



AXA FUTURE RISKS

POSTPONEMENT 2022



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Thomas Buberl
CEO of AXA

FOREWORD

AXA publishes its Future Risks Report, a 100+ page study providing an overview of the major risks of tomorrow. Over nearly a decade, this report has seen the major developments in our world take shape; it helps us anticipate future threats to better protect ourselves and prepare for them.

The 2022 edition draws a world fragmented, overheating, where crises overlap where they followed one another in the past. To the risks already identified such as the pandemic, cyber risk and climate change, this year we add threats linked to geopolitical, energy, economic and social instability.

The first lesson from the report concerns the climate emergency. For the first time, climate risk tops the rankings in all parts of the world and is also becoming the main concern for the general public in the United States. Unsurprisingly, geopolitical tensions rise to second place in the ranking, because they amplify the risks which come in third (cyber risk) then fourth position (energy risks which are up thirteen places compared to last year).

Economic and social concerns are also rising very significantly.

“The greatest risk that threatens us is that of the feeling of helplessness”

For the first time, experts include three economic risks in the top 10. Vectors of inequality, these risks fuel fears of social tensions, perceived as a particularly high threat for experts who rank them in sixth position.

Faced with these challenges, the report confirms a strong trend for years: the increase in sentiment general vulnerability and erosion of trust in institutions public to find lasting solutions. Basically, I see here the greatest risk that threatens us: that of the feeling of powerlessness. Today, like yesterday, only action will allow us to meet the challenges we face. This primarily involves our ability to create consensus and act collectively.

For this, everyone must assume their responsibilities. Starting with businesses. On the one hand, because action is in their DNA. On the other hand, because they have the financial, human and technological means to make their contribution. Finally, because they are expected. The report notably reveals that almost 70% of the general public believe that insurers will have an important role to play in mitigating future risks. We must meet these expectations. At AXA, we are determined to fully play our role.

present this year's
It's a pleasure risk report,
in partnership with AXA and the
IPSOS research institute.

Pleasure may not be quite the right feeling. Indeed, 2022 was supposed to be a "return to normal" year as the world emerged from the pandemic.

But geopolitics has entered. And instead, 2022 became the year war broke out in Europe, with the Russian invasion of Ukraine. It is also the year that saw the return

high inflation, while massive stimulus measures in Western countries – particularly the United States – have been met with a prolonged Covid pandemic, persistent supply constraints and upward pressure on energy prices due to war.

Households are worried about their ability to pay for basic necessities such as food and energy. The general public is also worried about the future and is less inclined to take

“Insurers can play a key role in providing innovative risk management tools and helping businesses calmly assess future risks”

personal and professional risks in such an uncertain environment. And, worryingly, economic policy is seen by experts as a growing source of risks, with production slowing in China and Europe, and the United States struggling to control soaring prices.

In this context, it is not surprising that geopolitical tensions have taken on a lot of importance for risk experts, reaching second position in their ranking this year. Despite these unprecedented economic and geopolitical developments, it is also important to look back at what has not changed. For the fourth time in the last five years, climate change is at the heart of the concerns of the experts interviewed by IPSOS. Extreme weather events, caused by rising temperatures and sea levels, increase risks in areas such as energy and food security.

Hot on the heels of climate change and geopolitics, cybersecurity has been among the top three risks since 2018. Rightly so, given the growing importance of big tech companies in shaping global trade, politics, geopolitics

and, of course, our daily lives.

Faced with all these looming challenges, coordination between decision-makers policy and private sector actors is of crucial importance. Insurers can play a decisive role in favor of this cooperation by providing innovative risk management tools and helping companies to calmly assess future risks. In this troubled global landscape, today more than ever, collective solutions are essential to moving forward.

Ian Bremmer
President
of the Eurasia Group
and GZERO Media



FOREWORD

SUMMARY FROM THE STUDY

Over the past year, economic and geopolitical challenges have added further uncertainty to the disruptions already caused by the Covid pandemic and climate crisis. People around the world feel more vulnerable to risks and this feeling affects their priorities and life choices. Trust and cooperation are more crucial than ever to prevent social cohesion from deteriorating.

In this context of growing uncertainties, what risks are at the heart of our concerns and where should we turn to confront them? The Future Risks Report 2022 sought to answer these questions through our annual survey of two groups: risk experts from AXA, its professional networks, and members of the public from around the world. Three key lessons emerge from this study.

HISTORICAL PERSPECTIVE – INSURANCE AND INSTABILITY

Insurance has always been a catalyst in the face of uncertainty. From maritime travel and fire insurance to the development of insurance against terrorism, nuclear risk and cyber risks, insurers, often alongside governments, have long played a vital role. Indeed, they facilitate business and cooperation in conditions of geopolitical instability, whether linked to the emergence of new technologies or more broadly to new threats.

LESSON KEY 1 Climate change, geopolitics and energy form a new intersection of risks

For the first time, climate change tops the risk rankings for experts across all regions.

For the first time it is also the top concern for the general population in the United States. The ranking suggests that it is no longer possible to ignore the clear global impacts of climate change on biodiversity, health and the economy.

Both groups surveyed express a drop in confidence in public authorities to deal with the climate crisis: only 14% of experts and 27% of the public say that the authorities are prepared for this risk, compared to 19% and 33% in the study from last year.

If the climate crisis is a reminder of the urgency of the net zero emissions agenda, the energy transition and climate action have been complicated by geopolitics. Following Russia's invasion of Ukraine, the vast majority of our experts expect geopolitical tensions to persist and spread, threatening the security of energy and food supplies, increasing the risk of a world war and cyber attacks.

In this context, it is even more difficult for governments to cooperate in areas of common interest.

Top 3 in the expert rankings since 2018

	2018	2019	2020	2021	2022
Risk	Climate change	Climate change	Pandemics and infectious diseases	Climate change	Climate change
Risk	Cybersecurity	Cybersecurity	Climate change	Cybersecurity	Geopolitical instability
Risk	Geopolitical instability	Geopolitical instability	Cybersecurity	Pandemics and infectious diseases	Cybersecurity

THE “NEW NORMALITY” – CYBER-RISKS AND HEALTH HAZARDS

Threats related to climate change, health and geopolitical tensions have already clearly materialized. But one of the big threats that has not materialized, and may in the near future, is a large-scale cyber-attack crippling critical infrastructure such as health services, energy storage or payment systems.

Cyber risks are compounded by geopolitical tensions and the digitalization of our daily lives and continue to feature highly in this year's survey, coming in 3rd place among experts. While pandemic-related risks fall to 5th overall, the survey indicates that cyber risks and broader health risks – such as mental health and changing disease patterns infectious – become

a “new normal” in the global risk landscape.



Economic risks are increasingly serious and fuel social tensions

For the first time, the top 10 risks among experts include **three economic risks** : risks of financial instability, macroeconomic risks and risks linked to monetary and fiscal policy. Among these risks, inflation is a major concern for experts and the general public, with many already facing difficulties as their purchasing power declines.

Persistent increases in energy and food prices – exacerbated by shortages due to geopolitical unrest – are likely to widen inequality, fuel societal unrest, and rank high among experts in the United States (4th position) and in Europe (6th position). Public authorities must be attentive to the need to act to safeguard public cohesion.

Survey responses also highlight the need for better financial literacy. Indeed, experts underestimate the general public's awareness of economic risks: thus, 55% of those surveyed from the general public believe that the public is aware of macro-economic risks, this opinion being shared by only 30% of respondents. experts.



%

of those surveyed from the general public believe that the public is aware of macroeconomic risks,

AGAINST

30 %
experts

Level of vulnerability per risks according to experts (top 5) - histogram

- Climate change 67
- Geopolitical instability 59
- Cyber security risks 71
- Energy risks 73
- Pandemics and infectious diseases 72



NB: Percentage of experts answering YES to the question "Do you feel vulnerable to this risk in your daily life?"

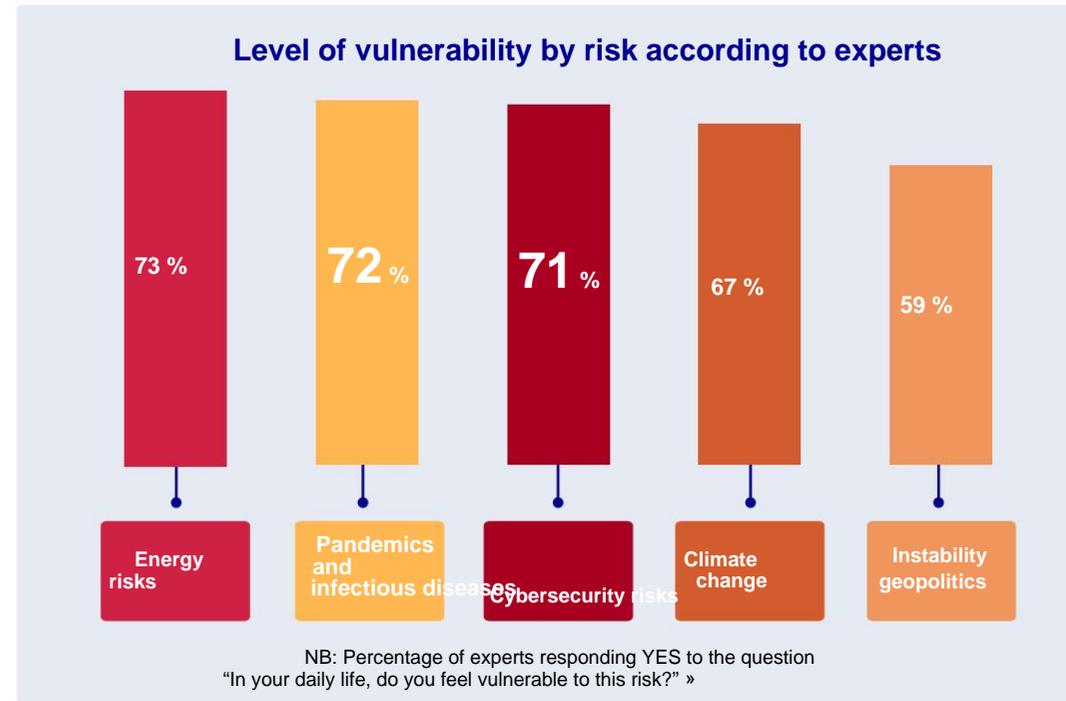


Lesson Key: People are more risk averse in a context of increasing vulnerability and erosion of trust

While geopolitical and economic risks are added to health and climate concerns, **89% of experts believe that the general population is more vulnerable than it was five years ago**, an increase of five percentage points compared to last year's survey.

The general public is more likely to recognize that they avoid taking risks in their daily lives, even if it means giving up on some of their dreams. This is what a majority of people surveyed say, even in the United States, the country of the "American dream". Their level of trust in scientists, public authorities and the private sector to protect them against future global crises has declined compared to last year.

People are more likely than last year to believe that problems should be solved locally rather than globally. However, many respondents – 49% – continue to believe that crises are better managed globally. And a majority – 69% – recognize the crucial role played by insurers in developing solutions to emerging risks.



NB: Percentage of experts answering YES to the question "Do you feel vulnerable to this risk in your daily life?"

INSURERS CAN RESPOND TO THE GROWING DESIRE TO PUBLIC PROTECTION

If more and more people are losing confidence in public and private institutions to protect them against risks, insurers are playing their role in helping to restore confidence in the future, while mitigating the risks that worry the population at an individual level. We asked our experts what insurers should do about future risks. Their main responses were: supporting innovative solutions, participating in prevention and resilience, sharing their expertise in risk management and contributing to the development of a common risk culture.

Cyber security



Top 10 global emerging risks according to experts

1. Climate change
2. Geopolitical instability
3. Cybersecurity risks
4. Energy risks
5. Pandemics and infectious diseases
6. Social discontent and local conflicts
7. Risks linked to biodiversity and natural resources
8. Financial stability risks
9. Macroeconomic risks
10. Risks linked to monetary and fiscal policies

2022

Risk ranking by experts

AMERICA

1. Climate change
2. Cybersecurity risks
3. Geopolitical instability
4. Social discontent and local conflicts
5. Pandemics and infectious diseases
6. Energy risks
7. Risks linked to biodiversity and natural resources
8. Financial stability risks
9. New security threats and terrorism
10. Risks linked to monetary and fiscal policies

EUROPE

1. Climate change
2. Geopolitical instability
3. Cybersecurity risks
4. Energy risks
5. Risks linked to biodiversity and natural resources
6. Social discontent and local conflicts
7. Pandemics and infectious diseases
8. Macroeconomic risks
9. Financial stability risks
10. Risks linked to monetary and fiscal policies

AFRICA

1. Climate change
2. Cybersecurity risks
3. Pandemics and infectious diseases
4. Geopolitical instability
5. Financial stability risks
6. Risks linked to monetary and fiscal policies
7. Social discontent and local conflicts
8. Macroeconomic risks
9. New security threats and terrorism
10. Energy risks

ASIA-PACIFIC AND MIDDLE EAST

1. Climate change
2. Pandemics and diseases infectious
3. Cybersecurity risks
4. Geopolitical instability
5. Energy risks
6. Financial stability risks
7. Pollution
8. Risks linked to biodiversity and natural resources
9. Macroeconomic risks
10. New security threats and terrorism

FUTURE RISKS

REPORT The Future Risks Report asks people around the world to rank the five future risks they place first, based on the potential impact on society over the over the next five to ten years.



