

STAR: SOCIAL THREAT ANALYSIS & RESPONSE

Capabilities & Case Studies





BY THE NUMBERS

63%

OF AMERICANS EXPECT Companies to provide Leadership on social issues.



82%

OF AMERICANS WANT COMPANIES TO DO RIGHT BY THEIR WORKERS, CUSTOMERS, COMMUNITY AND THE ENVIRONMENT.

72%

WILL "REMEMBER THE COMPANIES THAT TOOK MISSTEPS IN THEIR RESPONSE TO THE ISSUES RELATED TO THE COVID-19 PANDEMIC, ECONOMIC SECURITY OF THEIR WORKFORCE, OR RACIAL INJUSTICE LONG AFTER THIS IS OVER."



37%

OF COMPANIES THINK THEY ARE DOING A GOOD JOB RESPONDING TO SOCIAL ISSUES.



HOW TO RESPOND TO A NEW CATEGORY OF ENTERPRISE RISK

"When should we put out statements of support? What should we say? When is more required and what do we do? We could literally do something every day!"







SOCIAL RISKS

Social Risks are becoming a new category of Enterprise Risk. They occur when your organization is perceived to be related to and/or to have a role to play when:

- THE SAFETY, SECURITY, HEALTH, AND WELL-BEING OF INDIVIDUALS ARE THREATENED
- HUMAN RIGHTS ARE NOT PROTECTED OR LEFT VULNERABLE
- INDIVIDUALS CANNOT READILY ACCESS ESSENTIALS LIKE HEALTHCARE, ETC.
- PARTICIPATION IS RESTRICTED
- INEQUITY IS PRESENT



SOCIAL THREAT ANALYSIS & RESPONSE FRAMEWORK (STAR)

The benefit of this approach include:

- PUTTING YOUR CORPORATE VALUES IN ACTION
- PROACTIVELY IDENTIFYING, MANAGING, AND MITIGATING RISK
- APPLYING RIGOR, OBJECTIVITY, AND ANALYSIS TO THE ASSESSMENT
- PROMOTING CROSS-FUNCTIONAL COLLABORATION
- GENERATING WIN-WIN DECISIONS THAT SUPPORT THE BUSINESS





POTENTIAL ACTIONS

Our rigorous process defines roles, supports internal coordination and guides decision-makers to a tailored response along a range of options.

- DO NOTHING
- MONITOR THE SITUATION
- ISSUE A STATEMENT (EITHER INTERNALLY, EXTERNALLY, OR BOTH)
- MODIFY COMPANY POLICIES AND/OR PROCESSES
- ENGAGE IN ACTIVITIES TO HELP SUPPORT EXTERNAL STAKEHOLDERS AND AMELIORATE THE SITUATION
- IDENTIFY AND PURSUE BUSINESS OPPORTUNITIES



OUR Approach

VULNERABILITY ASSESSMENT

Interviews to determine material issue sets, external risk and opportunities

ENTERPRISE RISK ASSESSMENT

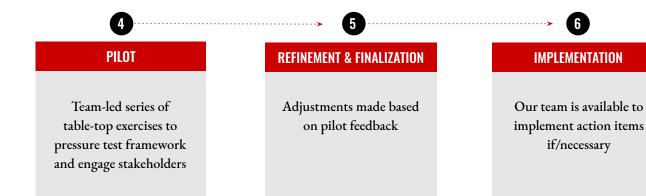
2

Assess risk processes and alignment with key social issues

FRAMEWORK DRAFT

3

Bespoke cross-functional process structure and response framework built for your unique business





BUILDING A RESPONSE

- DOING NOTHING IS NOT AN OPTION
- FIND THE GOLDILOCKS LEVEL OF COMMUNICATION, THAT IS "JUST RIGHT"
- MAKE THOUGHTFUL DECISIONS ON WHEN TO PICK SIDES, AND WHEN TO STAY NEUTRAL
- TAKE MEANINGFUL ACTION
- CREATE A DISCIPLINED, STRATEGIC PROCESS



PERFORMANCE **ENHANCING**

Our rigorous process defines roles, supports internal coordination and guides decision-makers to a tailored response along a range of options.





SALES Organizations have seen up to a 20% increase in sales.

Companies can realize as much as a 6% increase in share price



RFDUCFD TURNOVER

Turnover can drop by as much as 50%

REPUTATION MARKET VALUE

11%

RMV can increase by as much as 11% of the firm's total market value.

