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REGULATION AND POLICY IN 2026

How regulatory fragmentation is redefining corporate affairs leadership

Three global policy leaders on speed, engagement, foresight and the skills that will matter by 2030.

IN CONVERSATION

Regulation used to move in cycles leaders could plan around. Today it shifts faster, is more unpredictable and is fragmented across multiple jurisdictions.

To understand what this means for strategies and skills, Emma Donald, Partner at Andrews Partnership, spoke with three leaders shaping policy and government affairs strategy at global organizations.

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01 THE LANDSCAPE

From predictable cycles to constant flux

In PwC's 2025 Global Compliance Survey, 85% of respondents said compliance requirements had become more complex over the last three years. And in Andrews Partnership's 2026 survey of corporate and government affairs leaders, regulation and policy change ranked as one of the top four factors expected to impact reputation functions. When asked what would define successful leadership in 2026, one respondent described it as "The ability to stay ahead of regulatory evolution and influence internally and externally."

But while regulatory change is not new, the speed, scale and interconnectedness of disruption have changed significantly. Regulatory change has always been influenced by political and economic cycles. What has changed is the number of forces that can move those cycles and the speed at which their effects can travel across markets. It is also increasingly driven by emerging technology or rapid geopolitical shifts, with an AI controversy or trade tariff announcement just as likely to trigger policy changes as a traditional political cycle.

85%

say compliance requirements have become more complex over the last three years (PwC Global Compliance Survey, 2025)

Top 4

Regulation and policy change ranks among the four factors expected to impact reputation functions (AP Reputation Leadership Study, 2026)

"We've moved from an environment where policy followed science and trade rules at a measured pace, to one where policy ambition frequently runs ahead of both."

GABRIELA WURCEL

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01 THE LANDSCAPE

Three views on fragmentation



Dan Christenson

PEPSICO

Dan Christenson has seen this play out across his career in the US Department of Agriculture and now at PepsiCo, where he leads global public policy: “The trendline has been volume, complexity and, more recently, increasing fragmentation,” he says. “There are many more places around the world that have regulatory systems around things like excise taxes and packaging policy than there were 10 years ago. And with the rise of nationalism, countries have an initial impulse to do their own thing, which creates fragmentation.”



Alejandra Castro

BAYER

Fragmentation is evident across several levels, says Alejandra Castro, who leads global affairs and sustainability at Bayer. She points to the proliferation of global reporting regimes layered over national and subnational rules, different bodies demanding different types of materiality, and rating agencies applying their own separate methodologies. “You can see how complex fragmentation is when you add compliance standards with the voluntary market rules,” she says. “The objective is to achieve harmonization. However, as various international organizations pursue this goal, it is equally important to consider requirements established by private standards bodies to ensure alignment and avoid unintended inconsistencies or duplication.”



Gabriela Wurcel

GLOWAL

Gabriela Wurcel, a global external affairs leader with experience in agriculture and FMCG, frames the underlying shift starkly: “We've moved from an environment where policy followed science and trade rules at a measured pace, to one where policy ambition frequently runs ahead of both.” She also points to a widening of who shapes the agenda: regulators now listen to a far broader coalition of civil society and grassroots voices than they did a decade ago.

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02 ENGAGEMENT

The new rules of engagement

A more fragmented policy environment is also changing how organizations engage. While traditional engagement through trade associations remains valuable, it's no longer always the first route.

“A well-functioning trade body continues to be incredibly valuable,” Dan notes. “When we can speak with one voice and have strength in numbers, we still find that to be a very effective pathway.” But the choice is now deliberate: “We are increasingly shifting toward direct or coalition engagement when those become the better solutions. We evaluate those pathways through a speed versus impact lens.”

For Gabriela, associations remain a useful route, but she points out that relying on them exclusively has a limit: “The positions associations can take are necessarily the product of compromise across their membership.” The most effective organizations, she argues, take a multi-layered approach, combining work through industry associations with direct bilateral engagement with regulators and policymakers on specific issues.

Ultimately, resources are finite and companies cannot and should not seek to engage in every channel. Decisions and trade-offs around external engagement must be made through a lens of commercial impact, risk exposure and long-term business strategy.

THREE TESTS FOR EVERY ENGAGEMENT CHOICE

Commercial impact	Risk exposure	Long-term business strategy

“We evaluate those pathways through a speed versus impact lens.”

DAN CHRISTENSON, PEPSICO

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03 STRATEGY

When regulation becomes a business decision

In addition to speed and complexity, one of the most significant shifts is where policy judgment now sits in decision-making. It's not an afterthought to strategy, but embedded within it.

Dan describes regulatory considerations as a critical input to guide strategic decision-making, with the function's role being to translate issues into language the business understands and can act on. Alejandra sees the same dynamic around market entry: where regulation is unclear or restrictive, the business will gravitate instead toward markets that are "more flexible and more science-driven."

Gabriela makes the case explicitly: "Policy and regulatory considerations used to come as a second thought. That model is increasingly obsolete." Long-term investment decisions, she argues, are implicit bets on where regulation will land years down the line: "Getting that wrong is expensive and corporate affairs functions that can provide credible, forward-looking analysis and intelligence on policy direction add huge value to the investment process."

