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project risk mgmt • bcr • health & safety • rmis • claims admin • esg • tprm • compliance • policy mgmt • internal audit • erm



**RISK** UNDER  
ONE **ROOF**

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# ESG and the Impact on Risk Management

## PANELISTS



**Cindy Tam**

*Director - Global ESG,  
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**Keith Fortson**

*Global ESG Technology  
Deloitte*



# Agenda

- Overview of ESG
- Business context
- Keys for operation

Environment, Social + Governance

# What is ESG?

ESG is a set of non-financial factors used to guide and evaluate the practices of an organization and their societal impacts.

It speaks to a company's ability to responsibly and sustainably grow their business and build resilience.

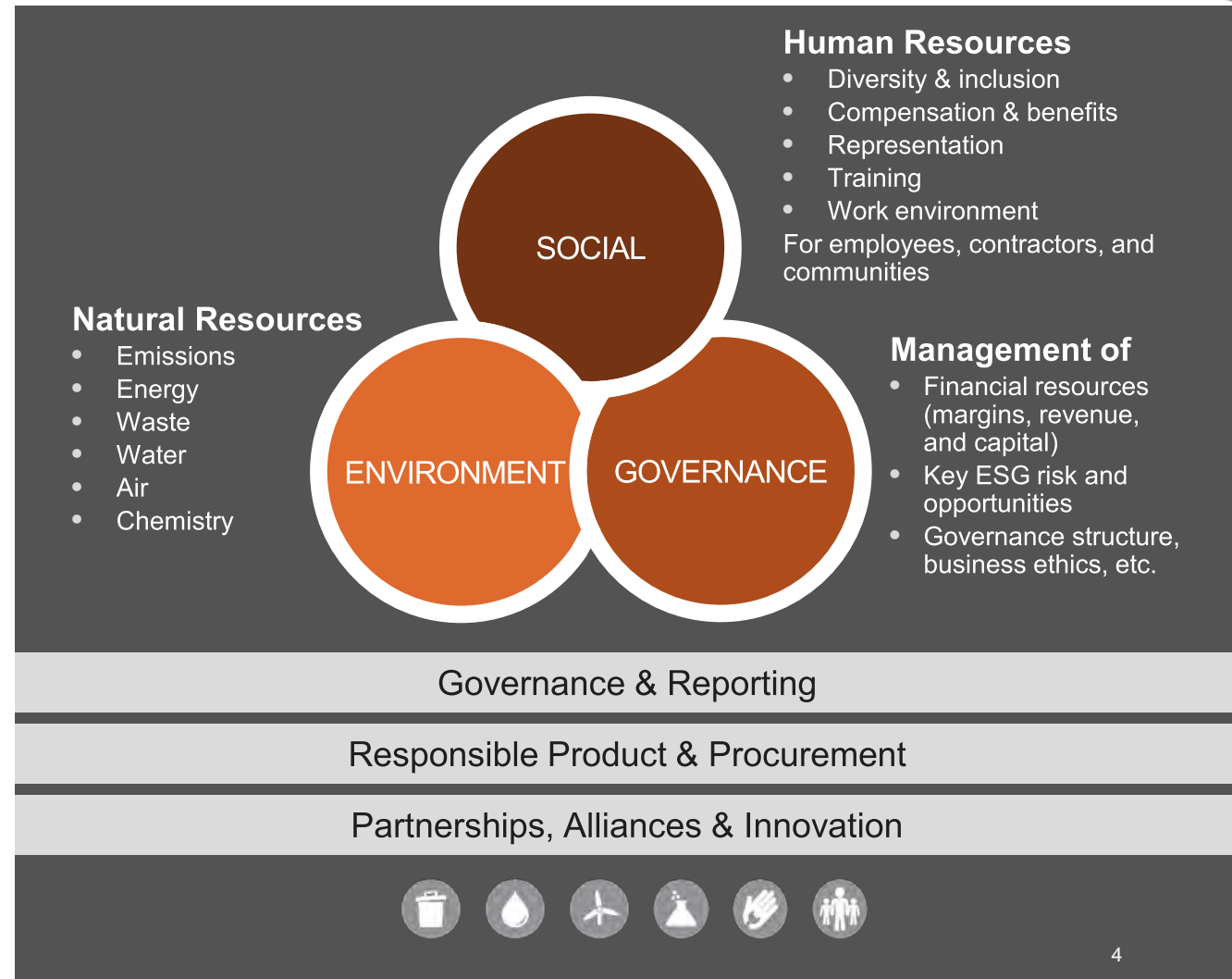
At its core, ESG is about...

