

IRM Innovation Special Interest Group (Zoom meeting)

Meeting Minutes - 20<sup>th</sup> January 2022

Attendees:

Sarah Gordon (Co Chair) (SG)	Stewart Manegold (SM)
Marios Argyrou (AR)	Andy Mittal (AM)
Pascal Busch (PB)	Paul Morton (PM)
Rupert Carpleton (RC)	Mio N (MN)
Katerina Chatzakou (KC)	Yemisi Odubanju (YO)
Tony Chidwick (TC)	Taiwo Omo-Ikerodah (TOI)
Tamara Etmuss-Noble (TEN)	Martina Smyth (MS)
Sue Falconer (SF)	Kim Spiers (KS)
James Fort (JF)	Toikenod (T)
Ros Hardcastle (RHa)	Robert Toogood (RT)
Russel Heppelston (RHe)	Mark Turner (MT)
Katalin Horvath (Secretary) (KH)	Jane Walde (JW)
Bolawe Johnson (BJ)	Carole Walker (CW)
Marguerite Landells (ML)	Mags Woloch (MW)

Apologies: Rodrigo Souza (Co-Chair) (RS)

Item	Area/Issue of Discussion	Action Owner
<b>Introductions</b>	SG introduced the meeting and the agenda, which included a recap of what was achieved in 2021 (see below under Recap of 2021/22) and plans for the coming year.	
<b>Minutes of last meeting</b>	The minutes of the previous Innovation SIG meeting were available on the IRM website. No amendments were requested by SIG members.	
<b>Recap of 2021/22</b>	<p>SG thanked the group for having contributed significantly to achieving the deliverables of 2021/22, all which were very well received by users and attendees. These were:</p> <ul style="list-style-type: none"> <li>- Publication of IRM white paper on organisational resilience. This paper, and a companion summary, were lead-written by Innovation SIG co-chair Rodrigo Souza with input from the SIG members. They can be accessed via the IRM's website: <a href="https://www.theirm.org/news/innovation-sig-publishes-organisational-resilience-guides-for-risk-managers/">https://www.theirm.org/news/innovation-sig-publishes-organisational-resilience-guides-for-risk-managers/</a></li> <li>- Forum on <i>How is Digital Innovation Revolutionising Risk Management?</i> held in September. Details of the event, and the videos of the talks and discussions, can be found here: <a href="https://www.risk-revolution.com/">https://www.risk-revolution.com/</a> Videos of all of the presentations were available via the blog page on this site.</li> <li>- Joint webinar with Switzerland regional SIG on Sustainability risk management, held in December with collaboration from Innovation SIG member Pascal Busch. Details: <a href="https://www.theirm.org/event-calendar/switzerland-and-innovation-groups-joint-webinar-sustainability-risk-management/">https://www.theirm.org/event-calendar/switzerland-and-innovation-groups-joint-webinar-sustainability-risk-management/</a></li> </ul> <p>A presentation summarising the 2021/22 recap is being posted on the IRM's website alongside these minutes.</p>	

<p><b>Brainstorming for 2022</b></p> <p><b>Discussion on role of risk management in ESG</b></p>	<p>A brainstorming session was held to determine the Innovation SIG’s theme for 2022. It was suggested that this could be around “Responsibility and Risk Management”.</p> <p>SG led a discussion around ‘How can risk management be used to ensure true responsibility/sustainability/ESG in an organisation? Do we think that risk management can be used for this purpose?’</p> <p>Attendees were asked for suggestions on other groups who are doing work relevant for sustainability and risk management with whom we might be able to collaborate. Responses were:</p> <ul style="list-style-type: none"> <li>- The <b>IRM ESG SIG</b>, chaired by Anita Punwani CFIRM, was cited. It was noted that this group will hold their next webinar on 15<sup>th</sup> February in case anyone would like to join – this can be done via the ESG SIG’s page on the IRM website: <a href="https://www.theirm.org/join-our-community/special-interest-groups/environmental-and-social-governance-esg-special-interest-group/">https://www.theirm.org/join-our-community/special-interest-groups/environmental-and-social-governance-esg-special-interest-group/</a></li> <li>- JW said that, on the finance side, <b>the International Accounting Standards Board</b> have set up a sustainability foundation that will consolidate work from Global Reporting Initiative and other bodies involved of sustainability standards and reporting.</li> <li>- RH said that <b>ALARM</b> have a program on sustainability risk (possibly a certification), focusing on the public sector</li> <li>- SG said that <b>AIRMIC</b> is about to run sessions on ESG</li> </ul>	
<p><b>Breakout session 1</b></p>	<p>A breakout session was arranged for teams to discuss (1) can risk management be a mechanism by which we ensure responsibility in an organisation and hold them to account; and (2) why yes or no.</p> <p>Team Amazing (represented by JW) agreed that:</p> <ul style="list-style-type: none"> <li>- Risk management was fundamental for driving management accountability for sustainable and governance</li> <li>- Risk managers should address these risks and opportunities as part of our normal work</li> <li>- Horizon scanning/emerging issues, along with risk management frameworks, could be used to drive accountability</li> <li>- Risk management should be used to address these issues from the outset</li> <li>- Risk management could be more effective if it worked more closely with corporate strategy, especially as corporate responsibility/sustainability issues can involve major business change. Strategy teams, however, can sometimes sit in ‘ivory towers.</li> <li>- Different groups often have competing interests within organisations. Stakeholders want to do different things, making it harder to drive accountability and governance.</li> <li>- It’s important to think beyond the impact on your own organisation. “Everyone should become a little less selfish”</li> </ul>	

