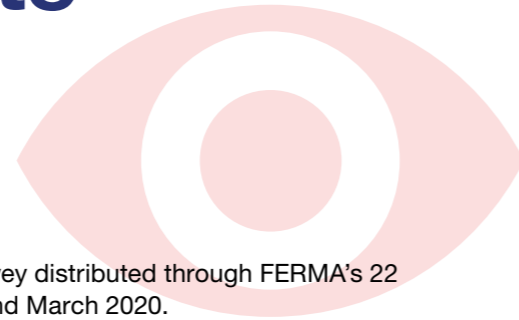


# Methodology and survey respondents

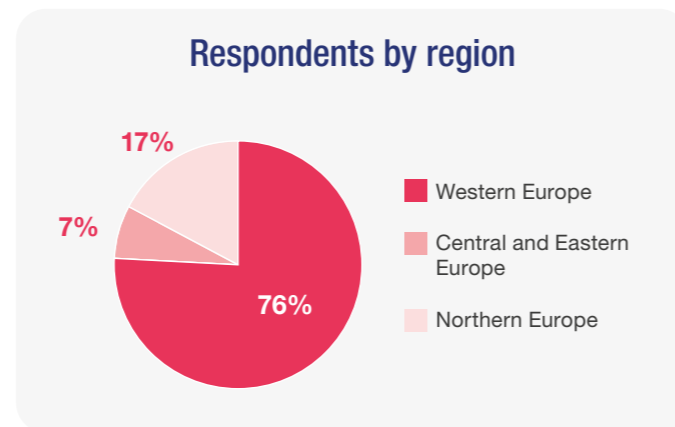


## Methodology

The data in this report were collected from an anonymous web-based survey distributed through FERMA's 22 member associations and the PwC European network between January and March 2020.

Responses were received from **764 respondents in 34 countries aggregated into 3 clusters:**

- **Western Europe:** Belgium, Cyprus, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Monaco, Netherlands, Portugal, San Marino, Spain, Switzerland, UK, Vatican City
- **Central and Eastern Europe:** Albania, Armenia, Austria, Bulgaria, Czech Republic, Georgia, Hungary, Kazakhstan, Lithuania, Romania, Russia, Slovenia, Turkey
- **Northern Europe:** Denmark, Finland, Norway, Sweden



The dominance of Western European responses (76%) limited the ability to draw conclusions based on geography. We also acknowledge that the comparatively strong response from France and limited response from the UK could affect certain aspects of the results. (See presentation of survey respondents' profile next page).

The survey included 56 questions divided into 6 categories:

- European Risk Manager Profile (13 questions);
- Insurance Management and Captives (10 questions);
- Risk Management and Strategy (10 questions);
- Risk Management and Sustainable Economy (4 questions);
- Risk Management and Innovation (12 questions);
- Risk Management and Other Lines of Defence (7 questions).



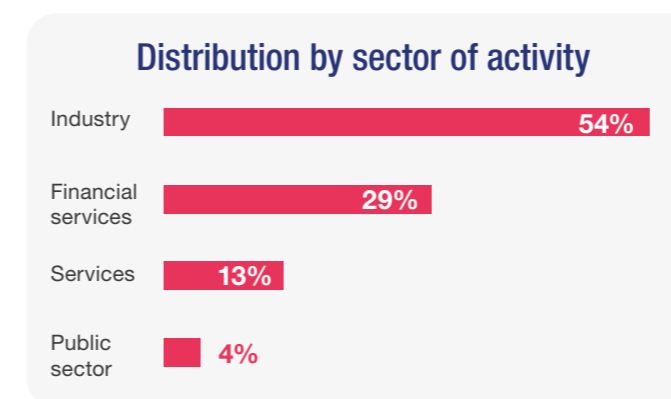
Some questions are triggered by the answers to others. Thus, the number of respondents can vary from one question to another. In addition, some questions allowed multiple choices, so the responses may add up to more than 100% in some cases.