## NOW + NEXT

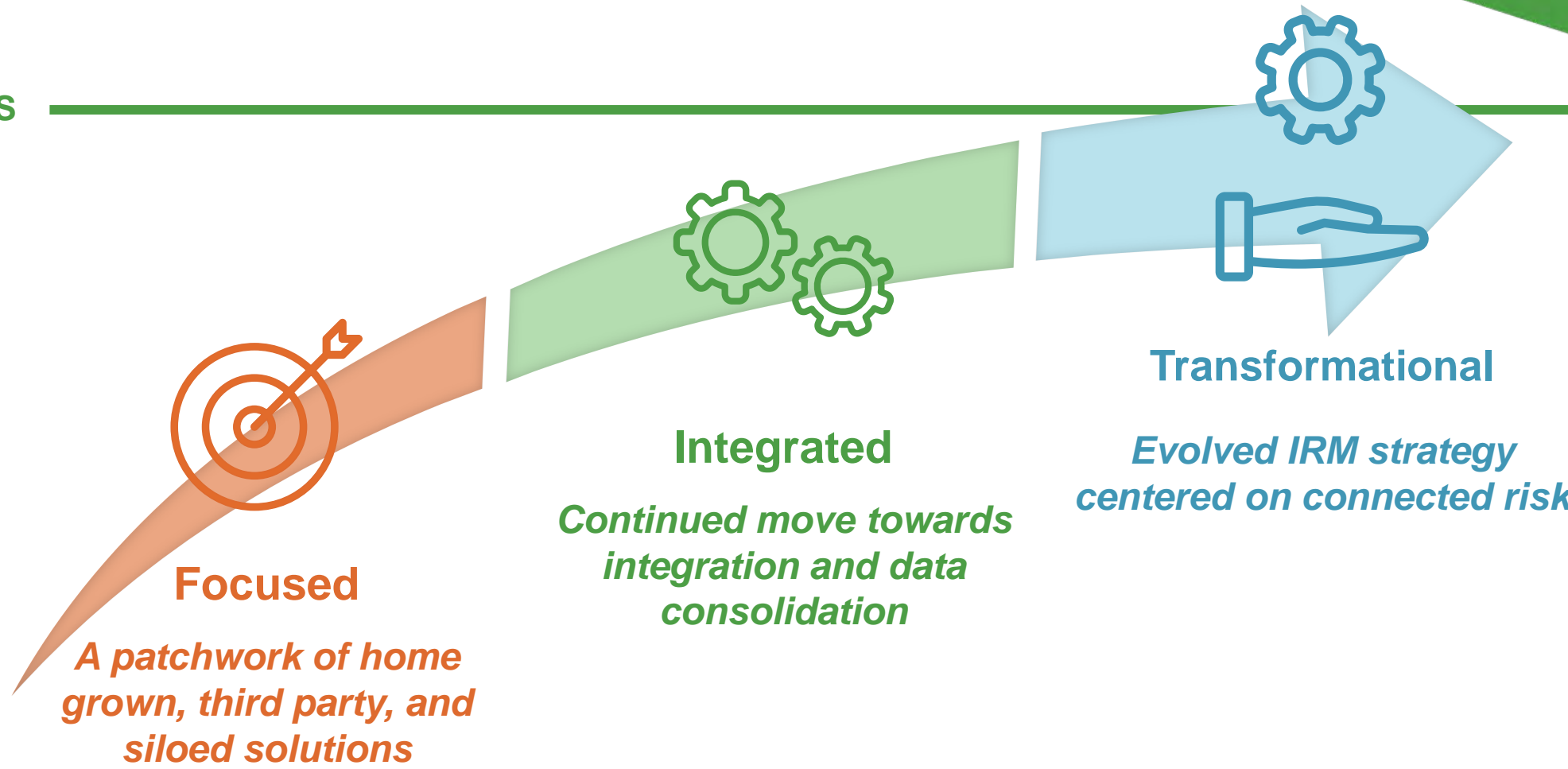
Meeting the needs of the present without compromising the ability of future generations to meet theirs.

## TRIPLE BOTTOM LINE

The ability to sustain businesses and resources required to operate and grow the triple bottom line: People, Planet, Profit.



