IRG Enhanced Intelligence™

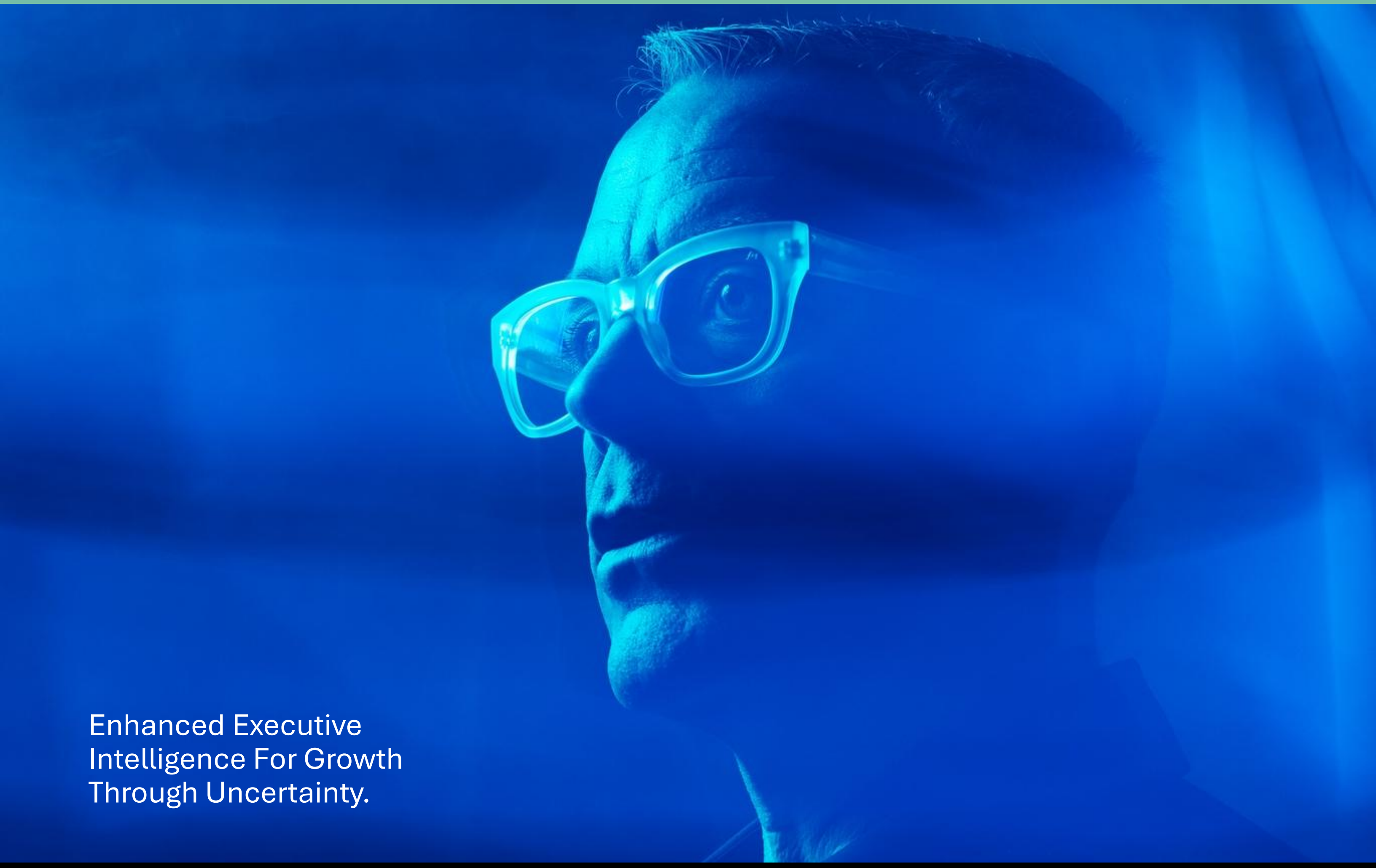
OCTOBER 2025

Influence | Relevance | Growth

EXECUTIVE SUMMARY REPORT

200 Company

IRG FITNESS Analysis



INTRODUCTION:

What Is IRG?

IRG is a diagnostic for executives that turns trillions of in-depth market signals about how a company leads, learns, governs, and engages, into a clear roadmap of protecting shareholder value and informing policymakers on industry challenges.