The report comprises a detailed description of the survey respondents, a summary of how risk managers saw risks in 2020 prior to the Covid-19 crisis, analysis of answers to the sets of questions listed above and country files **summarising the data per country** (some countries were grouped when the number of respondents was not significant).

- **France** (including Monaco: 21% of respondents)
- **Nordic countries** (Denmark, Finland, Norway, Sweden: 17% of respondents)
- **Benelux** (Belgium, Netherlands, Luxembourg: 17% of respondents)
- **Mediterranean countries** (Cyprus, Greece, Malta, Portugal, San Marino, Spain, Turkey: 13% of respondents)
- **Italy** (including Vatican City: 11% of respondents)
- **Germany** (7% of respondents)
- **Central and Eastern Europe** (Albania, Armenia, Austria, Bulgaria, Czech Republic, Georgia, Hungary, Kazakhstan Lithuania, Romania, Russia and Slovenia: 6% of respondents)
- **United Kingdom and Ireland** (4% of respondents)
- **Switzerland** (4% of respondents)

## Profile of respondents

### Sectors and types of organisations

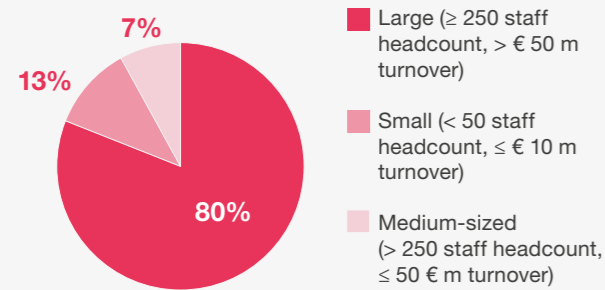


More than half of the respondents are risk managers in the industry sector, while financial services represent one-third of the sample. Services other than financial (13%) are under-represented in the survey considering their increasing weight in the economy.

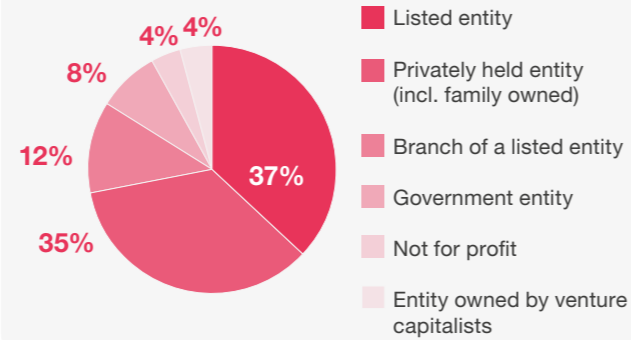
The public sector represents 4% of the sample (about 30 respondents in total). Therefore, these responses cannot be considered as representative.

The sample includes mainly risk managers from large (listed or privately held) organisations. In small and medium size companies, risk management responsibilities are often covered by the CFO or legal officer.

