



2021 November CRO Insights

The results from our CRO survey indicate an overwhelming 76% of respondents believe climate-related risks are not only real but are closely interrelated to risks in the overall financial system.

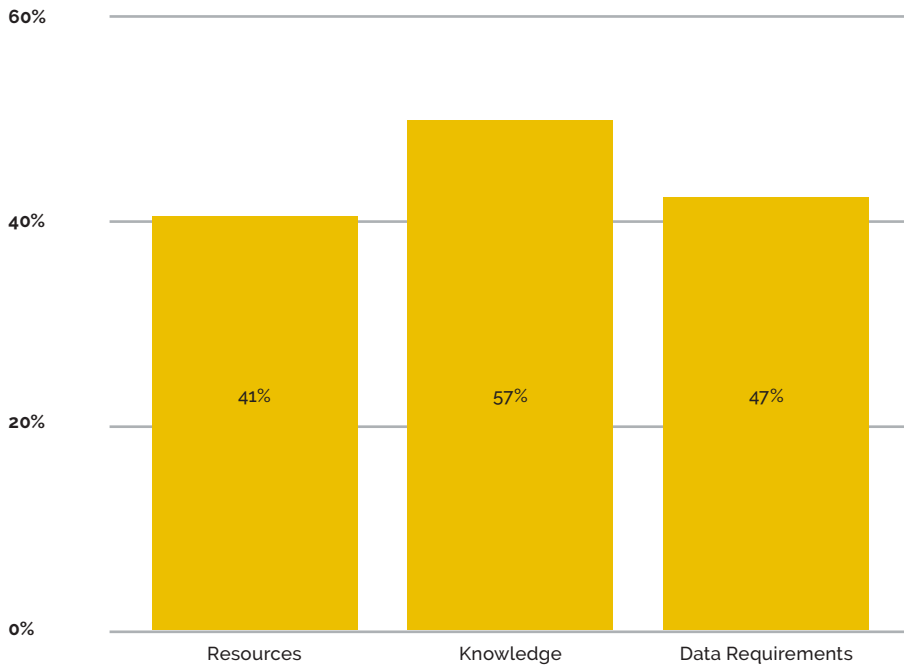
The survey also found while two-thirds of CROs were aware of forthcoming disclosure regulations, fewer than half of respondents (39%) felt adequately prepared to meet the new requirements of the new regulations, and around the same number (41%) felt that they had adequate resources to manage their introduction.

Interestingly, looking at the results from a data and technology perspective, fewer than half (47%) were aware of what data elements would be required and even fewer (39%) believed their current software/platform could manage the new requirements.

Resource Preparedness



	Yes	No
Do you have adequate resources within your organisation to manage the introduction of these changes?	41%	59%
Do you have adequate knowledge to assess the new requirements and develop a roadmap to implement these changes as required?	57%	43%
Do you have a good understanding of what data elements will be required to support disclosures and ongoing reporting?	47%	53%



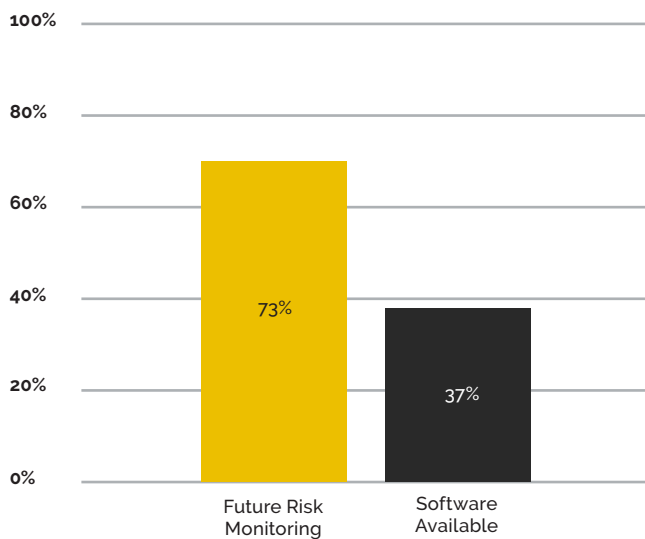
Resource & Knowledge Preparedness

Of those surveyed, as few as **41%** believe they have the resources to manage the introduction of these changes.

