

## Reputation Resilience Solution Overview

*Protecting enterprise value when stakeholders have reasons to be angry, disappointed, and inflict financial loss*

### ESG | Reputation Risk

Reputation encompasses issues that speak emotionally to stakeholders. These include environmental stewardship, social justice, dutiful governance (ESG); gender, racial, and ethnic equity; inclusivity and belonging; and geopolitical events. These also include core overlapping issues such as ethics, innovation, safety, security, sustainability, and quality.

Stakeholders create value by making economic decisions that are influenced by firms' reputations. Value depends on how confidently stakeholders expect that firms' reputations predict future behavior.

A hazard of reputation risk is a lurking gap between stakeholder expectations and reality. Another hazard is the emotional intensity associated with expectations. The peril is anger from disappointed stakeholders.

The "heat of the moment" can change stakeholders' behaviors and ignite a crisis. Changed behaviors can reduce future revenue and increase future costs. Losses accrue as companies lose the ability to sell more, faster, and at premium prices;

to obtain labor, vendor services, as well as capital on preferred terms; to outperform competitors, deter activists, and assuage regulators. Public manifestations include litigation, regulatory opprobrium and adverse media attention.

**Hyperlink:** [Perils of Reputation Risk](#)

### Strategic Deliverables

Steel City Re's parametric reputation insurances and risk management advisory services mitigate the hazards of ESG and Reputation risk. Investors understand, appreciate and value this reduced risk.

#### Resilience Plan

Bespoke upgrades to governance processes, intelligence gathering, and the deliberations processes within the executive leadership body (a reputation leadership team). Controls (policies and procedures for management, governance, direction and decision-making related to enterprise reputation risk) and insurances.

#### Quantitative Report

Analysis of reputational value, volatility, and potential costs of loss; insurance tower strategy for optimal reputation risk transfer; and support

for reputation risk financing to mitigate parametric basis risk.

#### Monthly Report Updates

Benchmarking reports for the reputation leadership team to act upon.

#### Written Controls

Policies and procedures for management, governance, direction and decision-making regarding enterprise reputation risk to assess stakeholder expectations and triage reputation risk while financing potential losses.

#### Underwriting Reports

Triggers and pricing for a) insurance captive for parametric basis risk financing, and b) captive's reinsurer for parametric strategic risk transfer.

#### Insurance Policies

Parametric basis risk financing and strategic risk transfer as market conditions allow.

#### Board Support

Third-party documentation of dutiful oversight.

#### Communications Support

All of the above, framed into an authentic narrative that enables multiple stakeholder groups to understand, appreciate, and value.

**Hyperlink:** [Steel City Re Services](#)