The framework evaluates ten parameters that together explain whether an organization can influence policy and markets, remain relevant to stakeholders, and compound growth across cycles. The result is a single view of readiness and credibility that translates across regions and industries.

Executives use IRG to surface patterns that precede financial underperformance, highlight areas for positive momentum that rarely shows up in quarterly numbers, and quantify strategic capabilities that determine where value goes next.

Where traditional financials capture what has already happened, IRG captures the capability to shape what happens next.

IRG focuses leadership on three persistent questions that drive resource allocation and risk posture:

1. ***Are we leading or being led by our industry's policies?***
2. ***Why isn't our performance translating into influence to lead and protect shareholder value?***
3. ***Are we anticipating / mitigating risks and seizing opportunities ahead?***

What Does IRG Reveal?

Regulatory Risk Pricing:

IRG analysis reveals that companies with weak IRG scores face 15-25% higher policy risk premiums, while IRG-fit companies receive 8-12% policy resilience premiums. This quantification enables more accurate risk-adjusted valuations.

Sentinel:

Early Warning System:

IRG trends serve as predictive indicators, with declining media power scores correlating with 67% higher probability of negative analyst revisions within six months.

Volatility Reduction:

Companies with IRG scores above the threshold (20 points) demonstrate 23% better resilience during regulatory challenges and 31% lower volatility during policy uncertainty periods.

Stakeholder Capital Quantification:

The methodology identifies $47 billion in potential stakeholder capital across the analyzed companies, providing concrete metrics for this previously intangible value component.

Sector-Specific Insights:

IRG metrics explain 47-52% of various risk and premium variations across different sectors, providing analysts with sector-specific enhancement factors.

Revenue Impact:

Strong IRG performers command 12-18% higher stakeholder capital valuations, directly impacting revenue growth potential.

Market Premium:

IRG-informed models show 41% better accuracy in policy risk pricing, enabling more precise valuation of market premiums.

IN PERSPECTIVE:

58%

OF CEOS VIEW EXTERNAL AFFAIRS AS A TOP PRIORITY

And Yet:

Only 12%

DESCRIBE THEMSELVES AS SUCCESSFUL IN DEALING WITH GOVERNMENT, REGULATORS, AND BROADER COMMUNITIES (1)

1/3

OF CORPORATE EARNINGS ARE DIRECTLY INFLUENCED BY HOW COMPANIES ENGAGE WITH REGULATORS (2)

THOUGH CEOS SPEND 30% OF TIME WITH EXTERNAL STAKEHOLDERS

Only 25%

OF EMPLOYEES REPORT BEING INSPIRED BY THEIR LEADERS (2)

(1)McKinsey: How the best CEOs build lasting stakeholder relationships, Nov 14, 2024

(2)McKinsey ibidem, RBNC Jan 14, 2025

METHODOLOGY:

The 10 Dimensions of Influence

IRG scores companies across 10 parameters, divided into two categories — Classic Corporate Foundations and Modern Influence Drivers. Each parameter is scored from 0 to 3, with 20+ points indicating that a company is ***"IRG Fit."***

Classic Corporate Foundations

These five parameters reflect time-tested metrics for operational excellence and internal capability. They are essential for earning trust and building the structural integrity needed to exert external influence.

1. **Company Governance -** Evaluates how well the company is governed—looking at leadership quality, decision-making structures, and accountability systems. It checks if boards are fit for purpose and how the organization handles oversight and internal challenges.

2. **Industry Leadership -** Assesses the company's standing and influence within its core industry. This reflects how it shapes trends, sets standards, and drives progress in its sector.

3. **Financial Influence -** Measures both the actual and perceived financial strength of the company. This includes market performance, investment power, and its reputation as a financially sound entity.

4. **Social Responsibility, Diversity & Sustainability -** Gauges how the company supports environmental, social, and inclusivity goals—both inside the organization and in society. This includes corporate initiatives, diversity practices, and sustainability strategies.

5. **Human Capital -** Looks at how attractive the company is to current and future talent. It examines employee development, adaptability to AI and new technologies, and efforts to retain and upskill its workforce.

Modern Influence Drivers

These five parameters reflect the evolving expectations of modern stakeholders. They assess whether companies are equipped to engage meaningfully with public discourse and policy development.

6. **Industry Power -** Assesses the company's ability to shape broader economic, political, and societal conversations—beyond its own industry and into adjacent or global arenas.