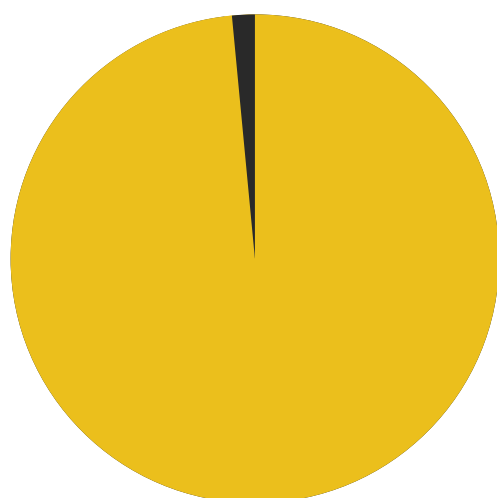
And though **57%** believe they have the knowledge to assess the new requirements and develop a roadmap, only **47%** claim to have a good enough understanding of what data elements will be required to support them.

The Need for Software?

Does your ability to manage risks depend on having reliable, robust, and timely data?	Yes 98%	No 2%
Do you have software to manage and report climate-related risks?	37%	63%
Will environmental footprint and management of climate-related risks be monitored in the future?	73%	27%



Appropriate Software Tools to Meet Climate Related Risk



Yes No

Risk Management Dependence Upon Good Data

Although **73%** of respondents said they expect environmental and climate-related risks to be monitored in the future, only **37%** believe they have adequate software tools which allow them the required insights to manage these risks.

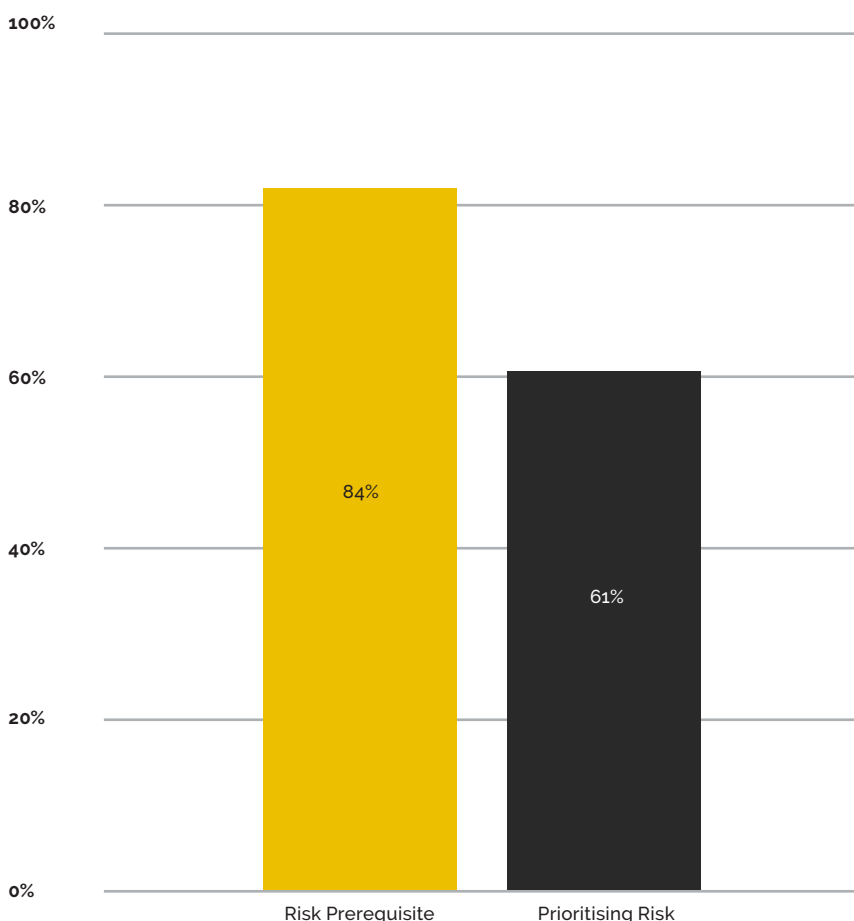
The ability of a company to manage risks depends on having reliable, robust and timely data, with **98%** acknowledging that this data is essential to mitigate the impending risks.

