

## Issues and Crises Management Plan

9/18/2017

### Introduction

The mission of the Gypsum Association (GA), a not-for-profit trade association founded in 1930, is to promote the use of gypsum while advancing the development, growth, and general welfare of the gypsum industry in the United States and Canada on behalf of its member companies. To be eligible for membership in the Association, a firm or corporation must calcine gypsum and manufacture gypsum board under the provisions of ASTM Standard C1396.

This *Issues and Crises Management Plan* reflects the *Gypsum Association Strategic Plan 2015 – 2018* adopted by the Board of Directors in July 2015. Key elements of the plan commit the Association to:

*Represent industry interests in the areas of health and safety, environment and sustainability, legislative/regulatory matters, and maintain relationships with allied organizations and professional societies to enhance the industry's well-being.*

*Continually identify needs and develop and implement strategies to ensure the perpetuation of a strong organization to represent the gypsum industry.*

Over the course of the GA's 87-year history, both the Association and its member companies have prioritized anticipating emerging trends in the broader environment that have ramifications for the industry. For example, participation in standards setting organizations, such as ASTM, is one means by which the GA and member companies attempt to proactively anticipate and manage technical issues that may affect the performance of gypsum panel products, the reputation of the products and that of the companies producing them. Similarly, the Association stays abreast of building code developments that may conflict with GA recommendations on the installation, storage and use of gypsum panel products.

It is important to acknowledge from the outset the impossibility of identifying and managing all issues to avert or minimize crises. Not all issues can be anticipated. However, diligent scanning can assist in identifying issues early on. An issues management plan that ranks concerns based on potential risks to the industry and provides management guidance is accepted best practice in public relations that the GA should follow.

Finally, issues management is a key component of crises planning. With some exceptions, such as Chinese Drywall, which was difficult to foresee, crises are more likely to emerge from known issues. A study by the Institute for Crises Management found that only 14 percent of business crises were unexpected. Managing issues proactively and systematically allows organizations to predict problems, anticipate threats and opportunities, minimize surprises, resolve issues, and prevent crises.

## Issues Management: What Are “Issues?”

Issues have been defined in various ways by marketing, communications, and public relations practitioners. Some define issues as “problems” while many, such as the Issues Management Council, see issues as “gaps between stakeholder expectations and an organization’s policies, performance, products or public commitments.” It has been pointed out that “activists deal with problems; companies tend to deal with issues, and there is a difference.” Certainly, building product manufacturers are already addressing a variety of issues raised by parties interested in solving larger problems related to sustainability, the environment, and health.

The GA and member companies’ efforts to produce Environmental Product Declarations (EPDs) is, in part, a response to designers concerns about their own participation in the degradation of the natural environment from both process and product standpoints. Certainly Leadership in Energy and Environmental Design (LEED) created different expectations on the part of key industry stakeholders, namely architects, engineers, and designers—expectations that the gypsum industry has increasingly met.

In fact, the majority of the issues the GA currently tracks can be understood using the “expectation gap” framework. The demand for greater transparency of building product ingredients can be explained as a new expectation that companies should share information on the composition of their products. The call for closed-loop recycling of gypsum wallboard by certain advocacy groups is an evolving issue that the Association tracks, and attempts to influence.

Moreover, the expectation gap framework works both ways—GA member companies are also stakeholders within various realms. As a result, the GA proactively follows government rule making on Effluent Limitation Guidelines for Steam Powered Utilities and coal combustion residuals (CCRs) in order to keep member companies’ expectations of a safe, reliable source of FGD gypsum in alignment with new regulatory demands on utilities as well as governmental stipulations related to beneficial reuse.

Not all issues are created equal: Some are potential threats while others may represent future opportunities. Issues management is a proactive and systematic approach to predict problems, anticipate threats, minimize surprises, resolve issues, and prevent crises. The issues management process includes environmental scanning, issue identification, issue analysis, strategy options, action planning, and, ultimately, the evaluation of results. With the exception of evaluation, which occurs after action has been taken, the process is not necessarily linear. If the ramifications are obvious, issue identification and issue analysis can take place nearly simultaneously.

