INVESTING IN THE FUTURE – AN ORGANISATIONAL APPROACH TO TALENT PLANNING
PRESENTATION OUTLINE

1. PURPOSE AND SCOPE
2. STRATEGY AND PEOPLE OPERATING PLAN
3. METHODOLOGY
4. THE TOOLKIT
5. EXAMPLE INSIGHTS
6. SUMMARY ROUTE MAP
PURPOSE AND SCOPE

PURPOSE

• Define a structured and sophisticated approach for assessing leadership talent to support Baxters prepare for future growth
• Review talent profile of leadership teams across the group
• Understand individual strengths to leverage and gaps to develop
• Understand regional leadership teams strengths to leverage and gaps to develop
• Identify development solutions
• Provide Executive board with talent map highlighting high potentials and successors
• Review current organisation design vs future fit (5-year strategy)

SCOPE

<table>
<thead>
<tr>
<th>Tier 1 – Leading the business</th>
<th>Tier 2 – Leading managers</th>
<th>Tier 3 – Leading others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focused on getting results from organisation as a whole</td>
<td>Focused on getting results from linking multiple teams</td>
<td>Focused on getting results from their team</td>
</tr>
</tbody>
</table>
PEOPLE STRATEGY FRAMEWORK

5-YEAR BUSINESS STRATEGY: 2018-2022

CORE CAPABILITY

- $ EBITDA
- Co man repricing
- Store brand growth
- Cost reduction initiatives

- £ EBITDA
- Value Improvement
- New Business / NPD
- Factory Volumes
- Cost reduction initiatives

- $ EBITDA
- Co Man – General Mills
- HD Closure – Labour utilisation & workforce planning
- Resource & Org design

- $ EBITDA
- Project Crown

PEOPLE STRATEGY

CONNECT & ENGAGE
- Improve Internal communication
- Define our culture
- Improve health and wellbeing

BUILD TALENT
- Complete Group talent review
- Improve Technical capability
- Develop competency gaps for succession
- Improve Employee brand to attract young talent

MEASUREMENT & ANALYTICS
- Modernise HR systems to improve efficiency & accuracy
- Improve HR reporting with HR analytics
- Evolve Scorecards / dashboards

REWARD
- Transparent and competitive executive compensation
- Incentive schemes that motivate/drive high performance
- Benchmark tools and market data that inform decisions

COMPLIANCE & STANDARDS
- Policies & stds that meet or exceed legal requirements
- Management of risk with training, recording and reporting mechanisms

ORGANISATION DESIGN
- Define talent profile capable to drive medium / long-term strategy
- Reduce fixed overhead costs
- Efficient and agile workforce planning

MACRO WORKFORCE TRENDS

- Political & economic volatility
- Change in border controls

- Scarcity of talent
- Aging workforce
- Changing labour relations

- Digitalisation
- Shift in what employees value – health, flexibility, career growth
**REVIEW METHODOLOGY**

**COMPETENCY DEVELOPMENT**
- Grp Competency framework
- Development framework
- Recruitment framework
- Performance review framework

**360 FEEDBACK**
- Executing robust feedback from a variety of stakeholders using a bespoke Baxters 360 tool
- Personalised feedback
- Strengths to leverage
- Development gaps
- Personal development plans
- Framework for PDR conversations with line manager

**COMPETENCY INTERVIEWS**
- Calibration of 360 feedback
- Motivations & aspiration
- Group Insights
- Regional insights
- Framework for development activity & succession planning
Rationale for external support

- Adds higher level of professionalism and sophistication
- Methodology benchmarked against best practice & global trends
- Ensures high level of objectivity and manages workload

How did they support us?

