

# KARL KRONER KG

(hereinafter referred to as KKUB)

## REPRESENTATION OF INTERESTS

### Governmental Relations

The KKUB takes on assignments to represent interests in the sense of "Governmental Relations" on the basis of fee contracts in the following policy areas:

- Foreign Affairs and Security Policy
- Finance and Tax Policy
- Economy and Energy,
- Transport and Digital Infrastructure

Representation of interests in the sense of "Government Relations" (hereinafter referred to as GR) is the process of developing and maintaining relationships with other market participants as well as influencing politics at all levels (local, regional, national, European, global).

The initiative for the representation of interests lies in the responsibility of normative or strategic management.

The ***normative management*** deals with the general objectives of the company, with principles, norms, which are aimed at ensuring the viability and development of the company. It defines the constitution, mission and culture of the company.

The ***Strategic management*** develops the organization and procedures to implement the guidelines and goals defined by normative management. It develops management systems, strategies and regulations that determine the problem behaviour of the company.

Representation of interests is essentially an information and advisory process representing interests for:

- Informing the management of organizations and companies about government processes and processes of opinion-forming in the legislature,
- Informing officials of the legislature on issues of importance to organizations and companies, and
- Informing organizations and companies as well as decision-makers about the possible consequences of the new regulations pending decision.

# 1. ECONOMIC POLICY

Framework conditions for entrepreneurial activity Economic policy is the totality of all efforts, actions and measures that aim to organize, influence or shape the course of economic activity and the framework conditions for entrepreneurial activity in an area or in a sub-area.

Economic policy aims at welfare and growth.

A basic distinction is made between the following aspects in economic policy:

- Regulatory policy
- Structural policy and
- Litigation policy

The success of a company is determined by its ability to optimally use, influence or shape economic policy aspects in a company-specific manner.

## 1.1. Regulatory policy (normative regulations)

The regulatory policy aims at the framework conditions under which the actors make their decisions.

In the narrower sense, regulatory policy refers to all measures that are aimed at the framework conditions of economic life, the maintenance, adaptation and improvement of the economic order. This includes regulations such as:

- Property order
- Regulations to secure economic competition
- Regulation of commercial, contract and liability law
- Other regulatory regulations

## 1.2. Structural policy (strategic regulations)

Structural policy comprises the totality of economic policy measures to shape the structure of the economy of a location, an agglomeration, a region, a state or a community of states.

The aim of structural policy is to avoid or overcome structural crises that disrupt the overall economic equilibrium.

With structural policy, changes caused by new products, market movements or structural change are strengthened, weakened or made socially acceptable.

According to the objectives of structural policy, a distinction is made as follows:

- regional structural policy
- sectoral structural policy

Structural policy is implemented through process policy measures.

## 1.3 Process policy (tactical regulations)

Process policy comprises all tactical measures through which a state or an authority solves structural policy measures.

The process policy has the task of influencing the processes and the results of the economic processes based on the division of labor within the chosen economic system in such a way that structures arise that lead to self-sustaining growth and prosperity.

The process policy is a quantitative policy that intervenes in a regulating manner in the course of a given regulatory framework.

Through process policy, the state can either act as an actor in the market itself or intervene in process policy through endogenous variable instruments.

Process policy instruments include:

- Monetary policy
- Fiscal policy
- Income policy
- Pricing policy
- Location policy (cities and municipalities)

## 2. BASIC ELEMENTS INTEREST REPRESENTATION

### ● *Information and monitoring*

- Observation and analysis of political and social activities in relevant subject areas

### ● *Assessment of the organisation's or company's involvement*

- Evaluation of the interests
- Analysis of the options for action
- Reporting

### ● *Early warning function*

- Definition of potentially critical issues
- Design, planning and installation of early warning systems within the organisation or company

### ● *Evaluation*

- Analysis of the interests of the organization or the company,
- Evaluation of conflicting interests,
- Evaluation of current developments with regard to the chances of realizing the interests of the organization or the company,
- Compatibility with the common good,
- Assessment of the chances of success,
- Evaluation of the efficiency improvement or the costs and follow-up costs.

### ● *Consultation*

- Advice on observing and influencing economic, social or political issues, taking personal interests into account,
- Advice on the conception and implementation of topic-oriented campaigns.

## 3. NEED FOR ACTION

The coming years are associated with great challenges for Europe and for globally operating companies.

Understanding economic and political developments and the resulting global risks are becoming increasingly important for companies.

The digitization and development of the media world has given the topic of interest representation in the sense of governmental relations a completely new significance.

## 4. PERFORMANCE RANGE

KARL KRONER KG (hereinafter referred to as KKUB) provides expert opinions, expert reports and systemic consulting with regard to the representation of interests in the sense of "Governmental Relations".

The basis of any representation of interests is a strategy that is systematically updated, from which concrete measures can be derived.

The KKUB takes on assignments of strategy development with regard to interest representation. The basis of the strategy is:

- the analysis of the situation and interests of the organization or company and
- the analysis of how the organisation or enterprise is affected by influences from the environment and politics.

The strategy shows how to get from the status quo to the desired goals. Scope for action must be realistically assessed. Alternatives and possible compromises are to be shown, evaluated and updated. Measures to implement the strategy may include:

- Observation and analysis of political and social activities in relevant thematic fields.
- Assessing how the company is affected and its interests, defining potentially critical issues.
- Conception, planning and installation of an early warning system within the organization or company.
- Identification of design alternatives and possible compromises.
- Analysis of the possibilities of influence and the possibilities of action of the organization or company.
- Establishment of an adequate network of affected persons, interest representatives and experts.
- Initiation of expert opinions and securing their financing.
  
- Assessment of the public welfare compatibility and the prospects of success of the implementation of the proposals from the expert reports.
- Evaluation of the improvement in efficiency or the costs and consequential costs of implementing the proposals from the expert opinions.
- Preparation and transmission of comments to affected parties, stakeholders and experts.
- Fireside chats and discussions with affected parties with stakeholders and/or media representatives.
- Formation of strategic alliances; planning and implementation of events to present one's own positions in a targeted manner

- Announcement and communication of the interests to the responsible persons in politics and society.

In the case of topics that have a particularly high social relevance, the task of representing interests must be accompanied by targeted and adequate public relations work. Possible individual measures for adequate press relations could be, for example:

- Planning and implementation of press and media relations for specific target groups
- Press releases and conferences
- Authors' contributions
- Background material consisting of video films, pictures, graphics, trips for journalists, visits.

If the social and societal sensitivities are underestimated, crisis PR must be used; often a word, a term or a trivial event is enough to trigger counterproductive hype in the media or in society. For this reason, crisis PR should be prepared in a preventive manner. Possible individual measures of a crisis PR can be:

- Analysis of risks arising from the objectives of interest representation or press work.
- Conception and implementation of competent and reactive crisis teams.
- Concepts for avoiding negative consequences.
- Crisis communication on all widely accessible media channels.

## FURTHER QUESTIONS?

If you have any further questions about our services, please contact us. We will then get back to you immediately. The legal information in this documentation applies ([Imprint](#)).

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