

ERMA Anticipating chang Shaping the future

Anticipating changes





FERMA - The Federation of European Risk Management Associations

Shaping the future



OUR MEMBERS

AGERS - SPAIN AIRMIC - UK ALRIM - LUXEMBOURG AMRAE - FRANCE ANRA - ITALY APOGERIS - PORTUGAL BELRIM - BELGIUM BRIMA - BULGARIA CZRMA - CZECH REPUBLIC DARIM - DENMARK ERMA - TURKEY FINNRIMA - FINLAND GVNW - GERMANY HARIMA - GREECE IGREA - SPAIN MARM - MALTA NARIM - THE NETHERLANDS NORIMA - NORWAY RUSRISK - RUSSIA (SUSPENDED) RVA - LITHUANIA SI.RISK - SLOVENIA SIRM - SWITZERLAND SWERMA - SWEDEN



OUR MISSION

- Represent and defend the interests of its member associations and their members to European institutions.
- Create, collect and share knowledge, practices and innovative approaches amongst its member associations and their members.
- Improve the recognition of and raise the profile of the profession.
- Demonstrate the value that professional risk managers bring to organizations.
- Take the lead with stakeholders who have an interest in risk management. Represent European interests with risk management associations globally.

VISION

A world where risk management is embedded in the business model and culture of organizations.



VALUES

- Trust
- Adaptability
- Diversity
- Respect
- Passion



FERMA's Activities



ADVOCACY

European Risk Management Forum - 3000 participants

Seminar - 300 participants

Conferences, roundtable discussions, and other events on EU related matters

Based on regular consultations with its member associations, FERMA promotes and represents the interests of European risk managers to EU Institutions and in the international arena

Trends

Reflection tools for Risk Managers

Biannual Global Risk Manager Survey Report

Reports, guides, benchmarking documents







NEWS

PUBLICATIONS

NeXT Report -**New Exposure**

FERMA CERTIFICATION rimap®

The first professional certification for European risk managers

European affairs updates, information on FERMA activities and network news



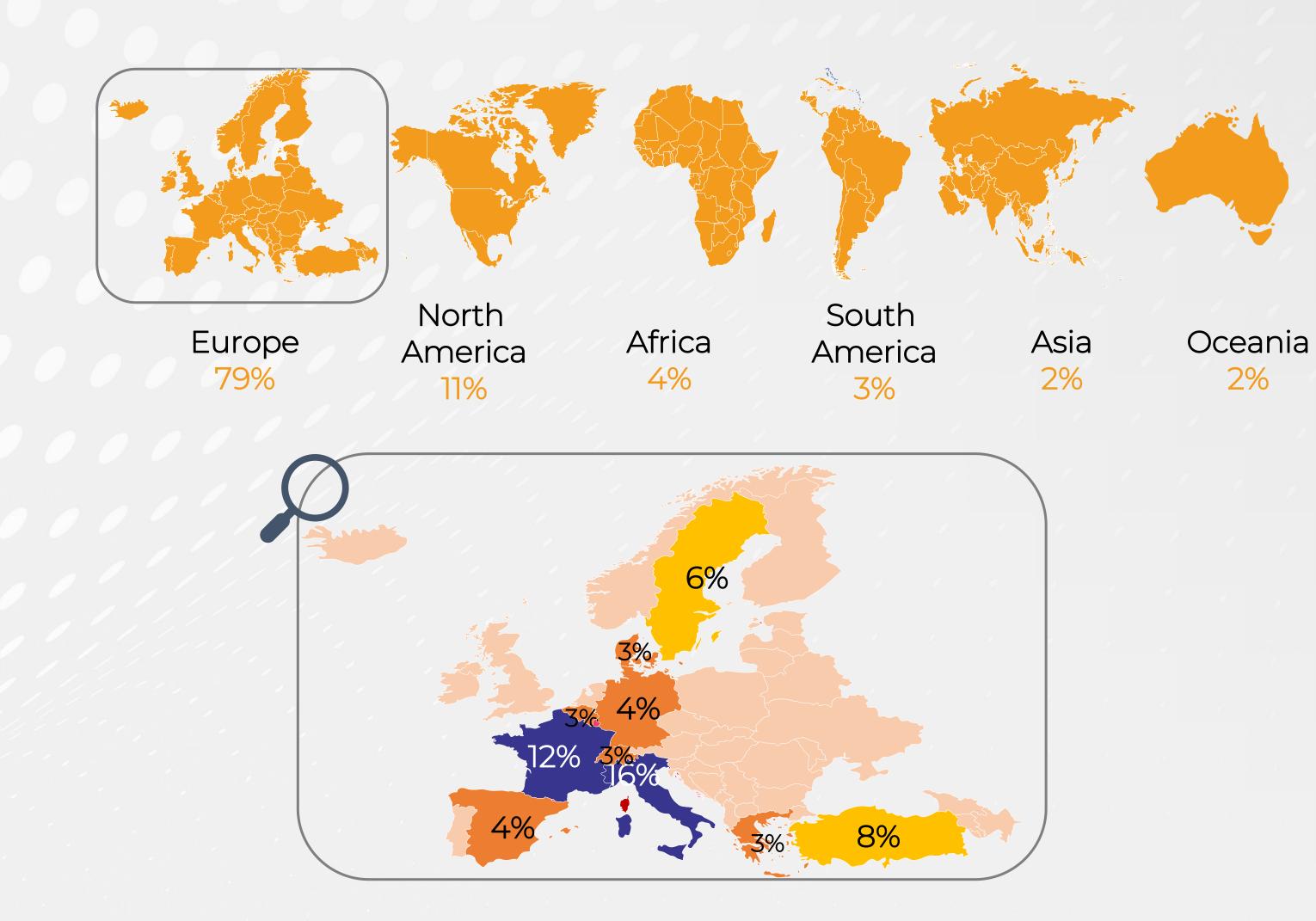
Insights from the Global Risk Manager Report