7. **Innovation Excellence -** Measures how the company drives innovation—not just in products, but in shaping the future of its industry through cutting-edge thinking and breakthrough solutions.

8. **World Citizenship -** Reflects the company's presence and leadership on global, regional, and local stages. It includes its contributions to policy debates, societal well-being, and partnerships in addressing pressing challenges.

9. **Media Power -** Evaluates the company's skill in using media to shape narratives around industry shifts, AI disruptions, and public policy. It's about influence through storytelling and visibility.

10. **Thought Leadership -** Measures the company’s capacity to share best practices, future vision, and expert insights with stakeholders, policymakers, and society—especially on transformative topics like AI and sustainable growth.

DISTINCTION:

Why IRG Is Unique and How It Complements Financial Models

The software's AI-powered semantic analysis of corporate news provides a diagnostic insights through written justifications that make the insights actionable and progress measurable overtime, concretely protecting shareholder value.

What Makes IRG Distinct

Advanced Semantic Analysis:

Uses AI to interpret all publicly available digital news coverage, scoring real-world perceptions and company actions on a -100 to +100 semantic scale, then translating them into 0–3 actionable IRG scores.

Dual-Focus Framework:

Balances classic operational strength (parameters 1–5) with modern influence capabilities (parameters 6–10), enabling organizations to drive public dialogue and engage policy constructively.

Policy Protection Thesis:

Empowers companies to safeguard shareholder value through strategic knowledge sharing with stakeholders and policymakers, shifting from reactive PR to proactive influence.

Real-Time Relevance Measurement:

Delivers timely insights on how a company is perceived externally, enabling agile responses to emerging risks and opportunities.

How IRG Enhances Financial Analyst Models

Bridges Traditional and Modern Metrics:

Supplements DCF and other backward-looking models by factoring in forward-looking policy engagement, stakeholder influence, and strategic communication.

Adds Predictive Value:

Complements valuation with indicators of a company's capacity to influence its operating context and mitigate policy-driven risks.

Informs Long-Term Strategy:

Equips analysts and investors with deeper, real-time insights into influence readiness, aligning financial health with public trust and governance engagement.

Executive Takeaways From 200 Companies

Excellence is scarce, the middle is crowded, and laggards share three patterns…

EXECUTIVE SUMMARY:

The Bottom Line:

- → Global average IRG score: **13.6 out of 30 possible points**
- → Only **2.3% of companies** achieve excellence (18+ points)
- → European companies outperform US counterparts across **9 of 10 parameters**
- → IRG correlates with analyst recommendations months in advance.

Companies With Poor IRG Scores Consistently Demonstrate:

- → **2-4 percentage point lower ROA**, 3-6 percentage point lower ROE
- → **39 basis point Governance Risk Premium**
- → **12-18% lower operating margins** on average
- → **15-20% reduced free cash flow generation**
- → **15-25% P/E compression** versus industry peers

