

**RISK  
BEYOND  
2023**

**ERMA**  
INTERNATIONAL  
CONFERENCE  
ON ERM

7-8<sup>th</sup>  
**Dec**  
2023

**INTO THE UNKNOWN:**  
CHARTING THE FUTURE AGENDA



# ESG for Prosperity

## Integrating Social Transformation into Risk Management

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# ESG for Prosperity – The journey which started 25 years ago

Who are the key drivers of our business ?

- Raw material supplier...?
- Packaging material suppliers...?
- Packaging line supplier...?
- Employees...?

Part of our business risk assessment matrix

# ESG – The journey started 25 years ago

And we found some surprises:

- Is the supply of our coffee sustainable ?
- How can we help our key single packaging material suppliers to supply their materials on time (project, production) ?
- Should we buy packaging line supplier ? And agree to a management buyout a few years later ? And still work with him today ?
- Working in an extremely growing business, how can we support our employees ?

**Solutions were found to reduce the current risks**

# ESG – The journey continues with a simple question from marketing in 2005

Can we not speak about opportunities, rather risks?

- Provide alternative food in schools...?
- Adapt product proposal in schools...?
- Engage with KOL to discuss proposals...?
- Engage with business management to convince them about these opportunities...?

Adapt our business risk assessment matrix (*opportunity* & *risk*)



# ESG – The journey continues with a simple question from marketing in 2005

Following opportunities were captured

- Provide water in vending machines
- Allow for sufficient space for fresh foods in schools
- Discuss with KOL about menus in the school canteens
- Get business management approval / commitment

**Reduce business exposure by capturing opportunities**





# ESG – The journey continues with more complex projects in 2008

How can we develop sustainable milk production in South East Asia ?

- Can cows be imported under challenging climate conditions...?
- How can sound financing for farmers be guaranteed...?
- How can access to water / water quality be improved...?
- Can Corporate Social Responsibility (CSR) program be integrated into business objectives...?

Request capital investment for CSR as part of normal budget

# ESG – The journey continues with more complex projects in 2008

How can we develop sustainable milk production in South East Asia?

- Cows could be successfully adapted to the local conditions
- Long term loans and micro-financing provided to farmers
- Starting multiple projects with local communities
- All managers getting their CSR targets as part of business objectives

Establish CSR throughout the organisation

# ESG – Investors and Regulators starting to request more insights in 2010

How can we ensure that we share the right insights?

- Establish corporate CSR team...?
- Perform CSR opportunity & risk assessment together with public affairs...?
- Integrate human rights aspect into the existing assessment...?
- Integrate ethical / fraud aspects into the existing assessment...?

CSR fully integrated into business management practices



# ESG – Investors and Regulators starting to request more insights in 2010

Executive management requested to sponsor CSR

- Approval to build corporate CSR team
- CSR opportunity & risk assessment performed on annual basis together with public affairs
- Human rights aspect fully integrated into the business assessment
- As well as ethical / fraud aspects...

CSR also integrated into annual report / separate CSR report

# ESG – Working outside the box with multiple partners from 2010 onward

Can we working with partners to truly establish CSR?

- E.g. working with ILO on BCP matters after the avian flu pandemic...?
- Work with external auditors to confirm CSR target achievement...?
- Establish diverse teams (own business management & local communities) to implement local projects
- Define code of conducts and ethical / fraud aspects into it...?

Everything in place when ESG starting to become a request for large companies



# ESG – Opportunity to become fully transparent about own journey

Requirement to release more information about ESG helped to...