Report available on FERMA website : https://www.ferma.eu/app/uploads/2024/10/FER MA-Global-Risk-Manager-Survey-Report-2024.pdf



Introduction of the survey 1041 respondents in 77 countries - Risk Managers and Insurance Managers





Evolution of the profile of the Risk Managers





of respondents are solely dedicated to **Enterprise Risk** Management (ERM) activities

23%

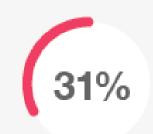
are specifically dedicated to Insurance Management (IM)

have more than **10 years' experience**



Sector of activity

- 41% Industry
- **28%** Financial services
- **19%** Services
- 11% Public sector



perform **both** ERM and IM activities



How do Risk Managers see traditional and emerging risks in the new world of constant crisis?

Top 5 risks within the next 12 months

Cyber-attacks

Geopolitical uncertainties

Uncertain economic growth

Talent management

Data breach

Top 3 risks within the next 3 years

Regulation

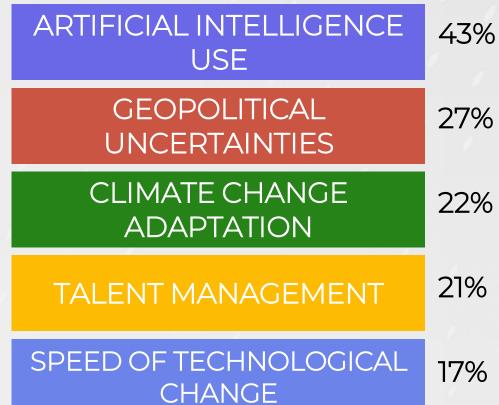
Geopolitical uncertainties

Speed of technological change Natural disaster

Top 3 risks within the next 10 years

Climate change adaptation Carbon neutrality transition

Top 5 risks lacking management attention





Increasing strategic involvement

91% of risk managers are involved in corporate strategy

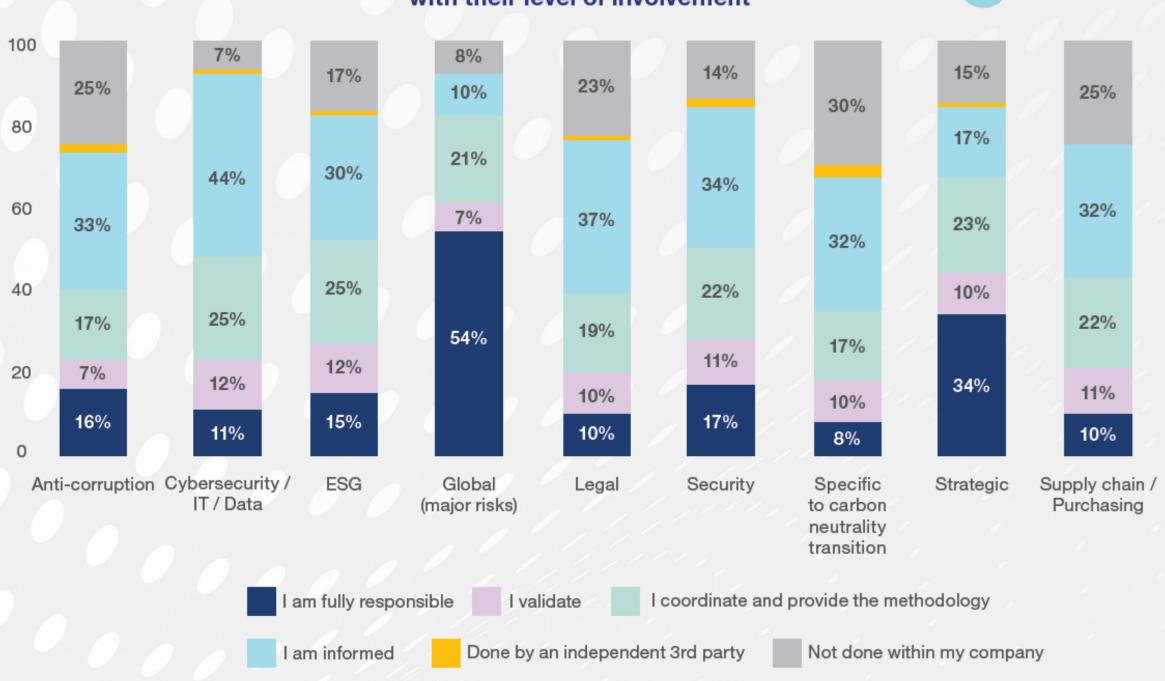
Focus within the corporate strategy

70%	Strategic risk response
53%	Sustainability risks and impacts
50%	Disruption risks
47%	Opportunities related to strategic risks
44%	Geopolitical risks and related business impacts
38%	Business impact analysis
37%	Scenario modelling on the business plan
32%	Digital transformation
20%	Artificial Intelligence impacts
18%	Carbon neutrality transition
4%	Other