### Issues Management Process

*Environment scanning:* Constant reading, listening, and watching of current affairs with an eye to an organization’s interests is essential to issues management. Active monitoring of both mainstream media, alternative media, trade publications and newsletters is the primary means of understanding topics various publics are discussing. Environmental scanning is a proactive step in issues management.

*Issue Identification:* When environmental scanning reveals the same or similar issue appearing relatively frequently, that issue is tracked if the emerging narrative has potentially negative—or positive—ramifications for the Association and its member companies. Example: The GA regularly monitors and

tracks A/E/C communications and national media coverage of material ingredient transparency to ensure that members are familiar with changing demands among key audiences and will not be caught unawares if current reporting methods are called into question, or replaced.

Some issues are specific enough to warrant more systematic tracking. Google Alerts, a free service provided by Google, is an excellent way to cast a very broad net that captures information on specific issues as they appear across the internet both on news media sites and organizational websites. The GA tracks all regulatory issues, and many others, via Google Alerts.

*Issue Analyses:* Formal analysis of issues and their potential impact on the gypsum industry occurs both internally on an as needed basis and at meetings of the External Issues Committee (EIC). At times, the industry's vulnerability or potential vulnerability is clear. When an issue emerges such as pre-contamination of wallboard with mold spores that has obvious negative implications for gypsum panel producers, it is immediately tracked via Google Alerts. The GA is well positioned to monitor the activities of the Building Product Ecosystem's (BPE) work to increase closed-loop recycling of gypsum wallboard; however, the GA also monitors closed-loop recycling in general as an emerging theme among A/E/C and sustainability publics. Should demands like these rise, and potentially escalate into calls for extended producer responsibility or even take-back programs, the GA and member companies must be positioned to anticipate this outcome and develop an organizational response well in advance.

#### *Strategy Options and Action Planning*

Strategy options are considered once the character of an issue has emerged and can be reasonably defined. Strategy options are considered when an issue may become a risk, an opportunity, or, potentially, a crisis for an organization. Another example from recent years, illustrates subsequent steps in the issues management process.

When the Environmental Protection Agency (EPA) began to engage in rulemaking on the Disposal of Coal Combustion Residuals (CCRs) from Electric Utilities, the gypsum industry's concern was that EPA would categorize CCRs, and therefore FGD gypsum, as a hazardous waste under the Resource Conservation and Recovery Act (RCRA). The result of a Subtitle C ruling would associate FGD gypsum—technically a coal combustion *product*—with CCRs and would negatively impact FGD panels heretofore associated with sustainable, green, manufacturing.

Initial interactions between the GA, counsel, and EPA at EPA headquarters, indicated the likelihood of a non-hazardous Subtitle D Ruling. Prior to the rule's finalization, however, an underground pipe burst at a Duke Energy steam station in North Carolina, spilling nearly 39,000 tons of coal ash into the Dan River. This highly publicized incident underscored the position of environmental groups; namely that CCR impoundments were dangerous and ill-managed and that CCRs should be classified as hazardous waste in order to apply the most stringent standards to their management and storage.

As the GA monitored both news of the spill and reports of efforts to connect the spill with the pending CCR Rule, it became clear this issue was a high priority. The impact of a Subtitle C ruling posed a reputational threat to a common feedstock, synthetic gypsum, which would become associated with an allegedly hazardous waste. In this instance, the GA could anticipate one of two very specific outcomes—Subtitle C or Subtitle D. The best strategy was to be prepared for both.

### *Action Plan*

To this end, the EIC requested and the Board agreed that the GA engage the services of a PR firm. Working closely together, GA staff, counsel, and the High Lantern Group created a communications plan as well as position statements, key messages, and facts that addressed each potential outcome.

