

RISK MANAGEMENT IN SWEDISH DISTRICT HEATING COMPANIES

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Swedish District Heating (DH) companies have traditionally experienced exposure to static risks and dynamic risks of a particular kind (driven by technological change). Today, they are also facing an increasing number of dynamic market risks. This thesis explores how ready the Swedish DH companies are to manage the risks they are confronted with.

Two themes are addressed. The first theme considers how exposures to risk are being managed. The second theme focuses on the interaction between executives and board members in regards to risk management. It is concluded that the risk management in Swedish DH companies is characterized by reactive identification of risk, by extensive reliance on experienced staff for risk analyses, by qualitative rather than quantitative risk management performance measures and by communication that is predominantly focused on risk from the point of view of a traditional economic focus. These are results that imply that the DH companies have potential for improving the way they perform risk management. On the theme of top management interaction it is concluded that risk management is perceived as important for future competitiveness. However, this importance is not operationalized.

Keywords: Risk Management, District Heating, Executive, Board, ERM

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