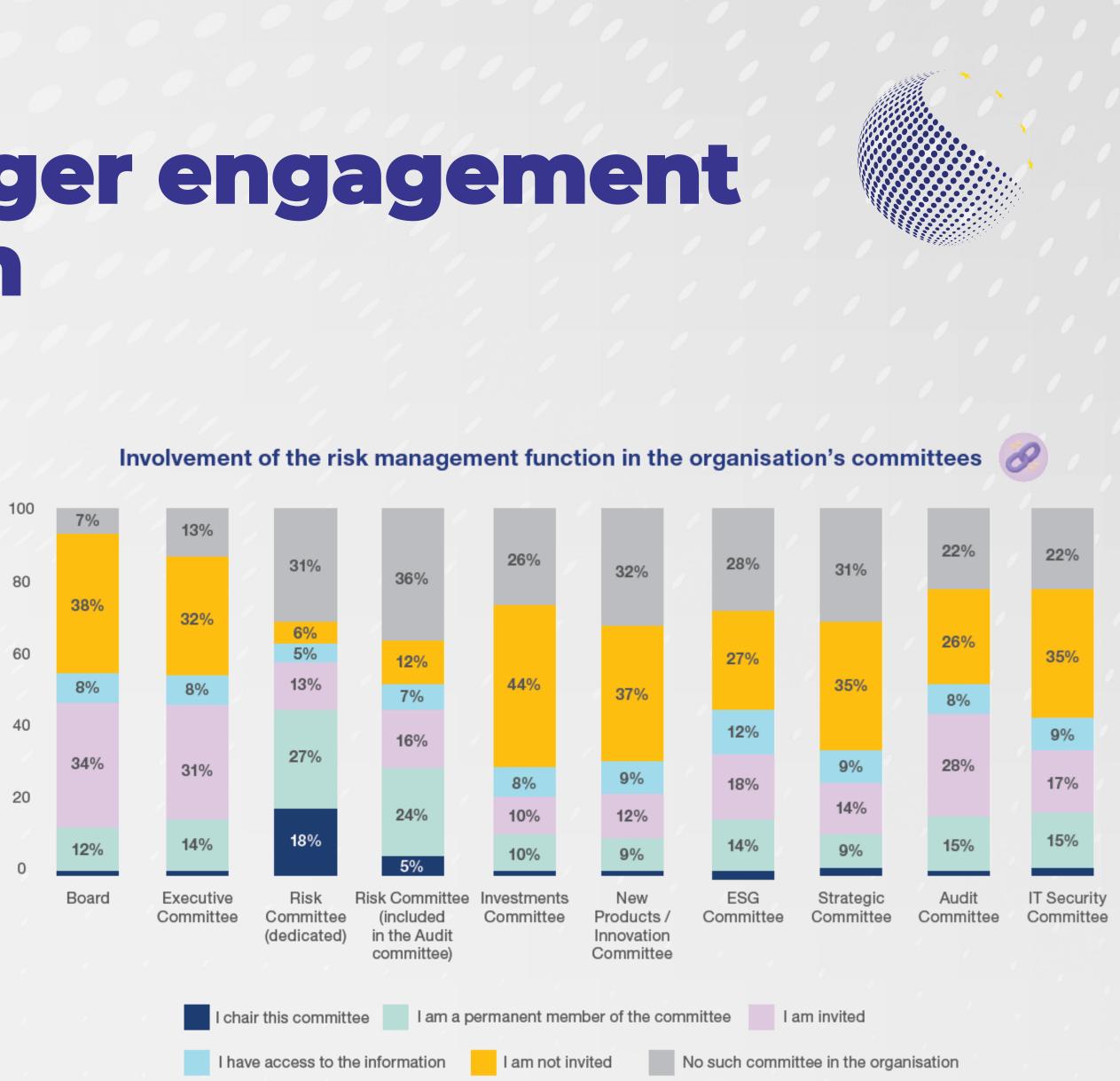


Broadening Risk Manager engagement across the organisation



Types of risk map performed by the Risk Manager combined with their level of involvement





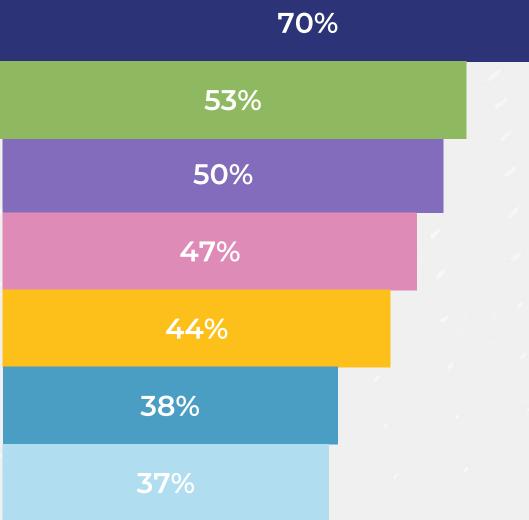