At the same time, the communications plan was very clear on an essential part of the strategy, namely not to draw attention to the relationship between synthetic gypsum and CCRs. External audiences were identified and included media (trade outlets and general media), customers (architects, developers, LEED certifiers, etc.) and environmental groups. However, these publics were not particularly aware of the industry's interest in the outcome of the ruling and unless directly contacted for a response both the GA and member companies would keep a low profile.

When the Subtitle D Ruling was announced on December 19<sup>th</sup>, 2014, the GA was not contacted by media or any key audience for comment. As a result, neither the GA nor its member companies needed to deploy the various materials prepared for the Subtitle D outcome. However, those materials remain available if that issue or a similar issue reemerges.

### *Evaluation*

Evaluation is the final step in issues management. Was the action plan developed around the CCR Rule successful? Can we even evaluate the plan given that it was unnecessary to fully deploy it?

Although the GA and member companies considered a Subtitle C ruling a less likely outcome than a Subtitle D ruling, had CCRs been deemed a hazardous waste the ramifications on the industry were clearly negative and potentially may have reached crises proportions. Because the Dan River spill drew sustained attention to CCRs and created so much concern among the general public, the possibility that FGD gypsum would ultimately be linked to hazardous waste was very real. Moreover, the Healthy Building Network had already cast aspersions on synthetic gypsum in wallboard and a Subtitle C ruling would have provided them with new messaging material. The necessity of applying for an FGD gypsum exemption from the Subtitle C categorization would have further highlighted the connection between FGD and hazardous waste.

Finally, a key aspect of the strategy was to keep a low profile. Careful preparation for both outcomes provided the GA and its member companies with confidence, and while the situation was constantly monitored, and is still monitored, neither the Association nor its member companies overreacted or contributed in any way to escalating an issue that was by and large out of the industry's sphere of influence. Very recently, EPA has indicated it will revisit the rule and has delayed implementation. Also, litigation over the rule continues and the Association monitors that litigation, particularly as it bears on storage requirements of CCRs intended for beneficial use, however, the CCR Rule and the GA's collective approach to it highlights some important considerations pertaining to managing issues and preventing crises, especially the value of scanning, issue identification, and preparation.

### **Crises Management: What is a Crisis?**

Crises management builds on issues management and attempts to predict and prepare for worst case scenarios. Like issues, crises are related to stakeholder expectations. When an event occurs that

threatens stakeholder expectations and damages the reputation of an organization or product it can be characterized as a crisis.

It is important to understand that crises management planning is a mitigation effort. Plans offer guidance, assign some responsibilities, and provide reminders of appropriate responses to a crises in terms of timing and messaging. A basic crises management guidance document, such as this one, allows organizations to focus more quickly on the problem to be resolved while avoiding common pitfalls.

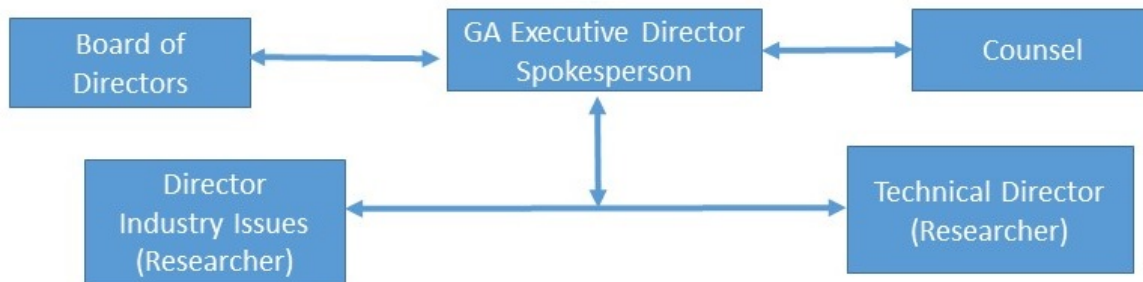
Crises, like issues, cannot all be anticipated. However, efforts must be made to follow accepted best practices; these include:

- (1) Have an issues and crises management plan that is reviewed regularly,
- (2) Identify the team responsible,
- (3) Include reminders on communication timelines and “dos and “don’ts,”
- (4) Draft key messages and talking points on various issues and scenarios.

