

# SUSTAINABILITY & THE FUTURE OF BUSINESS

Sustainable Disruption:

Aligning Business Goals with Business

Environmental and Social Impact



AIBK Annual Conference | 7<sup>th</sup> November 2024





- The insurance landscape is changing rapidly.
- Climate change, social expectations, and transparency demands.
- Clients seek not just protection, but leadership and commitment.
- Sustainability is an urgent necessity, not a 'nice-tohave.'
- Insurers face direct impacts from environmental and social risks.
- ESG integrates environmental, social and governance goals with business strategy.

"The world will not be destroyed by those who do evil, but by those who watch them without doing anything."

Albert Einstein



## **Why Sustainable Disruption Matters**

**Sustainable disruption:** A strategic shift that integrates Environmental, Social and Governance (ESG) goals with business strategy, which challenges traditional business models.

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#### **KEY DRIVERS FOR CHANGE:**

# New medical and health concerns

Rising healthcare costs are a major concern. Other aspects that contribute to this bigger trend include increasing resistance to antibiotics, new viral threats, and escalating lifestyle-related issues.

# Changing business environment

Financial, regulatory, and monetary policy risks continue to loom over the industry and, along with geopolitical risks and increasing protectionism, pose a potent threat to steady operations. The emergence of tech-based firms and new business models also creates risks that can't be overlooked.

# Disruptive environmental patterns

Concerns about the increasing frequency and severity of cyclones and wildfires, scarcity of natural resources, and increase in micro pollutants (including plastics) are growing.

## Technological advancements

The advent of the latest technology, such as artificial intelligence, connected devices, and nanotechnology has not only exposed humans to risks related to data security, but is also altering the very nature of risk itself.

#### Evolving social and demographic trends

The lifestyles of different demographics vary widely and keep evolving. Society is also changing rapidly, with growing inequality, a weakening social fabric, and a shift in demographics (for example, the silver tsunami and an increasingly tech-sawy population).

Capgemini World Insurance Report 2019; Macro trends driving the risk landscape evolution

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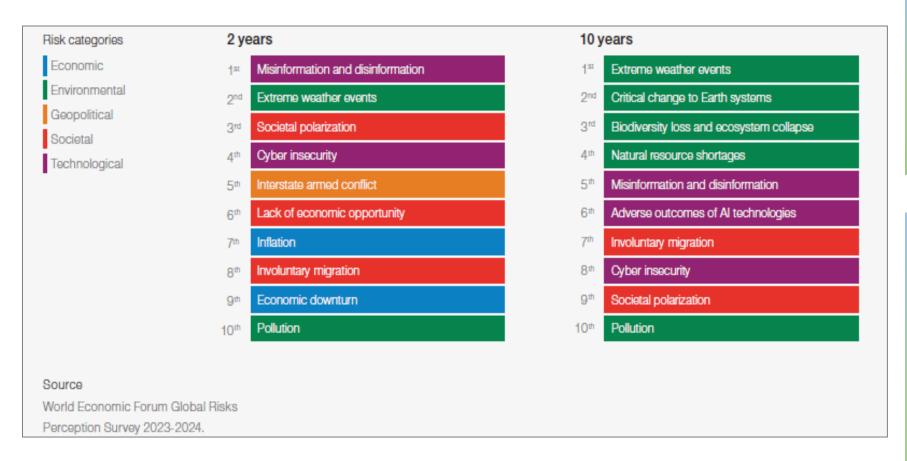
"The climate crisis is about human security, economic security, environmental security, national security, and the very life of the planet ... It's more urgent than ever that we double down on our climate commitments."

António Guterres, UN Secretary-General





### **Global Risks: Ranked by Severity over the Short and Long-term**



• This calls for the *re-assessment of risks, adaptive products development* and promotion of *resilient business models.* 

#### **Immediate Concerns (2 years)**

- **1. Misinformation and disinformation:** Fraudulent claims, increased operational costs and reputational damage.
- **2. Extreme weather events:** Climate change-related events like floods, wildfires, and hurricanes
- **3. Societal polarization:** Civil unrest and political instability

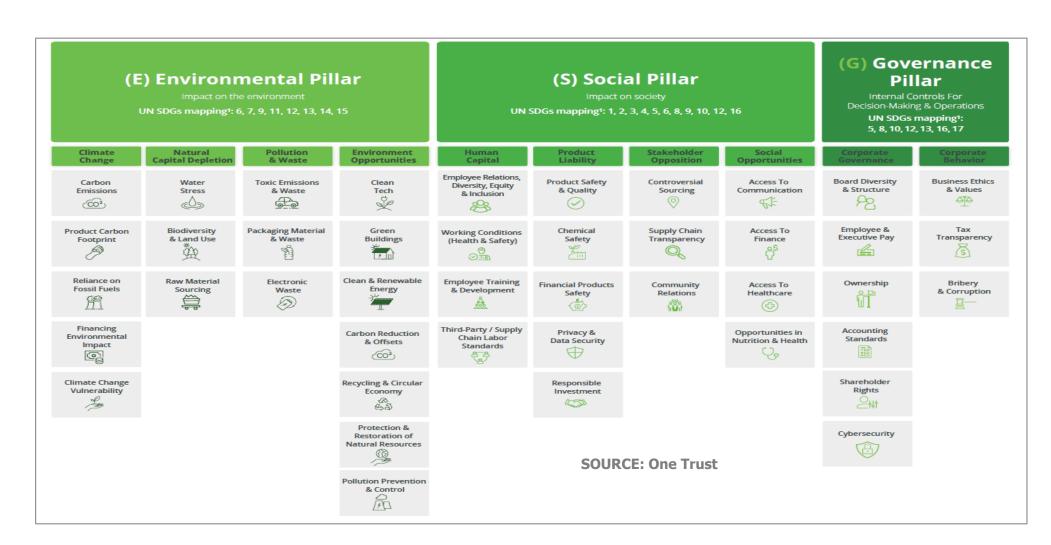
#### **Longer-Term Concerns (10 years)**

- 1. extreme weather events & critical change to earth systems: More frequent and severe natural disasters, increased migration and potential economic instability.
- 2. Biodiversity loss and ecosystem collapse: Lead to disruptions in food production, water supply and other essential services.
- **3. Natural resource shortages:** Depletion of resources like water and energy can lead to economic instability, social unrest and migration.
- **4. Adverse outcomes of AI technologies**: Presents risks such as cyberattacks, autonomous weapons and job displacement.



## ritam What Does Sustainable Disruption Look Like?

- Preserve the environment and conserve natural resources.
- Build social equity, support employee wellbeing and promote fair trade.
- Maximize longterm profitability and promote growth.





## **Sustainable Disruption:**

Aligning Business Goals with Business Environmental and Social Impact





## **Britam** Call to Action: Be a Catalyst for Sustainable Transformation



- ☐ Embrace sustainability as a core part of your offering.
- ☐ Lead with purpose to build trust and resilience.
- ☐ Let's make a lasting impact in the insurance industry together.