Do the Risk Managers have the means to address the Risk Revolution?

91% of risk managers are involved in corporate strategy

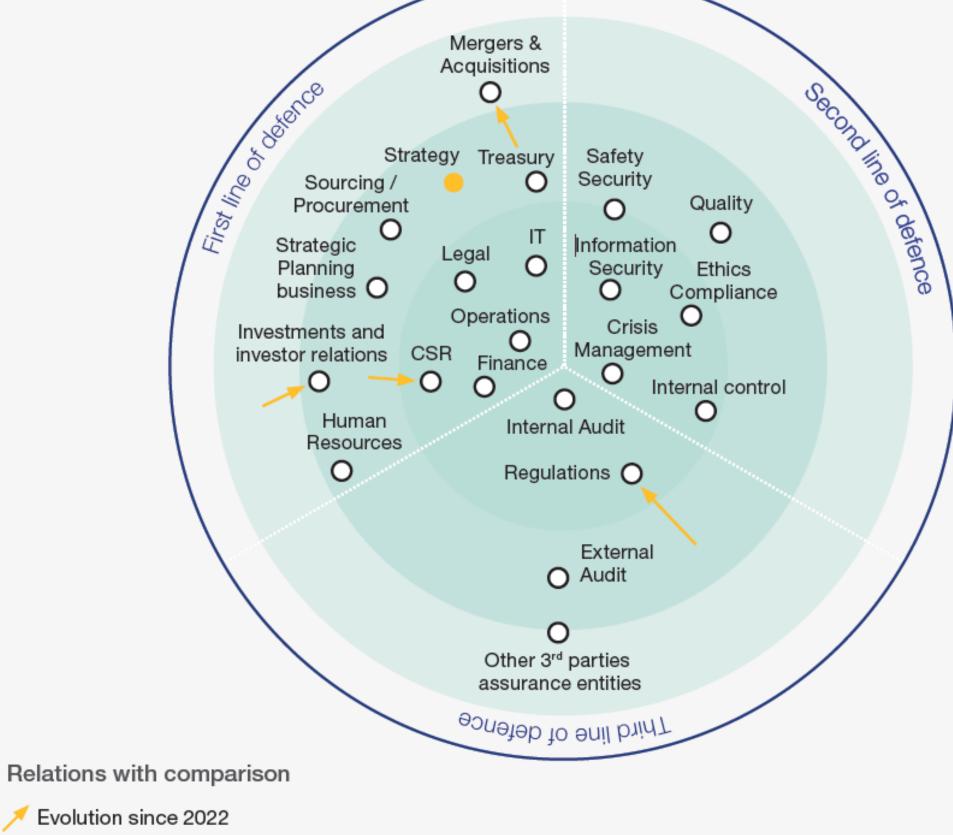
Not	Partially	Mostly	Fully
8%	34%	34%	23%