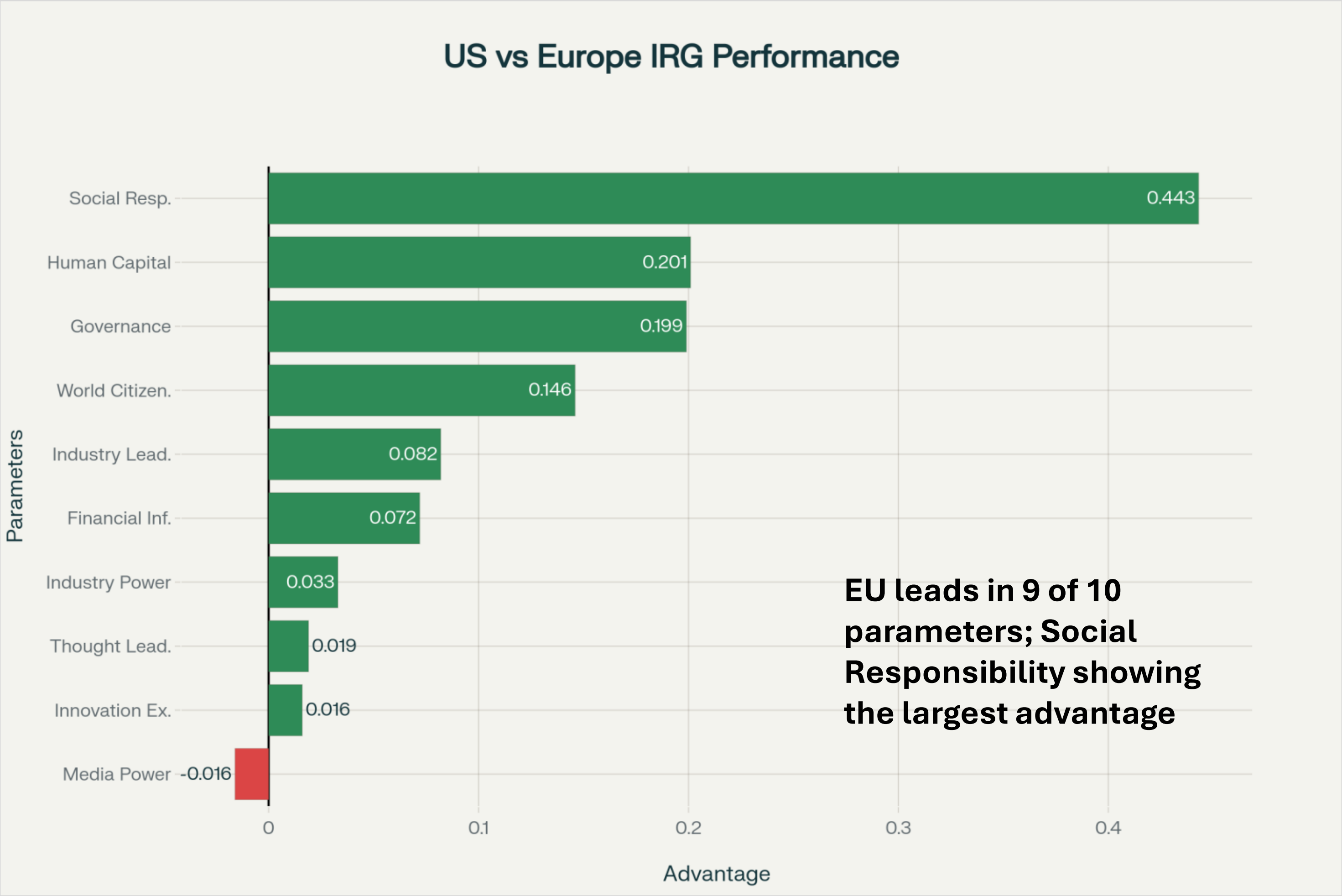
15-25% stock underperformance over 3–5-year periods

EXECUTIVE SUMMARY:

Excellence is scarce, the middle is crowded, and laggards share three patterns:

1. ***Weak governance discipline.***
2. ***Inconsistent people practices.***
3. ***Narratives that do not translate innovation into permission.***

