



Mitigating ESG risk exposure and ensuring business resilience in a modern economy

Donna Charlesworth

General Counsel & Risk Manager

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Agenda



How can an effective risk management system build resilience against risk?



Managing a crisis using risk management framework: Hester-Brook Bushfire



A proactive approach to risk management to protect the bottom line and ensure sustained growth



Talison Lithium

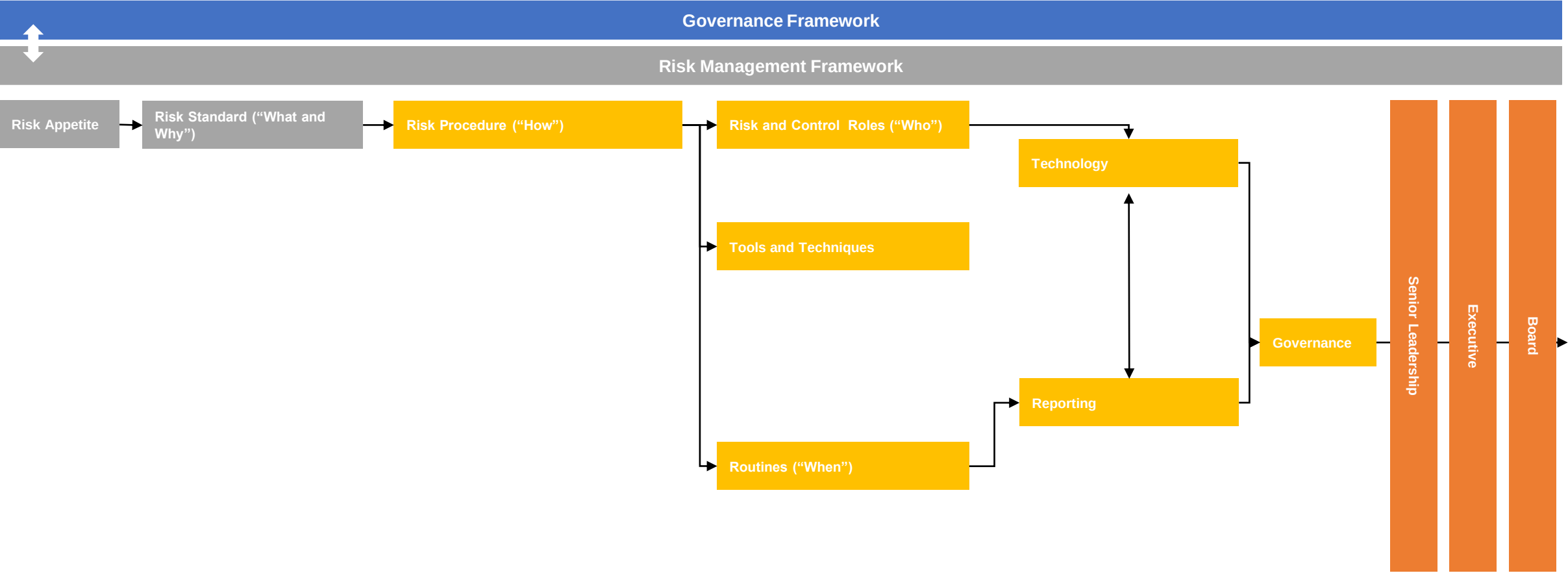
Background

- Australia's first lithium mine and processing facility, located at Greenbushes
- Produces 24% of the global lithium market*
- Critical role in global decarbonisation supplying lithium for energy storage

* Calculated from data published in Wood Mackenzie Global Lithium strategic Planning Outlook Q2 2023 Databook



An effective system of risk management



How risk management can bolster key drivers of corporate resilience

	Resilient	Weak
1. Risk Preparedness	Deep commitment to loss prevention and mitigation	Failure to prioritise risk preparedness
2. Leadership	Strong, visible leadership Governance and culture Strategy and objective setting	Weak or delegated leadership, failure to take responsibility
3. Communication	Accurate and well-coordinated communication	Opaque, partial or inconsistent communication
4. Action	Instant response and action	Delayed, absent or limited action
5. Change	Commitment to meaningful change	Minimal, inauthentic, reluctant (if at all)

Managing risk and corporate value



How do risk events impact corporate value?

Significantly; determined by critical pre and post loss decisions



Is ESG risk any different?

Not any more - companies are held responsible for their decisions concerning ESG risk and the mitigation of harm

ESG risk management can:

- minimise costs
- improve regulatory compliance
- protect reputation
- protect access to investors, supply chain and customers
- attract talent