### Issues and Crisis Management Team

Identifying the Issues and Crisis Team Members as well as the internal and external audiences that will need to be addressed is an essential step in management. Key roles include executive leadership, spokesperson, researchers and legal counsel. The form of the GA Issues and Crisis Management Team and communication flow is shown in the diagram below.

**GA Issues and Crises Management Team**



The ED and the Board, with advice of counsel, are the key decision makers, determining if an issue has become a crises or otherwise needs to be addressed and what form the response should take. The Directors, in their roles as researchers, assist by gathering information to ensure that messaging content is credible, clear, and addresses concerns of key audiences. Stakeholders can vary according to the type of issue or crises. Historically, the GA’s audiences include: general and trade media, consumers and A/E/C professionals, governmental agencies, standards organizations, and non-governmental organizations.

A clear understanding of roles is key to responding quickly. Being prepared to respond to a crisis within 24 hours is critical to managing and potentially mitigating it. In the event of a crisis, the GA’s Executive Director would serve as spokesperson; however, depending on the type of crisis, counsel, or another designated spokespersons could also serve this role. Also, the importance of responding via the GA

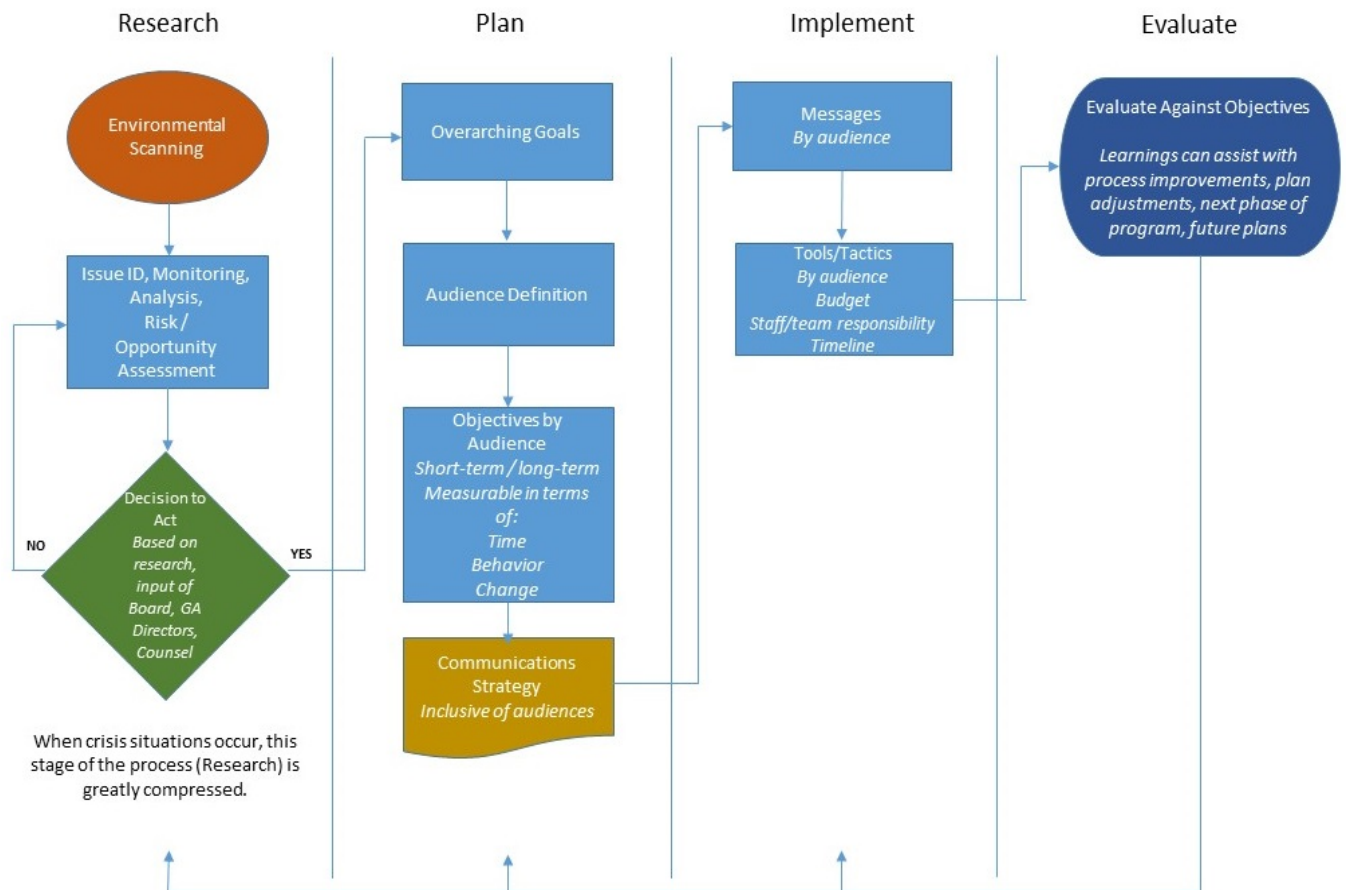
website by posting press releases, FAQs, and other appropriate communication tactics, cannot be overemphasized. A response should occur early on, and regularly thereafter as events unfold.