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**MAIN RISKS:
GLOBALIZATION
AT A DECISIVE MOMENT**

The study in a few words

For the ninth year in a row, the Future Risks Report asks people around the world to rank their top five future risks, based on their potential impact on society over the next five to 10 years.

We presented those consulted with a choice of 25 risks.

This year, we surveyed nearly 4,500 risk experts in 58 countries.

As in previous years, they come from AXA and our professional

networks. We also partnered with IPSOS to survey 20,000 people who constitute a representative sample of 15 countries.

Our survey allows us to make comparisons: between regions, over time and between the perceptions of experts and that of the general public.

WHAT ARE THE MAIN RISKS IN 2022?

Risk 1

Climate change

Climate change remains ahead of the pack: the return of war to Europe was not enough to knock climate change off the top of experts' lists and, for the first time, in all regions they ranked it as their most pressing risk.

Risk 2

Geopolitical instability

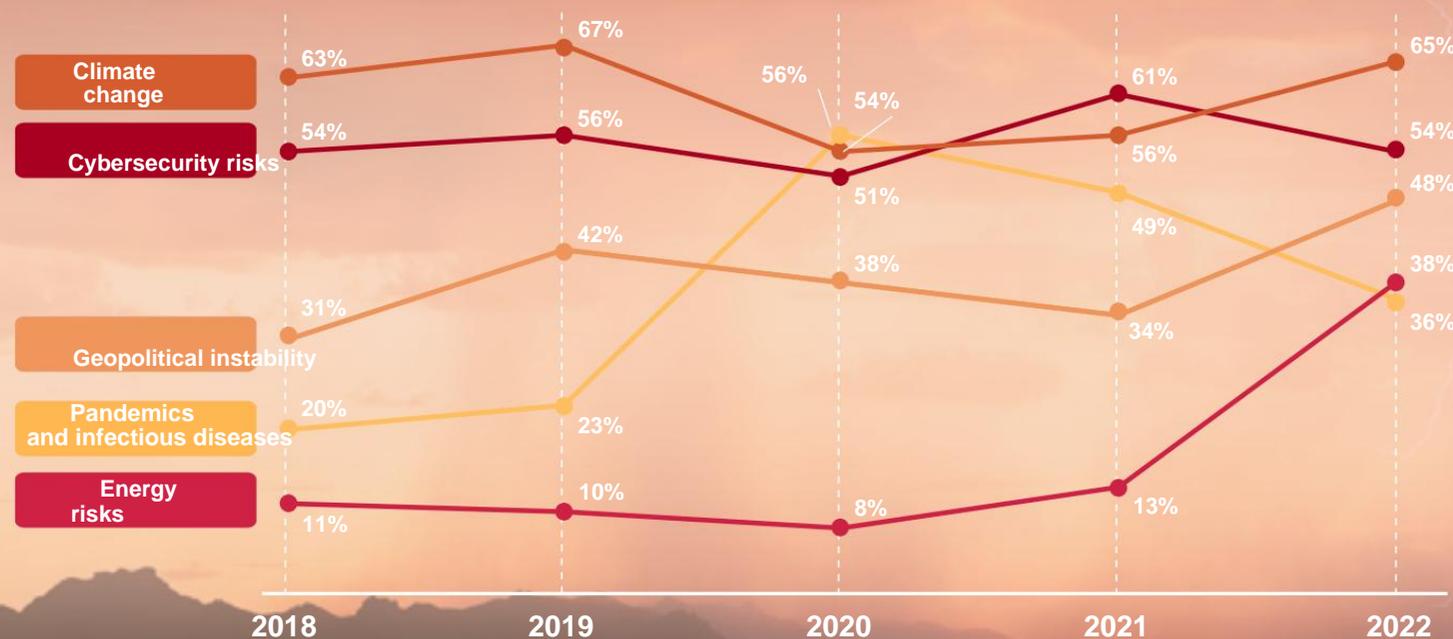
Geopolitical tensions are increasing: geopolitical risks now come in second place, surpassing cyber risks and pandemic risks. Experts are looking beyond Ukraine and, for them, geopolitical tensions are likely to persist and spread throughout the world.

Risk 3

Cybersecurity risks

Cyber risk remains worrying: for the fifth consecutive year, experts rank cyber risks in their top 3. The latter is linked to geopolitical tensions: closures of critical infrastructure and essential services are threats particularly associated with state-sponsored attacks.

Evolution of the percentage of selection of the main risks by experts (2018-2022)



TOP 10 RISKS ACCORDING TO EXPERTS AND THE GENERAL PUBLIC

	EXPERTS	GENERAL PUBLIC
1	Climate change	Climate change
2	Geopolitical instability	Pandemics and infectious diseases
3	Cybersecurity risks	Geopolitical instability
4	Energy risks	Cybersecurity risks
5	Pandemics and infectious diseases	Energy risks
6	Social discontent and local conflicts	New security threats and terrorism
7	Risks linked to biodiversity and natural resources	Social discontent and local conflicts
8	Financial stability risks	Pollution
9	Macroeconomic risks	Risks linked to biodiversity and natural resources
10	Risks linked to monetary and fiscal policies	Financial stability risks

How do experts and the general public differ?

The general public still remains very concerned about the pandemic.

While pandemic and infectious disease risk fell to fifth in experts' lists, the public ranked it second, just behind climate change. We see that Covid-19 continues to affect the daily lives of many people.

Experts worry more than the public about economic risks.

They rank financial instability, macroeconomic risks, and risks related to monetary and fiscal policies in their top 10. The public has not yet caught up, and only financial instability appears in their top 10, and even then, in last place.

Terrorism worries the public more than experts.

This year, new security threats and terrorism ranked sixth in public responses, but did not appear in experts' top 10. Mass shootings, particularly in the United States, are the greatest concern of members of the public who have held back this risk.

Comparison of risk

perceptions across regions

Climate change is the top risk for experts across geographies.

For the first time, experts from all continents are placing climate change at the forefront of their concerns. Last year, only Europe gave it first place.

Concerns about cyber risks are highest in America.

The Americas and Africa are the only regions where experts put cyber risks in their top two, while the Americas are the only region where the general public, concerned about cyberattacks against major U.S. companies and against essential services, ranks them in its top three.

Europeans are focused on energy risks.

Considering the potential consequences of the war in Ukraine for Europe's energy supply, experts and the general public ranked energy risks higher than in any other region – in 4th and 3rd position, respectively.

Social tensions are a concern in America.

On this continent, experts have ranked social tensions and movements as the 4th highest risk, while they rank 5th among the general public. In both cases, this figure is higher than that of any other region and reflects recent political unrest.

Those consulted in Asia and Africa focus on health risks.

Asia and Africa are the only regions where the general public ranks pandemics and infectious diseases as the top risk, while they are in the top two among experts. In Africa, the public also ranks chronic diseases higher than anywhere else, in 7th place.

THE MAIN RISKS BY REGION

EUROPE

EXPERTS

1. Climate change
2. Geopolitical instability
3. Cybersecurity risks
4. Energy risks
5. Risks linked to biodiversity and natural resources
6. Social discontent and local conflicts
7. Pandemics and infectious diseases
8. Macroeconomic risks
9. Financial stability risks
10. Risks linked to monetary and fiscal policies

GENERAL PUBLIC

1. Climate change
2. Pandemics and infectious diseases
3. Energy risks
4. Geopolitical instability
5. Pollution
6. Risks linked to biodiversity and natural resources
7. Social discontent and local conflicts
8. New security threats and terrorism
9. Cybersecurity risks
10. Financial stability risks

ASIA-PACIFIC AND MIDDLE EAST

EXPERTS

1. Climate change
2. Pandemics and infectious diseases
3. Cybersecurity risks
4. Geopolitical instability
5. Energy risks
6. Financial stability risks
7. Pollution
8. Risks linked to biodiversity and natural resources
9. Macroeconomic risks
10. New security threats and terrorism

GENERAL PUBLIC

1. Pandemics and infectious diseases
2. Climate change
3. Geopolitical instability
4. Cybersecurity risks
5. Energy risks
6. Risks linked to biodiversity and natural resources
7. Social discontent and local conflicts
8. Financial stability risks
9. Pollution
10. New security threats and terrorism

AMERICA

EXPERTS

1. Climate change
2. Cybersecurity risks
3. Geopolitical instability
4. Social discontent and local conflicts
5. Pandemics and infectious diseases
6. Energy risks
7. Risks linked to biodiversity and natural resources
8. Financial stability risks
9. New security threats and terrorism
10. Risks linked to monetary and fiscal policies

GENERAL PUBLIC

1. Climate change
2. Pandemics and infectious diseases
3. Cybersecurity risks
4. New security threats and terrorism
5. Social discontent and local conflicts
6. Financial stability risks
7. Energy risks
8. Geopolitical instability
9. Risks linked to biodiversity and natural resources
10. Chronic diseases

AFRICA

EXPERTS

1. Climate change
2. Cybersecurity risks
3. Pandemics and infectious diseases
4. Geopolitical instability
5. Financial stability risks
6. Risks linked to monetary and fiscal policies
7. Social discontent and local conflicts
8. Macroeconomic risks
9. New security threats and terrorism
10. Energy risks

GENERAL PUBLIC

1. Pandemics and infectious diseases
2. Climate change
3. New security threats and terrorism
4. Pollution
5. Cybersecurity risks
6. Financial stability risks
7. Chronic diseases
8. Energy risks
9. Risks linked to biodiversity and natural resources
10. Prolonged exposure to harmful substances

As global cooperation under threat, experts call for closer public-private partnerships

Expert opinions are divided on the direction of globalization. Experts are almost evenly split between those who say countries will try to find collective solutions to global risks and those who predict a slowdown in globalization as countries take measures to protect themselves. European experts – with the exception of those in the UK – are significantly more pessimistic about globalization, with 59% predicting a slowdown. In other regions, most experts – as well as the general public – anticipate more collective solutions.

The general public tends to prefer more local decision-making. More than half of experts (53%) continue to believe that decisions at the global level are more effective in managing risks than decisions at the continental, national or municipal level. Compared to last year, the public is more likely to favor the national level (28%, compared to 26%) or the continental level (17%, compared to 13%), which suggests a shift towards refocused thinking on nationalism and regional blocs. In Europe, the French and British consulted expressed a drop in confidence in the relevance of action at the continental level.

Experts call for greater public-private collaboration on global challenges. For the first time this year, our study asked experts what type of actions they would like to see adopted by the public in response to the risks that concern them most. Engaging the private sector in partnerships has consistently garnered the most support as a response to many risks.

11

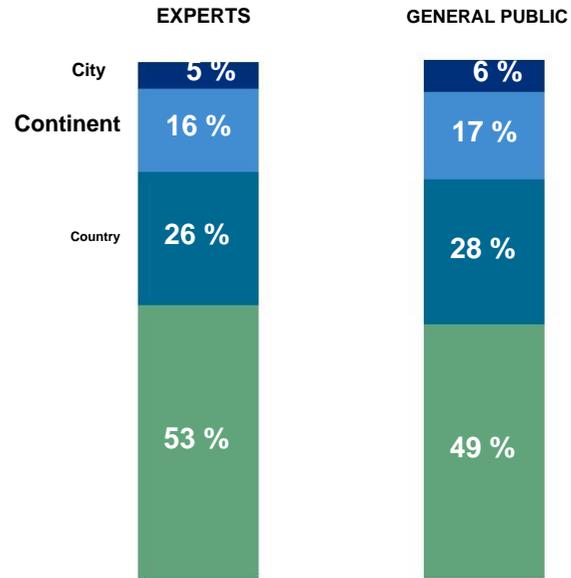
Most selected action public authorities should take for each top 5 risks - table

Climate change	Investments in risk prevention and mitigation such as investments in protective infrastructure
Geopolitical instability	Engage the private sector in partnerships
Cyber security risks	Engage the private sector in partnerships
Energy risks	Engage the private sector in partnerships
Pandemics and infectious diseases	Engage the private sector in partnerships

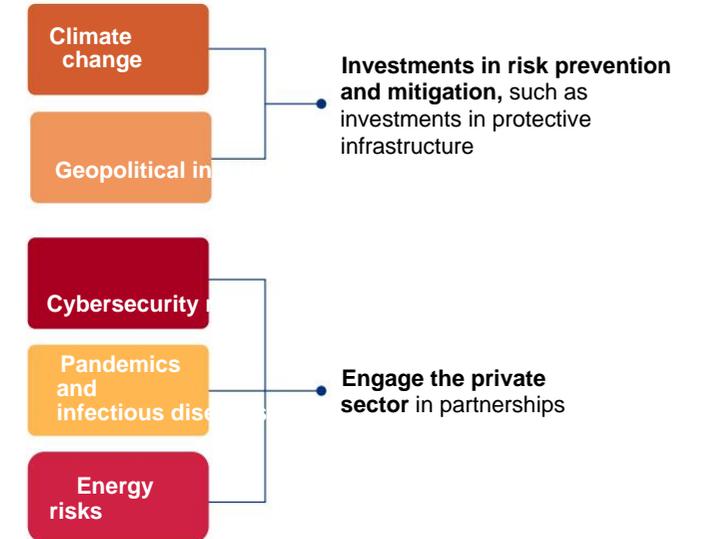
Expert opinions on globalization



Most effective decision level



Actions public authorities should take



AXA is well positioned to encourage positive behavior and works hand-in-hand with all stakeholders to address future global challenges

As global cooperation is under threat, experts are calling for closer public-private partnerships to find solutions. What can AXA's contribution be?