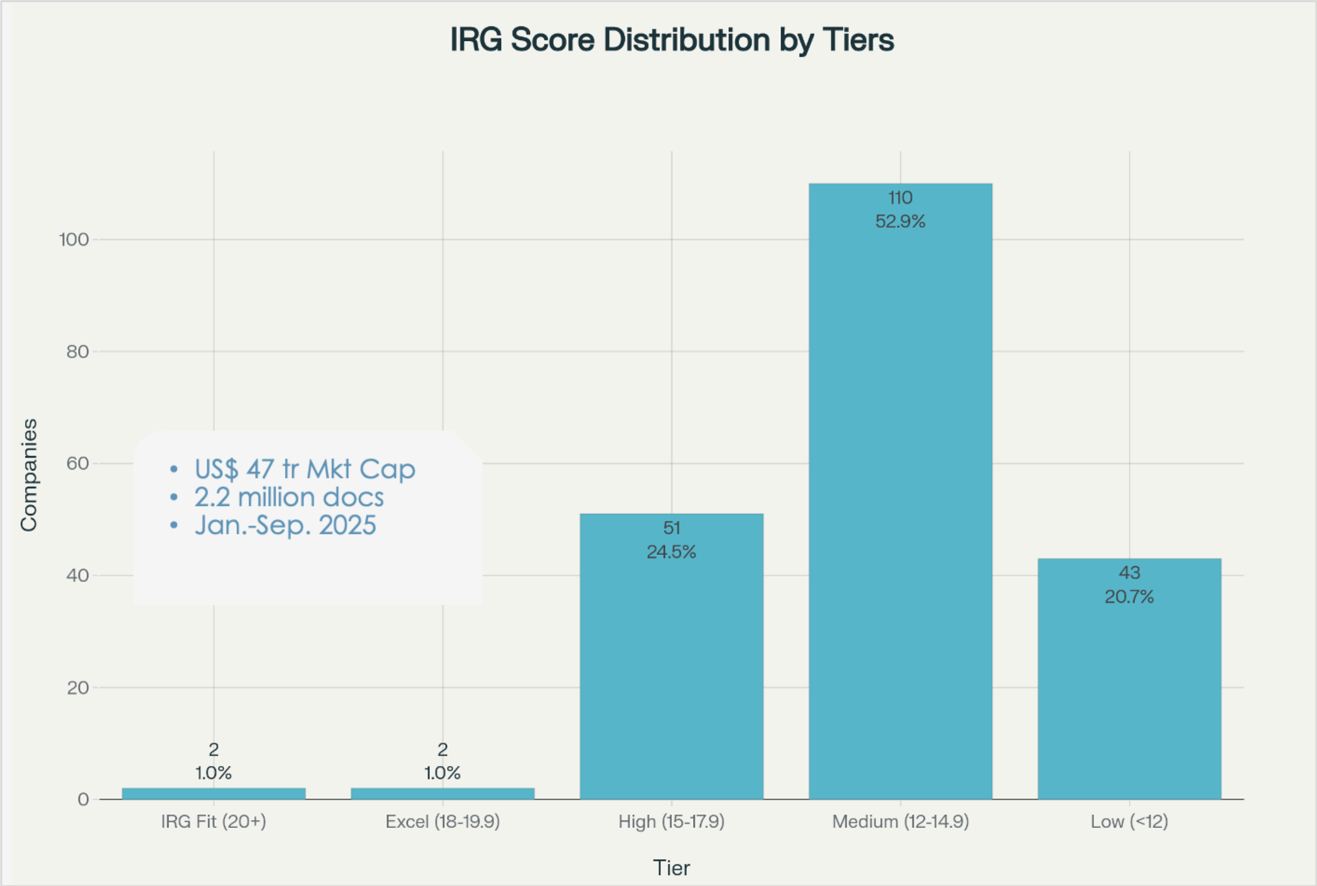
Regional contrast is instructive. Europe tends to lead in Governance, Social Responsibility, and World Citizenship, building a portable base of trust. North America often leads in Media Power and commercial storytelling but can underinvest in policy fluency and citizenship programs that convert attention into permission. Asia is mixed, showing strong innovation intensity with variable transparency and external engagement. Across the sample, capability pairs matter most: Governance supports Financial Influence; Innovation accelerates with Thought Leadership; Social Responsibility compounds with World Citizenship. IRG movements frequently precede analyst actions and multi-quarter performance shifts.



GLOBAL PATTERNS & BENCHMARKS:

Most companies cluster in the middle tiers, indicating headroom for lift with focused interventions. High performers balance solid governance and people foundations with a repeatable engine for ideas and influence. Low performers usually miss two or three foundations, making all other investments less efficient; the quickest wins start by clarifying governance, tuning people practices, and removing narrative fog around strategy and commitments.

Benchmarking by region and sector helps target effort. Rather than chase uniform perfection, leaders should prioritize the two or three parameters most material to how their business earns permission and profit in their markets. Regulated, capital-intensive categories disproportionately benefit from strong Governance and World Citizenship; fast-cycle technology gains when Innovation is paired with Thought Leadership; consumer sectors build resilience when Social Responsibility integrates authentically with product and experience.



THE GLOBAL IRG DIVIDE:

The deep dive reveals an 'influence deficit' in many firms: strong operations, weak translation of expertise into shared understanding with policymakers and communities.

Without that translation, companies drift from leading to reacting, paying a hidden tax in approvals, agendas, and trust. Closing the deficit requires fewer announcements and more teachable ideas, consistent engagement, and credible programs that travel across markets.

Scale is not a shield. Some mega-caps trail peers on World Citizenship or Social Responsibility and must renegotiate permission in every expansion. Mid-caps that invest in policy fluency and genuine community programs often set terms for their sectors. The parameters that most separate leaders from laggards are Governance, Social Responsibility, Human Capital, Financial Influence, and World Citizenship; sustained lift here changes the slope of everything else.