ΔΠΠΠΠΛ



PRODUCTIVITY

Organizations can see as much as a 13% jump in productivity

REDUCED LITIGATION RISK

4%

Companies have realized as much as a 4% reduction in litigation risk. This percentage is based on the firm's total market value.

This data is from IMPACT ROI's Project ROI Research Series





BUILDING A STAR FRAMEWORK FOR LEADING PHARMA ORGANIZATION

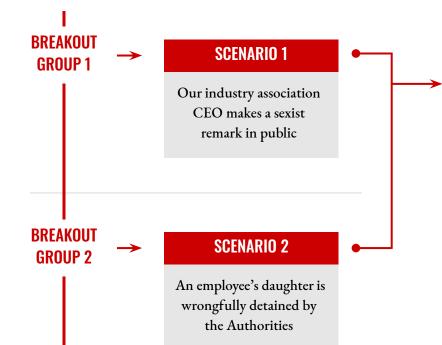
TURNING RISK INTO OPPORTUNITY.

When a top pharmaceutical company recognized that social events posed direct and indirect risks to their business, the organization decided it was time to establish a process building upon its core set of D&I principles. They turned to Impact ROI and ROKK Solutions to build a bespoke system to help them assess these events, their responsibility to respond and the best way to thread the needle of compassion and business goals.

CREATING A STRATEGIC DISCIPLINE.

We engaged with a cross-functional team of stakeholders to develop a framework that can be applied to social risk issues. We helped our client establish roles and responsibilities for internal stakeholders, map the process against company structures and developed a scorecard system aligned with the company's principles, material issues and global culture. To test the system's functionality, we engaged the team in a series of simulations involving ripped-from-the-headlines social risk events and applied the framework to determine response. Through the exercises, the stakeholders were able to work through the nuances of social risk events and response coordination.

SAMPLE TABLETOP EXERCISE



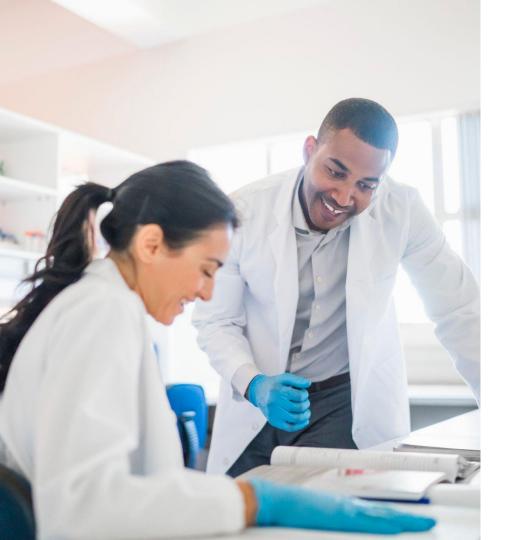
OUTCOMES OF THE EXERCISE

Participants used the Social Risk Process to review available information. The initial response was to monitor the issue or issue a holding statement. As more information emerged, participants used the Process to reassess the level of risk. Participants adapted their initial response and recommended a wider range of actions moving beyond statements to support policy change, strengthen corporate commitments, and support employees.

PARTICIPANT FEEDBACK

Feedback from participants has been uniformly positive. They find the Social Risk Process provides an objective, thorough, and sensible pathway to make decisions.





THE RIGHT PLAN FOR THE RIGHT PROBLEM.

Ultimately, the team has been able to use the framework successfully to determine whether and how to respond to social risk issues in real time. It's been praised within the organization as a key tool for risk mitigation and collaboration across functional areas within its U.S. operations, and senior leaders have recommended the expansion of the framework for the company at the global level.









Development of a tailored framework based on our assessments, enterprise and social risk process design and pilot testing capabilities, as well as our proprietary benchmarks of peer companies and competitors.

A framework can be delivered within six-eight weeks, depending on internal review processes and schedules.

PHASES SOCIAL LISTENING AND LANDSCAPE ASSESSMENT





Our expertise in communications, social impact and reputational risk ensures that you are surfacing social threats in a timely manner, and responding when it is most critical. Our research capabilities and digital tools enable course adjustments as events develop in real-time, and allow us to amplify your response to the specific audiences who matter most.

PHASES THREAT MONITORING AND EXECUTION





We work hand-in-hand with relevant internal stakeholders to develop bespoke responses for social threats as they arise. We will use the framework to determine whether a response is warranted, and then manage the internal and in-market response, from materials development to media engagement to results analysis.



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