And with just **39%** admitting that they feel prepared for the risks associated with climate-change, there is a clear need for companies to enhance their risk management tools to provide decision ready data associated with these upcoming climate-related risks.

Is managing climate-related risk a prerequisite to invest sustainably or provide sustainable finance and related products?

Yes	No
84%	16%
61%	39%

Would increased focus and management of climate-related risk be sufficient to deliver more sustainable investing?



Correlation Between Climate Related Risk Management and Sustainable Investments

While a majority of those polled agreed that an increased focus and management on climate-related risks are sufficient to deliver more sustainable investing,

84% believe these risks must first be more effectively managed before they can credibly provide sustainable financial products with long term value.

Resource Preparedness



Would greater strategy transparency benefit you from the perspective of reputational risk?

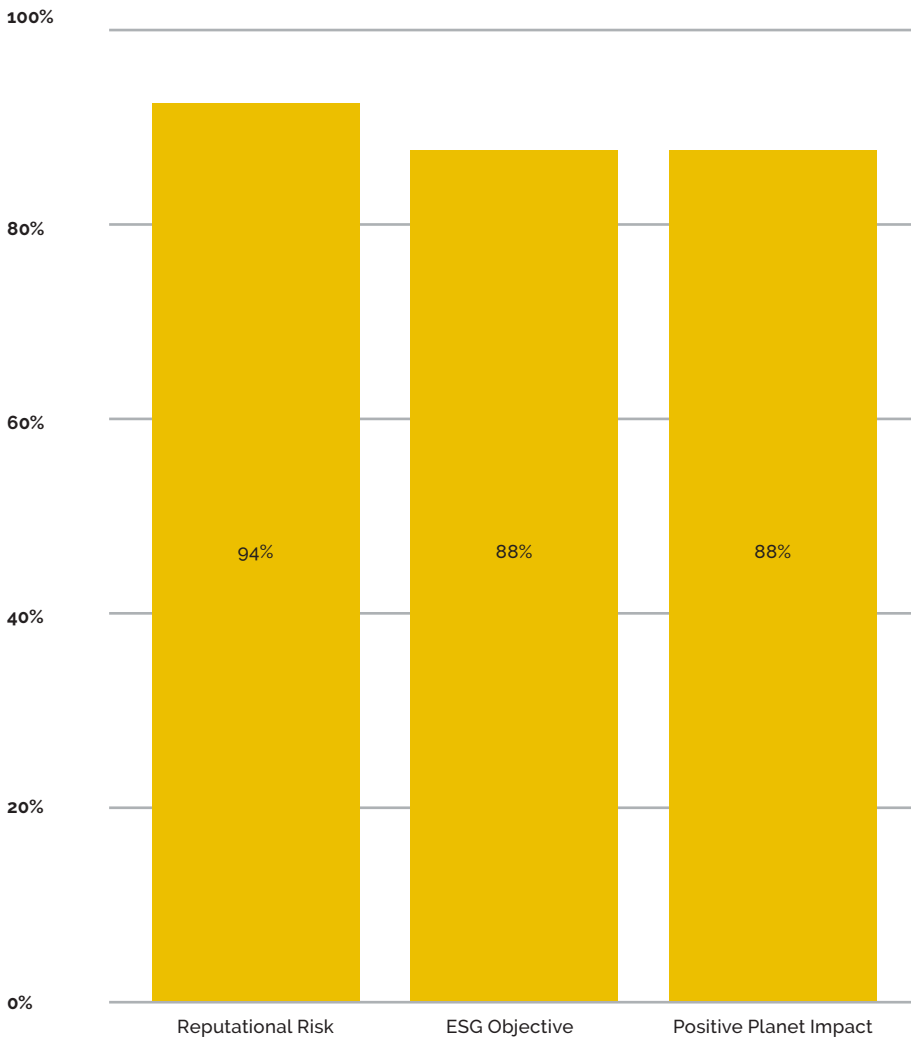
Yes	No
94%	6%

Would greater strategy transparency benefit you in terms of alignment with your clients' stated ESG objectives?

88%	12%
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Would greater strategy transparency benefit you from the perspective of having a positive impact upon our planet?

