

## People, planet, profit

### FERMA perspectives: the contribution of the risk manager in sustainability

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FERMA is a strong supporter of the Sustainable Development Goals (SDGs). Since this year marks the 5th anniversary of the adoption of the SDGs and due to the fact we are in the midst of a global pandemic, FERMA is especially pleased that this year's European SDG Summit will focus on **"impactful partnerships to build back better"**.

Considering the situation we find ourselves in, it is perhaps more important than ever to focus on partnerships. If nothing else, this pandemic has made it clear how risks are interconnected in ways that can exacerbate the overall impact, and that managing those risks cannot be done alone. Furthermore, the health and economic crisis did not stop the climate threat.

FERMA believes that collective actions based on impactful partnerships are the right way to respond to crises as well as one of the key means of fostering sustainability while building resilience to future common shocks.

#### Risk managers as a strategic partner to the green transition

The risk and insurance management community is an important partner both internally and externally to build resilience and take advantage of the opportunities from the green transition. Risk managers recognised the importance of "sustainability" long ago and have worked on the topic for a number of years, especially in the area of responsible business conduct and climate change ([see here](#) for our views on the blueprint for the EU's new Climate Adaptation Strategy).

Risk management helps identify, measure and communicate risks related to the SDGs specific to their company. Risk managers are acting as a risk conductor within their organisation, consolidating information from other risk-related functions to give a clear and comprehensive view to the top management. As the [European Risk Manager Report 2020 shows](#), for example, risks related to climate change and increased digital vulnerability have been on their radar for some time.

Because of this holistic approach to risks, risk management also facilitates cross-function communication. As the [European Risk Manager Report 2020](#) shows, collaboration with corporate social responsibility (CSR) colleagues has intensified. On this topic, FERMA and its members are currently developing guidelines for the contributions risk managers on sustainability. It is our intention that this can help highlight the positive partnership risk managers can offer.

This belief is largely based on the fact that corporate risk and insurance managers already have a framework that can be incredibly useful in terms of managing SDG, or sustainability risks. The Enterprise Risk Management (ERM) framework may also offer a consolidated model of good governance and practices that can integrate sustainability into already existing practices.

The ERM framework indeed equips risk managers with a versatile means of assessing various risks, from sustainability to CSR-risks, SDG-type risks and beyond. This framework is also useful as a way of looking at resilience. In the area of resilience, especially so during this pandemic, FERMA has been a strong advocate of building a public private partnership (PPP) to foster resilience to future pandemics and other catastrophic events. You can read more about our proposed resilience framework for catastrophic risks [here](#).

In conclusion, in a time like this where there is great uncertainty over what risk will hit next, risk managers can play a leading role in shedding some light on the risk landscape. Furthermore, and as a partner, risk managers play a key role in helping to build back better, and more resilient in the future.

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FERMA - The Federation of European Risk Management Associations brings together 22 national risk management associations in 21 European countries. FERMA represents the interests of more than 4700 risk and insurance managers in Europe active in a wide range of business sectors from major industrial and commercial companies to financial institutions and local government bodies. More information can be found at [www.ferma.eu](http://www.ferma.eu)