### What is the size of your organisation?

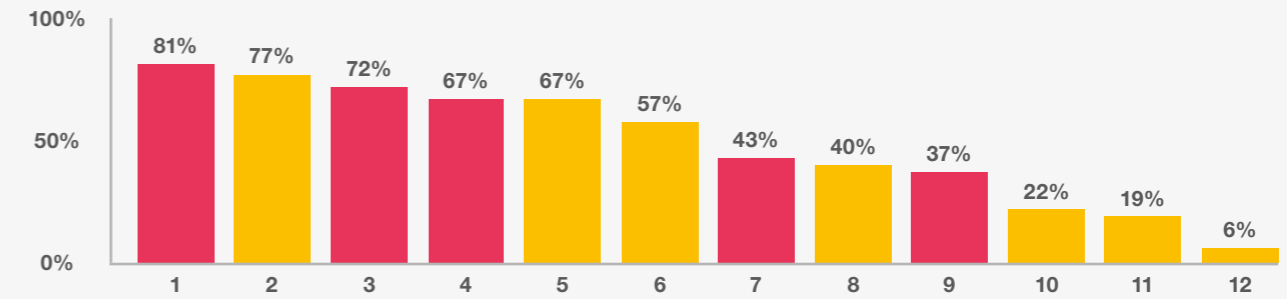


### What is the type of your organisation?



### ERM activities

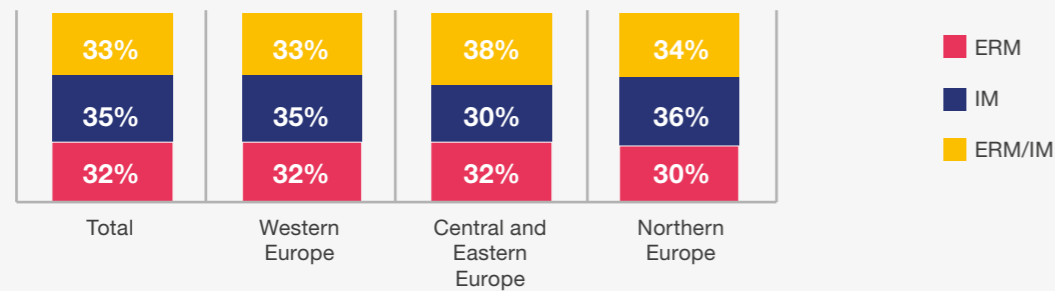
#### Which of the following activities are under your responsibility?



Operational activities Strategic activities

1. Development of risk maps: risk identification, analysis, evaluation, prioritisation and reporting
2. Development, implementation, and assessment of risk culture across the organisation
3. Definition of the Enterprise Risk Management governance, framework, processes, and/or tools
4. Design and implementation of risk controls / prevention
5. Alignment and integration of Risk Management as part of business strategy
6. Definition of the risk appetite strategy / statement
7. Development and embedding of business continuity management / emergency management / crisis management / incident response
8. Assistance to other functional areas in contract negotiation, project management, acquisitions and investments
9. Definition of compliance (management, framework, embedding and assurance)
10. Design and implementation of risk financing strategy and association solutions
11. Analysis of capital projects and delivering business plans
12. Other

### Three profiles of responsibility



- **Enterprise risk management (ERM) profile:** oriented towards overall risk management of the organisation. Business risks are identified, analysed, treated and reduced;
- **Insurance management (IM) profile:** oriented towards insurable risks, including loss prevention and risk transfer;
- **Mixed ERM / IM profile:** works on insurance, loss prevention and wider risk management issues.

In 2020, the split between the 3 profiles is balanced.

Some of the survey questions are specifically addressed to one profile, so the answers are representative of the profile and the related risk management activities.

Risk management teams consist of 1 full time equivalent (FTE) for 34% of ERM departments and 29% for IM departments. 37% of ERM departments and 33% of IM departments have 2 to 3 FTEs.

There is a balance between operational and strategic activities in the top six activities in the scope of risk managers' ERM (or ERM/IM) responsibilities.

