

Managing your risks to drive long-term performance



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Dear Reader,

This is the second edition in our series of Integrated Reporting **Nexus** which has as objective to guide reporters in the key steps of the <IR> journey.

After Olivier Rey's topic on the role that strategy plays in <IR>, we thought it relevant to talk about risk management, an important part of the <IR> Framework, and a topic that I have at heart.

At PwC, we believe that effective risk management is a critical factor for long term strategic success. That's why we're so pleased to see that companies in the marketplace are increasingly setting up risk management frameworks within their businesses.

The latest trends show a clear and ongoing shift of risk decision-making to the front line. How can this bring greater resilience and growth to an organisation? I invite you to explore PwC's 2017 Risk in review study **Managing risk from the front line.**

I hope you'll enjoy the read and we welcome your views on <IR> related matters. Keep embracing <IR>!

Best regards

Julien

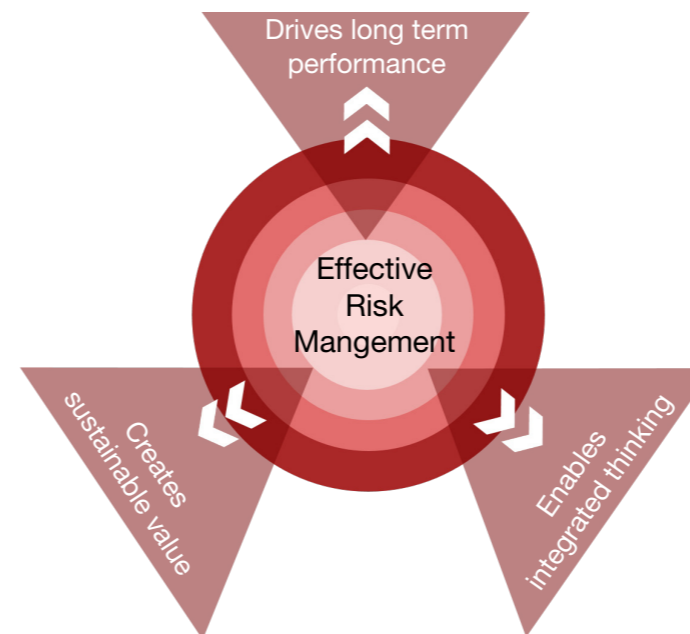


How can a company realistically define its long-term strategic objectives without considering its risks? The probability is that the company will not meet its objectives when these risks materialise.

What is the place of risk management in <IR>?

<IR> and risk management unite into "integrated thinking", as they both strive for long-term and sustainable decision making.

Risk management aims, firstly, to protect company value by managing preventable risks and making the business resilient and, secondly, to create value by capitalising on strategic opportunities.



Risk management should be at the centre of an integrated report and companies who are embracing <IR> should embed strong risk management.

www.pwc.com/mu/ir

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ClientTalk



"By implementing a group wide ERM structure, we have made the transition from managing risk in silos to having a portfolio view of our risks. Through integration, we have optimized the way we think and report on our risks."

Jérôme de Chasteauneuf
Group Finance Director
CIEL Limited

Managing your risks to drive long-term performance (cont.)

How do I do this?

PwC's latest *Risk in Review Study*, *Managing Risk from the front line*, demonstrates the values of a risk management structure led from the front line, how it promotes collaboration and shared accountability across the whole company. The company is then in a stronger position to meet the challenges of today's risk landscape.

To get there, PwC's study suggests to:



Source: <https://www.pwc.com/us/en/risk-assurance/risk-in-review-study.html>

What we are seeing in the market?

When working with our clients, we've seen that often, optimal risk management helps make the integrated thinking effective. Optimal risk management brings together board oversight, business operations, finance, and control functions.

There is an increasing trend to simultaneously adopt <IR> and risk management.

We are also seeing that, when both approaches are present, companies are better placed to achieve higher long term performance.

Talk to us

We can help you in your <IR> journey in several ways:

Consulting

We accompany our clients on their <IR> implementation journey by providing practical guidance to help them implement integrated reporting in a way tailored to their organisation.

Training

We run various workshops for our clients, to help them understand the benefits of 'integrated thinking' and why they should adopt the <IR> approach.

Make a start.

Get in touch with our dedicated team.

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