Frédéric de Courtois: Traditionally, governments set the standards and regulations, while insurance companies provided the capital. Faced with the rise of major risks and their potentially systemic nature, greater collaboration has become crucial and some governments have established public-private partnerships (PPPs) with the insurance sector. This is the case in France, with insurance companies, the public authorities cover extreme risks linked to natural disasters and, more recently, agricultural disasters.

We, insurers, must continue to play our role and actively engage with public stakeholders to improve societal resilience. Discussions are ongoing

to explore possible new public-private partnerships (in particular to deal with cyber risks) and to strengthen the role of insurers and governments in prevention.

Experts have opposing views on the future of globalization: some anticipate a new refocusing of crisis management at the national level, while others see an opportunity to strengthen international cooperation. What should we expect?

F. de C.: First of all, let's not draw hasty conclusions: at this stage, we are not yet observing widespread "deglobalization". However, the general momentum and political support for globalization has been undermined. We may be opening a new chapter, where economic security will be prioritized over free trade and global trade and resilience will be the watchword. It's about whether we will continue to find ways to collaborate and seek solutions, or whether superpower rivalry will prevail, resulting in a more fragmented world where we cannot tackle the challenges that confront us together. will impact everyone.

Frederick of Courtois

Deputy CEO of the AXA Group, in charge of finance, risk management, strategy, ceded reinsurance and operations

INTERVIEW



THE POINT OF VIEW OF

The uncertain future of globalization

Global geopolitical and macroeconomic trends are driving deglobalization and regionalization of trade. Rising geopolitical tensions, especially between the United States and China, increase political risks which are exacerbated by recent economic instability.

This international political environment will particularly affect the deglobalization of business and technology supply chains.

For example, in the face of China's efforts to leverage market access and export dependence to gain support for its foreign policy ambitions, many Western governments have strengthened their own export controls, export and took stock of supply chain vulnerabilities with a view to mitigating strategic risks.

The Biden administration has largely followed the policy of its predecessor with tariffs on Chinese products and is more broadly encouraging reshoring and "friendshoring".

At the same time, the sanctions imposed by the West on Moscow following its invasion of Ukraine are reshaping and deglobalize energy markets along geopolitical lines.

Even where multilateral trade policy remains strong, agreements increasingly reflect geopolitical alignments and seek to define global norms accordingly. This is evident in the ratification of the China-led Regional Comprehensive Economic Partnership (RCEP) and its regional rival, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

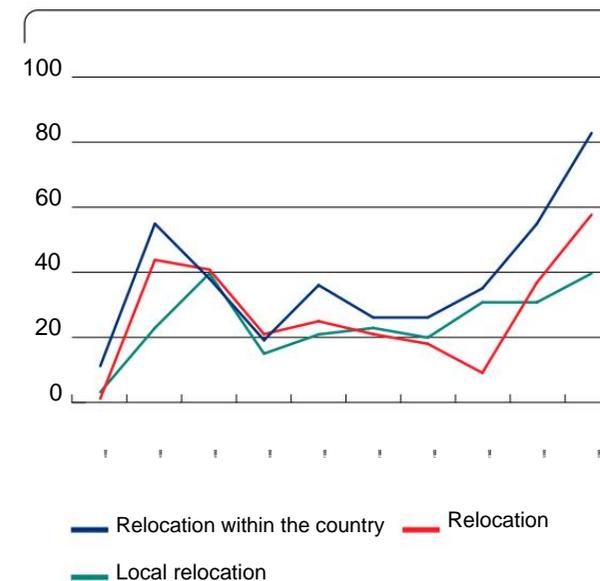
Although China has requested to join the latter, it is unlikely to be admitted. Meanwhile, despite its early withdrawal from the CPTPP, the United States has developed and is currently negotiating an Indo-Pacific Economic Framework which, while not a formal free trade agreement, serves to align participating countries more closely on American norms and economic interests, in an effort, in part, to supplant China.

Vulnerabilities in technology supply chains have played a key role in deglobalization, as governments, particularly in North America, Europe and the Indo-Pacific region, strive to secure access to fundamental technologies essential for industrial capacity. Semiconductors are highly innovative but fragile supply chain products, making them particularly vulnerable to national security and logistics supply chain risks. Many countries are taking dramatic steps to attract semiconductor chip manufacturing capacity home, and the resilience of the semiconductor supply chain has been a focus of discussion in diplomatic forums.

Increasing disruption caused by a range of factors, including political conflict, weather events, lockdowns and ESG issues, is pushing some companies to regionalize their supply chains – from sourcing to distribution across the globe. consumer market – with the aim of reducing delays

supply chain and mitigate growing risks. While this private sector strategy is still in its infancy,

Relocation mentioned in calls from leaders
(number of mentions during company presentations in the United States)



Source: Bloomberg Data – June 2022

the result will be increasing trade regionalization: according to McKinsey & Company, up to a quarter of global goods exports, or \$4.5 trillion, could change by 2025. Amid greater geopolitical competition and instability macroeconomic, these trends towards deglobalization and regionalization are likely to persist.



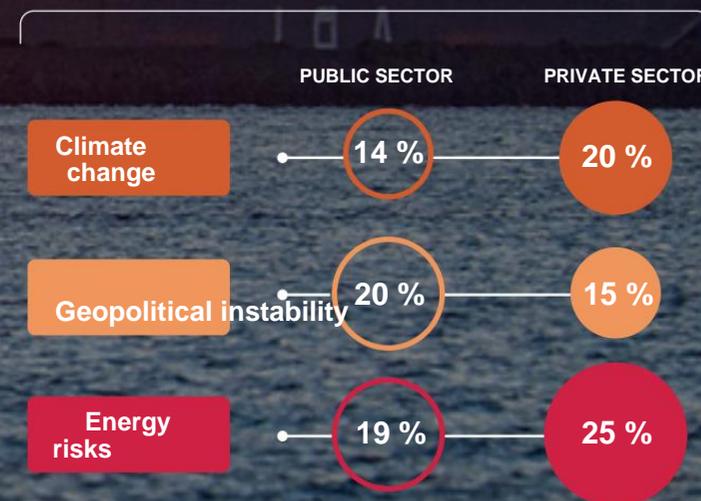
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CLIMATE, GEOPOLITICS AND ENERGY: ONE NEW CROSSROADS OF RISKS

This past year has seen an increasing interconnection of three of the top four risks ranked by experts – climate change, geopolitical instability and energy risks. After Russia's invasion of Ukraine, geopolitical risks and energy risks both skyrocketed in the rankings of the study. As the impacts of climate change become increasingly evident, so too does the need to shift to low-carbon energy sources. Meanwhile, deepening geopolitical tensions raise doubts about the future ability to find global solutions to climate change. The need for a holistic approach to these three major risks is increasingly evident.



Experts' perception of the preparation of the public and private sectors to face these 3 risks



Given experts' perceptions of preparedness, collaboration will be crucial to finding solutions to these global challenges

Climate change is here and public authorities are not prepared for it



Since 2018, climate change has topped the experts' rankings every year, with one exception: 2020. That year, the study was conducted as the first wave of Covid-19 swept the world and, for experts, pandemics and infectious diseases were the main threat.

This year, for the first time, experts from all regions named climate change as the main threat. Last year, on the other hand, American experts gave first place to cyber risk while the pandemic remained the main concern of Asian experts. For us, this new unanimity is a positive step towards consensus between regions on the need for urgent action: as indicated in the 2022 IPCC report(1) , climate change is a

and serious growing for the our well-being and for health of the planet(2)». " threat

When asked what aspect of climate change worries them most, the general public (80%) and experts (86%) overwhelmingly cite physical risks – such as floods, heatwaves, storms and rising temperatures. sea level – rather than other aspects, such as liability risks in the event of disasters or managing the transition to cleaner energy.

THE AXA FUND'S POINT OF VIEW FOR RESEARCH

According to Apostolos Voulgarakis, holder of the AXA Research Chair on Climate and wildfires, the social and economic consequences of catastrophic wildfires are exploding, as are the costs of fighting fires. Thanks to his research, we have access to unprecedented Earth observation data and the expertise needed to tackle grand challenges.

Another AXA chair holder, Professor Mike W. Beck, is particularly focused on strengthening coastal resilience with solutions that rely on nature. It works to quantify the social and economic benefits of coastal habitats such as coral reefs, marshes and mangrove forests, which provide the coasts' essential first line of defense.

His research will allow us to identify the most effective opportunities to invest in the protection and restoration of ecosystems.

This is not surprising. There is less and less room to dispute the direct impact of climate change: July 2022 saw record heatwaves in Europe, with temperatures reaching 45.7°C in Spain, hundreds of heat-related deaths in Portugal and nearly 346,000 hectares of land ravaged by forest fires. In Japan, meanwhile, a heatwave put such strain on the power grid that people were asked to turn off lights and ration air conditioning to avoid power outages.

Those consulted highlight that more extreme climatic conditions are likely to lead to an increase in forced migration, exacerbating geopolitical tensions in some regions.

In our study, we asked experts to assess the pace of emergence of each risk: "already present", "emerging quickly" or "emerging slowly". The proportion saying climate change is "already here" increased from 46% last year to 54% this year.

Experts also take a dim view of the degree of preparation of public authorities, with only 14% of them believing that they are well prepared, compared to 19% in last year's survey.

To the question about the measures that public authorities should adopt, investments in mitigation and protection infrastructure came in at the top of the responses, just ahead of public-private collaboration which will be crucial to mobilize the necessary investments. It is increasingly clear that coordinated actions are essential to avoid catastrophe.

(1) Intergovernmental Panel on Climate Change

(2) Climate change: a threat to human well-being and the health of the planet. Acting now can secure our future, IPCC, February 28, 2022

ALONE 14%

experts believe that public authorities are well prepared (19% in 2021)

The energy transition has always been an essential priority for us

Why is climate change important to AXA and what role can we play?

Renaud Guillé: As insurers, we are very familiar with extreme weather phenomena and the many harmful consequences of climate change and it is in our interest to support and encourage

decarbonization of the economy. The transition energy has always been an essential priority for us: since 2015 we have increased our investments in renewable energies tenfold, while reducing our investments in

fossil fuels at a pace that allows the economy to transform.

Beyond its economic influence, AXA has always wanted to play a leading role by putting its political weight at the service of collective initiatives to stimulate global change, the only way to have a real impact in the fight against climate change. We played a leading role in 2016 in the creation of the Task Force on Climate-

related Financial Disclosures, to fight global warming, and continued in 2021 as a founding member of the Taskforce on Nature-related Financial Disclosures, intended to protect biodiversity.

In last year's edition, we mentioned the Net-Zero Insurance Alliance, launched in July 2021 and chaired by AXA. Can you take stock of the situation?

RG: The Net-Zero Insurance Alliance is the insurance industry's most ambitious effort to date to address the climate crisis through insurance underwriting. Together with the United Nations, we are developing a plan for net zero insurance. From eight founding members, we have grown to 29 members from all continents, with insurers, reinsurers and insurance markets.

We have all committed to achieving net zero emissions in our insurance businesses by 2050, with interim targets along the way.

