



Bennett Jones

Crisis and Risk Management
Survey 2020
Summary of Findings



To learn more about the current state of crisis and risk management, Bennett Jones surveyed general counsels (GCs) and senior executives (collectively, the respondents) at a wide range of organizations operating in Canada. The survey was conducted for Bennett Jones by Environics Research.

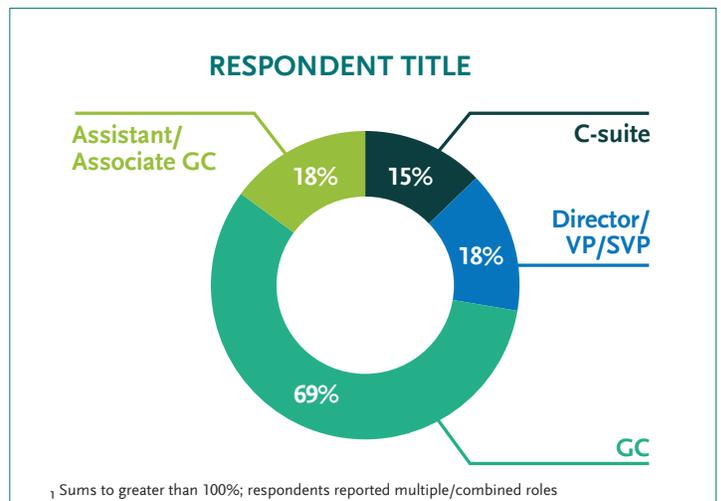
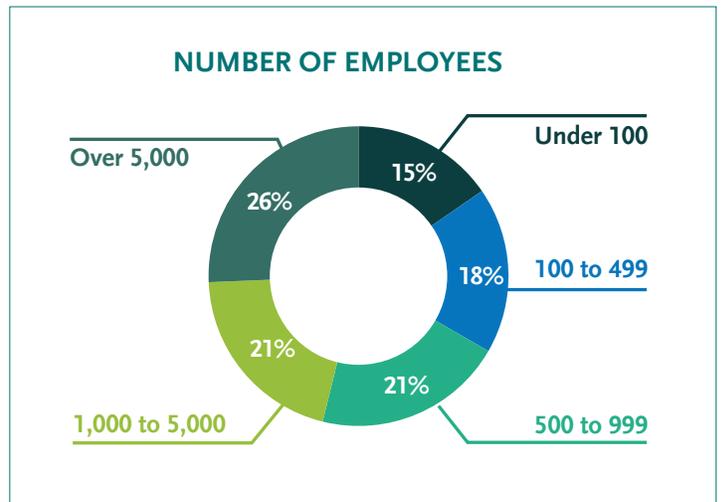
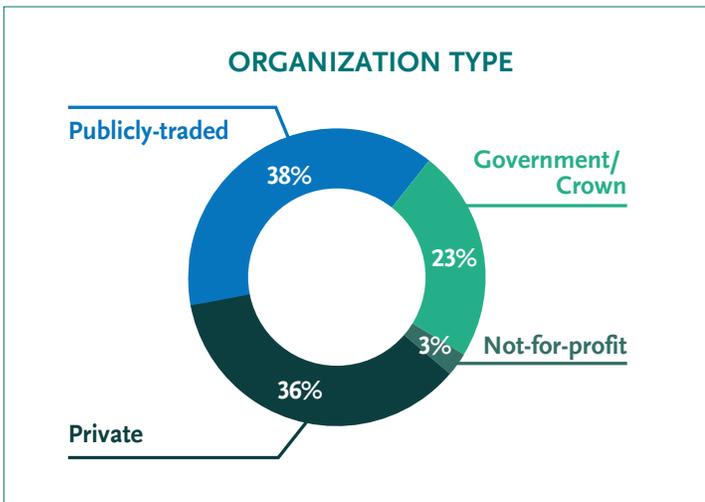
We asked respondents about their organizations' overall position with respect to crisis and risk planning as well as what areas they had focused on in the past and were concerned about or planned to focus on in the future. The responses paint a surprisingly optimistic picture of crisis and risk planning in Canada, but also suggest that the landscape is constantly changing and more needs to be done to ensure that organizations remain well-prepared to deal with future threats.

To encourage the open sharing of ideas, respondents were assured that all responses will be anonymous and confidential.

WHO DID WE TALK TO?