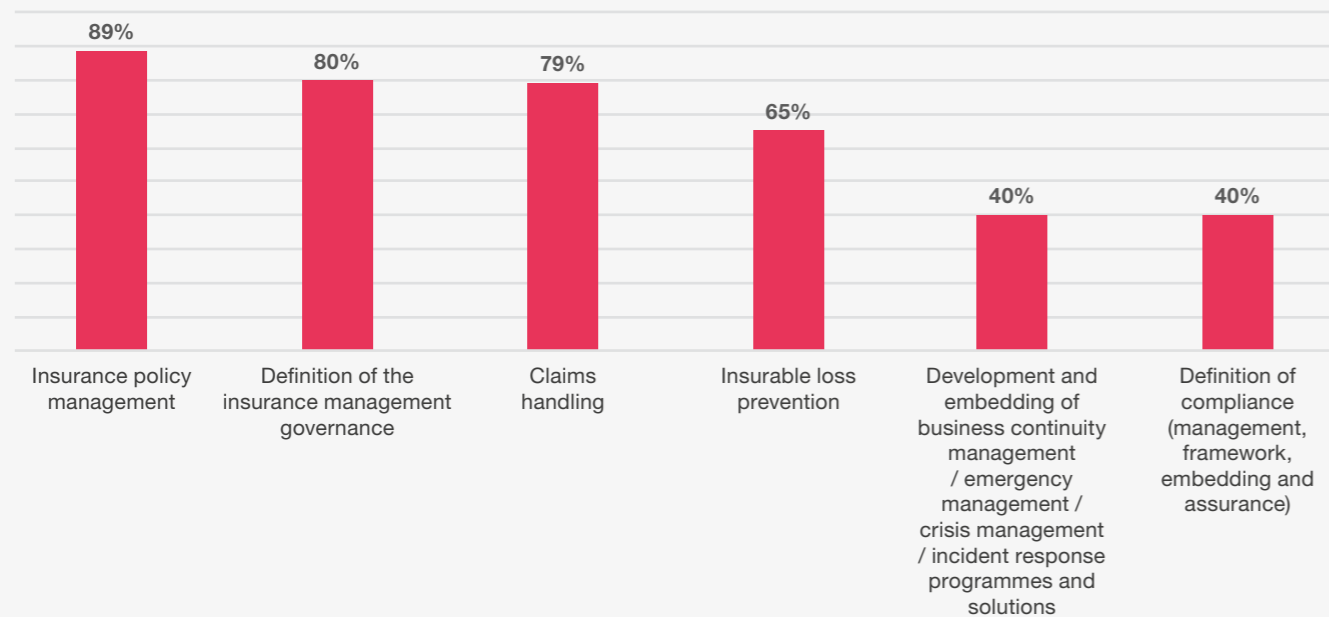
Developing risk maps, embedding a risk culture within the organisation and implementing an ERM framework are the top 3 activities of the risk manager. 43% of ERM (or ERM/IM) risk managers are involved in crisis management and business continuity planning, which are increasingly at the

centre of organisations' strategy to deal with cyber-attacks, terrorism and now the global spread of Covid-19. The development of strategic activities by ERM risk managers observed in 2018 has globally stabilised on risk culture, strategy and risk appetite. However, the proportion of risk managers in charge of the alignment and integration of risk management as part of business strategy decreased from 75% to 67%.

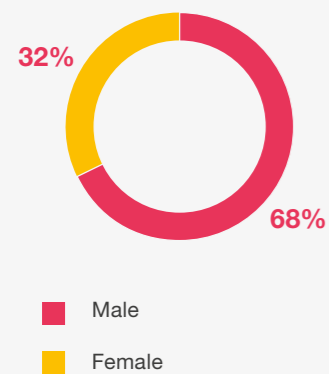
## | IM activities

IM risk managers' scope of activities is well established. However, the survey highlights an increasing role in the definition of compliance (32% in 2018 against 40% today). 40% of IM risk managers are involved in crisis management and business continuity planning, showing the important role played by insurance in the mitigation strategies of organisations.

