RepRisk CEO discusses ESG trends and reputation risk management on Responsibility Conference panels in Sydney

At the Investing in Responsibility Conference in Sydney, Australia, on May 15, 2014, RepRisk Chief Executive Philipp Aeby participated in two panel discussions. The first discussion was about ESG trends to watch together with representatives from ACSI, CAER, ISS and ISS. Philipp pointed out that increased transparency, thanks to ICT and social media, combined with rapidly changing stakeholder expectations pose both risks and opportunities for investors and corporates. In this context ESG issues translate into reputational, compliance and financial (investment) risks that have to be managed carefully, especially with respect to critical issues such as child labor, forced labor, human rights violations, large-scale environmental destruction and severe cases of corruption.

The second discussion was about ESG reputation risk management. Philipp’s main belief is that ESG issues have to be managed as part of risk management to address the underlying causes (ex-ante) rather than dealing with it from a corporate communications perspective when things have already spun out of control (post festum). To do so, investors or corporates need full visibility of the ESG risk landscape which is difficult to achieve based on corporate or internal reporting only. Therefore, ESG risks associated both with individual companies and projects, as well with countries and sectors, have to be identified and assessed based on independent sources.