Focus within the Corporate strategy (Top 7)

Strategic risk response	
Sustainability risks and impact Disruption risks	
Opportunities related to strategic risks	
Geopolitical risks and related business impacts	
Business impact analysis	3
Scenario of the business plan	3

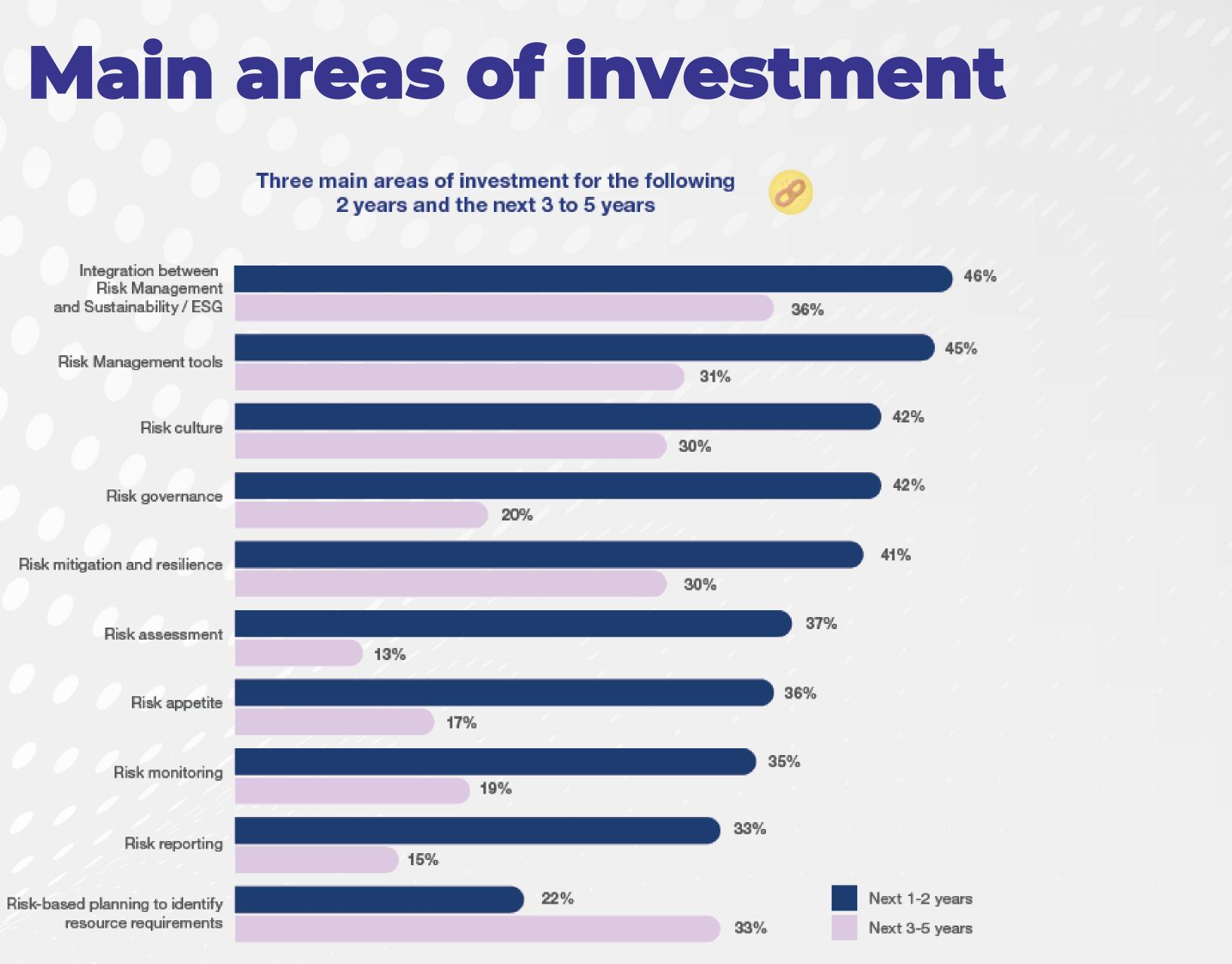






New

2 years and the next 3 to 5 years



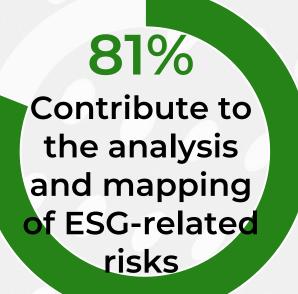




Risk Managers' contribution to Sustainability

57% are involved in the assessment of ESG-related risks (35% in 2022, versus 27% in 2020).

How do they contribute?





Participate in the definition of an ESG framework

60%

Address climate change risks by integrating them into their risk mapping Nevertheless, they still face challenges in integrating these ESG risks into their ERM framework:



Difficulty quantifying sustainability risks Limited data to support ESG analysis/monitoring Limited knowledge of sustainability risks within ERM team Difficulty qualifying sustainability risks Management of different time horizons