SYSTEMS



**Focused**

*A patchwork of home grown, third party, and siloed solutions*

**Integrated**

*Continued move towards integration and data consolidation*

**Transformational**

*Evolved IRM strategy centered on connected risk*

TEAMS

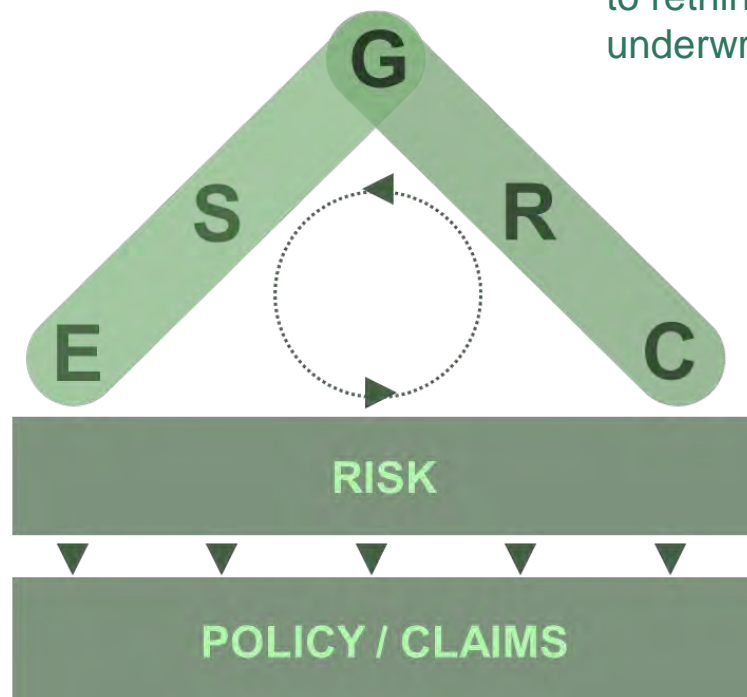
# What Risks Are Associated with ESG?

Integrated risk management has direct and near-term benefit on policy coverage and rates

“ESG parameters have significant predictive power to identify firms that pose financial risk to insurers.”

“The increasing frequency and severity of certain natural catastrophes has caused insurers to rethink their approach to underwriting coverage.”

Allianz



S+P Global

Dimensions			Impacts
ESG	Environmental	Emissions	Environmental Fines
		Environmental Efficiency	Environmental Controversies
		...	Man-made Incidents
	Social	Community	Donations
		Health & Safety	Injuries
	...	Accidents	
Governance	Management	Fatalities	
	Shareholder Rights	...	
Quality	Innovation	Innovation Strength	...
		...	...
	Image & Brand	Brand Stability	Brand Value
		...	...
	Ext. Stakeholder	Competitive Position	...
	Human Capital	HC Efficiency	...
...		...	
Corporate Risk	Ext. Stakeholder	Controversies	
	...	Fine Payments	
Finance	...	Profitability	Return on Equity

Source: Allianz



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Where you are and where to go from here

# ESG Maturity

## 01 COMPLIANCE

Efforts trigger compliance policies, practices and measures in support of customer, employee and regulatory requests/ requirements

## 02 INITIATIVES

Proactively assessing ESG risks and opportunities and developing strategic goals and POV. Organizing improvement activities. Providing disclosure and transparency and building ESG fluency.

## 03 PROGRAMS

ESG is integrated into the company and values with governance and management oversight. Focus is on strategic execution of improvement areas and expanding for the extended value chain.

## 04 BUSINESS IMPERATIVES

ESG is part of the business strategy and focused on new and transformative services and partnerships around shared value. Company continues to expand its accountability across the extended value chain.

## 05 CHANGE MAKER

Driving global impact by solving issues collaboratively across the industry, leveraging new technologies and ideas. Known by all of our stakeholders for driving a more responsible, equitable and long-term viable world around us.