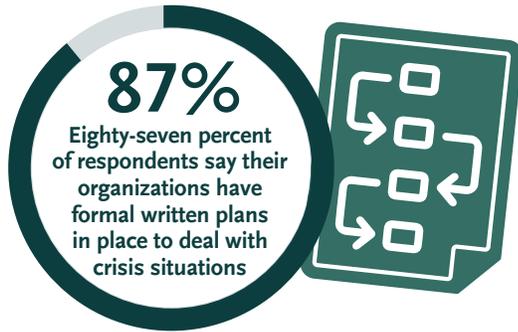
Our final sample includes 54 respondents from a broad range of sectors and industries representing an impressive list of recognized brands from Canada and beyond.

Respondent job titles include a range from associate/assistant GC to C-suite executives and on average, respondents have been with their companies for more than eight years.



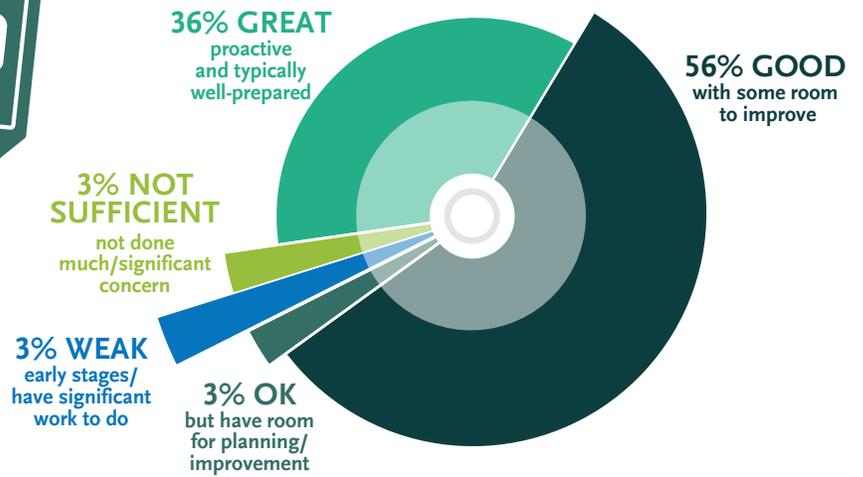


HOW PREPARED DO RESPONDENTS FEEL?

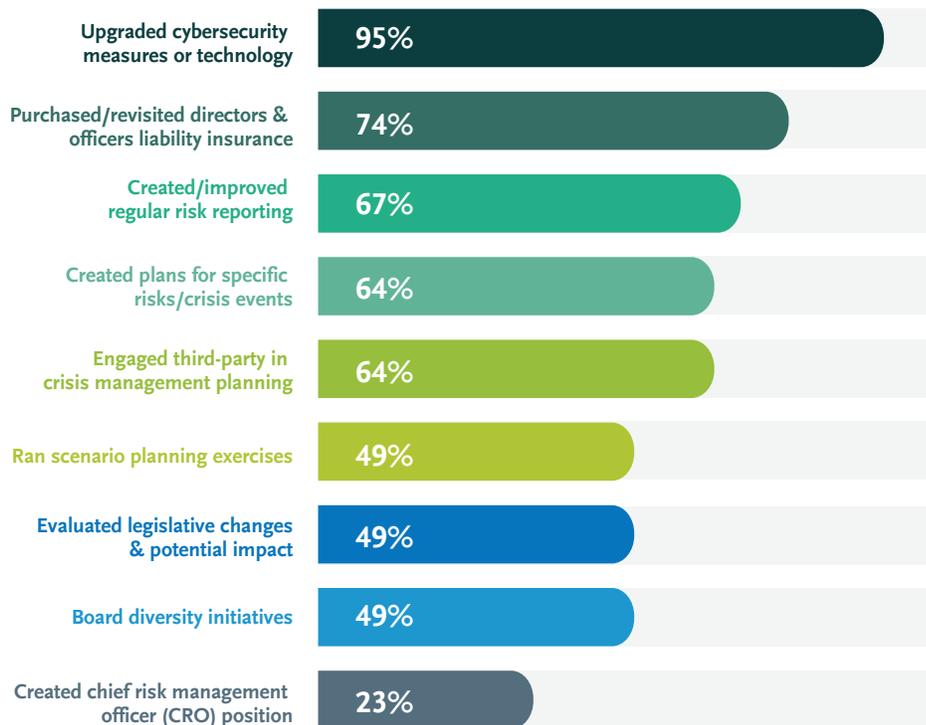


Despite the challenges of the COVID-19 pandemic, respondents generally feel their organizations are well-prepared, even if there is some room to improve.