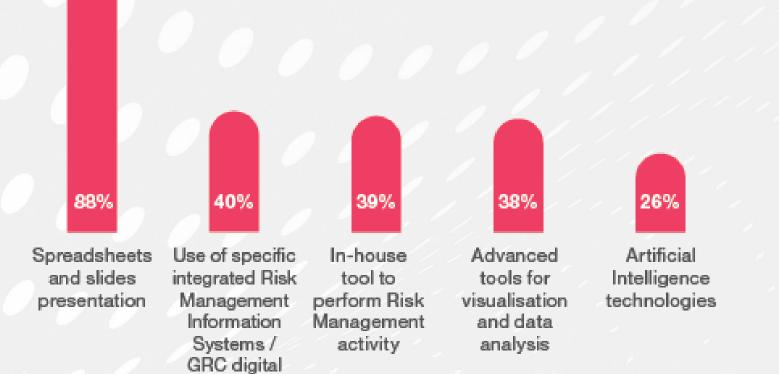


Role of Risk Managers in the digital transformation

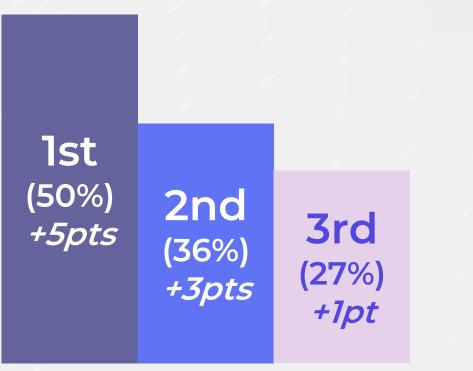
Investing in digital risk management tools is the second most important priority of Risk Managers within the next 1 to 2 year, but this trend is not yet reflected in current practices.

Despite the clear advantages of digital risk management solutions, persistent barriers to further investment continue to hinder their full adoption.

Digital technologies most used to perform ERM activities



tool



Investment too heavy for the function Lack of perception of the added value Lack of skills within the department



Nevertheless, when it comes to managing risks related to Artificial Intelligence, 89% of Risk Managers are taking action to secure these emerging risks.