Leading with Sustainability & Innovation

Actively integrated ESG goals and outcomes, and across the value chain

Focused efforts begin to manage identified risks and opportunities, and create transparency and fluency

Risk avoidance drives compliance and a foundation in highest risk areas



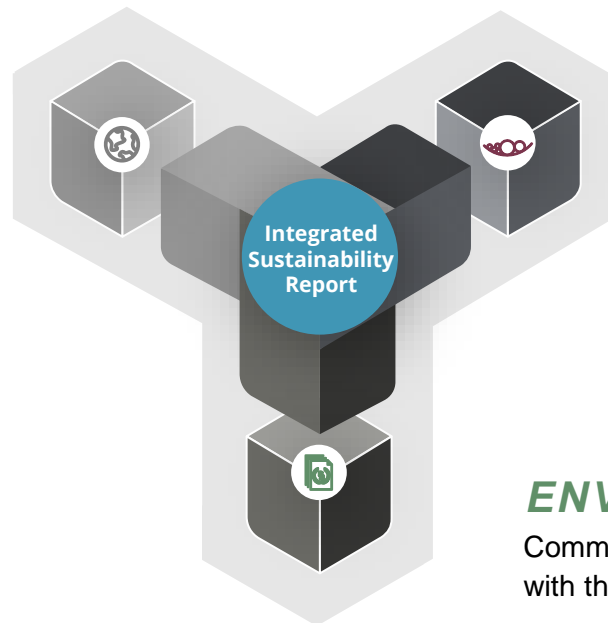
# The Industry Response

Corporations addressed increasing pressure from the ESG Revolution by demonstrating sustainability performance through voluntary disclosure along opportunistic dimensions.

## ***EMISSIONS REDUCTION***

Committing to and enacting pollutant emissions reductions from operations and from the products bought and sold across the value chain

Operations
Carbon Emissions intensity
Methane Emissions
Low Carbon Tech Investment



## ***STAKEHOLDER EMPOWERMENT***

Recognizing the importance of health and wellbeing, supporting livelihoods, and working to enhance diversity, equity and inclusion

Diversity and Inclusion
Human Rights
Creating Prosperity
Health & Workplace Safety

## ***ENVIRONMENTAL RISK MANAGEMENT***

Committing to broader steps to care for the planet in line with the UN Sustainable Development Goals

