



ANNUAL REPORTS:

PIXELS VS PRINT

We live in a world where information sources are increasingly fragmented and where attentions are difficult to capture. That's why, as a public issuer, it has never been more important to be crystal clear about what sets you apart from your peers and how well positioned you are to take advantage of the future. The annual report continues to be one of the best opportunities to communicate how your organization creates value for your stakeholders. An insightful and well-crafted annual report helps contribute to transparency, clarity of message and credibility in your market.

Key components of a strong investment value proposition:

What differentiates your company from others?

What is your company's investment case?

How do you create long-term sustainable value?

Putting the time into thinking about the design of the annual report and how information is presented visually allows you to succinctly articulate your company's key investment proposition, making it easier for investors to make decisions.

But here's the thing. Even the best annual report ever created will only have the desired impact if investors actually engage with it; and in this day and age that

brings up incredibly important questions: Do you print? Do you go digital? Or do you do both?

With annual report season upon us, here are some key considerations to help you answer these questions.

To Print or Not to Print?

Not all that long ago, the belief was that printed annual reports were dead. But then, many pundits declared the death of the printed catalogue.

After all, most people are now getting their information online. And it was hard to argue; retailing giants like Canadian Tire, Land's End and JC Penny all abandoned their popular print catalogues after decades of distribution in favour of an exclusive online presence.

But guess what?

Consumers missed the catalogues. Today, all three have revived their print catalogues to great fanfare and success. Following the return to print in 2015, Land's End even reported that a whopping 75% of their online purchases started with the catalogue!

That's an amazing statistic, but why? How is print still relevant—arguably more relevant than ever—in today's overwhelmingly online world? The answer is firmly rooted in something called the neuroscience of touch—and the critical role it plays in the way we communicate.

Studies have repeatedly shown that people not only prefer reading on paper but have higher comprehension and retention when they do.^{1,2,3}

Printed content:

is intuitively more navigable,
facilitates better mental mapping
drains fewer cognitive resources,
enhancing retention; and
information is processed differently,
sustaining a deeper level of interest.

Recently Canada Post conducted research into the physical nature of direct mail versus digital media in driving consumer action. The study looked at how the brain responds to advertising in different forms of media, and found that physical mail is easier to understand, stimulates higher brand recall and is ultimately more persuasive than digital media, at a difference of 75% for direct mail versus 44% for digital.⁴

It should be no surprise, then, that retailers are having a print renaissance.

But what does that information have to do with your company's annual report? Turns out plenty. Your shareholders, potential investors, analysts and other stakeholders are really just consumers—consumers of your investment proposition, of your growth strategy, of your opportunity for investment value proposition.

The goal of every annual report should therefore be to drive consumer action—whether that's a prospective investor taking the next step in due diligence or an existing shareholder holding or increasing their share position.

So to print or not to print? Well, as science has shown, print—with its ability to greatly influence your audience's behaviour—is a worthwhile investment.

1 R Ackerman, T Lauterman, "Taking reading comprehension exams on screen or on paper? A metacognitive analysis of learning texts under time pressure", (Computers in Human Behaviour vol 28(5), 2012, 1816-1828

2 A Mangen, B Walgermo, K Bronnick, "Reading linear texts on paper versus computer screen: Effects on reading comprehension", (International Journal of Educational Research vol 58, 2013), 61-68

3 E Wastlund et al, "Effects of VDT and paper presentation on consumption and production of information: Psychological and physiological factors", (Computers in Human Behaviour vol 21(2), 2005), 377-394

4 Canada Post / True Impact Marketing, "Understanding the Impact of Physical Communications through Neuroscience", February 2015. Retrieved from https://www.canadapost.ca/assets/pdf/blogs/CPC_Neuroscience_EN_150717.pdf

Leveraging the Power of Digital

Years ago, posting a PDF of the printed annual report on your website was considered “being online”. Doing so now, however, falls well short of meeting today’s online-first expectations and leveraging the massive opportunities that an annual report designed and built for the online experience can provide.