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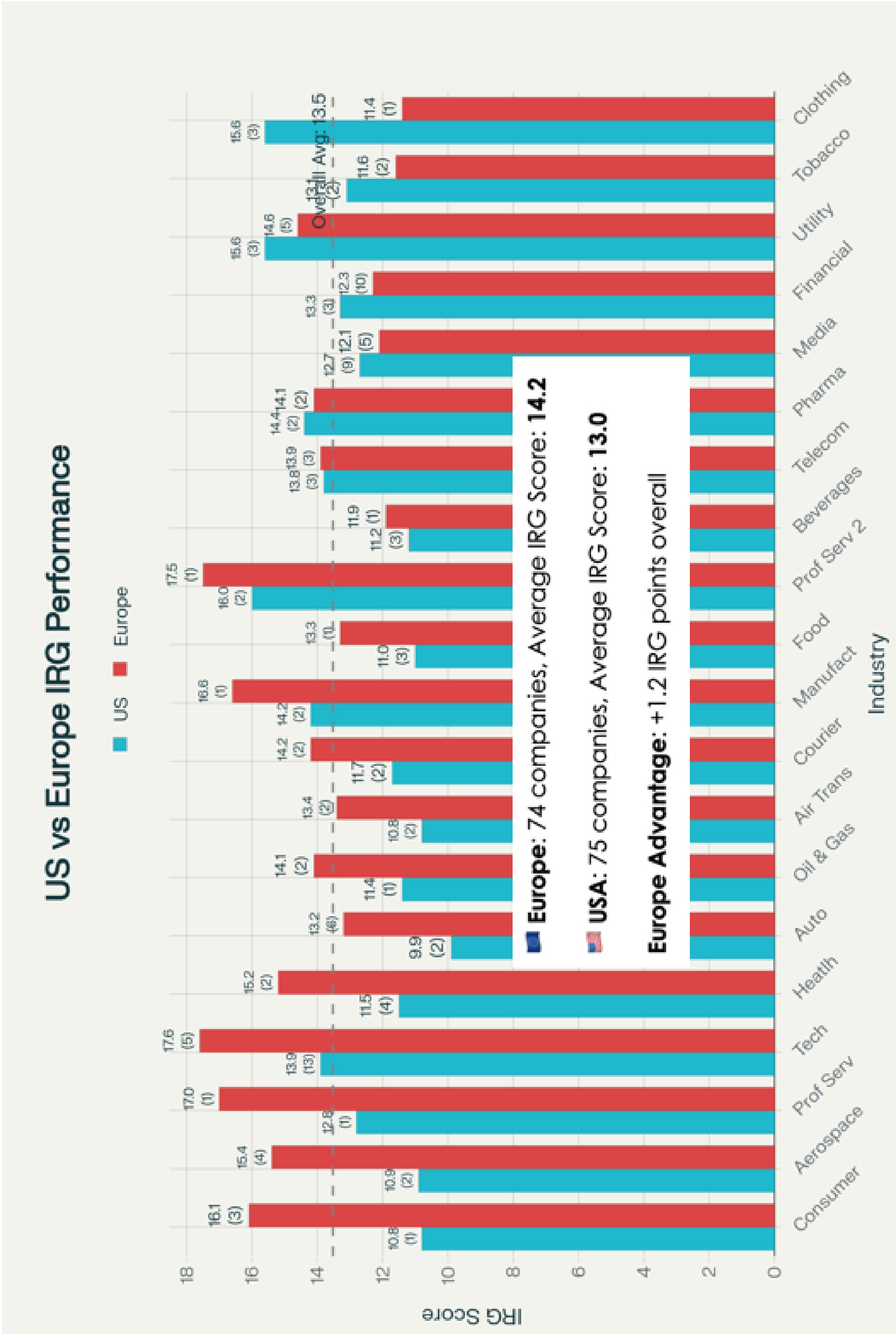


SECTOR SNAPSHOTS:

Professional Services.

Strong ideas and coverage; uneven governance can stall scale. The practical focus is to institutionalize the sentinel parameters as program disciplines, not campaigns. When commitments and operating choices align with these sentinels, permission grows, and adoption accelerates.

Chemicals.

Regulation rewards consistent governance and citizenship and punishes inconsistency fast. The practical focus is to institutionalize the sentinel parameters as program disciplines, not campaigns. When commitments and operating choices align with these sentinels, permission grows, and adoption accelerates.

Utilities.