Sustainable Supply Chain
Biodiversity
Resource Circularity
Freshwater Use



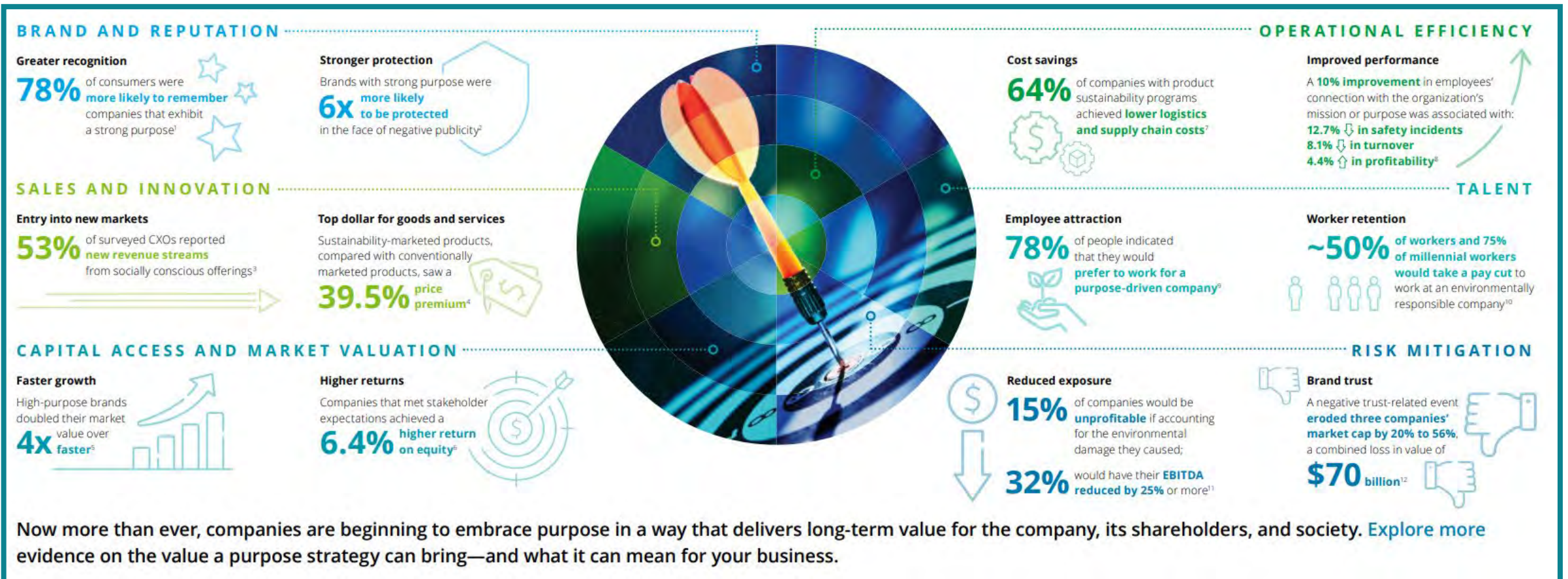
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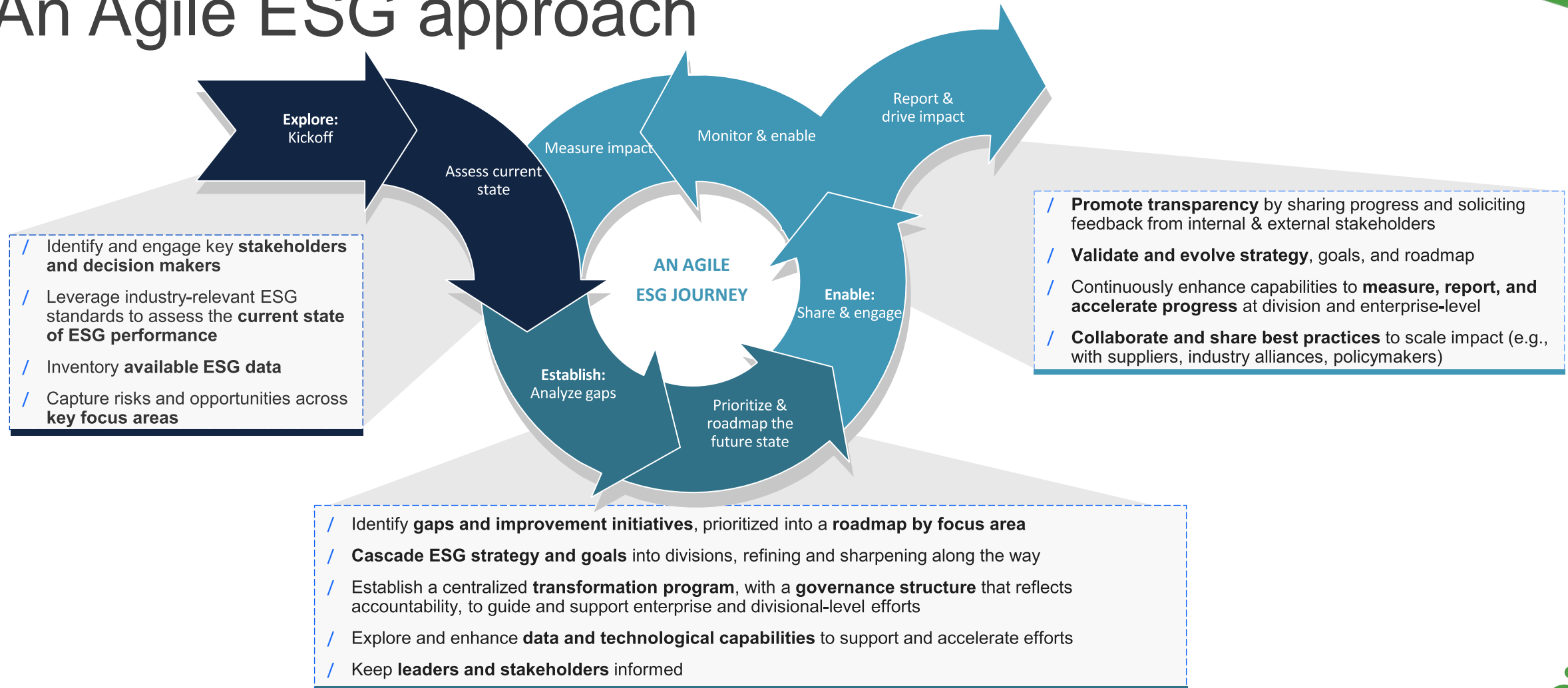
## Purpose and Value Creation

When firms integrate Purpose into their core strategy and operations, they stand to reap rewards in the market.



How do we get there

# An Agile ESG approach



# Questions?



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DISCOVER

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# Connect with us.



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