### Activities under the IM risk manager responsibility in 2020



## | Age and gender

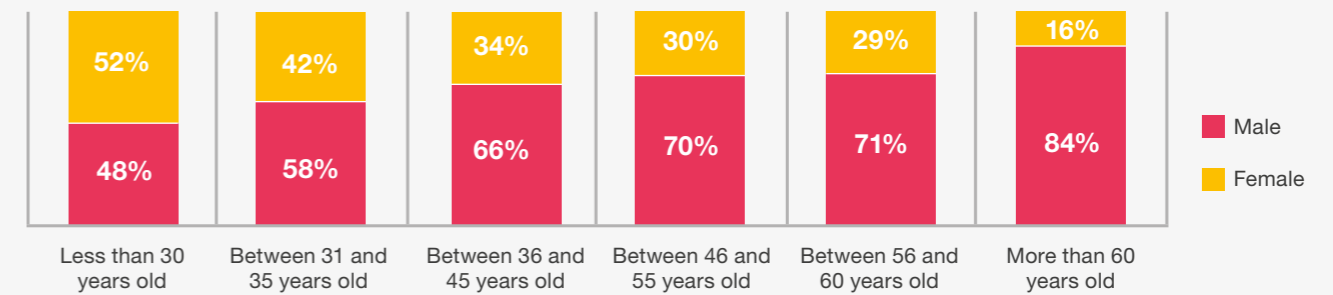


The average proportion of women risk managers is unchanged with 32% in 2020 compared to 31% in 2018.

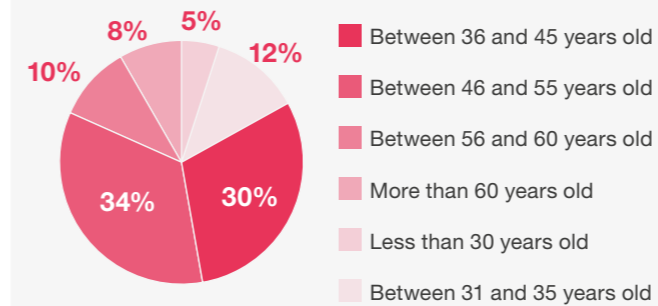
The sectors where women are the least represented are sport, media and entertainment (1%), government (1%) and consumer goods (1%) and the ones where they are the most represented are manufacturing (10%) and banking and financial services (17%).

The youngest age group has the greatest proportion of women. Women represent 52% of risk managers under 30 years old, while they are only 16% among those more than 60 years old.

### Gender breakdown by age



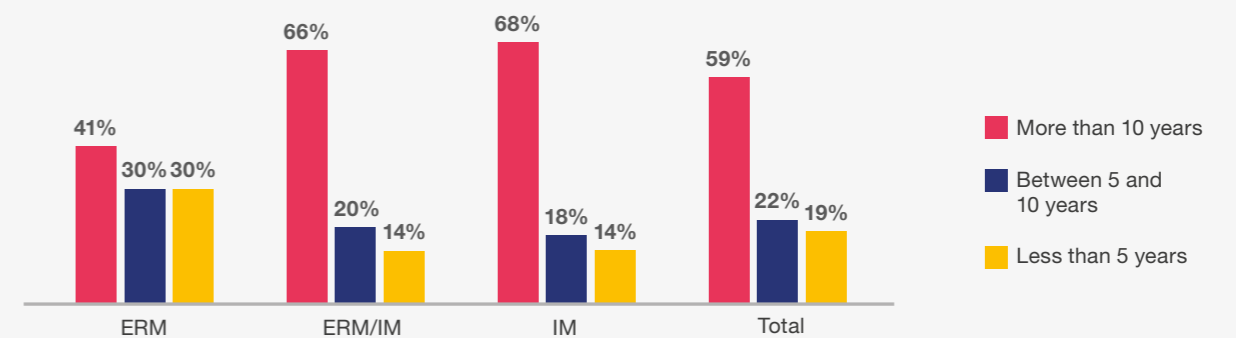
### What is your age?



Risk management is still a profession for the experienced, with 64% between 36 and 55 but the average age reduced since 2016. Younger risk managers, those under 36, made up 17% of the respondents in 2020 compared to 15% in 2018.

## | Professional experience in risk management

### How many years of relevant professional experience in risk and/or insurance management do you have?



The most experienced risk managers work in the IM and ERM/IM fields with respectively 68% and 66% of respondents having more than 10 years' experience.

The ERM function experience level is more even.

A focus on education is presented in part IV of this report.