License to operate depends on responsibility, governance, and people practices that show up in service reliability. The practical focus is to institutionalize the sentinel parameters as program disciplines, not campaigns. When commitments and operating choices align with these sentinels, permission grows, and adoption accelerates.

Technology.

Innovation is high, but governance and citizenship gaps during hypergrowth limit permission. The practical focus is to institutionalize the sentinel parameters as program disciplines, not campaigns. When commitments and operating choices align with these sentinels, permission grows, and adoption accelerates.

Food & Beverage.

Storytelling is strong; resilience depends on authentic responsibility and clear governance. The practical focus is to institutionalize the sentinel parameters as program disciplines, not campaigns. When commitments and operating choices align with these sentinels, permission grows, and adoption accelerates.

Retail.

Media presence is high; durable performance requires disciplined governance and frontline people systems. The practical focus is to institutionalize the sentinel parameters as program disciplines, not campaigns. When commitments and operating choices align with these sentinels, permission grows, and adoption accelerates.

Automotive.

Transition to software and electrification favors innovation and ideas; governance gaps slow retooling. The practical focus is to institutionalize the sentinel parameters as program disciplines, not campaigns. When commitments and operating choices align with these sentinels, permission grows, and adoption accelerates.

Tobacco.

Persistent headwinds make citizenship, governance, and authentic responsibility non-negotiable. The practical focus is to institutionalize the sentinel parameters as program disciplines, not campaigns. When commitments and operating choices align with these sentinels, permission grows, and adoption accelerates.

Manufacturing.

People systems and industry leadership are strengths; narrative and citizenship vary by footprint. The practical focus is to institutionalize the sentinel parameters as program disciplines, not campaigns. When commitments and operating choices align with these sentinels, permission grows, and adoption accelerates.

CASE STUDIES & VALIDATIONS:

Airlines illustrate the pattern: carriers that paired strong Governance with visible Thought Leadership on safety, sustainability, and customer experience earned earlier regulatory latitude and partner alignment; analyst upgrades followed; peers with diffuse governance lagged despite operational recovery. The sequence validates that visible capability precedes durable performance.

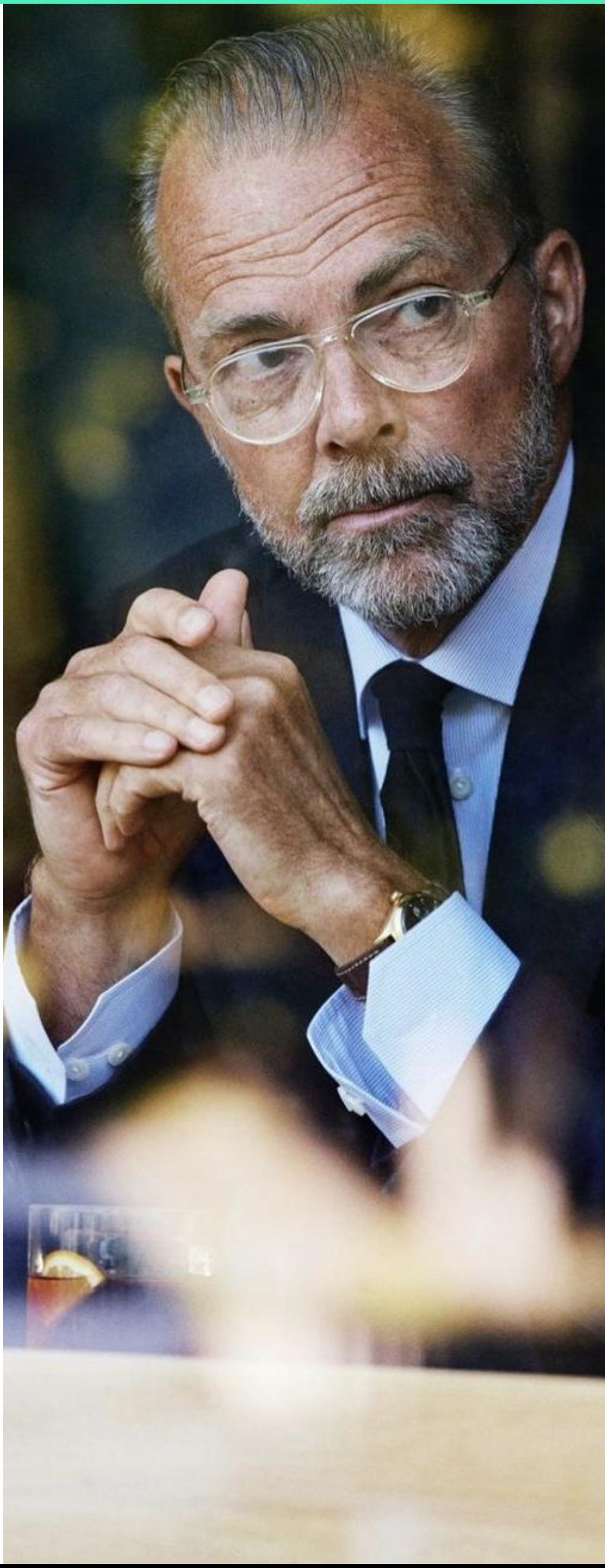
A technology firm surfaced from a cross-sector analysis that refreshed its governance and clarified its data-responsibility narrative. Media Power alone had produced attention without permission; within two quarters of the refresh, policy conversations turned collaborative, integrations accelerated, and coverage reflected adoption of the company's ideas. Commercial lift followed, underscoring that capability begets credibility, which begets performance.