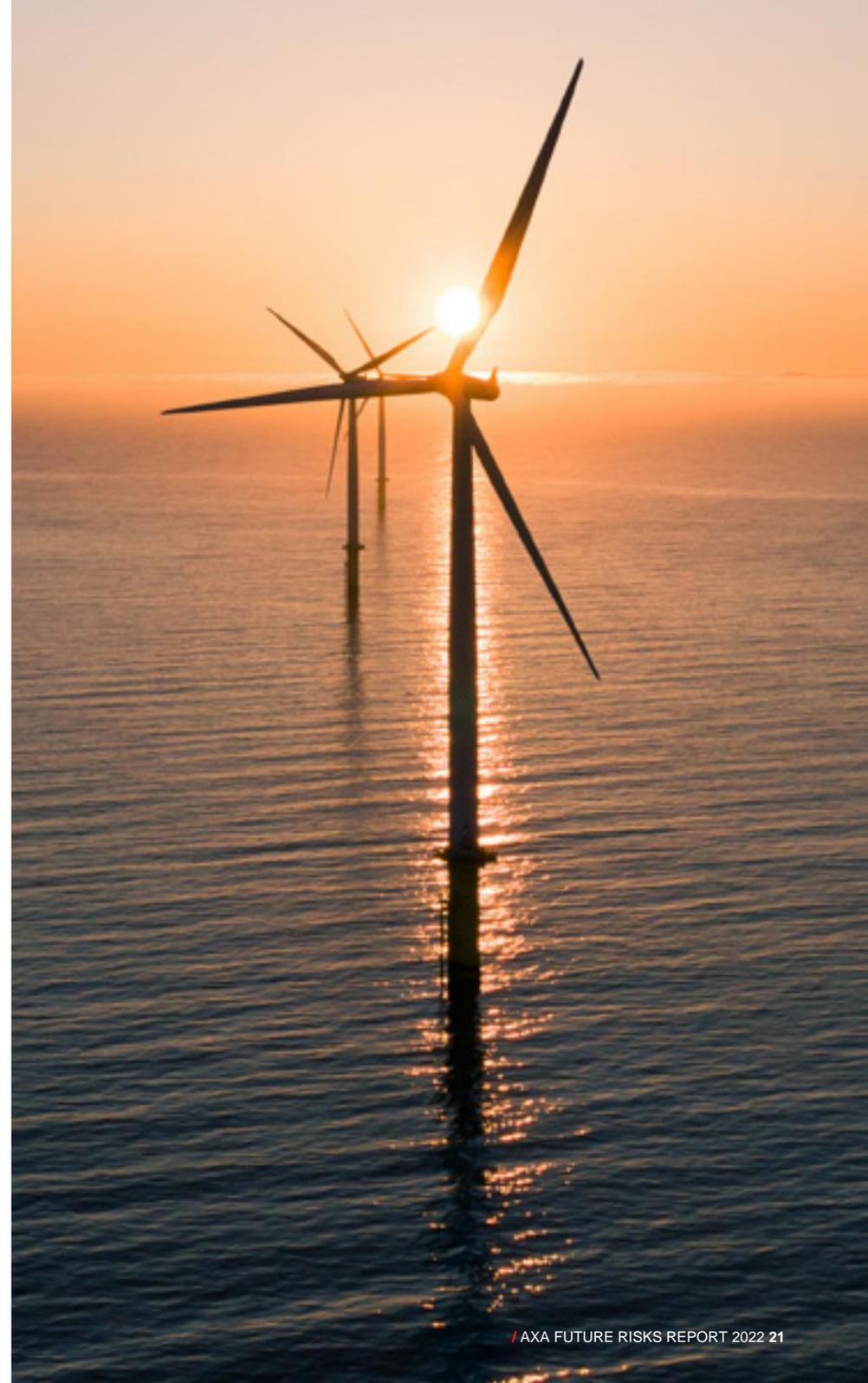
The strength of the Net-Zero Insurance Alliance lies in the fact that we learn collectively much more quickly than if we were alone.

The coming months will be decisive, with key milestones including the publication of global measurement standards and the publication of our target-setting protocol.

Renaud Guided
*Risk Director
of the AXA Group*



INTERVIEW



FOCUS ON the youth



Young people are more concerned than older generations about environmental risks in general: among them, climate change occupies the first place of risks, pollution coming in 3rd position and biodiversity in 5th. They are also more sensitive than average to issues of liability (15% versus 11% for the general public), reflecting a growing tendency among young people to view legal action as a potentially effective means of demanding protective measures. environment – as evidenced by a recent case in Australia on the approval process for new coal mining projects(3).

(3) Australian court overturns groundbreaking ruling that minister had a duty to protect young people from climate change, CNN, March 15, 2022

Risks to biodiversity are still worrying, particularly in Europe

The risks linked to the loss of natural resources and biodiversity have fallen slightly this year compared to last year, even if they remain high: 7th place for experts and 9th for the general public, compared to 6th and 7th places respectively one year earlier. When asked what motivated their choice, those consulted

are more numerous (56% of experts and 54% of the public) to cite the loss of biodiversity due to deforestation and desertification rather than the overconsumption of natural resources. It is in Europe that risks to biodiversity are ranked highest, with 5th place among experts and 6th

among the general public.

Climate change as the leading risk in all geographic areas

	AMERICA	AFRICA	EUROPE	ASIA PACIFIC AND MIDDLE EAST
1	Climate change	Climate change	Climate change	Climate change
2	Risks of cybersecurity	Risks of cybersecurity	Geopolitical instability	Pandemics and infectious diseases
3	Geopolitical instability	Pandemics and infectious diseases	Risks of cybersecurity	Risks of cybersecurity

“Faced with the climate emergency, it is crucial to act collectively to find global solutions. AXA positions itself as a driver of change and a player fully committed to the transition of our societies towards a low-carbon economy.”

Ulrike Decoene,
Director
communication,
of the brand and
sustainable development
of the AXA Group



Experts are more worried than the public about escalating geopolitical tensions that could lead to world war

After Russia invaded Ukraine, some commentators predicted that the sustainable development agenda would be overshadowed by concerns over this crisis and possible future conflicts. The fact that experts, like the general public, place climate change first, does not corroborate this idea, but geopolitical tensions nevertheless rose quickly in the ranking: among experts, they went from 4th in 2nd position, and among the general public from 9th to 3rd.

Experts are even more worried than the general public about the possibility of a further escalation of tensions, in Europe and beyond. We asked experts and the public to choose the idea with which they most agreed: "Geopolitical tensions will escalate potentially leading to a new era of world wars", or "the risk of world war is low because these tensions have always existed. Experts were more likely than the public – 77% versus 69% – to fear a new era of wars.

Likewise, 95% of experts believe that geopolitical tensions will become more persistent and 94% expect them to spread around the world. In the UK, in particular, experts are pessimistic – almost all are worried about tensions spreading globally.

When asked which aspect of geopolitical instability concerned them most, experts and the general public were most likely to cite the resurgence of military conflict. Nuclear threats worry the public more than experts (23% vs. 13%), and experts are more likely to cite supply chain disruptions (18% vs. 13%).

However, even options that are relatively low on this scale remain significant concerns. When we asked whether they considered the threat posed by geopolitical tensions to food and energy supplies to be a significant risk, 91% of experts and 85% of the public agreed.

EXPERTS FROM AXA CUSTOMER COMPANIES FEARE AN INCREASE SUPPLY CHAIN DISRUPTIONS

Business interruption is a significant fear for risk managers in large companies. They are almost likely to rank supply chain disruptions (28%) and resurgence of armed conflict (30%) among their top concerns about geopolitical instability. With the pandemic, businesses and governments have realized that their supply chains can expose them to shortages of goods.

Along with geopolitical competition – especially between the United States and China – this awareness is now fueling trends such as the decoupling of critical minerals and dual-use technologies, reshoring, friendshoring and deglobalization. Like these trends

seems likely to continue, insurers can play an important role in providing risk advisory services in supply chain management.

16)

Consequences of geopolitical tensions (histogram)

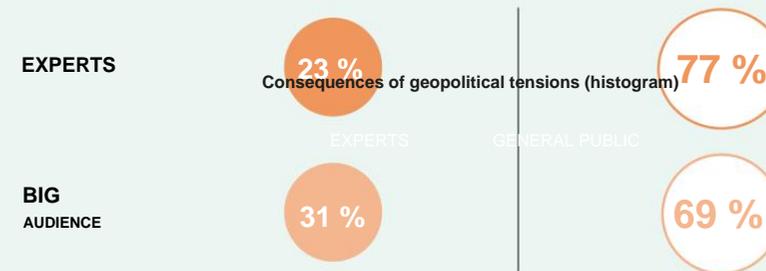
NB percentage of experts and GP thinking that there is an important risk that this consequence materializes

Experts GP

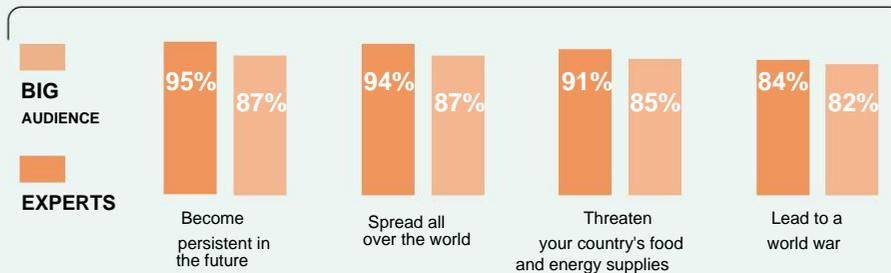
persistent in the future 95 spread around the globe 94 87

threaten your country's food and energy supplies 91 much lead to a global war 84 82

Opinion on geopolitical tensions become
 Geopolitical tensions have always existed and the risk is very weak that current tensions degenerate into world wars
 Geopolitical tensions are increasingly serious and could lead to a new era of world wars



Consequences of geopolitical tensions



NB percentage of experts and the general public thinking that there is a significant risk that this consequence will materialize
 NB percentage of experts and GP thinking that there is an important risk that this consequence materializes

FOCUS ON the youth



Young people are less concerned about geopolitical instability than older generations. The 94% rank 95% compared to 387% for the 87% general public as a whole. They are also more optimistic: for them, geopolitical tensions are not expected to lead to a new era of world war - 41% said they thought this risk was very low, compared to 31% of the general public and only 23%

become persistent in the future
 spread around the globe

Europeans are particularly concerned about the looming energy crisis

Energy risks rose in the rankings even more drastically than geopolitical tensions, rising more than ten places to 4th among experts and 5th among the general public. The two are linked: geopolitical turmoil has shone a spotlight on this risk, especially as countries that historically relied on Russian energy urgently seek to find alternative sources.

Experts (61%) and the public (58%) said their main reason for choosing energy risks as a priority was rising prices and supply issues.

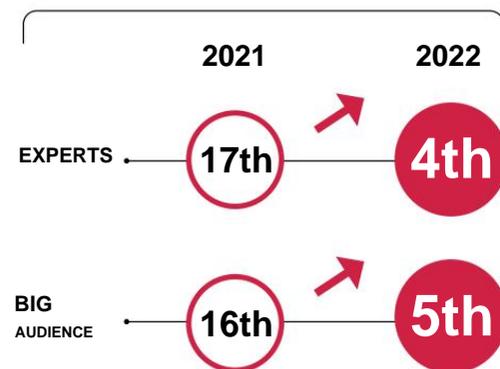
These concerns are particularly acute in Europe, where energy supplies are most directly affected by the Russian invasion of Ukraine. Energy risks are ranked higher in Europe than anywhere else, reaching 3rd position among the general public. In Germany, where Russia represented 40% of natural gas imports in the first quarter of 2022, the public ranks them in 2nd position.

Concerns about rising prices and supply disruptions are affecting businesses as well as families and individuals. When asked whether, in their daily lives, they felt personally exposed to risk, experts (73%) and the general public (71%) tended to feel more threatened by energy risks than everyone else. Likewise, experts were more likely to think that the general public is more aware of energy risks than any other risk on the list.

Energy risks combine geopolitical concerns and climate change, which requires a transformation of energy sources to move to a low-carbon economy. Only 19% of experts believe governments are well prepared to address energy risks – and, as with many other risks, they say collaboration between the public and private sectors should be the top priority to deliver innovative solutions making it possible to get through the current crisis and accelerate the energy transition.



Ranking of energy risks by experts and the general public



Our expertise will help us subscribe to technologies to ensure the energy transition

As a large risks insurer, how does AXA XL support the energy transition?

Libby Benet: As a large risks insurer, AXA XL understands the vital importance of helping its customers throughout their energy transition journey. Our goal is to work with clients who are "transition leaders", that is to say traditional energy suppliers who invest significantly in alternative solutions, or new energy suppliers who bring technologies alternatives.

To understand their transition plans and ensure they are aligned with our CSR objectives, we use a proprietary framework based on a number of science-based metrics. But as the challenge of the energy transition concerns the whole industry, we are also engaging in the wider energy market to help raise the bar across the sector and support our customers in this Steps.

What are the challenges in terms of underwriting?

LB : Much of the technology and many processes needed to deliver the energy transition are still in their infancy, which poses a challenge for underwriters: we lack claims experience and data on which to base decisions .

We and the rest of the industry will continue to rely on our underwriting expertise and energy sector experts to help us underwrite these new and developing technologies. We can also support our clients with innovative insurance solutions such as performance bond insurance – which covers the release of new technology that investors may not yet have complete confidence in.

INTERVIEW

Libby Benet
Global Director
of Underwriting at
AXA XL



THE POINT OF VIEW OF



How to reconcile energy security and long-term climate ambition?