CURRENT CRISIS & RISK MANAGEMENT OVERALL POSITION RATING



IMPLEMENTED CRISIS & RISK MANAGEMENT CHANGES IN PAST 2 YEARS



When asked what actions they have already taken, respondents point to a range of measures undertaken in the past two years to improve crisis and risk management capabilities. Upgrading cybersecurity, purchasing directors liability insurance, creating risk reporting, creating individual risk plans and engaging with third-party consultants are most frequently mentioned.

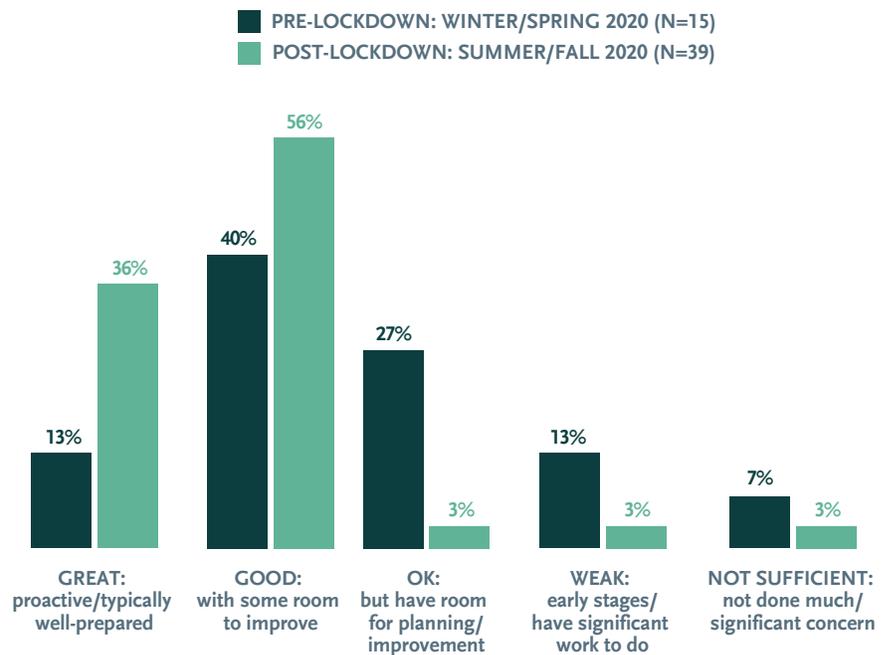


COVID-19 AND RISK MANAGEMENT

The research was interrupted by the COVID-19 lockdown across Canada. Fifteen surveys were completed prior to lockdown as the pandemic situation escalated and the remaining thirty-nine surveys were completed as lockdowns were easing. While the numbers are small, two interesting findings stand out based on the timing of the study:

- Almost all respondents believe their formal plans were at least somewhat helpful in the face of COVID-19. While many plans had to be adapted, plans were almost always considered useful.
- Respondents appeared much more confident in their organizations' ability to deal with crisis situations following the COVID-19 crisis, suggesting that the test of COVID-19 may have actually increased confidence in their ability to plan and navigate crisis situations.

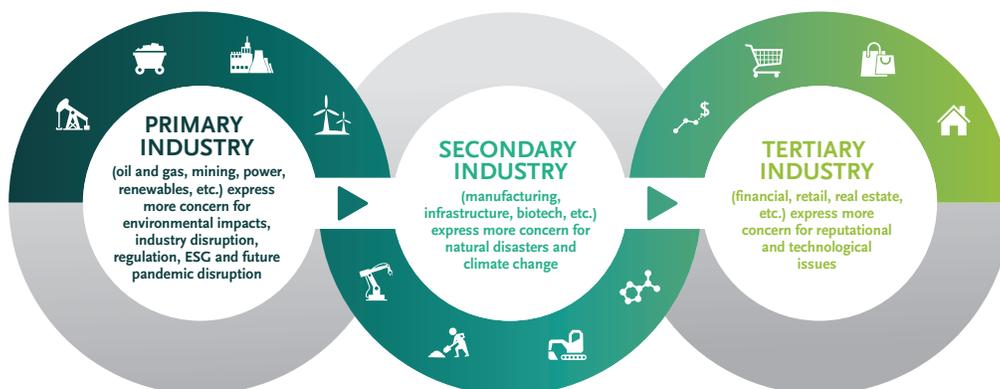
ORGANIZATIONS' CRISIS & RISK POSITION



WHAT RISKS ARE RESPONDENTS MOST CONCERNED ABOUT?

