



Risk managers on integrating sustainability into risk management

The identification and assessment of sustainability risk are an integrated part of our company's process for identifying, quantifying and managing risk. Hence ESG concerns are in focus at all levels and functions of the organisation. ERM is also part of the team putting together the annual sustainability report.

– Risk manager, Sweden

As our CEO says, we do not have a sustainability strategy. Our strategy is sustainable. For us sustainability is fully integrated into our processes. We do not have a dedicated category of risks defined as sustainability.

– Risk manager, Sweden

For me it means that the tasks and the understanding of enterprise risk management and risk management in a company should change. At least what I observe is that many are still struggling to find that right way. There are many old ways of thinking that are an obstacle. For example, a core financial risk manager might say something like risk is deviation from business plan. But this doesn't capture the problem we are talking about. It does not deal with the fact that there could be child labour in the supply chain, or the climate change impact on our company...The sustainability topic is really key not just talking about it but really implementing it and changing ways of working where it is really necessary, and risk management is one of those, I think.

– Risk manager, Sweden



It is better to have a light procedure to sustainability risk management since you cannot be prepared for everything, as the COVID-19 pandemic crisis has shown. It is better to be pragmatic.

– Risk manager, France



We have to go beyond traditional risk management. For me traditional risk management is that we as a company are doing these activities, and if we are going to do that what are the risks going to be? But now, we have to switch from these post-strategy risks to a pre-strategy mindset. And that is really looking at what is happening in the world, now and in the future and how that can be translated to us as a company. For each company that's going to be different.

– Risk manager, Belgium

In our organisation, the risk management and sustainability departments were merged some months ago, under the same director (myself). We are now studying a way to create continuous synergies between the two activities with the aim of developing a Sustainability ERM in the next months.

– Risk manager, Italy

For ERM practitioners, the process is similar to all other risks. Specificities come with 1/ the long-term effects of most ESG risks (though we may wonder whether it is still long-term!) and 2/ the laws on reporting and information for companies ESG risks. From my perspective it is absolutely the case that ESG/ sustainability has led risk management (and risk managers) to work in depth and even more with functions such as corporate social responsibility / human resources / health and safety / security / business continuity and crisis management / etc.

– Risk manager, France