



What information do investors want to understand?



Governance and processes

- What relevant governance structures and processes are in place
- How effectively these have functioned
- How quickly a company can modify these to react to external factors

Context

- The company's view of the macroeconomic, microeconomic and geopolitical environment and the industry-wide risks and uncertainties faced
- How the company monitors external factors and how they are incorporated into scenario analysis and planning for the future

Importance

- The company's assessment of the risks (and opportunities) and uncertainties faced through clear reporting
- Whether the company's assessment of the risk or opportunity's significance or potential impact has changed and if it has been considered in the viability assessment

Form

- The nature of the risks (and uncertainties) faced by a company (i.e. internal, external, strategic, operational)
- How a company's classification of risks tie to other areas of the 'front-half' of the annual report

Nature



FRCLab Risk Report C



Linkage

- Impacts in the context of a company's business model, strategy and purpose and whether and how key performance indicators (KPIs) and other metrics are tailored accordingly
- The company's assessment relating to its viability



Approach

Response

- How the company has factored in the external and internal environment and amended its risk appetite accordingly
- Mitigating actions and strategic activities so as to assess how the company may respond to risks and uncertainties in the future
- Whether, how, and why risks have evolved over time



Scenarios and stress testing

The different scenarios and situations considered, and stress tests performed, and how these tie into other areas of risk-related reporting and the company's view of the future

Read more about investors' views in the full project report, available from the FRC Lab's publications page [here](#).