label of Nasty Gal, which is owned by the fast fashion brand Boo-hoo whose boss, Mahmud Kamani, is set to scoop a £50m bonus.

At the factory the foreman warned: "These motherf****ers know how to exploit people like us. They make profits like hell and pay us in peanuts."

Last week Priti Patel, the home secretary, asked the National Crime Agency (NCA) to investigate modern slavery in Leicester's clothing factories. The development came after The Sunday



'PEANUTS FOR US, PROFITS FOR THEM'

SPECIAL INVESTIGATION, PAGE 4

Times, with the Conservative MP Andrew Bridgen, raised the alarm with the Home Office after being approached by whistleblowers about the illegal practices allegedly employed in some of the city's clothing factories. The Modern Slavery Act was passed in 2015 after a campaign including a series of investigations by The Sunday Times.

Patel described the allegations as "truly appalling" and commended this newspaper for its role in "uncovering such abhorrent practices". She added: "I will not

tolerate sick criminals forcing innocent people into slave labour and a life of exploitation.

"Let this be a warning to those who are exploiting people in sweatshops like these for their own commercial gain. This is just the start. What you are doing is illegal, it will not be tolerated and we are coming after you."

The foreman at the factory warned of how little the workers were paid, despite the national minimum wage which is meant to ensure that everyone receives a fair rate: "Anywhere in Leicester, you will only find textile factories that pay £3.50-£4 per hour rate. That's what they will pay you here.

"Take me for instance, I've been working for so many years in this industry, I've been here for five years but never could I take a proper pay packet. I'm still only on just over £5 an hour."

The reporter was also warned by another member of staff to keep his job secret, adding: "You are working illegally, so do not discuss or talk anything with people about working here. You have to be discreet. Don't discuss this with anyone. I mean no one at all."

Boo-hoo has already come under fire for allegedly risking the spread of the coronavirus in Leicester after claims that factories supplying the online retailer told staff to

Continued on page 4+

More than £1bn wiped off Boo-hoo value as it investigates Leicester factory

Workers allegedly paid less than minimum wage and not wearing masks to protect against Covid-19

- [Coronavirus - latest updates](#)
- [See all our coronavirus coverage](#)



Leicester MPs respond to Independent Inquiry into Boo-hoo

This damning report shows Boo-hoo has known about unacceptable working conditions in its Leicester factories for years, but has failed to take the necessary action anywhere quickly enough.

A Readiness Framework – the essentials

Protect

- Reputational Risk Analysis
- Horizon Scanning
- Scenario planning



Prepare

- Crisis Process
- Crisis Training
- Media Training
- Crisis Simulation exercises

Recover

- Strategic recovery programme development
- Integrated comms planning and execution

Respond

- 24/7 Crisis Support Model
- Crisis Monitoring and Tracking
- Integrated readiness

A readiness process



lexington



Thank you

charlie.howard@lexcomm.co.uk