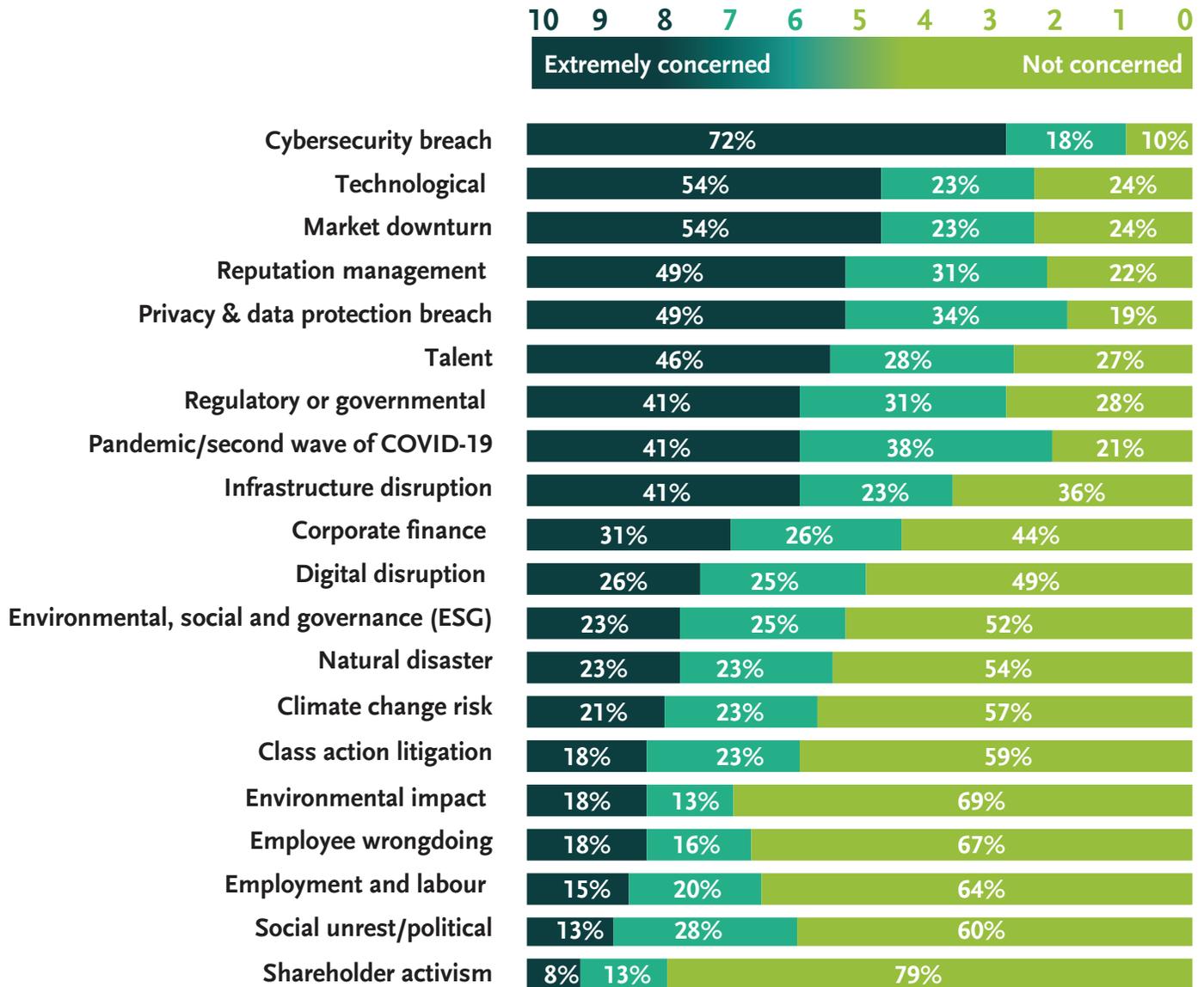
According to Canadian respondents, cybersecurity and technology risks top the list of most important concerns for their organizations. However, the list of issues that respondents are concerned about is long and includes a broad range of potential internal and external threats. This includes risks associated with the economy, reputation management, talent acquisition, and future business disruption.

AS YOU WOULD EXPECT, LEVELS OF CONCERN VARY BY INDUSTRY. IN PARTICULAR:





TOP 20 RISK CATEGORIES BY RATED LEVEL OF CONCERN (SCORE OUT OF 10)



ESG ON THE RISE

Environmental, Social and Governance (ESG) issues are far from new, but there has been a sharp increase in their importance to business and ESG's momentum is rapidly accelerating. In Canada and the United States, ESG holds a prominent position on the list with nearly a quarter of respondents rating it as a higher concern (8-10 out of 10).