Disruptions caused by the political crisis are resulting in higher prices, increased uncertainty over supply and, particularly in Europe, greater state intervention in markets to reduce the impact on consumers. The Russian invasion of Ukraine has highlighted Europe's energy vulnerability, but oil supplies have also been squeezed by OPEC discipline and US shale gas producers' focus on cash flow rather than growth. At the same time, energy demand is expected to continue to grow inexorably over the next decade.

If governments want to ensure energy flows sufficient in the future, they will have to propose a clear policy and regulation with a view to encouraging long-term investments.

But this does not mean sacrificing long-term climate ambitions and efforts to reach net zero emissions by mid-century.

The Inflation Reduction Act (IRA) in the United States will provide a major boost to emissions reduction efforts without penalizing energy availability or economic growth. Even as EU governments find themselves forced to intervene to manage short-term availability constraints due to reduced Russian gas flows, the European RePowerEU plan illustrates in an even more ambitious way that energy security and long-term decarbonization are not mutually exclusive.

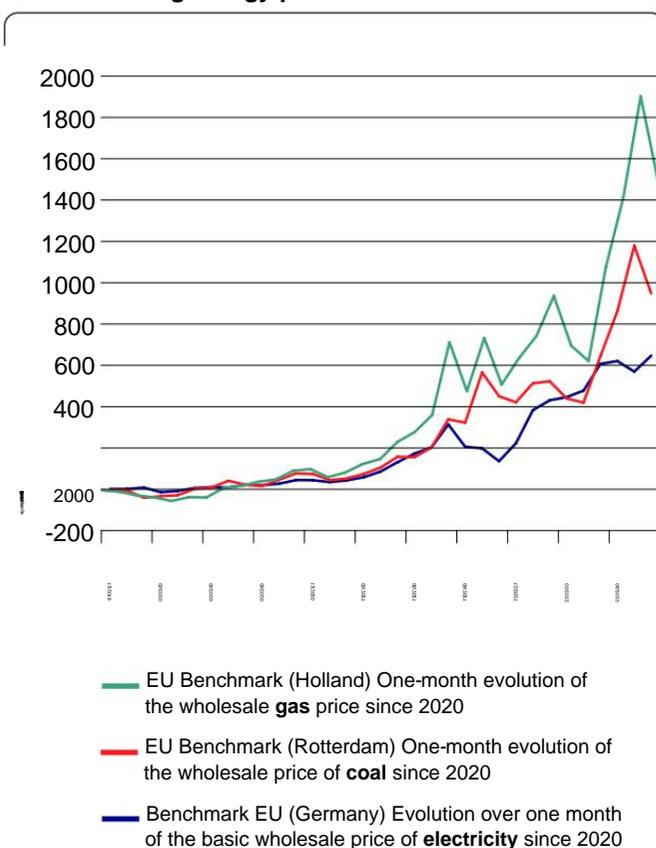
These policies transform the way energy is produced and consumed, new drivers

technologies will be at the origin of new geopolitical risks. China's decade-long rise to the world's leading supplier of clean energy systems is causing growing concern among Western allies and pushing them to embrace supply chain diplomacy and a targeted domestic industrial policy. A way not seen in decades. Skyrocketing demand for essential minerals to fuel production chains has sparked a new wave of resource nationalism in countries such as Indonesia and Chile. In this new energy landscape, control of intellectual property and technology transfer will be as essential as control of resource extraction has always been.

Government and business responses to energy security fears caused by price spikes and supply constraints will shape the overall arc of the transition. So this year China and India are not the only countries to have increased their short-term reliance on coal in response to global natural gas prices; the same was true for Germany. The governments in Beijing, New Delhi and Berlin remain committed to reducing emissions in the long term; but keeping the lights on and continuing to fuel their economies is a top priority, even if it means huge fiscal support and imposing efficiency measures.

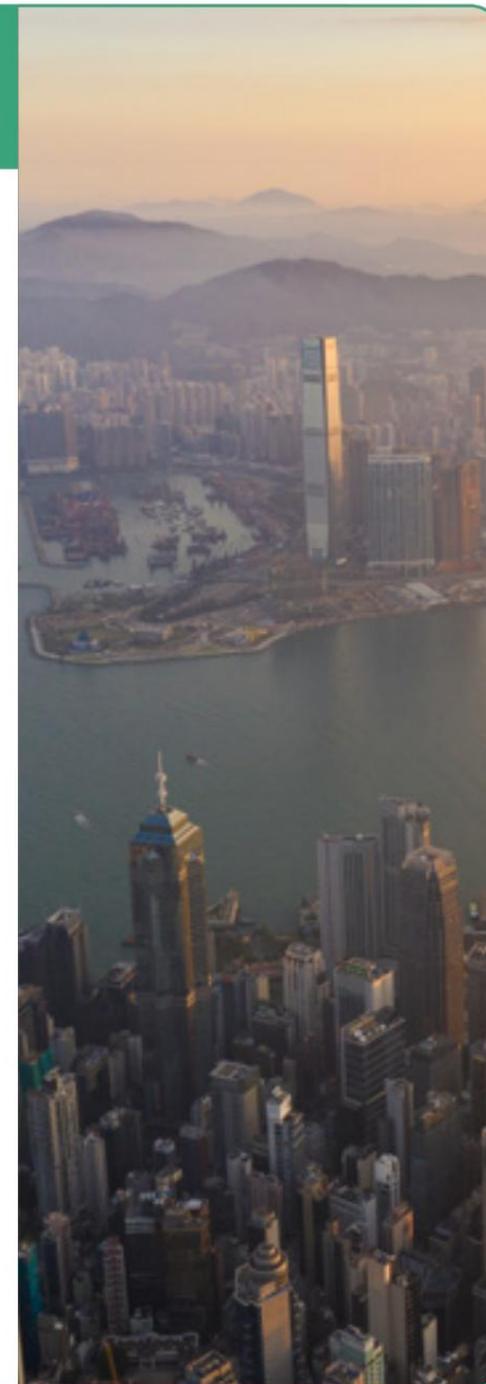
Governments fail to set the agenda. The financial sector can play its role with disclosure policies and capital allocation decisions based on decarbonization and requirements

Rising energy prices in the EU



Source: Refinitiv

climate of their investors and shareholders. But growing public concern over energy security, fueled by last year's geopolitical crises, will put increasing pressure on governments for global cooperation.



HISTORICAL PERSPECTIVE

The role of insurers in helping companies deal with new or evolving risks

The role of insurers is to protect people against risks. Historically, when new sources of uncertainty have emerged, insurers have found innovative solutions.

In the face of uncertainty -
The birth of insurance

Cooperating to address emerging risks -
Insurance groups and public-private partnerships

From physical risks
to digital risks

1600s



The role of insurers is to protect people against risks. Historically, when new sources of uncertainty have emerged, insurers have found innovative solutions. Indeed, the very beginning of the insurance industry - in the 1600s, in a London café frequented by shipowners and merchants - came to address a new form of risk: the sinking of ships carrying goods of value, while the exploration of the New World was accompanied by the increase in international trade by sea.

1666



When the Great Fire of London destroyed more than 13,000 buildings in 1666, it highlighted the risk of fire to property. Marine insurers have responded to public concern by diversifying into fire insurance. Over the centuries, the same pattern has played out time and time again: a new form of uncertainty arises and the insurance industry responds by developing new products and services.

The 50's



Sometimes this has meant finding new ways to work together. So as fear of nuclear disaster grew in the 1950s, for example, insurers faced a new challenge: A nuclear accident in a given country could overwhelm that country's insurance industry. But the population continued to want to take out insurance against nuclear risks. The solution was to pool risks internationally. Today, 300 companies in 31 countries pool their capabilities(4).

(4) Nuclear pools – How does nuclear insurance work? – Nuclear Risk Insurers

80 years



In other cases, the insurance industry has collaborated with governments on innovative ways to protect the public from emerging threats. In the 1980s, for example, the increase in extreme weather events not covered by traditional insurance pushed the State and French insurers to set up the "Cat Nat" system, a public-private partnership associating public reinsurance with the expertise of private insurers.

2001



Similarly, with the September 11 attacks resulting in some of the largest settlements in global insurance history, insurers in the United States and other countries have partnered with governments to share the compensation risks in the event of future acts of terrorism.

90s-2000s



More recently, with the rise of the IT sector there has been rapid growth in insurance products against cyber risks. These were initially aimed at IT companies managing systems used by other companies, but with an ever-increasing scope. The parallels with the 1600s are clear: as economic value and business practices have shifted from land to sea, they are now moving from the physical to the virtual - in both cases, creating new uncertainties and sparking innovation from the insurers to help people manage the unknown risks they face.

3

THE RISKS OF “NEW NORMALITY”: CYBER AND HEALTH

Cyber risks once again feature prominently in this year's study: with rising geopolitical tensions and the increasing digitalization of our lives, the prospect of a major cyber attack – targeting essential services and infrastructure – never seemed so real. In the wake of the pandemic, cyber risks seem likely to join the risks of the “new normal” and a broader spectrum of health risks in the landscape: if the study shows that concerns about pandemics are receding in many regions it also highlights growing concerns about other aspects of health.



FOCUS ON the youth



As in last year's study, younger people are less likely than their older counterparts to select cybersecurity risks due to concerns about threats to critical infrastructure and essential services. On the other hand, they are relatively more concerned about identity theft (29%) and invasions of privacy (25%).

Cybersecurity Concerns Remain High Amid Growing Geopolitical Tensions

Every year, cyber risks appear in the top three experts in the study. Only the risk of the 2020 pandemic pushed them down to second place, the study then coinciding with the emergence of Covid. The same is true this year with geopolitical risk following the Russian invasion of Ukraine. With life becoming increasingly dependent on technology, cybersecurity risks appear – like health – to be an enduring feature of the future risk landscape.

This is especially true as the expected spread and persistence of geopolitical tensions directly fuel concerns about cyber risks. Asked about the main concern that motivated them to take this risk, experts this year were slightly more likely than last year to cite the shutdown of critical infrastructure and essential services (51% versus 47% in 2021). Conflict between nation states is a major risk factor for attacks targeting a country's essential services, such as healthcare systems – which are already under severe pressure in many countries, as they seek to deal with the consequences of Covid.

As with many risks, experts cited public-private collaboration as the highest priority for public authorities to address this risk. Experts are much less likely to say that the public sector (25%) is well prepared for cyber risks compared to 42% for the private sector – indeed, they believe that the private sector is better prepared for cyber risks than any other .

Main concerns of experts and the general public regarding cyber risks

EXPERTS	GENERAL PUBLIC
1 Shutdown of essential services and critical infrastructure	1 Identity theft (personal and corporate)
2 Identity theft (personal and corporate)	2 Shutdown of essential services and critical infrastructure
3 Cyber-extortion and ransomware	3 Privacy breaches

RISKS THAT REMAIN UNNOTICED – HOW QUICKLY DO TECHNOLOGY DISRUPTIONS EMERGE?

When we asked experts to classify each risk as “slowly emerging,” “rapidly emerging,” or “already present,” the top two risks in the “rapidly emerging” category were technological: technology-related economic risks (50%) and risks linked to disruptive technologies (48%). Among technology-related economic risks, the most cited concern – mentioned by 38% of respondents last year and 41% this year – was related to cryptocurrencies and digital tokens.

Disruptive technologies remain at the bottom of the overall ranking, although they have progressed slightly this year compared to last year among experts (going from 21st to 20th place) and among the general public (from 24th to 23rd place). After a year of hype around the Metaverse, advanced human-machine interfaces and virtual and augmented reality remained the most cited concerns among respondents who chose this risk.

Artificial intelligence (AI) and big data is another technology risk that was widely seen as “rapidly emerging” (46%). Experts and members of the public who cited this risk were more likely this year than last year to prioritize advanced AI because for them it poses an existential threat to humanity - in contrast, concerns regulatory and liability issues were mentioned more often in last year's study.

The emergence of a “technopolar” world

The events of 2022 have reinforced the sense that power is largely shifting from nation states to a handful of global technology companies. The war in Ukraine has shown that these companies can have more geopolitical influence than many countries: Microsoft detected Russian cyberactivity and Starlink provided connectivity to Ukrainian cities and troops. Meanwhile, when Western countries sought sanctions that would weaken the Russian government, high-end technological components were at the top of the list.

