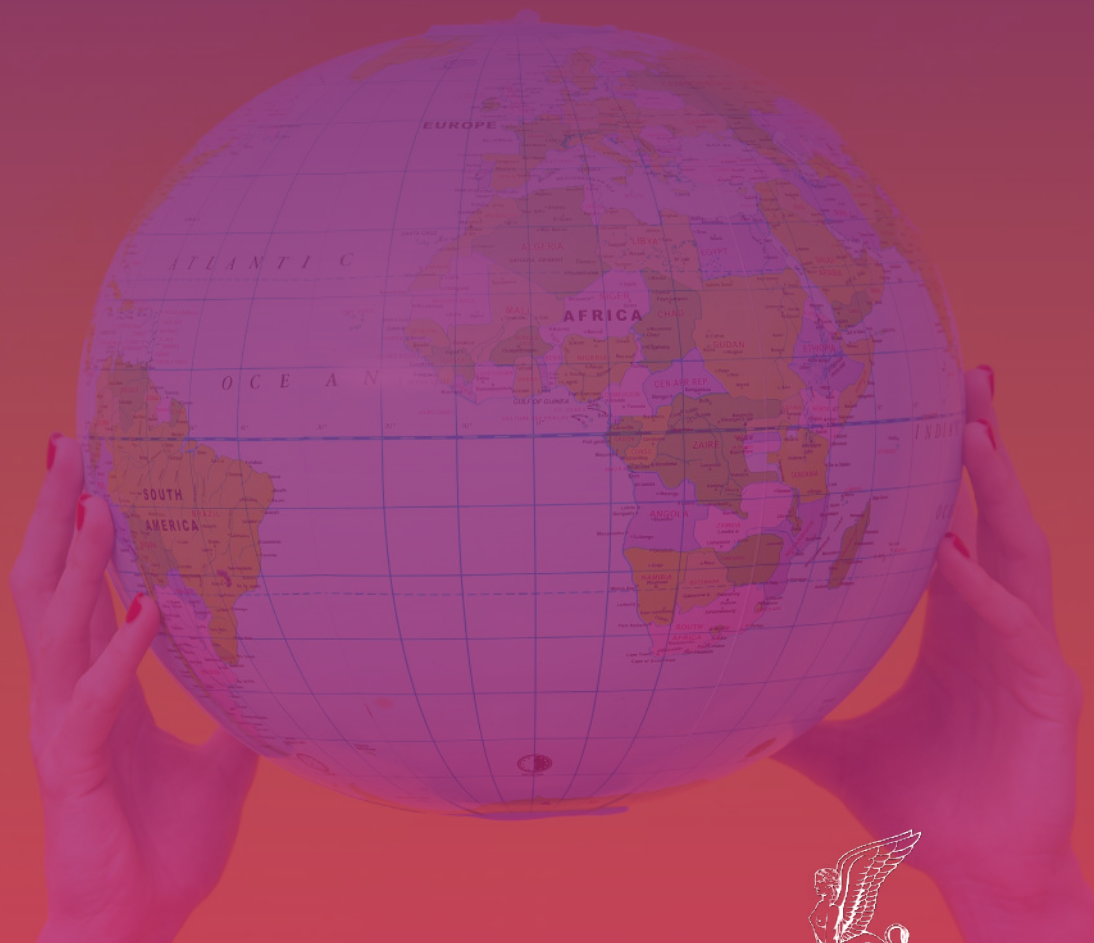


WCOOC Minutes

The Changing Landscape of ESG and Crisis Management: An Opportunity to Build Resistance

Part 1: Friday 18th March 2022

Part 2: Thursday 24th March 2022



Control Risks



ARMSTRONG WOLFE™
Women in the COO Community



WCOOC

Minutes - The Changing Landscape of ESG and Crisis Management: An Opportunity to Build Resistance

Part 1: Friday 18th March 2022

With Sydney Gliserman and Mike Wolff, Control Risks

Changing Landscapes of ESG and Crisis Management:

- We are seeing change in the way organisations consider crisis and prepare for crisis. They are starting to define and be triggered into crisis by a much broader range of events.
- Previously, crisis management had a more hierarchical military structure, with teams with specific skill sets linked to some of those security and safety events. Now we're seeing organisations approach this much more collaboratively, with crisis management teams that are cross functional with diverse skill sets, profile, and gender.
- At the same time, we're seeing a changing landscape of ESG. This is linked to several internal and external factors. Externally: considering climate change, shareholder or investor pressure, the pandemic, increasing expectations from different stakeholders, lots of legislative changes on this front as well. Internally: burnout, shifting employee expectations, employee activism, and changing kind of corporate values and culture more generally.
- The key risk areas in environment include climate change, law and regulation change, raw materials, sourcing. On the social side: human rights, supply chains, how to get into local law and customs. And on the governance side: bribery, corruption, risk, transparency, board structure and ownership.
- We are seeing organisations internally increasing awareness of services that existed for some time, doubling down on their efforts to equip leadership teams and managers with some of the new or not new skills but different skills that they need to manage their teams more effectively emotionally and vocationally and commercially.
- Organisations that respond best in crisis events are those that have prepared their people to be adaptable, to have structures in the way they set objectives, and the ability to make decisions in those events.