FINANCIAL RELEVANCE:

Why IRG Moves Matter:

IRG is a readiness gauge that aligns with outcomes over multi-quarter horizons. Low or falling capability raises friction—slower approvals, harder partner alignment, costlier capital — which translates into lower valuation resilience even when revenue is intact. Rising capability lowers execution risk and improves investor confidence, supporting premium multiples and faster cycle times.

Boards, CEOs, CFOs and C-suites can operationalize this by tracking IRG deltas in quarterly reviews and pairing them with a short list of leading indicators: time-to-license in new markets, strategic partner win rates, share of earned coverage that repeats the company's ideas unprompted. When the score moves, interrogate the cause and fund the fix or the flywheel accordingly.



HOW CAPABILITIES COMPOUND:

Stakeholders judge coherence, not isolated acts. Innovation without explanation looks risky; governance without ideas looks bureaucratic. Companies that design capability pairings change how they are interpreted, accelerating adoption and lowering friction.

3 PAIRINGS RECUR ACROSS LEADERS:

1. Innovation + Thought Leadership
2. Governance + Financial Influence
3. Social Responsibility + World Citizenship

Leaders can architect these effects: pick one pairing tied to strategy, make it visible as a program, use IRG as the scorecard, and extend into adjacent parameters as gains appear. Within a planning year, external narrative and internal cadence align, shifting performance from episodic to predictable.

PLAYBOOK:

From Assessment To Advantage.

Phase 1:

Baseline & Focus.

Establish the starting point with IRG and a peer set; select the three parameters most material to risk or headroom; set monthly reviews and visible targets.

Phase 2:

Foundations.

Close governance bottlenecks, align incentives to desired behaviors, integrate responsibility into the operating model, and build translation skills so experts can teach policymakers and partners.

Phase 3:

Influence.

Stand up a simple engine for teachable ideas, organize policy engagement around a few non-negotiables, and refresh the narrative so every announcement reinforces the chosen capability pairings; track progress with IRG and a handful of operating indicators.

STRATEGIC GUIDANCE FOR CEO'S AND BOARDS:

Treat IRG as a Leadership Capability

IRG performance must become a strategic KPI: a company at or beyond 20 points is leading in protecting shareholder value.

Turn Stakeholder Blind Spots into Differentiation

By leaning into underdeveloped capabilities like media power and thought leadership, companies can rapidly stand apart in their industries.

Make Policy Engagement a Competitive Strategy

Policy influence isn't just for public affairs — it's a boardroom imperative. Companies that build institutional knowledge-sharing capabilities gain long-term protection and public legitimacy.

Monitor Your Influence Trajectory

IRG trends reveal more than performance; they signal risk and momentum. Track them as closely as financials.

CONCLUSION:

The New Readiness Benchmark

IRG is the new gold standard for corporate preparedness. In an economy shaped increasingly by public scrutiny and policy complexity, stakeholder fluency is no longer optional.

Only 1.5% of companies today meet that standard — but nearly all have the opportunity to rise.

With clear direction and targeted focus, executives can unlock this advantage quickly. The reward? Greater resilience, sharper influence, and a credible role in shaping the future.

To learn more about IRG Enhanced Intelligence visit:

www.IRGIntelligence.com