Tailoring the core elements of the printed report for a digital platform not only ensures that your IR presence remains relevant with the times, it also strengthens both your investor and corporate communications by making the content digestible, accessible, dynamic and even more transparent.

As online audiences have come to expect visually appealing, concise and easily digestible information, the intention of the annual report to curate key information regarding your company’s performance and activities throughout the year lends itself naturally to the digital landscape. Utilizing visual elements to create an engaging experience will compel your audience to click through and absorb the story you want to tell them and the information you’re trying to convey. This helps you hold their attention so that they can get the full picture.

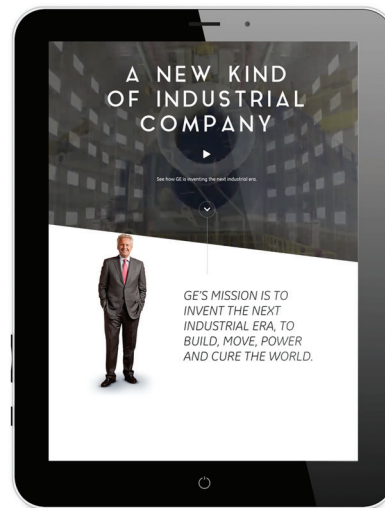
Companies have also found that unlike their printed annual report, people tended to engage with their digital content throughout the year. An online annual can be dynamic, updated quarterly to remain relevant by adapting content, providing updates and responding to changes in your industry and/or operations.

And by simply being online, your brand and content can be shared across multiple social platforms.

Interactive content, animated infographics and video turn your report into easily digestible communications,

proven to elicit greater interest and engagement. Take for example the CEO letter, which sets the tone by providing a high level overview of the information in the report. In an online annual, video-based ‘letters’ make the words come alive, creating a personal connection with audiences.

Not only that, with the breadth and depth of data that you are able to track through analytics, an online annual can generate invaluable insights into what matters to your investors based on how they engage with the content. This allows you to better understand your investors, adapt and respond your communications according to the information they are seeking out and interacting with.



The Mediums Are The Message

Both sides have pretty convincing arguments and for good reason. There's a place for both. Print beats digital in terms of driving action, while digital reigns supreme for ongoing engagement. What matters is that you use these as opportunities to authentically communicate your company's investment proposition.

The Value of Being Authentic

The annual report is an opportunity to showcase your brand and corporate culture. These elements work together with your messaging to demonstrate authenticity, imperative to building a trusted brand. A recent study by NATIONAL PR found that authenticity is one of the main values people use to filter information when assessing which companies to back⁵. Companies that engage with audiences in an honest, open and fair manner will attract more interest and have better relationships with their stakeholders. This can be encouraged by presenting the information in your annual report in a transparent, easy to navigate manner.

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Having a compelling investment story is just the first step. Communicating it in a captivating way using the right forms of media provides investors with all the information they need to make informed investment decisions while reaching the broadest audience where they want to be reached. And to heighten that message even further you should apply an integrated approach, reporting consistently across print and digital. This is not only best practice, it contributes to transparency, timeliness and strength of your message.

In the end, everything you do as a business is important. A well-designed annual report can turn complex or sometimes mundane information into engaging content that effectively exhibits your brand and key messages in an authentic, audience-centric way.

Integrating both a print and digital approach to your corporate reporting further enhances your efforts. Creating distinctive, consistent marketing materials that can be repurposed throughout the year, will strengthen engagement with your audiences and help you reach your corporate objectives.

Whether you choose print, digital or both, take advantage of this opportunity to tell a story beyond the numbers, to provide context for your business, to enhance awareness, garner attention and stand apart from the crowd.

⁵ NATIONAL Public Relations, "Revealing the Prescription for Consumer Cynicism", (The BOLD Thinking Report 2016). Retrieved from <http://www.nationalboldthinking.com>

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Equicom

NATIONAL Equicom

320 Front Street West

16th Floor Toronto

Ontario M5V 3B6

nationalequicom.com

For inquiries please contact:

Fiona Grant Leydier

Manager, Investor Relations

T 416 848 9851