The organizations managing this well are those where policy, sustainability and commercial functions work closely together and where the corporate affairs function has a deep understanding of the company's priorities and strategy. When executed well, the connection becomes what Gabriela calls "a live feedback loop between external policy intelligence and internal commitment-setting."

With regulatory shifts actively reshaping capital allocation, a key role of the external affairs and policy leader is to connect the regulatory world to the bottom line. As one respondent to AP's 2026 survey put it:

"Successful leadership will be defined by the ability to turn fast-changing geopolitical, regulatory, and reputational risk into clear commercial decisions."

RESPONDENT, AP REPUTATION LEADERSHIP STUDY 2026

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04 CAPABILITY

The capability gap

In a world where change can be incredibly rapid, the ability to anticipate and prepare for regulatory change is a critical skill: “Hands down the biggest gaps are around foresight and analytics,” says Dan. “Having capabilities to assess the impacts of policies and insights through a quantitative lens becomes a huge differentiator.”

Gabriela identifies a related blind spot: political context can move the regulatory dial even when the underlying science hasn't changed. “A change in government, the break of a geopolitical alliance, a high-profile campaign, and the regulatory trajectory in a market move in ways that no technical analysis would have predicted.” She adds that regulatory exposure is increasingly arriving through the supply chain rather than the product itself, meaning leaders also need to understand how political and regulatory shifts could affect wider business operations.

That points to a broader shift in the leadership profile. Technical policy expertise remains essential, but is insufficient on its own. The strongest leaders need to connect signals from the external environment to commercial priorities, assess where risks and opportunities may emerge, and influence decisions before an issue becomes a crisis.

One AP survey respondent captured the same instinct when asked for advice for a peer starting a new role. The ability to be forward-thinking was ranked as the second most critical skill, behind the ability to influence, by corporate and government affairs leaders in AP's 2026 leadership survey.

#2

Forward-thinking ranks as the second most critical skill, behind the ability to influence (AP Reputation Leadership Study, 2026)

ADVICE FOR A PEER IN A NEW ROLE

Act as “the CEO's early-warning system.”

RESPONDENT, AP REPUTATION LEADERSHIP STUDY 2026

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05 AI AND FORESIGHT

Using AI to strengthen foresight

1 in 3

use AI to track shifting policies and map stakeholders

16%

use AI for scenario modeling and risk prediction (AP Reputation Leadership Study, 2026)

Yet foresight is exactly where AI adoption is lagging. In AP's 2026 survey, only a third of respondents said they are using AI to track shifting policies and map stakeholders, and just 16% are using it for scenario modeling and risk prediction, despite the fragmented regulatory environment they face.

Gabriela's take on AI aligns with the AP survey sentiment. “Most of what's happening is still capability augmentation rather than transformation,” she says. The bigger opportunity ahead is “scenario analysis and strategic foresight: running structured analysis across a large body of signals and surfacing patterns that aren't obvious in day-to-day monitoring.” But she adds that there are limits: “When the analysis requires contextual judgment about political dynamics, stakeholder motivations, or the credibility of scientific positions, AI is not as reliable as a human being.”

Alejandra's team at Bayer uses AI for a range of tasks across the vast set of regulations they deal with, including policy surveillance, gathering stakeholder sentiment and conducting analysis of policy outcomes. “It has helped me a lot in being more efficient,” she says, but points out that leaders still need to do their own analysis and make their own judgments. Her team is deliberately building AI fluency across the group rather than concentrating it in a specialist role.

“Corporate affairs is ultimately, and will remain, about human interactions.”

GABRIELA WURCEL

06 LOOKING AHEAD

The skills profile of the 2030 external affairs leader

Fragmentation of regulation isn't going away, and no single engagement model or set of AI tools will fully solve for it. Compressed timelines and unpredictable change also mean that leaders need to be comfortable operating at speed.

What separates those who will navigate this well is less about any one tactic and more about the blend of skills they bring to the role:

01	02	03	04	05
Commercial fluency	Geopolitical judgment	Data literacy	Agile decision-making	Translating external risk into operating reality

For Dan, speed is key: “It really requires a much more nimble and agile function that can move from idea to execution much more quickly. The ability to know where you need to place your biggest bets and focus then really comes back to that idea of having a very data-driven function that is tracking and mapping issues out in a systematic way to understand audiences, the opinions behind them and where they may be headed next: foresight.”

Gabriela points to a wider remit than ever for leaders, one that stretches beyond immediate product compliance to the political forces that shape regulation before it even reaches the supply chain. “Building political and geopolitical situational awareness, understanding who holds power, what pressures they're under, what narratives are gaining traction both nationally and internationally, is today a fundamental capability for corporate affairs functions.”

The leaders who thrive in 2030 won't be the ones waiting for the landscape to simplify. They'll be the ones who can move as fast as the environment around them, know when to lean on AI, when to lean on relationships, and when only their own read of the room will do.

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