



**ROSATOM**

State atomic energy corporation "Rosatom"

# **Risk Management: new challenges and opportunities for achieving sustainable development goals**

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# What are the benefits of risk management development in nuclear industry?

## Power companies goals achievement



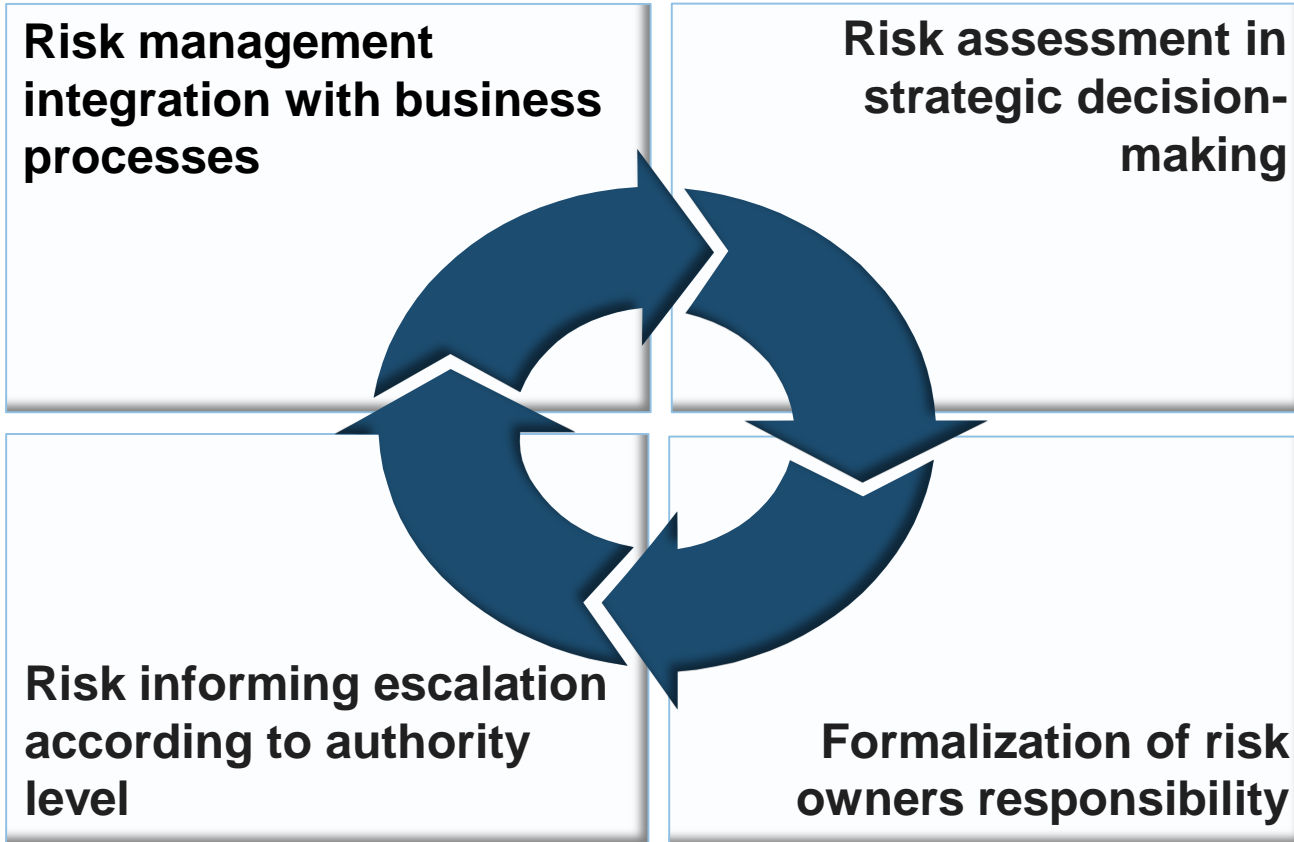
- Implementation of NPP construction projects on schedule and within budget
- Compliance with customers' requirements
- Compliance with regulatory authorities requirements
- Risk-based investment planning
- Prevention of financial losses

## Contribution to the sustainable development goals achievement



- Ecological effects
- Energy security
- Economic development
- R&D development
- Social effects

# What are the key indicators of risk management development of power companies?



Risk management of ROSATOM provides (complying with the best international practices and standards):

- **Risk-based decision-making**
- **Established and well-managed risk assessment processes**
- **Implemented risk informing escalation procedure**

# What are the top barriers in risk management development of power companies today?



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1

**A lack of risk decision making structure**

2

**A lack of meaningful risk assessment procedures**

3

**Aligning risk management with company's strategy**

4

**Risk assessment data do not always perfectly reveal the existing reality**

5

**Impossibility of managing risks on real time basis**

# What are the potential solutions?

## Top Issues

1 A lack of risk decision making structure

2 A lack of meaningful risk assessment procedures

3 Aligning risk management with company's strategy

4 Risk assessment data do not always perfectly reveal the existing reality

5 Impossibility of managing risks on real time basis

## Potential Solutions

- Development of **risk management structure** that defines a decision making authority and procedure at each level of the hierarchy and **risk informing escalation procedure**

- Establishment of **meaningful and systematic risk assessment procedure** that enables the **identification of risks threatening** the company's goals and describes them in business terms

- Risk management **integration with strategic planning** due to strong connection "**risk & return**"

