

PRINCIPLED INFLUENCE

A Quick-Start Guide to Navigating Public Affairs in Polarized Environments

COMPANION ONE-PAGER FOR THE CORPORATE PUBLIC AFFAIRS GOVERNANCE REVIEW

THE 5 POLICY ELEMENTS

To build repeatable, responsible decisions, embed these five pillars into your Public Affairs Engagement Policy:

1. Clear Purpose

Defines why your company engages in the public sphere. Align your public affairs goals to protect enterprise value, enable long-term strategy, and manage enterprise risk.

2. Robust Principles

Establish objective criteria for identifying issues and formulating positions. This prevents ad-hoc, reactive stances by tying policy positions directly to material business risk, core values and your public affairs purpose.

3. Aligned Activities

Ensure consistency across direct lobbying, corporate political spending, public statements, and third-party affiliations (such as trade associations, which can often quietly undermine your stated commitments).

4. Integrated Processes

Create formal mechanisms—such as an annual board review and an active cross-functional advisory team—to break down functional silos between Legal, HR, Public Affairs, and Risk Management.

5. Transparent Communications

Proactively communicate your policy rationale and engagements. Transparency builds trust across divided stakeholder groups and satisfies increasing investor and regulator scrutiny.

STRATEGIC BENEFITS OF CPR

- **Mitigate Enterprise Risk:** Prevents reputation damage, political retribution, or legal exposure from inconsistent corporate actions.
- **Support Stable Systems:** Protects the predictable regulatory frameworks, impartial civic institutions, and necessary for long term strategy
- **Sustain Fiduciary Duty:** Ensures public engagements advance long-term corporate purpose rather than short-term political posturing.

WHY CONDUCT A REVIEW NOW?

Making public affairs decisions can feel like a high-stakes tightrope walk. Polarization among policymakers and corporate backlash create severe systemic risks:

- **89%** of Government Relations Executives cite polarization among policymakers as a critical challenge.
- **75%** note rising anti-corporate rhetoric.
- **56%** report government power being used to reward or punish companies for political purposes.

Source: The Conference Board (Survey size: 100+ Government Relations Executives and Chief Legal Officers)

What is Corporate Political Responsibility (CPR)?

CPR is the non-partisan practice of managing a company's external influences (lobbying, contributions, advocacy) to align with long-term enterprise value and protect the stable socio-economic systems free enterprise depends on.

QUICK ACTION PLAN

STEP 1 Prepare the Review

Assemble a **cross-functional team** (Legal, HR, Public Affairs, Risk, Comms) and select your review scope (Targeted, Comprehensive, or Phased).

STEP 2 Perform the Audit

Leverage enterprise risk maps to translate macro-environmental issues into specific business impacts. Review your alignment with third-party partners.

STEP 3 Align for Action

Establish a formal dashboard, present key recommendations to the Board, and draft/update your integrated **Public Affairs Engagement Policy**.

Pro Tip: "Policy, Not Politics"

Maintain trust across divides by anchoring statements in data, focusing on policy impacts on your business rather than political alignments, and finding fast-follower coalitions.