

Key findings



SURVEY RESPONDENTS

Sector of activity

- **54%** Industry
- **29%** Financial services
- **13%** Services
- **4%** Public sector

32% of risk managers are women.

59% have more than 10 years' experience.

80% work in large listed or privately held organisations.

1/3 of respondents are solely dedicated to Enterprise Risk Management (ERM) activities, 1/3 perform both ERM and Insurance Management (IM) activities and 1/3 are specifically dedicated to insurance activities.

TWO-THIRDS OF RISK MANAGERS HAVE A QUALIFICATION IN RISK MANAGEMENT

77% of risk managers say that a recognised certification matters in practising risk management and rank internal recognition as the first benefit of a certification.



TOP RISKS

Top 5 risks within the next 12 months

- Cyber threats =
- Uncertain economic growth =
- Availability of key skills ▲
- Data fraud or theft ▲
- Over-regulation ▼

Top 3 risks within the next 3 years

- Cyber threats
- Speed of technological change
- Uncertain economic growth

Top 3 risks within the next 10 years

- Climate change and environmental damage
- Changing customer behaviour
- Extreme weather events



Climate related risks are increasingly important in the long term.



COVID-19

On January 9, 2020, the Chinese health authorities and the World Health Organisation officially announced the discovery of the coronavirus. The survey to collect the data for this report was sent to risk managers throughout Europe on January 28, 2020. At the time, the coronavirus outbreak had not spread massively in Europe.

The survey was online until March 13 and when asked about the most critical threats to their organisations' growth prospects, 14 respondents specifically commented on the emerging Covid-19 crisis and 1 respondent mentioned a "world epidemic" as the most critical threat. Pandemic had not been included in the survey as a specific option, but a comment field allowed respondents to include other threats.

The intensity of the crisis that Europe and the world is facing today brings to the fore the need to better assess and address systemic scenarios arising from digital, demographic, environmental and geopolitical changes. The risk manager is well positioned to contribute to this work, thanks to his/her growing role in aligning risks and strategy and in business continuity management.

A GROWING ROLE IN DIGITAL TRANSFORMATION

67% of the risk managers use in their activities **innovative technologies**: data analysis, data visualisation, process automation and/or artificial intelligence.

Use of common technologies:



58% use web-based applications



53% use data analysis



35% use data visualisation

The main obstacles to the use of new technologies are the heavy investments they represent for the function (**55%**) and the lack of perceived added value for the function (**52%**).

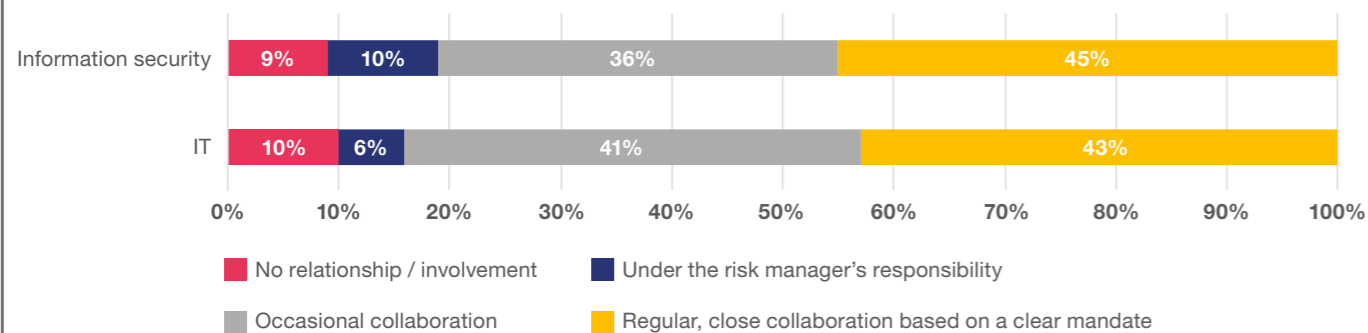


Cyber threats were identified by 69% of the risk managers using innovative technologies as one of the most critical risk to their organisation's growth prospects.