- Development of the **truth culture** within the company: **system of rewards and penalties**

- Development of a **risk management database (lessons learnt)**
- Forming and updating on a regular basis **company's top risks passports ("playbooks")**

# What are the main contents of risk passport?



**Risk profile: description and management objectives**



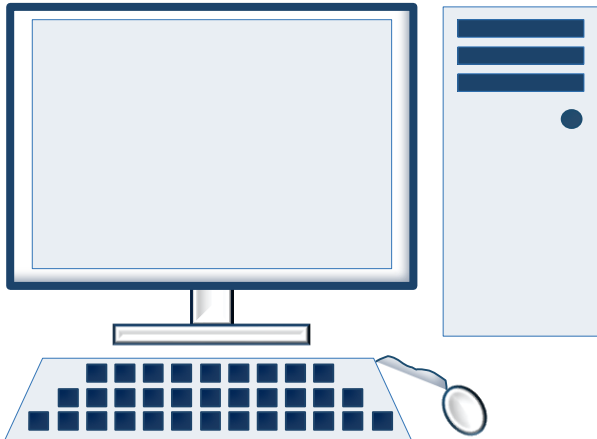
**Risk management tools and responsibility of risk owners** (with the authority to manage and allocate resources to manage the risk)



**Risk monitoring and escalation procedures**

# What are the main contents of lessons learnt database (online risk management)?

- NPP construction projects
- Cross-functional experience



**Sources of information**



**Type of information**

- Risks and consequences
- Core reasons of risk implementation
- Risk mitigation strategies
- Risk assessment mechanisms
- Risk owners
- KRI (Key Risk Indicators)
- Risk management activities



**Content**

- Typical NPP construction risks
- Statistic data of risk implementation / mitigation
- Effective risk management tools
- Implemented measures to manage risks, risk owners



# What are the key indicators of risk management culture development of power companies?

**Risk management competences development for all staff members**

**Risks are openly discussed by all management bodies**



**Risk-based KPI establishment**

**All strategic, budget and investment decisions are based on the risk assessment**

*All the above-mentioned risk management tools are to become a subject for implementation into the **regular management practice***



## What are the risk culture development top issues?

### Top Issues

What are the first steps in creating open and risk-aware risk culture?

- The decision of building risk culture should be taken by the company's CEO/Board of directors?
- Issues such as an establishment of the appropriate **organizational framework, IT infrastructure**, increasing **relevant company's resources** and other should be implemented
- Risk culture creation is an **art**

What are the risk culture performance criteria?

- **Risk management integration with decision-making processes**
- **Risks are not repeated**
- **Risks are spoken openly**

- ✓ Risk culture is the **critical foundation upon which any successful risk management policy is built**
- ✓ **Without good risk culture**, even the best frameworks, policies and processes **will not prevent adverse outcomes for a company**

## Key trends

### 1 Risk culture development

- Risk management expert community establishment
- Organization of seminars, workshops, risk sessions for best practices sharing for risk managers and risk owners
- Risk management competences development for all staff members

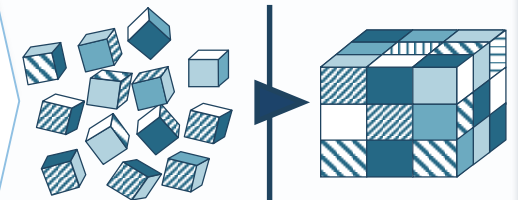
### 2 Corporate-scale risk management development

- Forming risk owners responsibility
- Development and further enhancement of risk management tools
- Risk management knowledge base
- Risk management processes digitalization (incl. lessons learnt database)
- Risk management structure development

### 3 Integration with decision-making processes

- Project risk management: energy and non-energy related projects
- Risk management in procurement and supply management
- Personnel risk management
- Legal risk management
- Other business processes integration

## Risk Management – a performance enabler



Great opportunity to  
create  
competitiveness and  
drive organizational  
performance



## **ROUND TABLE MEETING:**

**“Risk Management: New Challenges And Opportunities For Sustainable Development Goals Achievement”**



# What is the agenda of the Round table meeting?



Greater competition as well as changes of market conditions and consumer demand has forced energy companies to improve continuously and adapt their risk management, among other things, in order to enhance the effectiveness of their management models

## FOCUS of the Round table meeting



Risk management development of power companies in terms of new challenges and opportunities to achieve sustainable development goals

## TOPICS for discussion



- What are the new challenges and opportunities for the risk management and its culture development among energy companies?
- How can be project risk management effectively incorporated into the decision-making processes of energy companies?
- What are the most effective mechanisms for integrating the risk management and project management systems of energy companies?

# What are the main topics for discussion at the Round table meeting?



## Topics

**“Improve Nuclear Economic by Managing and Allocating Financial Risks”**

**“EPC Contracts – Risky Business?”**

**“Integration of Risk Management in Nuclear Project Execution”**

**“Knowledge Loss Risk Management in the Nuclear Industry”**



## Speakers

- King Lee, Director Harmony Programme, World Nuclear Association (WNA)
- Jan Štancl, Deputy CEO, Member of the Board, Škoda Praha
- Erkki Palonen, Program Risk Manager, Fennovoima
- David Drury, Head of Nuclear Knowledge Management, International Atomic Energy Agency (IAEA)

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**Thank you for your  
attention!**