All About Risk interview with Philipp Aeby, CEO of RepRisk

All About Risk: Could you tell us more about what RepRisk does?
Philipp Aeby: Essentially, what we do is systematically identify, analyze, and quantify ESG risks related to any company around the world, currently close to 70,000. The idea is to provide clients with timely, curated data to support their decision-making with respect to their clients, business transactions, suppliers, and investments. It’s really all about risk management and transparency – how RepRisk can provide information to reduce blind spots and shed light on risks that may, in turn, translate into reputational, compliance, or financial risks.

While we offer a suite of solutions, we are probably most known for our flagship product, the RepRisk ESG Risk Platform – the most comprehensive ESG risk database that our clients use as a due diligence, research, and monitoring tool.

AAR: Why do ESG risks matter?
PA: Over the last few decades, ESG issues – such as environmental degradation, human rights, corruption, and fraud – have evolved from tangential importance to material relevance. How a company manages ESG issues is now seen as directly linked to its operational excellence and social license to operate.

Furthermore, due to the widespread awareness of ESG issues, expectations of stakeholders – including investors, civil society, regulators, and others – have changed. ESG issues now make headlines and are on the agendas of corporate executives and boards. Many of the high-profile scandals of recent years – BP Deepwater Horizon, Fukushima, Rana Plaza in Bangladesh, and Volkswagen – are ESG-related, and leading financial institutions have implemented policies and processes in order to manage and mitigate these risks.

AAR: How did RepRisk get started?
PA: The story of RepRisk is about how an idea – increased transparency on ESG risks – has changed the way that companies do business. Our risk focus is closely linked to our history: we started off in 1998 as an environmental and social risk consultancy focused on the financial sector. In 2006, we received a request from a major bank to prepare a list of about 100 companies that were severely exposed to environmental and social risks – companies that this client should be careful about financing or investing in. When that list was delivered, we realized this was an interesting data set that could be useful to other organizations. That same year, the RepRisk platform (online database) was launched with the support of UBS.

Today, our database – which grows daily – includes risk profiles on close to 70,000 listed and non-listed companies from around the world. We also have data on over 17,000 projects (mines, pipelines, factories, plantations), as well as for every sector and country in the world.
AAR: Who are RepRisk's clients today and how do they use RR data?
PA: Our customer base is quite varied – from banks and insurances, to asset managers and asset owners, to corporates interested in supply chain and sustainability. Regardless of the individual organization, our clients all fundamentally use RepRisk in a similar way – to identify, assess, and monitor potential ESG and reputational risks related to their clients, business transactions, investments, or suppliers – risks that may then translate into compliance, reputational, or financial risks.

Today, RepRisk works with close to 150 of the world’s leading corporates and financial institutions. To learn more about how RepRisk clients use our data, see the interview series available on our website, for example: Allianz, KKR, and First State Investments.

AAR: What else is on the horizon for RepRisk?
PA: This fall, we are launching an innovative new product called the Director’s Brief – a quarterly peer benchmarking report focused on ESG and reputational risks. It was designed as a decision-making tool for executives and board members, as well as risk, compliance and sustainability professionals. We will be announcing more about this soon.

AAR: I’m interested to see what RepRisk has captured about my company. Where can I find out more?
PA: We have the RepRisk Webshop, where you can find RepRisk Company Reports for approximately 2,500 of the world’s largest and most-exposed companies. In celebration of RepRisk’s 10-year anniversary this year, Company Reports are available for a 50% discount for a limited time only.