STRATEGIC PLANNING FOR GLOBAL LEADERS

October 1, 2024

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Agenda

- How public affairs leaders can help their company meet rising expectations, drive change and shape the global narrative
- Using a well-structured issue management process to coordinate global public affairs and integrate input from different departments and teams
- Managing competing priorities in an uncertain and fragmented global landscape
- Leveraging and maximizing your existing resources to ensure coordination and increase your impact
- Effective strategies for managing plans and teams across geographies, cultures and political landscapes
- Case studies and lessons learned from successful planning in global campaigns

Issues Management as Critical Tool

Corporate Enterprise Risk Management System
includes many risks like cyber security or a tornado destroying a manufacturing plant

The Issue Management process mitigates against 2 enterprise risks:
(1) regulation
(2) stakeholder action impacting company value

ISSUES MANAGEMENT
Purpose: Anticipate external pressures
to build relevant brand & corporate strategies

| **Regular cross-functional forum** | **Prioritized topics for the business** | **Latest External Developments** (government, NGOs, customers) | **Impact analysis** | **Align on position and action plan** |

Issue Management Process

Issues Councils are the core, supporting the businesses:
- Meet quarterly to address business needs
- **Detect, monitor and respond to <u>regulatory</u> and <u>reputational</u> risks**
- Raise issues for group consideration
- Align on risk assessment and response
- Ensure action where needed

- **Why:** To protect license to operate and get ahead of emerging issues & regulations

- **Who:** a cross-functional team including:
  - Business representation with P&L control
  - Government & Public Affairs
  - Communications
  - Sustainability
  - Consumer Insights
  - Legal
  - Supply Chain
  - Regulatory and Quality

Issue Maps developed and maintained for each council

Identify any overarching issues in need of Corporate escalation

Quarterly review with key SLT with recommendations for action if needed

Global Issue Team leaders debrief

Councils, businesses are updated, adjust action plans if needed

Issues Map: Template

Issue	Issue	Issue ▲
		Issue ▼ NEW: Issue
Issue	Issue	Issue
Issue	Issue	Issue

Potential Impact on Region / Segment (vertical axis)

Public Sensitivity *(NGOs, Media, Consumers, Authorities, Retailers, Competitor pressure)*

- Consistent format for all regions and segments

- Review and tweak quarterly; deeper update each Spring
  - Can any issues come off?
  - What new issues should be added?
  - Do current issues move due to the year's developments?
  - Are there emerging issues to monitor (may be too small for the map today)

- Only for mapping – summaries separate

Process Lead: First Last

Issue summaries

Issue	Description	Work underway	Latest Update
Issue Name Owner Name	High level description of issue and impact	Summary of work underway to address issue	Updates from last quarter

Purpose: for issue managers to quickly understand issues in other regions to determine comparability.

1 row per issue
- Description
- work underway
- Most recent status, key developments
- VERY BRIEF

Using Issues Management

- Managing emerging regulatory topics (potentially changing standards in various markets, voluntary efforts, etc.)
- Monitoring for political, regulatory signs that change in law/approach is coming
- Reinforcing internal messages on who owns next steps; control swirl
- Aligning on strategy (example: supporting a national vs. local approach)

Case studies:
- Allergen stakeholders for potential new product
  - Team developed Q+A to provide transparency to consumers and key stakeholders

- Copycat THC edibles packaging
  - Elevated brand risk to business teams
  - Aligned on advocacy to eliminate and plans to raise public awareness
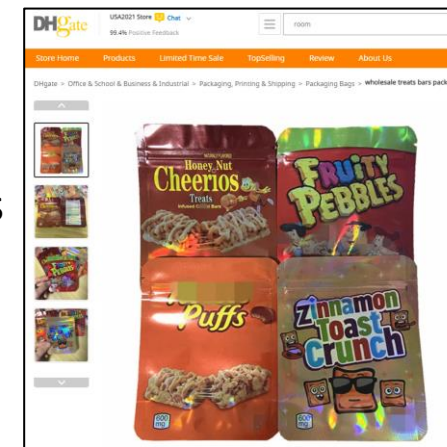
(clip from DHgate website)

Evolving process to meet business needs

- Initially started to coordinate corporate functions

- Evolved to deepen business connection and value with councils by segment

- Some councils evolved to meet high level of engagement, regulatory activity

- Additional markets added aligned with business growth

- Incorporation into corporate strategic planning process

- Greater focus on top and emerging risks with recommendations and actions
  - "No new action needed" and "monitor" are reasonable and appropriate plans!

More evolution likely given global dynamics

- Increasing sustainability regulations
  - Materiality assessments
  - Stakeholder engagement assessments

- Increasing corporate issues
  - Engagement on sensitive issues
  - Enterprise risk evolution – more overlapping risks; e.g., geopolitical, climate
  - Supply chain risks and challenges

- Communications evolving
  - Reputation management
  - Social media monitoring
  - Internal website

Summary

- Issue Management process is critical tool to address dynamic external environment
  - Meet rising expectations, drive change and shape the global narrative
  - Coordinate global public affairs and integrate input from different departments and teams
  - Manage competing priorities in an uncertain and fragmented global landscape
  - Leverage and maximize your existing resources to ensure coordination and increase your impact
  - Effectively strategize and manage plans and teams across geographies, cultures and political landscapes
  - Apply to emerging issues and manage ongoing ones