Nexus of Crisis Management and ESG:

- » The way ESG is seen and implemented in an organisation can reduce the likelihood for businesses to be caught out by scandal, reputational issues, or changes in regulation. These have implications for how to proactively manage risks, how to plan and police in terms of crisis and scenario development, how to train, test and exercise for crisis management teams. As well as how you manage expectations and engagement with your employees or stakeholders; that is the nexus before crisis.
- » ESG thinking can future-proof your business. It can prompt investment in long-term solutions over costly concentrated response efforts.
- » ESG integration can be seen as an indicator of the maturity of your business, and mature businesses often are better prepared to manage crisis events.
- » Organisations should not only consider their minimum legal duty of care but demonstrate the value of their people by providing extra services to support those individuals.
- » It was discussed how culture, relationships, and skills are required to integrate ESG into businesses, and how these are the same skills required for a functioning, successful crisis management structure.
- » Some members of the group expressed how they felt, following recent events, stakeholders, employees, and consumers have a higher expectation for businesses to handle crisis response.

Observations from the Group:

- » It was recommended that organisations should consider risk through an ESG lens. By understanding this nexus, businesses can develop a fitting approach to ESG, risk and resilience.
- » Success can be found by considering the broader benefits of ESG, beyond communications and box ticking, and the wider influence of this on your people.
- » Integrating resilience can improve your ESG performance. Likewise, ESG thinking can have a positive effect on your organisation's resilience.
- » Across organisations, we are seeing more multi-structured teams communicating information up and down the crisis management structure, as well as provide support and resources where it's needed.





Part 2: Thursday 24th March 2022 With Sydney Gliserman, Control Risks

Changing Landscapes of ESG and Crisis Management:

- We must look at crisis in terms of readiness, response, and recovery.
- It is important for companies to help their clients plan for crisis, test, and exercise for them. To stand with them during response efforts and then we help them with that recovery.
- It was recommended that organisations react, recognise and mitigate risks that are influenced by ESG considerations.
- As we evolve through crises and new experiences, organisations need to use an ESG lens to unpick some of these new founded questions.

Relevance to Human Capital Management:

- Organisations face a challenge in crisis events where people are asking not only for personal support, but support for their families.
- It is important to understand your boundaries and duty of care from a business standpoint.
- We are seeing increasing expectations of businesses by human capital, from consumers, investors, stakeholders.
- Organisations are being asked to take stand on issues that they were not previously were required to weigh-in on.

Core Recommendations:

- It was advised that organisations should look to create an integrated ESG perspective into their crisis management systems, as well as considering kind of the broader benefits.
- Don't just consider ESG from a business standpoint, but also communications, reputation and legal compliance.
- By harnessing this 'ESG lens' from an operational risk perspective, there is an opportunity for organisations to reduce their risk, reduce the likelihood for crisis and make sure that they perform and respond best in a in a crisis situation.
- By envisioning ESG performance in peacetime, you can reduce or increase your crisis risks later.



Observations from the Group:

- » Due diligence is a good example of risk management activities that could reduce your likelihood for experiencing a crisis.
- » Some organisations confided that, for them, the environmental arm of ESG is more prominent than the social and governance, and there is still a lot to learn.
- » Taking learnings from Covid-19 and applying them to a new crisis can be a good marker of maturity in crisis management systems.
- » It was discussed whether risk assessments proved to still be valuable, or are they outdated? How can we make them more valuable, and put an ESG lens on it, and how would you go about doing it and how would you measure it?





ARMSTRONG WOLFE™

Women in the COO Community

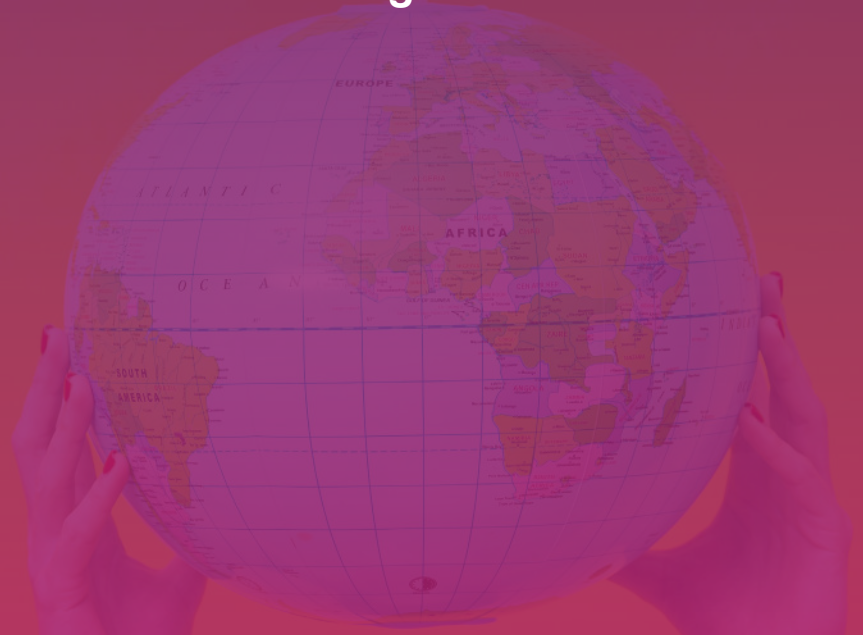
Gwen Wilcox

Global Head of WCOOC, Armstrong Wolfe
g.wilcox@armstrongwolfe.com

**Visit our website for more information:
armstrongwolfe.com/wcooc**

**Find us on LinkedIn: Armstrong Wolfe and
Women in the COO Community**

Find us on Youtube: Armstrong Wolfe



Control Risks

Visit their website for more information: controlrisks.com

Find them on LinkedIn: Control Risks