Long term view of ESG risk

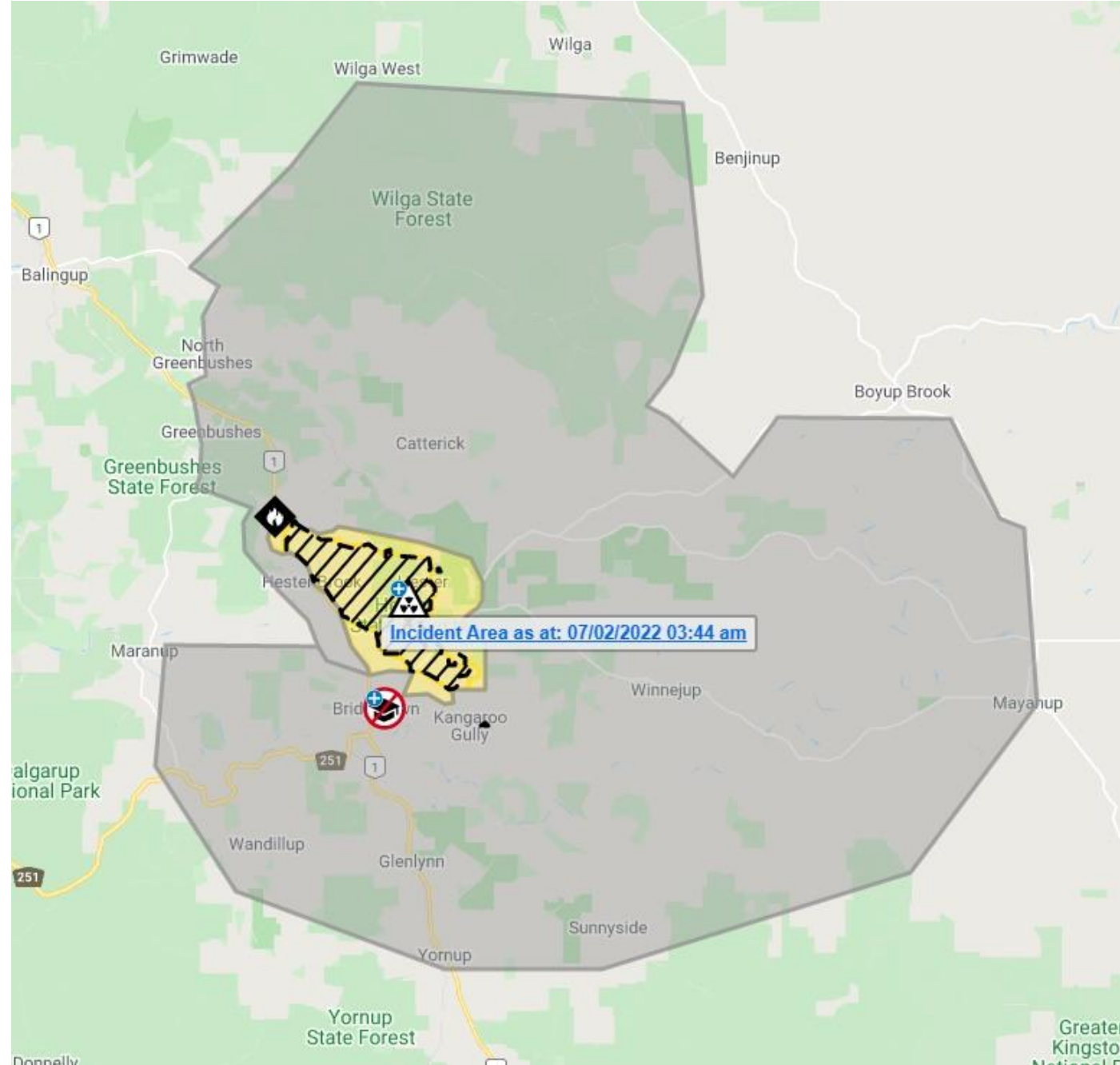
Need to transition from a narrow focus on risk, controls and governance to risk management that takes a longer-term strategic view of ESG risk



Hester - Bridgetown Bushfire

(February 2022)

A case study in managing crises and mitigating adverse impacts on performance, reputation and stakeholder relationships.



Approaching Hester Brook



Beginning to impact Hester township



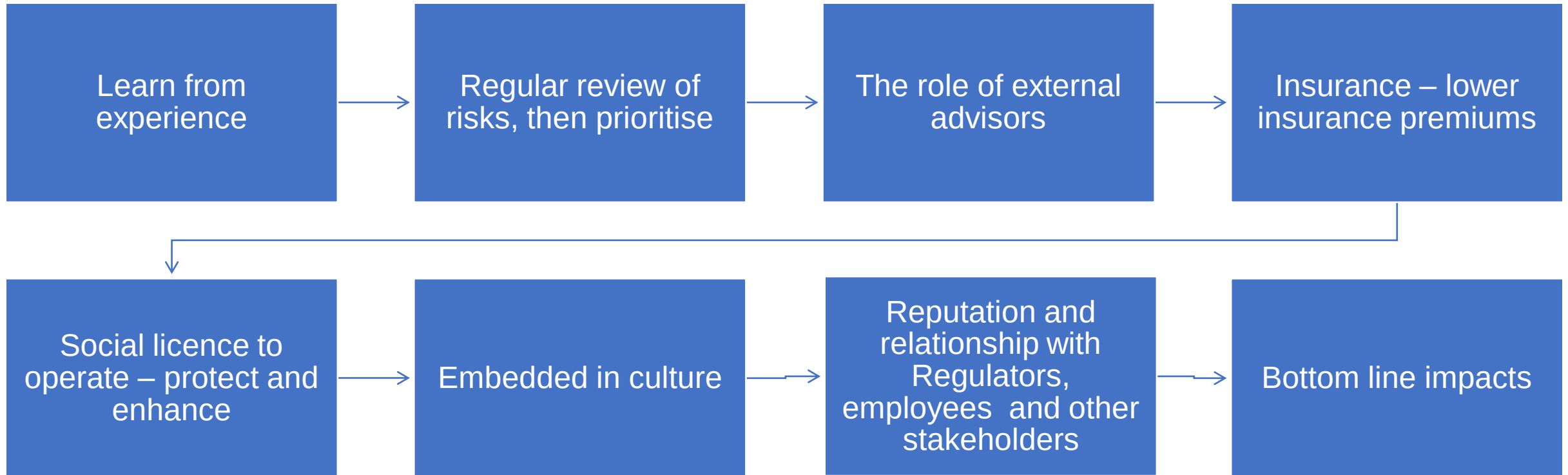
Timber Treaters on fire



Incident control centre



Taking a proactive approach to risk management to ensure sustained growth



Key Takeaways



Essential to have an effective risk management framework to ensure corporate resilience



ESG risk management should be integrated into core business operations



Ensure buy in from top down



Constantly and consistently reinforce



Embed ESG risks and opportunities into long term business strategy