<p><b>Breakout session 2</b></p>	<p>Team Brilliant (represented by MT) agreed that:</p> <ul style="list-style-type: none"> <li>- ESG is still not necessarily a focus of many organisations, and risk professionals are still not at the top table having dialogues on ESG – question around how do you make ESG discussed at Board level?</li> <li>- Should reporting requirements force ESG onto the agenda? Should regulators look at how organisations report on ESG and sustainability? Should governments intervene?</li> </ul> <p>Team Fantastic (represented by TC) agreed that:</p> <ul style="list-style-type: none"> <li>- Risk managers could have a role in holding Boards to account, but this was caveated as there is a question of how risk engages on these subjects; frameworks, dashboards, scorecards (traditional risk management tools) can lead to ‘tick box’ mentality and greenwashing.</li> <li>- Organisational culture and ‘tone from the top’ are vital for effectively managing ESG risk. Risk management can be part of the solution, but needs Boards to support this</li> <li>- There are opportunities/upsides for organisations in getting ESG right – banks increasingly look at ESG track records in determining whether to grant loans/funding. Responsible organisations have an advantage in this regard.</li> </ul> <p>Team Wonderful (represented by MS) agreed that: (Note: bad internet connection)</p> <ul style="list-style-type: none"> <li>- Having correct level of knowledge of ESG was vital</li> <li>- Importance of aligning strategy</li> <li>- Sustainability and climate change lead to increased financial risk</li> <li>- Importance of governance</li> </ul> <p>AM said there are risks, such as greenwashing, to embedding ESG. Risk managers should partner with the business to explain these risks.</p> <p>JW called out the importance of upholding corporate values and holding companies to account for these, such as via risk assessments. SG agreed that values were important, and said she considers the definition of risk as the ‘effect of uncertainty on objectives <i>and values.</i>”</p> <p>-----</p> <p>Teams formed again to answer:</p> <ul style="list-style-type: none"> <li>- “What do we want to create as individuals/what would help us in our roles?” (e.g., another forum on risk management tools? Thought-leadership papers? Call to action article? Any particular speakers?)</li> <li>- Do we want something specifically on sustainability or do we leave that to another SIG?</li> <li>- What does an up-to-date risk managers’ toolbox comprise? (MT said that a previous risk management toolbox was published by the IRM in 2016 and this could be refreshed).</li> </ul>	
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<p><b>Conclusion</b></p>	<p>Team Fantastic (represented by TC) agreed that:</p> <ul style="list-style-type: none"> <li>- It would be useful to have tools, materials and a term of reference/glossary to increase knowledge. Toolbox should be future-proofed</li> <li>- Leadership discussions with an expert would be useful</li> <li>- The purpose of toolkits and discussions is ultimately to educate stakeholders in organisations. We could invite senior level stakeholders (non-risk managers) in our organisations to the talks about their views on ESG risks</li> <li>- Quick 10-minute ‘speed date’-style sessions by experts on technical aspect of ESG risks</li> </ul> <p>Team Brilliant (represented by MT) agreed that:</p> <ul style="list-style-type: none"> <li>- Would like collaborative workshop on ESG with Sustainability and Climate Change SIGs</li> <li>- Would like case studies on what others have done in terms of learning objectives, aligning to these to implementation of the toolbox, emphasising toolbox practicality (i.e., implementing tool ‘x’ resulted in case study ‘y’).</li> </ul> <p>Team Amazing (represented by RHe) agreed that:</p> <ul style="list-style-type: none"> <li>- Favour an event, one with a more varied agenda and networking</li> <li>- Alongside tool, would like a call-to-action paper for risk practitioners to drive sustainability through their work</li> <li>- Thought leadership paper probably not needed, as so many are available already. Also, these papers have a short shelf life</li> <li>- Need to be clear where the Innovation ‘hook’ comes from. Is the question how risk practitioners can innovate in their approach to sustainability, or how risk managers can feed into an organisation’s innovative ways to achieve sustainability? One team member said that sustainability was outside of his sector’s normal business route; how does a risk management fit into this?</li> <li>- Within the toolbox, the foundations of risk management are still needed. Old challenges are still present, including culture, behavior, placement of risk and investment in the right expertise.</li> </ul> <p>JW and SF said that ‘Likelihood’ should be dropped as it does not allow organisations to look far enough out, and so is not helpful when looking at sustainability.</p> <p>Members agreed that they would like:</p> <ul style="list-style-type: none"> <li>- An event held together with another IRM SIG (Sustainability and/or Climate Change). The style should be snappy and short, and practical, including how risk managers can use innovation to help organisations tackle sustainability/responsibility. RT suggested visualisation tools to help engage Board directors on ESG would be helpful.</li> <li>- Toolbox, backed up with case studies and linked to talks in the events</li> <li>- Call to action article (could be included in Enterprise Risk Magazine)</li> </ul> <p>For the next session, Innovation SIG members were invited to bring a practical tool</p>	

<b>Next steps</b>	<p>that they believed provided an innovative approach to ensuring risk management supports responsibility in / of an organisation. This tool could be something they thought was new; an improved version of an existing tool; OR a tool that they want to lobby for being “retired”. These would be shared by attendees at the next meeting and voted on.</p> <p>To ensure the smooth running of the next meeting, SG requested that anyone requiring an “open mic” slot to let her know via email in advance by emailing: <a href="mailto:sarah@satarla.com">sarah@satarla.com</a> She also made it clear that all presentations would be welcome – no matter how ad hoc or polished.</p>	All
<b>Next meeting</b>	Wednesday 2 <sup>nd</sup> March 2022 17.30 – 19.00 UK time (to include update on plans for 2022)	SG