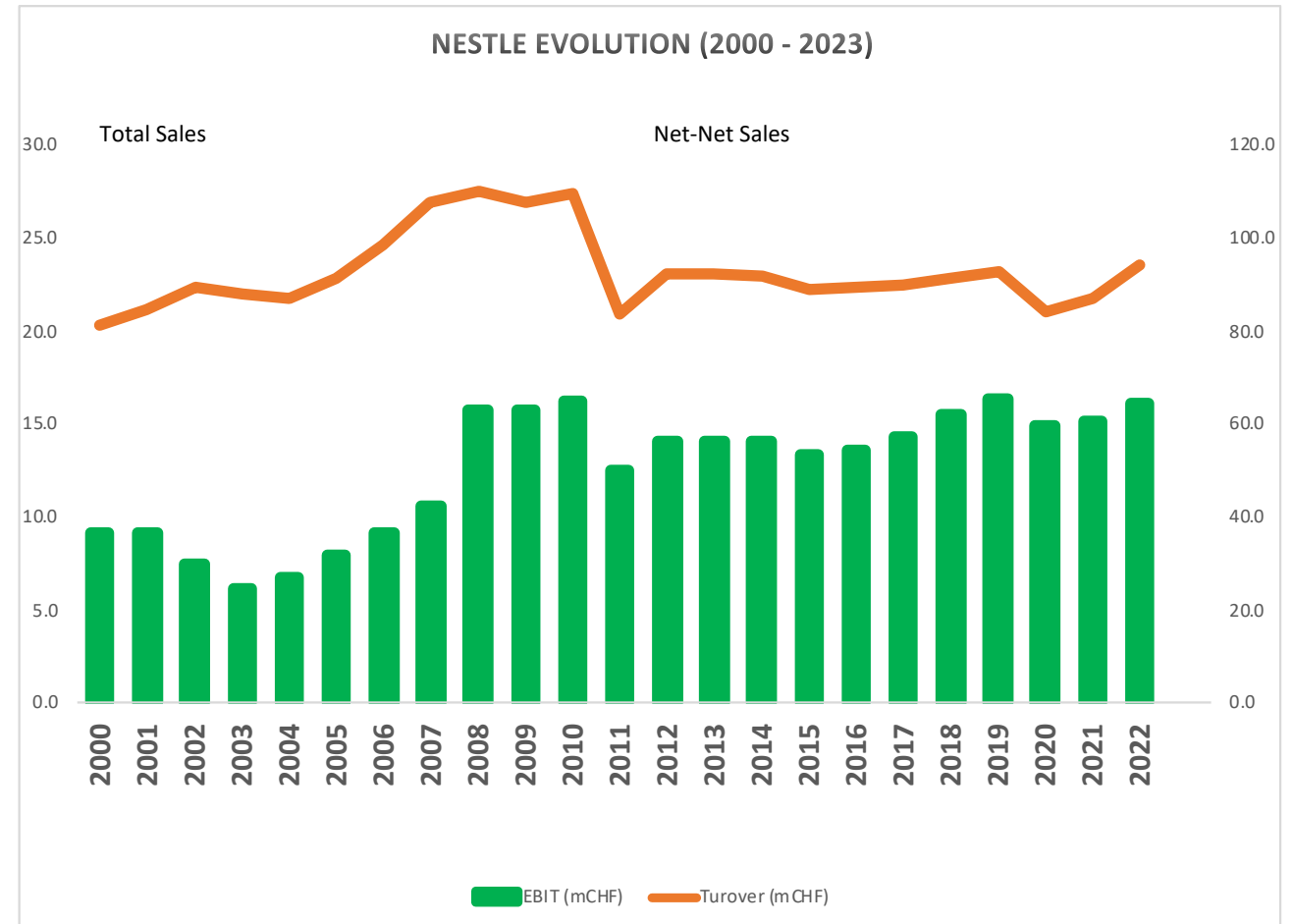
- Highlight already existing structure / organisation
- Communicate more holistically about own projects
- Be proud of what the business is providing to the community
- Become fully transparent internally so that all employees are aware of what is done

(Not only, but...) thanks to the integration of ESG themes into the business risk assessment in a very early stage.



# ESG for Prosperity – And still deliver...

- Reliable results
- In line with expectations
- Increasing profitability (%)
- Sustainable developments
- With all relevant ESG criterias adressed in the annual report







***In conclusion, ESG is an unique opportunity to develop stronger relationship with all key stakeholders...and continue to grow***





# TERIMA KASIH



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