



77 percent of global executives ‘not confident’ in their company’s Reputational and ESG approach

February 10, 2022

New Reputational Readiness Survey launched by WTW

LONDON, Feb. 10, 2022 (GLOBE NEWSWIRE) -- There is considerable lack of confidence on the part of global executives in their own organisations’ approach to reputational and ESG ‘risk readiness’. Many believe that only a moderate amount of assessment has gone into these areas according to a report published today by WTW (NASDAQ: WTW), a leading global advisory, broking, and solutions company.

The survey was undertaken with 500 global executives from 250 top companies across 20 countries in retail, manufacturing, leisure and hospitality, transportation, non- government organizations (NGOs) and charities.

In other key findings, the survey demonstrated:

- More than four-fifths (83%) of senior executives say they take reputational risk seriously and place it in the top five risks across their company.
- Survey findings reveal 77% of senior executives are not fully confident in their company’s Reputational and ESG ‘risk readiness’. Positive strides are being made but more can be done - only a moderate amount of assessment has gone into analysing the risk or putting in place a formal process to ensure governance, accountability, monitoring and reporting.
- Despite formal teams being in place, around 75% of companies do not hold their board members accountable for reputational and ESG risks – creating a negative perception amongst staff of a lack of commitment.
- 70% of senior executives focus more on the risk of reputational damage caused by an internal event (e.g. employee abuse or ESG) and less so on an external event (e.g. cyber crime) – what looks like an oversight on an important external risk could be the result of a board that is not perceived to take the matter seriously.
- 74% of senior executives are aware of the potential cost of damages caused by a reputational event, and as a result 86% have reserved budget to cover the costs and 84% have a contingency budget for marketing and communications. However, these costs might not be completely accurate given 87% do not forecast frequency and severity of potential damages exposing a significant risk of misallocated budget.

Garret Gaughan, Head of Global Markets Direct & Facultative, WTW said “In an increasingly digital, service-oriented economy, reputational risk is firmly on the corporate agenda. However, our findings also suggest that organizations may have failed to accurately assess the length and depth of a potential crisis. Few appear to have the level of modelling that would enable them to quantify the scale of financial losses. This means they may not be prepared for the full impact on their business if a damaging reputational event occurred which is why it is critical to look at [reputational crisis insurance](#) to mitigate potential reputational risk.”

For more information and to access the survey – please visit <https://www.wtwco.com/en-GB/Insights/2022/02/are-businesses-reputation-risk-ready>

About WTW

At WTW (NASDAQ: WTW), we provide data-driven, insight-led solutions in the areas of people, risk and capital. Leveraging the global view and local expertise of our colleagues serving 140 countries and markets, we help organizations sharpen their strategy, enhance organizational resilience, motivate their workforce and maximize performance.

Working shoulder to shoulder with our clients, we uncover opportunities for sustainable success—and provide perspective that moves you.

Learn more at wtwco.com.

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