This is consistent with other research that is showing that corporate boards and institutional investors are increasingly paying closer attention to this category as they look to a wider range of stakeholder impacts and feel growing pressure to evaluate the impacts of a broader range of business activities.

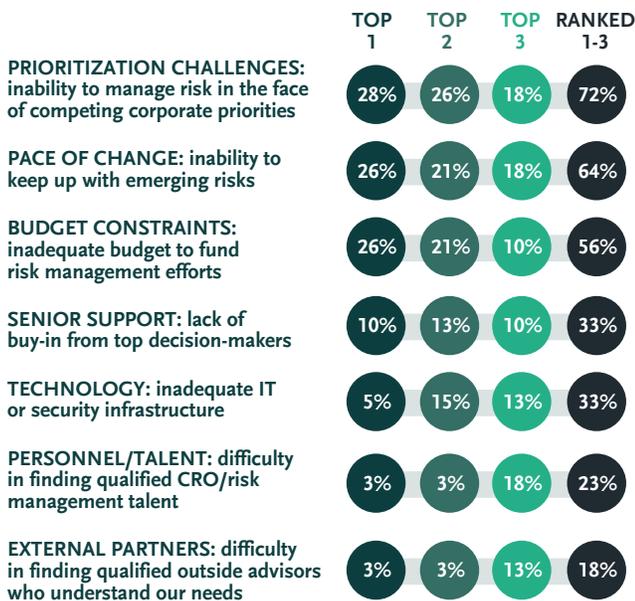
It is worth noting that six of our respondents from primary industry indicated much higher levels of concern for ESG than other respondents.

WHAT ARE THE BARRIERS TO IMPROVING CRISIS AND RISK CAPABILITIES?

Despite the work being done, respondents recognize that potential barriers exist and more needs to be done.

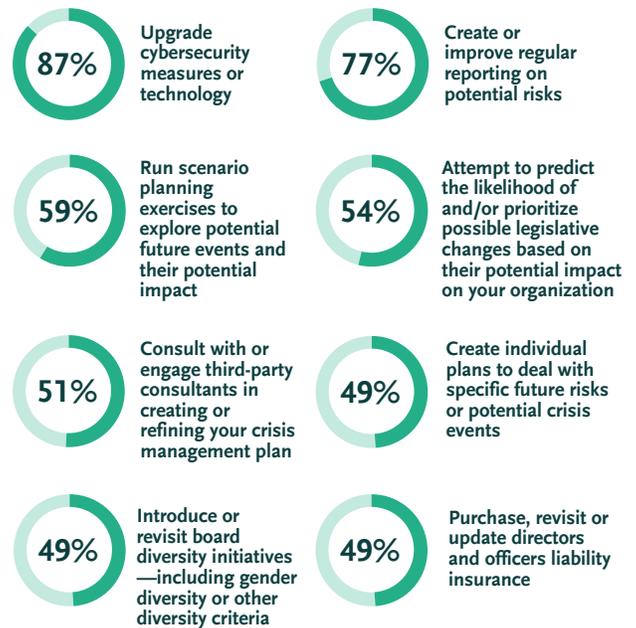
Respondents see their organizations' ability to prioritize future gains in the face of both other corporate priorities and emerging changes as the most important barriers to future gains.

GREATEST OBSTACLES TO IMPROVING CRISIS & RISK CAPABILITIES (% RATING IN TOP 3)



WHAT ARE THE NEXT PRIORITIES?

Although a large majority of survey respondents rated their organization's overall crisis and risk posture as good or great, respondents are not complacent, citing continued preparedness actions as priorities including cybersecurity upgrades (top-rated), scenario planning and improvements in risk reporting and plan development. Revisiting diversity and inclusion initiatives is a priority for almost half of the survey respondents, consistent with talent and ESG as top 20 risks. Interestingly, more than half of respondents cited understanding legislative impacts on their business as a priority area for risk management, suggesting that there is room for improvement in the predictability of policy-making in Canada.



SUMMARY

Overall, the results yield a positive self-assessment of crisis and risk management preparedness by public and private profit seeking enterprises across industry sectors and by governmental and not-for-profit organizations. The pandemic experience appears to have improved organizations' confidence about their crisis and risk management practices. Nonetheless, significant challenges remain. Some are not surprising, including the prevalence of cybersecurity as a priority, but it is noteworthy that the biggest barrier to improved crisis and risk management cited by respondents is prioritization, which suggests that organizations will have to maintain focus on crisis and risk management planning and not merely allocate more money to discrete initiatives.



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