1. Review and customise Baxters leadership competencies against global standards
2. Customise, develop and administer 360 feedback tool
3. Conduct competency based interview and develop individual and team reports
**EXECUTIVE (TIER 1)**

- Psychometric assessment – Emotional & Social Competency report
- 360 degree feedback – against Baxter’s leadership competencies
- Competency-based interview – based on 360 outputs and emotional & social competence report
- Exec Team – combined report highlighting “blind spots” and “hidden strengths”
- Executive Chairman & Group CEO debrief on overall Exec Team Impact

**LEADERSHIP TEAMS (TIER 2 AND 3)**

- Psychometric assessment
- Self and line manager assessment against leadership standards
- Competency-based interview
- Regional CEO debrief
- Regional Team Impact Session – Review team strengths & areas for development
- Executive Team Calibration Session (Succession/High Potential plan)
- Group CEO and Exec Chairman Debrief
TOOLKIT - BAXTERS 3 X 3 LEADERSHIP COMPETENCIES

CATEGORIES

Leadership

Authentic Leadership
Interpersonal Dynamics
Presence & Impact

Strategic

Entrepreneurial Aptitude
Strategic Responsiveness
Strategic Influence

Commercial

Delivering Results
Builds Talent
Challenge & Judgement

Tier 1 – Leading the business
Tier 2 – Leading managers
Tier 3 – Leading others
TOOLKIT - BAXTERS SOCIAL AND EMOTIONAL COMPETENCY SUITE

CATEGORIES
- Emotional
  - Self-awareness
  - Self-regulation
- Social
  - Motivation
  - Empathy
  - Social Skills
TOOLKIT - BAXTERS TALENT 9 – BOX GRID

Performance

Potential

DOES NOT MEET EXPECTATIONS

MEETS EXPECTATIONS

EXCEEDS EXPECTATIONS
EXAMPLE INSIGHTS - EMOTIONAL & SOCIAL COMPETENCE SUMMARY

AVERAGE RESULTS

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>Score (max. 10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-awareness</td>
<td>4.0</td>
</tr>
<tr>
<td>Self-regulation</td>
<td>4.4</td>
</tr>
<tr>
<td>Motivation</td>
<td>5.4</td>
</tr>
<tr>
<td>Empathy</td>
<td>5.0</td>
</tr>
<tr>
<td>Social Skills</td>
<td>5.4</td>
</tr>
</tbody>
</table>

INDIVIDUAL: EMOTIONAL/SOCIAL COMPETENCY

<table>
<thead>
<tr>
<th>EMPLOYEE</th>
<th>Scores</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>3.0</td>
</tr>
<tr>
<td>B</td>
<td>5.0</td>
</tr>
<tr>
<td>C</td>
<td>4.0</td>
</tr>
<tr>
<td>D</td>
<td>3.0</td>
</tr>
<tr>
<td>E</td>
<td>4.0</td>
</tr>
<tr>
<td>F</td>
<td>5.0</td>
</tr>
<tr>
<td>G</td>
<td>4.0</td>
</tr>
<tr>
<td>H</td>
<td>3.0</td>
</tr>
<tr>
<td>I</td>
<td>5.0</td>
</tr>
</tbody>
</table>

- Emotional Competency
- Social Competency
EXAMPLE INSIGHTS - REGIONAL SUMMARIES

**UK**
- Navigating period of competition & challenge forcing a far more tactical approach to operating
- Leadership styles less strategic & leaders unable to articulate consistent strategy for the business
- Do not connect own work to peers globally therefore not leveraging good/best practice
- Highest rated competency is “presence & impact” & “results”
- Lowest rated competency is “entrepreneurial aptitude”

**USA**
- Very strong operational & strategic capabilities
- High engagement & can articulate strategic direction for US markets but less insights into the global perspective
- Team have development objectives however they are biased towards technical development rather than leadership enabling capabilities
- Highest rated competency is “delivering results”
- Lowest rated competency is “builds talent” – specifically collaboration with external parties

**Australia**
- Leadership engagement is a factor on the back drop of a challenging period of transition
- Leadership are respectful and open to ask for help & mentorship
- Key development area is “interpersonal dynamics” and self awareness – driving a specific leadership style
- Tactical and reactive approach to what they do to drive results.
- Backdrop of uncertainty is driving a lack of strategic direction