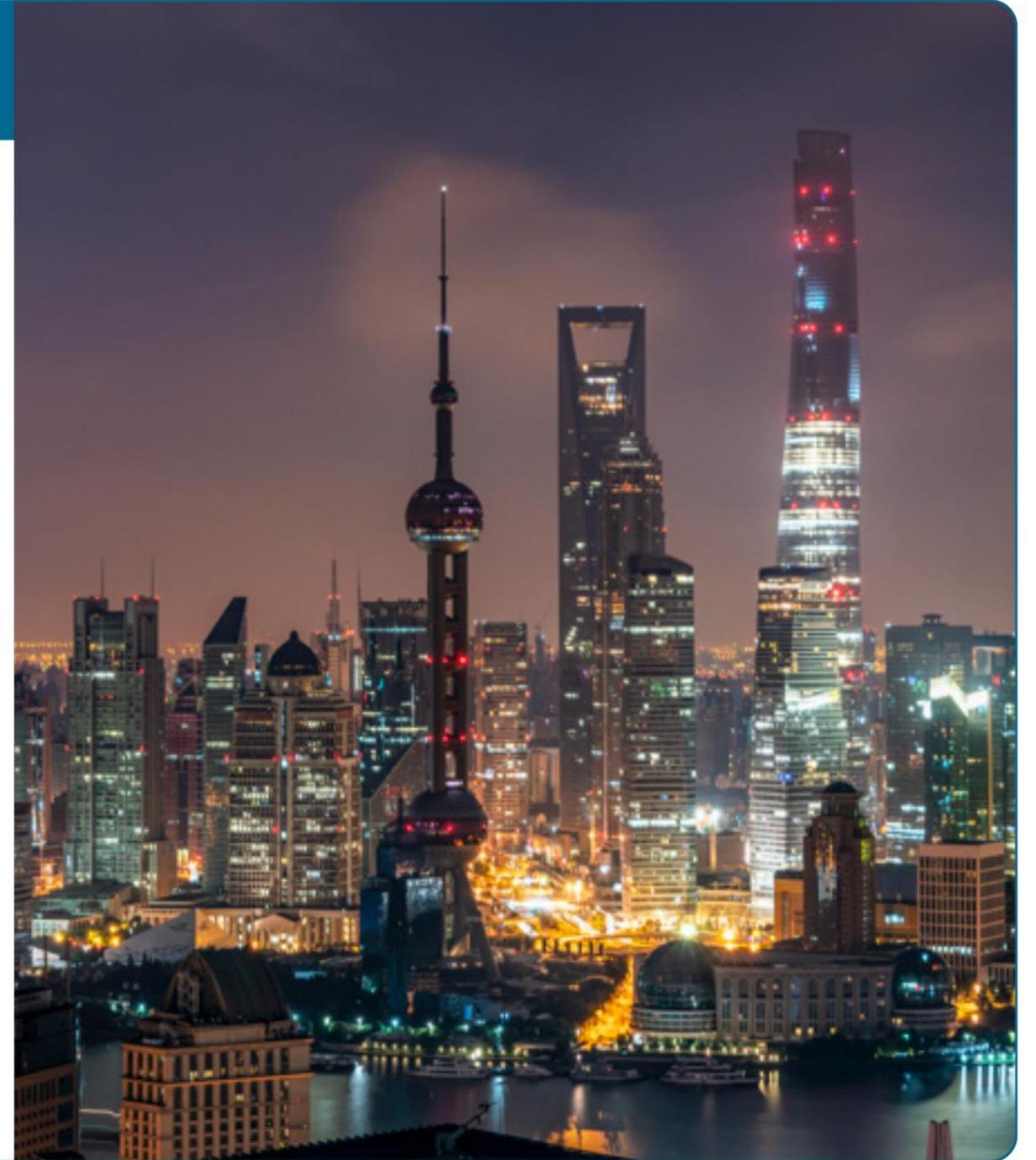
The way business leaders, journalists, and political activists now communicate with the public, primarily through a few social media platforms, perfectly illustrates the emerging “technopolar” world. The companies that own these platforms continue to be largely left to their own devices: when the Supreme Court issued, for example, *Roe vs. Wade*, they decided for themselves how to regulate speech about abortion and health procreative.

Tech company executives are also making various bets against the state, notably, at least for the private provision of historically public goods. These include

of the commercialization of space, advocacy for the adoption of cryptocurrencies – which reduce the power that states can exercise through monetary policy – and attempts to popularize the metaverse as a future means of communication.

Despite some momentum in the United States, antitrust and privacy legislation remains far from a given, although without Congress, American regulators have moved against growing technological power. Other states, such as the EU and Australia, have gone further in their fight against tech platforms. China organized a crackdown that was ostensibly aimed at curbing monopolies, but in reality it was mainly aimed at subordinating technological power to political power.

The power of tech companies will only grow stronger in 2023, and they will increasingly occupy positions commensurate with their power. These positions may align with governments – as has happened primarily in Ukraine – but they may just as easily not align.



Public health concerns persist and grow

For experts, the risks linked to pandemics and infectious diseases have lost their acuteness - coming in 5th place in this year's study, compared to 3rd place last year and 1st in 2020. This is in Europe that the decline was the greatest, while experts in other geographies – notably Africa, Asia-Pacific and the Middle East – continued to rank it higher. The general public remains more worried than experts about health: they ranked this risk first last year, and it is only in 2nd place this year. However, it is still in the top 3 of the rankings in Africa and Asia.

Ranking of pandemics and diseases infectious diseases by region according to experts



The study results indicate that persistent health problems are gaining ground since Covid. Last year, for 41% of general public respondents who selected pandemics among their top risks, the long-term impacts of Covid was their main concern. This proportion has more than halved this year, to 19% – but members of the public are more worried about new strains of other infectious diseases (32% versus 23%).

With new health alerts regularly appearing in the media – from the spread of monkey pox to an increase in hepatitis in children and the discovery of cases of polio in UK sewage – the attention of the public about health risks should not relax.



UNNOTICED PAST RISKS – HOW CLOSE ARE WE TO A MENTAL HEALTH CRISIS?

The general public may be underestimating the long-term mental health consequences of the Covid pandemic, particularly when combined with the potential mental health impacts of growing geopolitical unrest.

In the study, mental health is among the risks linked to changing health practices and new occupational illnesses. Overall, the public ranked this risk slightly higher this year than last year (17th versus 18th). Last year, however, most people (39%) cited mental health as their main reason for choosing this risk, likely driven by the persistence of lockdowns as a policy response to the pandemic. This year, mental health (27%) is far behind overreliance on medications (45%) which is the top concern in this category.

Among experts, on the other hand, mental health remained the main reason for choosing this risk (57% last year and 54% this year). Dr. Jasmin Wertz, a scientist supported by the AXA Research Fund, highlights several promising solutions: teletherapy and online counseling, the integration of mental health care into first aid structures, and innovative efforts to train doctors and combine their expertise in physical and mental health, placing the patient at the center.

Covid-19 and its impacts are a key factor in AXA's mental health study, which reveals that in almost all countries, mental well-being is, after the economy, the second casualty of the pandemic(5).

(5) <https://www.axa.com/fr/insights/resultats-de-lenqu%C3%AAtude-letude-axa-sur-la-sante-mentale-et-le-bien-etre-en-2022>

Top concerns of experts and the general public regarding pandemic and infectious disease risks

- 1 New strains of infectious diseases: Ebola, Zika, Lassa fever, SARS...
- 2 Changing types of infectious diseases due to the impact of climate change
- 3 Covid Long

POINT FROM VIEW OF AXA Fund for Research

The recent global health crisis has highlighted the lack of resources to fully meet the demands of public healthcare. Our societies experience multiple “syndemics” – when two or more diseases, whether infectious or non-communicable, are made worse by interacting with each other and with structural and societal inequalities. According to Professor Lara Dugas, an AXA-supported researcher at the University of Cape Town, social determinants and environments are key to explaining differences in access to good health.



FOCUS ON the youth



Despite their broader concern about environmental risks, young people are more concerned about long Covid than the general public, and they are less worried about the impact of climate change on infectious diseases. There is a similar tendency to focus on long-term health threats when it comes to chronic diseases, with young people more likely (44%) to say they are concerned about behavioral risk factors such as diet and sedentary lifestyle, while the general public is more concerned (39%)



Daniel Bandle,
CEO of AXA Mexico

☞ In 2019, we launched AXA Keralty, offering an integrated health system focused on prevention

Latin America faces a number of endemic health problems, including unhealthy populations and saturated public health systems. In Mexico, the region's second largest economy, 70% of the population is overweight. This results in a high incidence of high blood pressure, cardiovascular disease, diabetes and other chronic diseases. The public health system is overburdened and barely 8% of Mexico's 130 million people have private health insurance.

In 2019, we launched AXA Keralty, offering an integrated prevention-focused health system including health check-ups and health care programs, diagnostics (such as blood tests and x-rays), general first aid, pediatric and gynecological, and ten specialties including orthopedics, urology and psychology services. At the heart of AXA Mexico's health strategy, this initiative aims to serve uninsured population segments while preventing or facilitating the early detection of chronic diseases.

Three years after its launch, the program has opened 14 clinics and – thanks to strategic alliances with private hospitals – we are now present in more than 20 cities, providing care to more than 300,000 patients and carrying out more than 21,000 check-ups, health and 245,000 consultations. An early indicator of its impact is that corporate clients who have combined AXA Keralty's services with their traditional medical insurance coverage report that their employees are healthier and therefore more productive.



Delphine Icart,
CEO of DHP Inc.

☞ In partnership with Microsoft, AXA is developing an open health ecosystem to orchestrate patient care pathways

Moving from a siloed perspective to a collaborative approach is the way forward for healthcare. This is why, in partnership with Microsoft, AXA is developing DHP (Digital Healthcare Platform), an open health ecosystem to orchestrate patient care pathways. Connecting existing solutions from different players in optimized, patient-centric journeys will lead to better engagement, faster access, better control and greater data efficiency.

This collaborative framework will make it possible to put in place more flexible and sustainable systems because it relies on multiple actors and solutions. It stimulates collective resilience. Openness, connection and orchestration are at the heart of this innovative proposition for all healthcare stakeholders – including pharmaceutical companies, health technology companies, insurers and hospitals – to collaborate and to collectively leverage existing solutions to deliver a more patient-centric experience.

☞ Emma offers a range of 25 insurance, health and wellbeing services

In Asia, AXA has developed a mobile application called "Emma". With over 4 million registered users across six markets, Emma offers a range of 25 insurance, health and wellness services. It is a holistic "payer to partner" ecosystem that delivers a seamless omnichannel experience in a personalized, proactive and humanized way.

Emma faces three fundamental healthcare challenges.

First, it improves access to timely care by involving digital health partners providing 24/7 services. Emma offers a seamless journey through on-demand services such as teleconsultation, medication delivery, symptom checker, chronic disease management, psychological counseling,

monitoring of physical activity and nutritional advice.

Secondly, Emma improves the quality of care. By integrating health and well-being services with insurance products, AXA offers comprehensive propositions that are both curative and preventive. Emma also offers features that allow customers to request payment-free access, search for hospitals and physician networks, submit requests online, and get updates on the status of their request.

Finally, Emma manages costs better. By establishing a robust and secure database for health, lifestyle and behavioral data, Emma is refining our pricing and underwriting to offer affordable solutions.

Françoise Gilles,
Director of
strategic
development
from AXA Asia



4

**RAPID EMERGENCE
FINANCIAL RISKS
COULD FEED
SOCIAL TENSIONS**

Concerns about economic risk have increased over the past five years. In 2018, no economic risk appeared in the experts' top 10. The risks of financial instability are the first to enter this leading group, followed by macroeconomic risks. This year, monetary and budgetary risks joined the top 10 experts for the first time.

However, expert opinions differ on how quickly these risks are likely to manifest. Only 13% think the risk of financial instability is “already present” – one of the lowest scores of any risk in the sample with the remaining respondents split between –, those who think the risk is emerging quickly (46 %) and slowly (41%).

A similar trend emerges for macroeconomic risks, with 22% believing that the risks are already present; the people surveyed are also equally divided between rapid emergence and slow emergence (39% each).

However, experts say we have less time to prepare for monetary and fiscal policy risks: 45% believe these risks emerge quickly.



Evolution of financial and economic risks in the ranking of experts since 2018

Risks 2018	2019	2020	2021	2022
1 Climate change	Climate change	Pandemics and infectious diseases	Climate change	Climate change
2 Cybersecurity risks	Cybersecurity risks	Climate change	Cybersecurity risks	Geopolitical instability
3 Geopolitical instability	Geopolitical instability	Cybersecurity risks	Pandemics and infectious diseases	Cybersecurity risks
4 Natural resource management	Social discontent and local conflicts	Geopolitical instability	Geopolitical instability	Energy risks
5 Social discontent and local conflicts	Natural resource management	Social discontent and local conflicts	Social discontent and local conflicts	Pandemics and infectious diseases
6 Risks linked to artificial intelligence and big data	Risks linked to artificial intelligence and big data	New security threats	Risks linked to biodiversity and natural resources	Social discontent and local conflicts
7 New security threats	Pollution	Macroeconomic risks	New security threats and terrorism	Risks linked to biodiversity and natural resources
8 Pollution	Pandemics and infectious diseases	Risks linked to biodiversity and natural resources	Financial stability	Financial stability risks
9 Medical progress and new features	New threats for the safety	Financial stability risks	Macroeconomic risks	Macroeconomic risks
10 Pandemics and infectious diseases	Macroeconomic risks	Pollution	Risks linked to artificial intelligence and big data	Risks linked to monetary and fiscal policies

The general public is not yet sufficiently aware of economic risks

Our study suggests that the general population does not yet appear to share experts' growing concern about the economy. Like last year, only financial instability appears in the top 10 risks for the general public, with monetary and budgetary risks stagnating in 12th place.