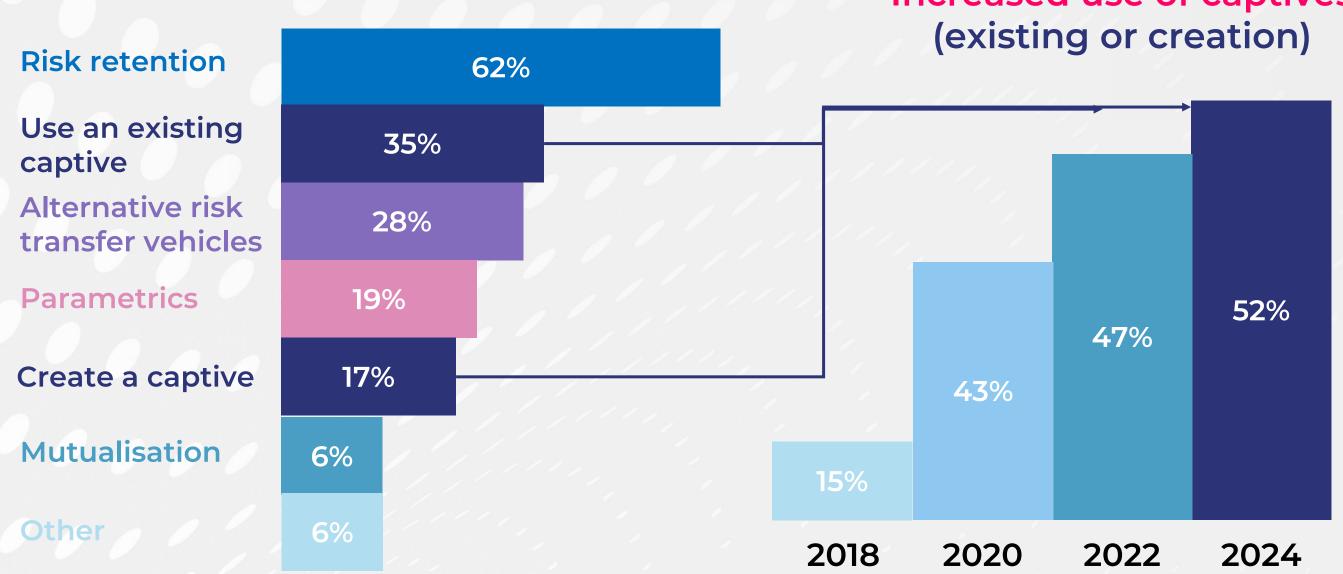
Monitoring of regulatory developments



Deployment of internal policy concerning the use of Al in day-to-day activities

Changes to the insurance strategy

Next 2 years strategy in regard to the financing of their risks





Increased use of captives

53% of the Risk Managers estimate that some of their business activities or locations will become « uninsurable » in the future

73% Climate change physical risks

55% Cyber attacks

34% Supply chain disruption

33% Digitalisation risks



The actions of FERMA



FERMA Committees

Captives Committee

- □ Implementation of Solvency II new proportionality regime
- **Guidelines** for Risk Managers on the **captives'** contribution to their organisation's **ESG** goals Facilitating exchanges between Member Associations

Digital Committee

- Providing guidance on Al Risk management
- Addressing cyber insurance gaps
- Addressing issues of digital liability

Sustainability Committee



DAddressing the climate insurance protection gap: position an EU Public-Private reinsurance scheme Update to the

2022 "Insuring the Transition"

White Paper

ERM Committee

Consultation: discussion Paper "Shaping the **Future: The Crucial Rols of** the Corporate **Risk Manager**"

White Paper

Foresight Committee

New EXposure Trends (NEXT report)





FERMA Forum

JOIN THE RISK REVOLUTION

FERMA FORUM 20-22 OCTOBER 2024 - MADRID

The FERMA Forum is the leading European event for the risk management community in Europe. Every two years, about 3,000 risk and insurance professionals meet in a different European city to reinvent and enhance their expertise, leading risk management into the future.



FERMA Seminar

Register for FERMA Seminar 2025 Going Beyond the Value Chain

23-24 October, Zurich

REGISTER NOW!

The FERMA's seminar is an educational event organised by European risk managers for European risk managers. The Seminar is limited to 250/300 participants to provide the optimal setting for the exchange of experience among professionals.

https://ferma-seminar.eu/

FREE FOR RISK MANAGERS!



FERMA's Publications



RISK-READY FOR A BRIGHTER **FUTURE**

FERMA The voice of Risk Managers in Europe

2024-2029 MANIFESTO

FERMA publishes a biannual **Global Risk Manager Survey Report**. For the first time in 2024, the survey was expanded to include responses from members of risk management associations across 77 countries.

crisis preparedness levels.



The FERMA's Manifesto 2024-2029 calls on EU to address regulatory complexities, lack of insurance for net zero transition, evolving cyber security challenges, and



September 2024

Corporate Sustainability Reporting Directive (CSRD)

And the European Sustainability Reporting Standards (ESRS)

Background

On 5 January 2023, following its publication in the Official Journal of the European Union, the Corporate Sustainability Reporting Directive (CSRD, EU Directive 2022/2464) came into effect. Replacing the previous Non-Financial Reporting Directive (NFRD, Directive No. 2014/95), the CSRD has introduced new corporate reporting requirements and proadened the spectrum of

The CSRD is a cornerstone of the European Green Deal and aims to guide companies in the adoption of a development mode supporting the transition towards sustainable environmental and social goals.