88%	12%
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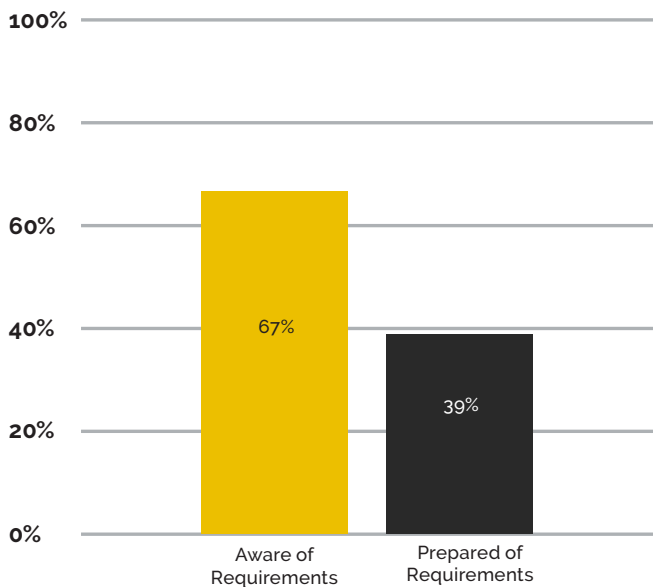
Greater strategy transparency is seen as being beneficial not only by **94%** of respondents who feel it will protect their company's reputational risk; **88%** think this also has a positive impact on the planet-impact.

Impact of Data Transparency in Driving Reputational Risk, Client Satisfaction and Impact Upon the Planet

Weight of Climate-Related Risks



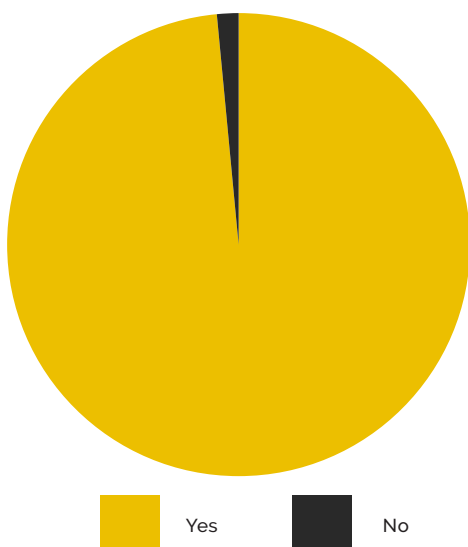
	Yes	No
Is management of climate-related risks at individual firms and overall financial system closely interrelated?	76%	24%
Are you prepared to meet the climate-related disclosure requirements of the FCA (in the UK) and impending legislation from other bodies?	39%	61%
Are you aware of the disclosures that will be required?	67%	33%
Is a sustainability strategy, with publicly available ESG data, an essential part of risk management?	94%	6%



Preparedness to Meet Regulatory Requirements

While a small majority (**67%**) of those surveyed were aware of the disclosure requirements mandated by the financial authorities, only **39%** felt prepared to fully meet this legal requirement.

In addition, **76%** believed climate-related risks at individual firms and the overall financial system are closely related.



Unsurprisingly, a strong majority of those surveyed (**94%**) agreed a sustainability strategy is an essential part of financial risk management.

Necessity of an ESG Strategy for Effective Risk Management

	Yes	No
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Does your ability to manage risks depend on having reliable, robust, and timely data?	98%	2%
Is managing climate-related risk a prerequisite to invest sustainably or provide sustainable finance and related products?	84%	16%
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Would greater strategy transparency benefit you from the perspective of reputational risk?	94%	6%
Would greater strategy transparency benefit you in terms of alignment with your clients' stated ESG objectives?	88%	12%
Would greater strategy transparency benefit you from the perspective of having a positive impact upon our planet?	88%	12%
Is a sustainability strategy, with publicly available ESG data, an essential part of risk management?	94%	6%
Will environmental footprint and management of climate-related risks be monitored in the future?	73%	27%



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Poll Conducted by:

CadDo

www.caddo.com

tel +44 7725 2896000

E: richard.thompson@caddo.com

ESG Risk Guard

www.esriskguard.com

tel +1 917 209 4200

E: info@esriskguard.com