Experts say members of the public are not as aware of economic risks as they believe. When asked to rate the general public's awareness of risks, only 26% of experts said the general public was fully or somewhat aware of the risks of financial instability, while 49% of the public thought they were aware of them. For macroeconomic risks, 55% of the public considers general awareness high compared to only 30% of experts.

When looking across regions, the general public in Europe is least likely to rate their peers as aware of economic risks, while in Africa they rate awareness highest.

ALONE
26 %
 experts believe the general public is aware of the risks of financial instability



23
 Experts rating of public and private sector preparedness for financial risks

	Public	Private
Financial stability risks	24%	31%
Monetary and fiscal policy risks	23%	31%
Macro-economic risks	17%	26%

NB: percentage of experts thinking that the public/private sector is ready

Experts doubt public and private preparedness for financial risks

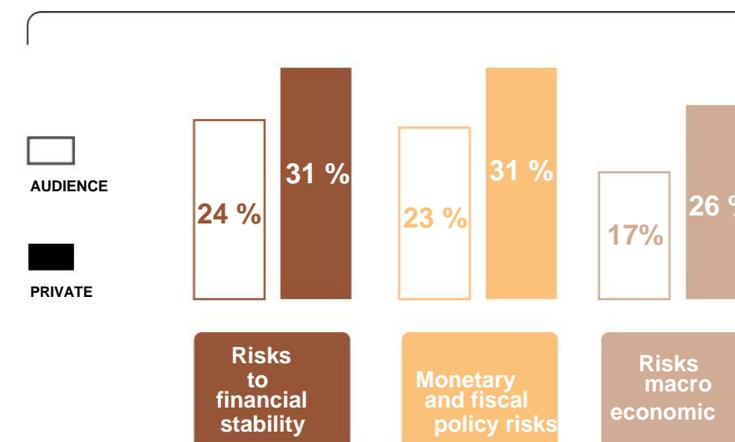
For the three financial risks in their top 10, the experts seriously doubt the state of preparedness of public authorities: for example, only 24% of experts consider that public authorities are ready to face the risks of financial instability, even if the general public is more optimistic with 37%.

Asian experts are most likely to be positive about preparedness, while American experts are particularly pessimistic: only 12% consider that public authorities are prepared to face the risks of financial instability, 13% for macro-risks. economic and 19% to risks linked to monetary and budgetary policies.

Overall, both experts and the general public across geographies tend to view the private sector as better prepared than public authorities for financial risks. This should encourage the private sector and insurers to offer solutions. It also reinforces the argument that the private and public sectors must work together to confront market crises: for each of these three risks, experts agree that public-private partnerships are the best approach.

Experts rating of public and private sector prepared for financial risks (histogram)

Expert assessment of public and private sector preparedness for financial risks



NB: percentage of experts thinking that the public/private sector is ready

Experts worry about systemic market failures

Financial instability is the only economic risk to appear in the top 10 rankings of both experts and the general public. The two groups surveyed are mostly aligned on their main reason for choosing this risk: the systemic failure of financial markets.

The next two concerns are asset bubbles and the lack of coordination to deal with financial risks - which is essential in a context of digitalization which makes economies increasingly interconnected.

Market failures also motivated experts to choose macroeconomic risks as one of their priorities: the two main concerns motivating this choice being instability in the Eurozone and crises in emerging markets.

3 main concerns of the general population and experts regarding risks to financial stability

Systemic failure of financial markets

Lack of coordination to address financial risks

Asset Bubbles

FOCUS ON the youth



By moving them into 4th position, young people rank the risks of financial instability higher than the general public as a whole. This may reflect their personal experiences of the job market after the Covid crisis, although they were slightly less likely than average to report feeling vulnerable to this risk in their daily lives: 60% compared to 63% of the public. The young people surveyed have more confidence in the preparation of public authorities (43% versus 37%) and the private sector (48% versus 38%) in the face of financial risks. They are slightly less concerned than average about monetary and



Inflation could lead to social unrest

Inflation erodes citizens' purchasing power: in the United States, for example, inflation reached 9.1% in June, and in the United Kingdom it reached 10.1% in August – in two cases, the highest in the last 40 years. In this year's study, experts included risks related to monetary and fiscal policy in the top 10 for the first time. When asked why they chose this risk, 66% indicated that they were concerned that ineffective monetary policy would lead to hyperinflation.

Respondents in our study fear that persistent inflation will lead to social unrest and riots. The International Monetary Fund warned in April of possible riots in southern Africa(6), while the United Nations expects food security to deteriorate in 2023(7) and warned that no country was protected from the social erosion caused by rising commodity prices. In the mid-2000s (8), several developing countries already experienced "hunger riots" due to price volatility.

Social tensions and movements appear in the top 10 risks for both experts (6th) and the general population (7th). Asked about the main concern that motivated them to choose this risk, the two categories surveyed cited as a priority the rise in inequalities, social violence (riots) and food and water insecurity which is a growing concern this year. However, the general public does not feel more exposed to social tensions in their daily lives this year than in 2021, nor do they believe that this risk is emerging more quickly.

Social tensions are particularly present in the minds of those surveyed in the Americas, the general public ranks this risk in 5th place and experts in 4th place. In the United States, new security threats and terrorism are also among the top concerns of experts (7th) and the general public (4th), driven primarily by concerns about mass killings and shootings. This above-average concern is likely due to the Capitol riots and the growing polarization of society.

Polarization could also become a major and lasting trend between developed and developing countries. In its Human Development Report 2021/22, the UN is concerned about the growing gap between the most developed countries - most of which manage to maintain high scores on the human development index - and the countries developing, where declines are often rapid and worsening. In this context,

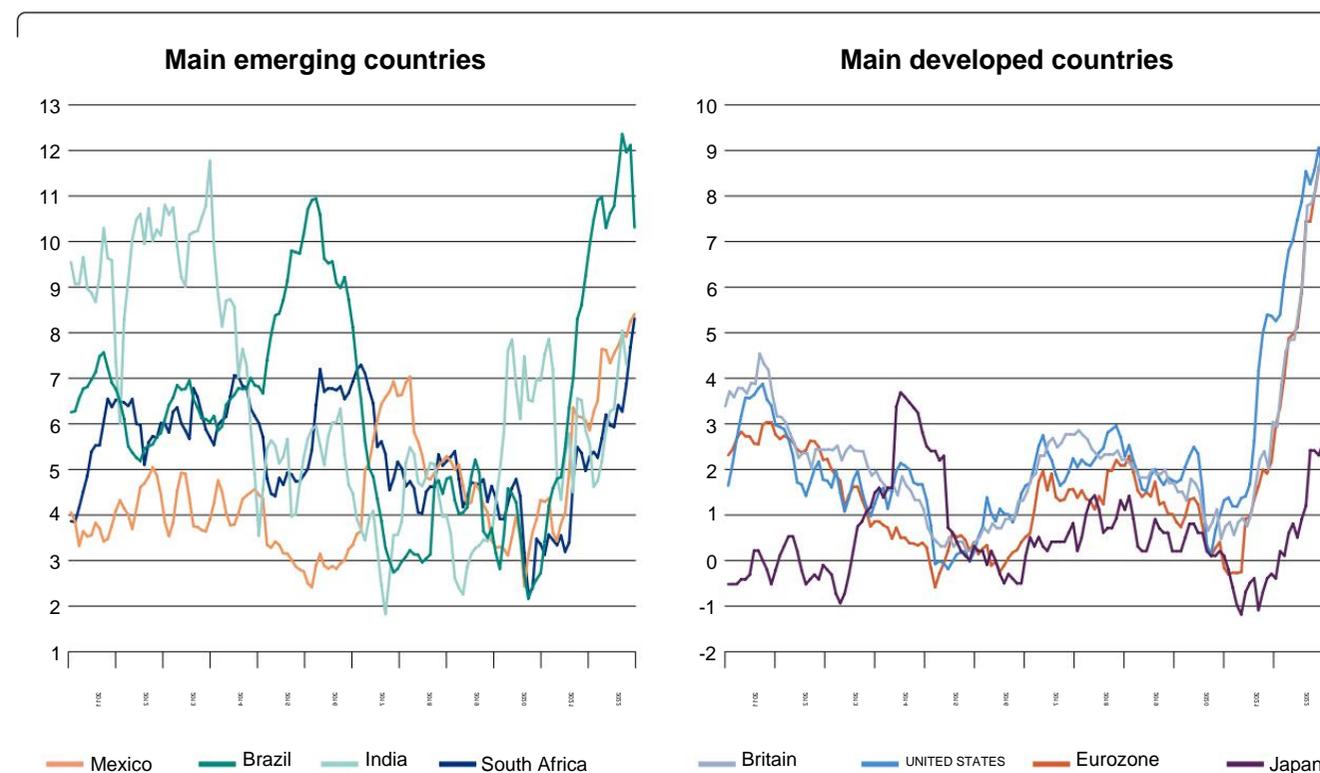
the UN highlights the role of insurance "to protect everyone from the vagaries of an uncertain world".

(6) The surge in food prices due to the war in Ukraine could fuel "unrest" in Africa, according to the IMF, France 24, April 28, 2022

(7) Food insecurity threatens societies, exacerbates conflicts and "no country is safe", UN News, May 19, 2022

(8) Food Riots and Food Rights, Institute of Development Studies, June 2014

Evolution of inflation in recent years
(Consumer Price Index, all goods, % change from year to year)



Source: IMF and Macrobond

Unfortunately, on both sides of the Atlantic, a recession in the winter of 2022-2023 is the most likely scenario

Unfortunately, on both sides of the Atlantic, a recession in the winter of 2022-2023 is the worst scenario.

more likely. Inflation erodes consumption, while causing a sharp tightening of monetary policy which weighs on financial conditions. In principle, the slowdown in global demand should ease the pressure on commodity prices, but in the case of the euro zone, dependent on Russian gas, non-economic factors – and in particular the development of the conflict in Ukraine – who dominate. It is therefore likely that the economic slowdown will be more pronounced there than in the United States.

By mid-2023, our central scenario is that the US labor market correction will have dampened wage growth and slowed inflation. In Europe, the decoupling of Russian gas should be well underway, reducing energy costs and restoring confidence. However, we find it difficult to imagine a return to the previous situation in terms of central bank policy. Interest rates are expected to remain higher than before the pandemic.

This interest rate environment will gradually force governments to commit to a path of reducing deficits.

Gilles Moëc,
Chief Economist
of the AXA Group



THE POINT OF VIEW OF



Faced with the food crisis

Following the Russian invasion of Ukraine, rising food prices began to alarm consumers, even in rich countries. Food inflation is an even greater concern in low- and middle-income states, where households spend an average of 30 to 40 percent of their income on food. At the end of 2021, around 1.2 billion people were food insecure(9). By mid-May 2022, this figure had increased to 1.6 billion, and this upward trend is expected to continue.

Geopolitical instability threatens food security: according to the World Food Program, people living in conflict-affected states are 2.5 times more likely to be undernourished than others. But the dynamic can also work in the opposite direction: food insecurity can trigger destabilizing protests, particularly in countries with other fragilities, including poor governance. While Eurasia Group believes that a broadly destabilizing wave of unrest is unlikely in 2022-23, intermittent episodes of protest will persist. According to data from the Carnegie Endowment for International Peace, the number of major protests related to food and agriculture in the first half of 2022 has already exceeded the number of all similar events in the previous five years. Recent examples include protests in Sri Lanka, Ecuador and Iran.

In the coming years, climate change will further amplify unexpected threats to food security caused by shocks such as wars and pandemics. An analysis cited by the United Nations Intergovernmental Panel on Climate Change indicates that yields of major food crops are expected to fall by 10 to 25 percent for each degree of global warming.