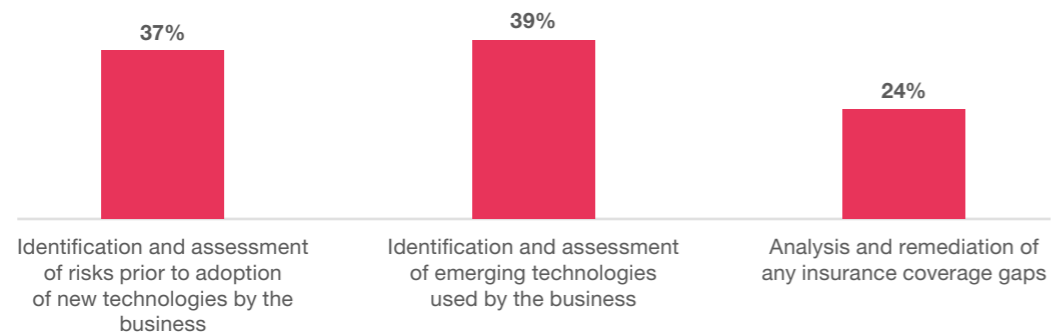


A strong and stable relationship with the IT and information security teams.

Risk managers' interactions with IT and information security teams

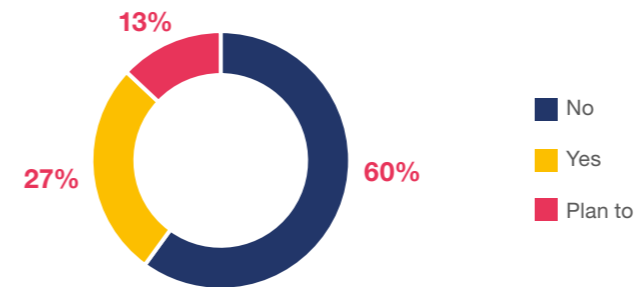


How do you deal with risks arising from emerging technologies?



INTEGRATING ENVIRONMENTAL SOCIAL GOVERNANCE (ESG) RELATED RISKS SHOULD BE THE FOCUS IN THE COMING YEARS FOR RISK MANAGERS WITH REGARD TO SUSTAINABILITY

Is the risk manager playing a specific role regarding ESG-related risks in their organisation?

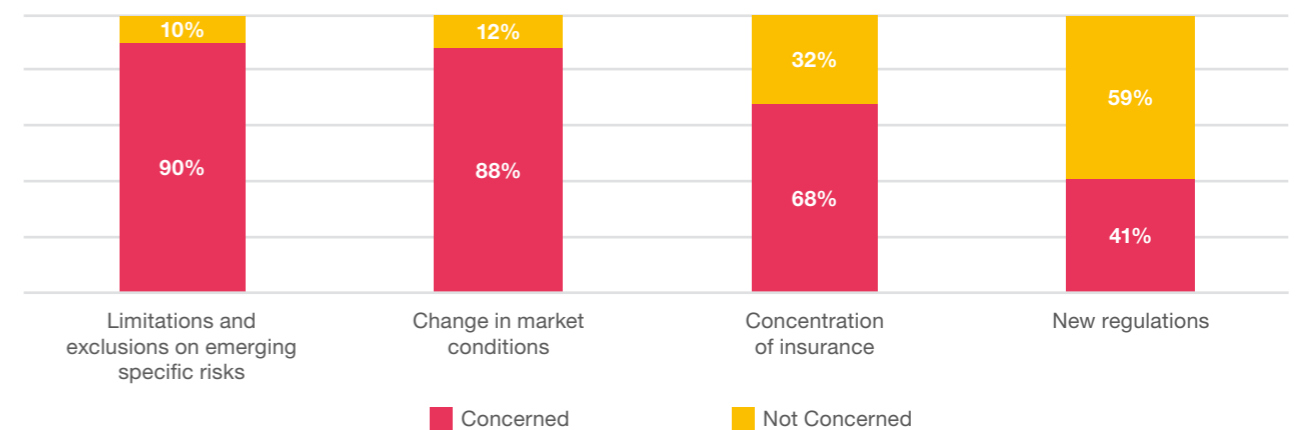


40% of risk managers are playing or are planning to play a specific role regarding ESG-related risks.

78% of the risk managers involved in sustainability are contributing to the development of ESG reports (risk mapping, extra-financial reporting), and **22%** are ESG coordinators within their organisations. Many face challenges integrating ESG risks into ERM risk analyses. The main ones are the difficulty of scoping sustainability risks (**81%**) and the limited knowledge of sustainability risks (**70%**).

TOUGHER INSURANCE MARKET CONDITIONS

Risk managers' concerns regarding the four following insurance market topics



Increased attractiveness of captives: **+28%**



Industry is the 1st sector of activity that currently uses captives (**41%**) and plans to use a captive within the next 2 years (**43%**)