

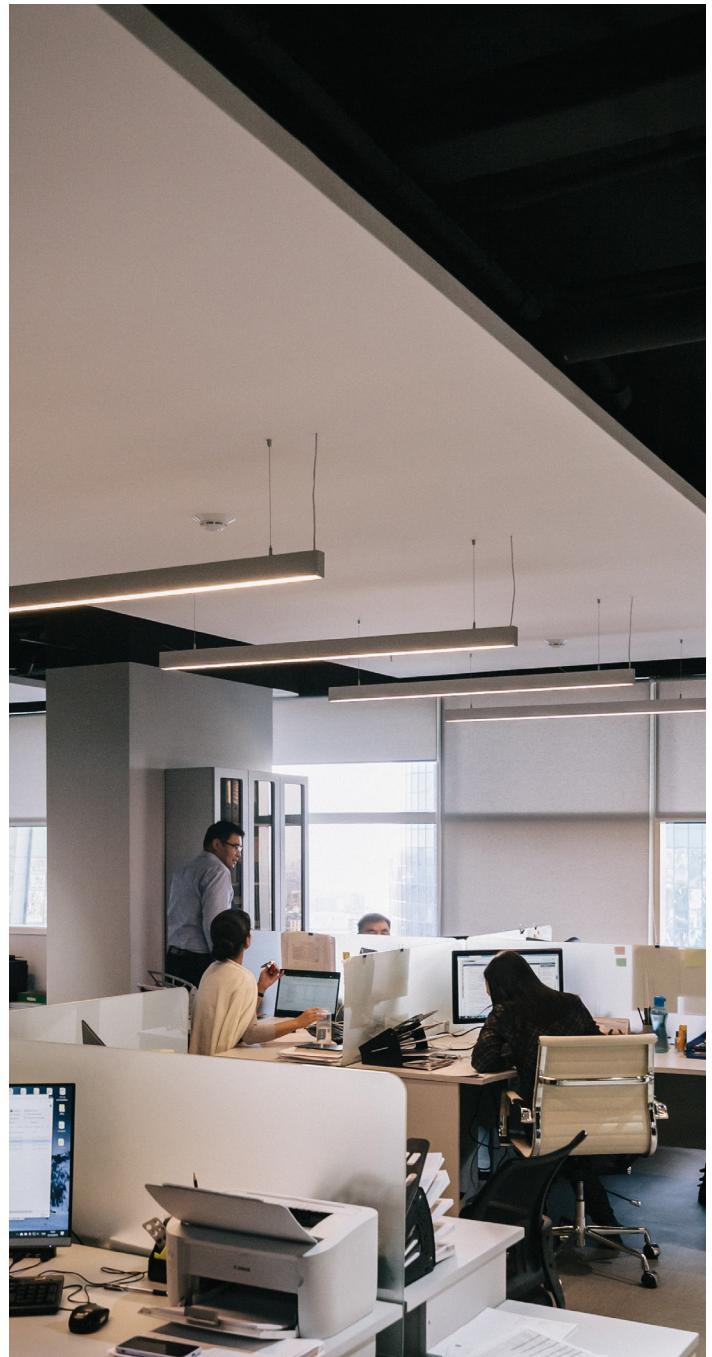
Key Takeaways from AXA's Future Risks Report

AXA has released the findings of its annual Future Risks Survey, detailing the most significant emerging threats facing countries and organizations today.

Now in its tenth year, the survey asked 3,500 risk experts and more than 19,000 members of the global public to rank their top 10 future risks based on their potential impact over the next 5 to 10 years. The overwhelming theme is that "everyone, everywhere, is worried about climate change."

SURVEY FINDINGS IN DETAIL

According to AXA, climate change tops the list of risks facing the world over the next 10 years. Despite featuring at the top of the list among experts since 2015, this year's survey marks the first time the general public across all geographies also ranked climate change at number one. Although a large majority of experts (84%) and citizens (78%) said that the physical risks from extreme weather patterns are their greatest concern, some experts were equally concerned about ESG initiatives. Specifically, AXA's report noted a trend towards "greenblushing"—where organizations downplay their ESG initiatives to minimize potential backlash from the general public. Indeed, political pressure and considerable public scrutiny make it difficult for organizations to know how best to publicize their ESG activities.



Cyber risks were featured at number two on the experts' global list of emerging risks, closely followed by geopolitical instability. Cyber risks also featured in the general public's top three for the first time. In fact, 90% of people feel vulnerable to cyber risks in their daily lives, the survey found.

Artificial intelligence (AI) was a big mover compared to previous survey editions. Specifically, AI ranked fourth for experts, up from 14th last year. Although AI risks did not appear in the general public's top 10, a majority of both experts (64%) and citizens (70%) believe there should be a break in AI and other disruptive technologies research, and a popular answer behind the popularity of this risk was [AI poses] "an existential threat to mankind."

The full top 10 global risks, according to experts, are as follows:

1. Climate change
2. Cybersecurity risks
3. Geopolitical instability
4. Risks related to AI and big data

5. Energy risks
6. Natural resources and biodiversity risks
7. Financial stability risks
8. Social tensions and movements
9. Pandemics and infectious diseases
10. Macro-economic risks

SUMMARY

Overall, the theme of AXA's survey is polycrisis—a cluster of risks—with the emergence of new technologies (especially AI), global warming and geopolitical tensions happening simultaneously. As such, it's critical for organizations of all types and sizes to continually stay abreast of the emerging risk landscape and leverage robust disaster preparedness measures to increase their resilience to future catastrophic events.

If you have questions specific to your business, or would like additional information, please reach out to your Iridium Risk Services Advisor.

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