### Issues and Crises Management Process and Flow Chart

Time is a critical variable when defining an issue or crisis and deploying a response.

- Immediate Crisis—sudden and unexpected.
- Emerging Crisis—provides more time for research and planning.
- Sustained Crisis—persist for months or years.
- Dormant Crisis—resolved or no longer attracts sustained attention.

#### Issues and Crises Management Process Flow



The flowchart, above, captures the various and often simultaneous processes associated with issues management, including the various stages from proactive research to evaluation once an issue fades or a crisis is resolved.

## **Crises Management**

While the causes of crises are numerous, for the purposes of this plan we will consider the types of crises the GA would be expected to respond to, namely, technical, confrontational, environmental, health issues, product tampering or product failure. No matter what the crises, the following best practices should be reviewed before attempting any crises communication:

- Assess situation and research facts
- Put public first
- Be honest
- Never say “no comment”
- Designate a spokesperson
- Set up a central information center/website
- Provide constant flow of information
- Be familiar with media needs and deadlines
- Remain accessible
- Monitor news coverage and phone inquiries
- Communicate with key publics within 24 hours

Attached to this plan is an example of an issues management template that the GA has developed to proactively assess issues by determining level of risk/opportunity to the industry, desired outcomes, evaluation methodology. This template is also a repository of important information including background, audiences, key messages and talking points on an issue by issue basis. This approach, if deployed consistently, will aid in the event of a crisis while simultaneously allowing the EIC and the Board to comprehensively and regularly review issues faced by the industry.

## **Conclusion**

In an effort to further the goals and objectives laid out in the *Gypsum Association Strategic Plan 2015-2018*, staff is developing a more structured approach to issues and crises management. This draft document lays out an approach to issues and crises management based on best practices in public relations. The attached issues template is a means to assist staff in making proactive, yet thoughtful, progress toward managing issues likely to bring increased attention to the gypsum industry, the Gypsum Association and its member companies. By following the methods proposed in this plan, the GA will be better positioned to avert a crisis and/or respond appropriately.

## Issue Management Template

Issue / situation:	
Type: <i>(i.e. Immediate, emerging, sustained, dormant)</i>	
Overview: <i>(Summary of research findings, opportunities, concerns)</i>	
Potential impact to industry:	
Desired outcomes: <i>(Goals for industry)</i>	
Audiences: <i>(Relevant constituencies)</i>	
Objectives: <i>(By audience)</i>	
Key messages: <i>(By audience)</i>	
Strategy / action plan: <i>(By audience)</i>	
Staff responsibility:	
Timeline:	
Evaluation: <i>(Status of issue after action / performance against objectives; Resolved, under control, contained, no threat?)</i>	
General talking points:	