This new Directive introduces a requirement for in-scope organisations to take a view over the short, medium, and long-term. It also goes beyond performance reporting and introduce disclosure obligations on governance, strategies and objectives to advance more sustainable business models. Specifically companies will be required to provide information on the management of impacts risks, and opportunities (IROs) related t sustainability matters relevant to their business and value chain.

The CSRD will apply to the public-intere entities already subject to the NFRD (large, listed companies, banks, and insurance companies) and its scope of application will Corporate Sustainability Reporting Directive (CSRD

progressively be extended to all large mpanies, and all listed small and medium sized companies (except micro-enterprises Furthermore, non-European companies with significant business in the EU will be subject to the Directive, based on the type and size o their European subsidiaries.

Large companies already subject to the NFRD will be the first to be impacted, with heir first CSRD-compliant annual report to be published in January 2025 (based on the fisca year 2024); large companies not subject to the NFRD will need to publish their first annua CSRD-compliant annual report in January 2026 (based on the fiscal year 2025); listed SMEs will begin publishing their CSRD compliant annual report in January 2027 (based on the fiscal year 2026).

Key dates

14 December 2022: publication of the Corporate Sustainability Reporting Directive in the Official Journal of the EU

22 December 2023: publication of the European Sustainability Reporting Standards (ESRS) in the Official Journal of the EU

8 February 2024: political agreement on postponing the deadlines for certain

September 2024

In October 2024, FERMA issued its first EU Policy note, detailing how risk managers can help companies navigate reporting processes coming from the **CSRD**. Two more policy notes followed, on the EU AI Act and a review of **Solvency II** for risk managers.



FERMA Certification: rimap®

What is rimap®?

- Independent certification of a risk manager's professional skills and experience. Developed by European risk managers & academics and recognized by FERMA's 23
- member associations.

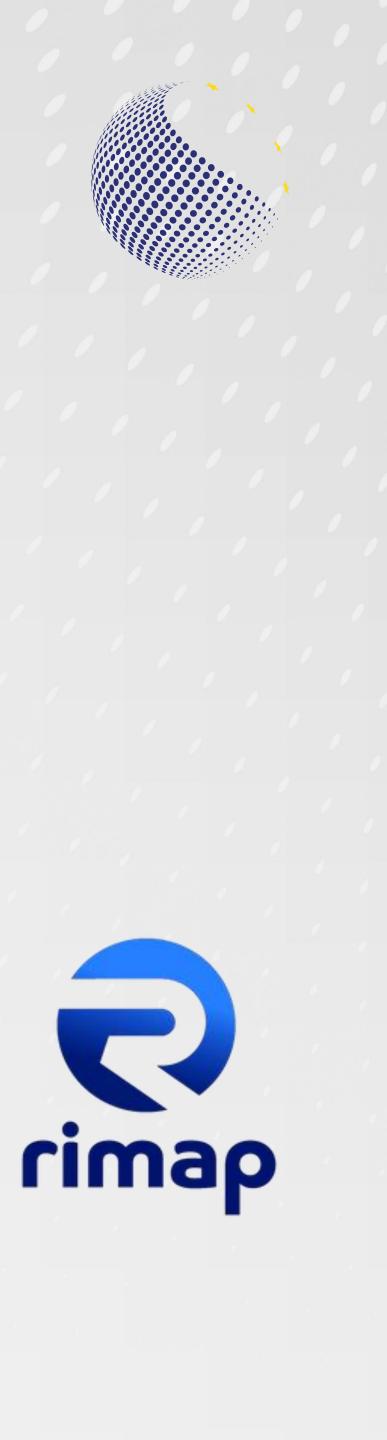
- Offers a continuous learning path with CPD points through FERMA-licensed events. • Ensures risk professionals to stay updated on evolving risks and industry changes. • Supports the future educational needs and career growth of risk managers.

Key benefits:

FERMA rimap® certification is unique because it provides:

- Professional recognition: Gain independent confirmation of your risk management competencies.
- Career advancement: Enhance your career prospects and credibility in the field. • European standard: Achieve a certification recognized by FERMA's 23 national
- associations.
- Continuous learning: Stay updated with the latest risk management trends and strategies.
- Networking opportunities: Connect with a community of certified risk professionals.

For more information, please visit www.ferma.eu or contact Aela Tréguier at aela.treguier@ferma.eu



Contact us

Avenue de Tervuren 27, B12 1150 Brussels, Belgium +32 2 761 94 32 <u>www.ferma.eu</u> enquiries@ferma.eu





