

Is your business ready to face the future of risk?

From extreme weather events to long-term business resilience, supply chain disruption, and compliance with new regulations, many of the underlying risks of ESG are ones we have heard about before. For small to midsize businesses, one of the challenges is how to evaluate emerging ESG risks in meaningful ways to address potential exposures as well as optimize tremendous business opportunities.

What if your business was impacted by these risks — do you have a plan in place to respond? Below is a shortlist of questions to help you evaluate your business and prepare for your future of risk.

Environmental risks



Storms on the horizon:

Is your business resilient against increased frequency and severity of climate-induced weather events?



Carbon footprint:

Would you be able to provide information and/or metrics related to your business' carbon footprint when working on a contract with one of your other commercial customers?



Market share:

How prepared is your business to respond to shifts in regulations and laws that lean into clean energy sourcing, energy efficiency, solid waste reduction, reduced consumption of natural resources or land degradation, or solutions that promote circularity/regenerative use of materials by competitors?



Environmental liability:

Does your business have a strong process/protocol in place to help you comply with more stringent environmental regulations or manage other environmental risks?

Social risks



Employer liability:

Does your business have systems in place to help you comply with employment regulations or other social risks? (e.g. occupational health and safety, human rights, data breaches of employee or customer data)



Talent shortages:

How resilient is your business to workforce/talent shortages, as compared to competitors who may have stronger protocols and procedures in place to promote diversity, equity and inclusion, workplace flexibility, and ethical codes of conduct?



Succession and resilience:

Do you invest in your employees with ongoing training, education, professional development, or reskilling and fair compensation?

Governance risks

Professional liability:

Does your business have protocols and procedures to avoid potential corruption, fraud, conflicts of interest, breaches of confidentiality, or other wrongdoing?

Ethical behavior:

Does your business require all employees to complete annual code of conduct training that includes confidential mechanisms to report ethics violations?

Setting the standard:

Has your business adopted standards, policies, and third-party certification protocols on ESG-related risks?

ESG oversight:

Does your business have a governing body that oversees ESG risks, within your business strategies, opportunities, and is accountable for multi-year implementation? What internal and external controls/auditing are in place?



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