The share of cultivated land affected by drought is expected

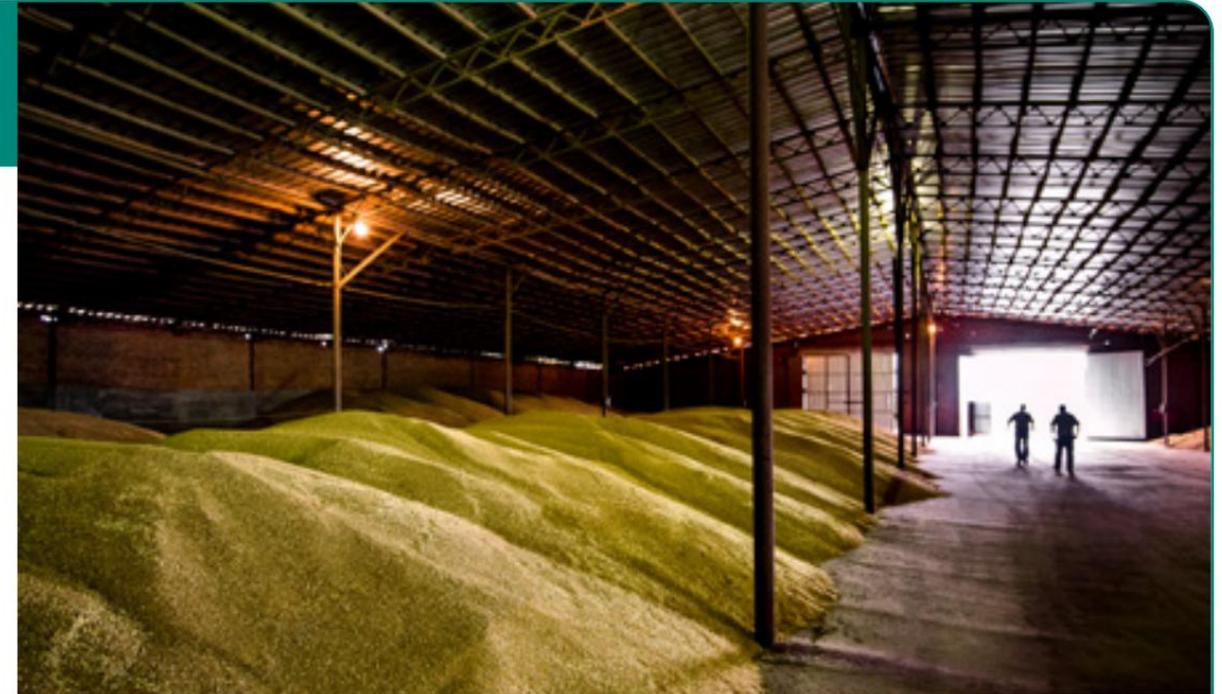
more than triple globally by 2050, to almost 32%. Extreme weather events have increased food security risks in 2022: yields are expected to fall in European countries that were reeling from intense summer heat, and, in May 2022, in response to a heat wave that damaged its crops, India banned wheat exports.

Avoiding these export bans is one step policymakers can take to mitigate food security risks, as part of open trade policies that address broader imbalances in trade and national food stocks.

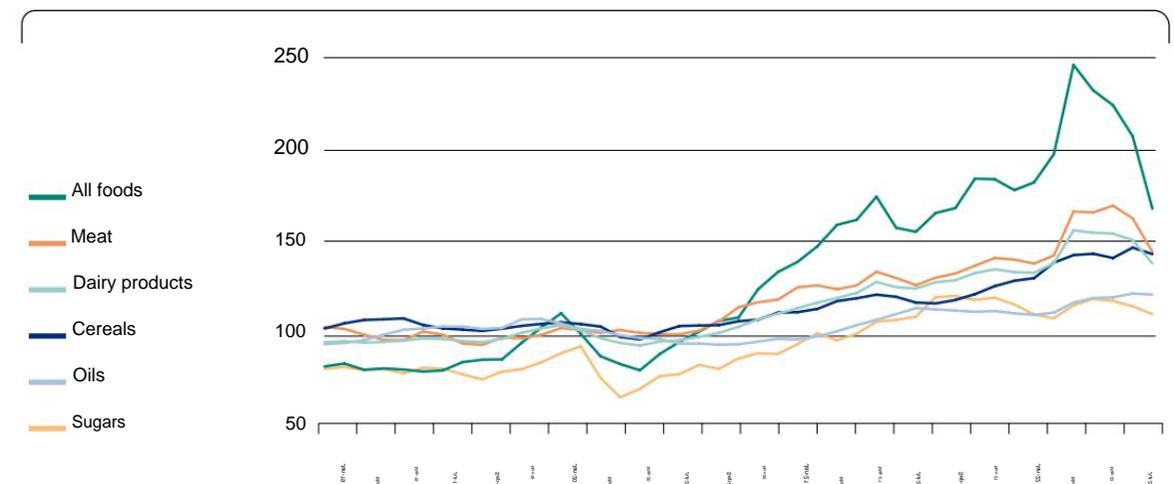
More effective food aid should be provided to low-income countries, particularly those that are net food importers, with programs to support, where possible, smallholder farmers as they produce much of the world's food. food consumed in the developing world. Insurers can play a role in offering innovative risk management products to food producers and major buyers.

In the short term, policies should seek to protect the most vulnerable consumers from price increases and reduce the costs of agricultural inputs, such as fertilizer and fuel. In the medium and long term, adaptation to climate change and mitigation of its consequences as well as more sustainable agricultural practices will be necessary. With around a third of global production currently wasted, investments in food storage, logistics and distribution will also be essential.

(9) Information given by Eurasia Group and Devry BV Sustainable Strategies based on Gro Intelligence data



FAO Real Food Price Index between 2019 and 2022
(2014-2016 = 100)



Source: FAO

5

**THE VULNERABILITY
GROWING DRIVES
A LOSS OF CONFIDENCE
TOWARDS THE EXPERTS
AND AUTHORITIES**

Experts say people around the world are increasingly vulnerable to risks as growing geopolitical tensions combine with market volatility, the climate crisis and ongoing health risks.

When asked whether people around the world are more or less vulnerable to risks than they were five years ago, 89% of experts say they are more vulnerable, compared to 84% last year.

Experts and the general public alike tend to believe that people are more exposed in the world in general than in their own continent, country or city: the closer you get to where they live, the less likely those surveyed are to see an increased vulnerability. Only 67% of experts – and 61% of the general public – agreed that people in their own city or town were more at risk than they were five years ago, in both cases down slightly from last year.

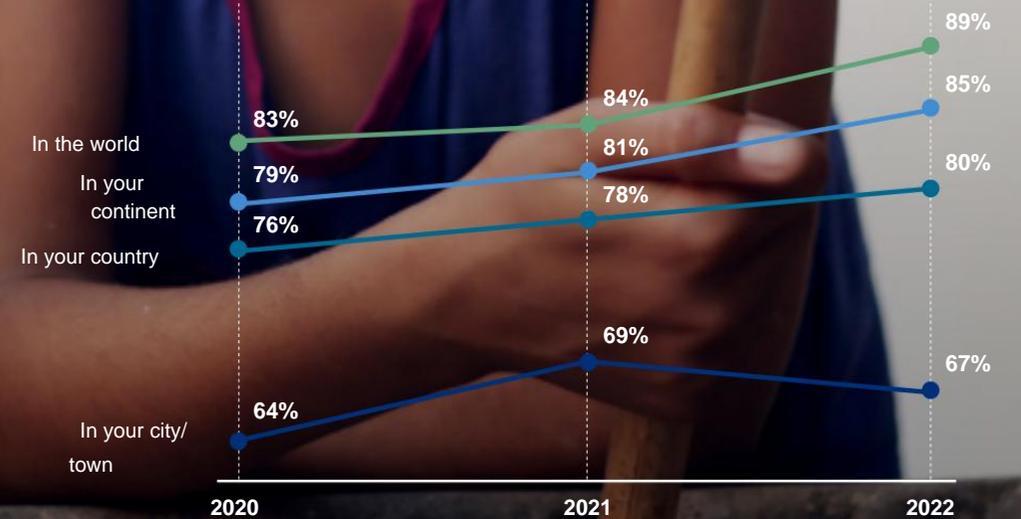
This suggests that a familiar environment and networks of personal ties alleviate feelings of vulnerability.

When we asked respondents if they felt exposed to specific risks in their daily lives, they were more likely to say yes for more tangible risks – such as pollution, terrorism, chronic diseases, pandemics and energy – only for risks that may seem even more abstract but rank higher overall, such as geopolitical tensions and climate change.

Regarding the vulnerability of the world's population as a whole, environmental themes - climate change, pollution and energy risks - dominate among the general public, while experts place other risks at an equally high level, notably cyber risks, pandemics, monetary and fiscal policy, and ethical risks related to technology.



Level of vulnerability of the population compared to 5 years ago



FOCUS ON the youth



Young people feel both more willing to take risks and more vulnerable to them. Only 53% of those under 25 agree that they are reluctant to take risks in their daily lives, compared to 64% of the general population. Only 39% say they prefer to give up on some of their dreams rather than take too many risks, compared to 54% for the general population. But 55% say they feel vulnerable to risks in their daily lives, compared to 47% of the gen

Over the past two years, the population has become more risk averse

During this time, the general public has become more cautious on a personal level and more reluctant to support risk-taking on a societal level.

When we asked respondents if they often felt vulnerable in everyday life, 47% agreed - up from 44% in 2020, the last time we asked this question. Although this is only a small increase, it is holding steady in almost all geographies.

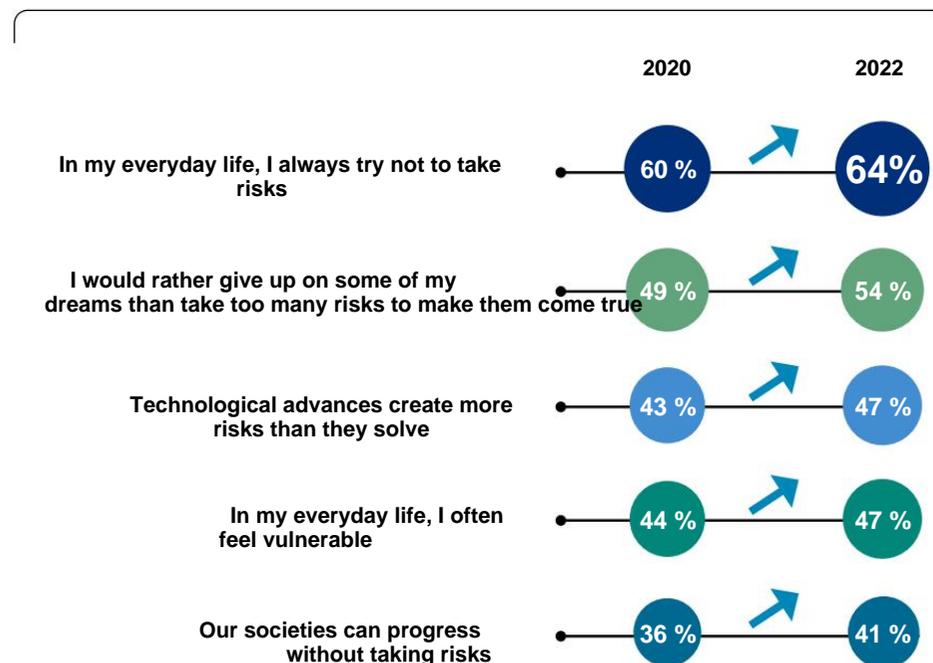
Similarly, 64% of the public agree that they try to avoid taking risks in their daily lives (compared to 60% in

2020), while 54% say they would rather give up on certain dreams than take too many risks (compared to 49%). Even in the United States, the land of the "American dream", the majority of those surveyed (52%) now share this opinion.

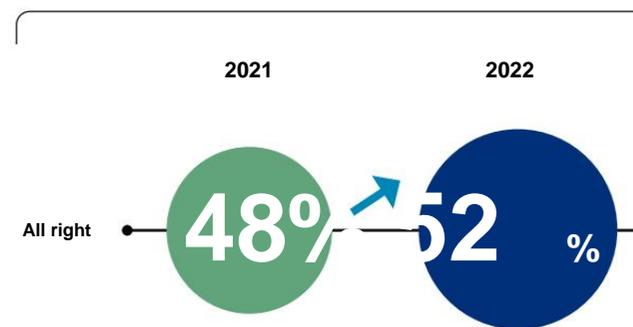
The general public is also less convinced that taking risks is necessary to succeed. When asked if they thought the company could progress without taking risks, 41% said yes, up from 36% in the previous study.

Similarly, 47% believe that technological advances create more risks than they solve, up from 43%.

General public opinion on risks



Focus on the United States - The end of the American dream?



NB: Percentage of people in the United States who agree with the statement "I would rather give up on some of my dreams than take too many risks to achieve them"

NB: Percentage of people agreeing with the statement / This question was not proposed in the 2021 survey

As a leading insurer, we seek to reassure people by providing support and helping them protect themselves against a range of risks

One of the key takeaways from the Future Risks Report is the growing sense of vulnerability and risk aversion among the general public.

The role of an insurer is to protect its customers against risks. What message can AXA send to its customers today in the face of this feeling of vulnerability and this growing need for protection?

Claudio Gienal: It is worrying to see that such a large proportion of people have low self-confidence and feel vulnerable in the face of the risks around us. As a leading insurer, we seek to reassure

people by providing support and helping them protect themselves against a range of risks. The report confirms that many people recognize the safety net that insurance provides and understand its benefits, particularly in these uncertain times. However, we must work hard to raise awareness among those who may not yet understand the importance of having protection for what matters to them and who do not see how it can help reduce these feelings of vulnerability.

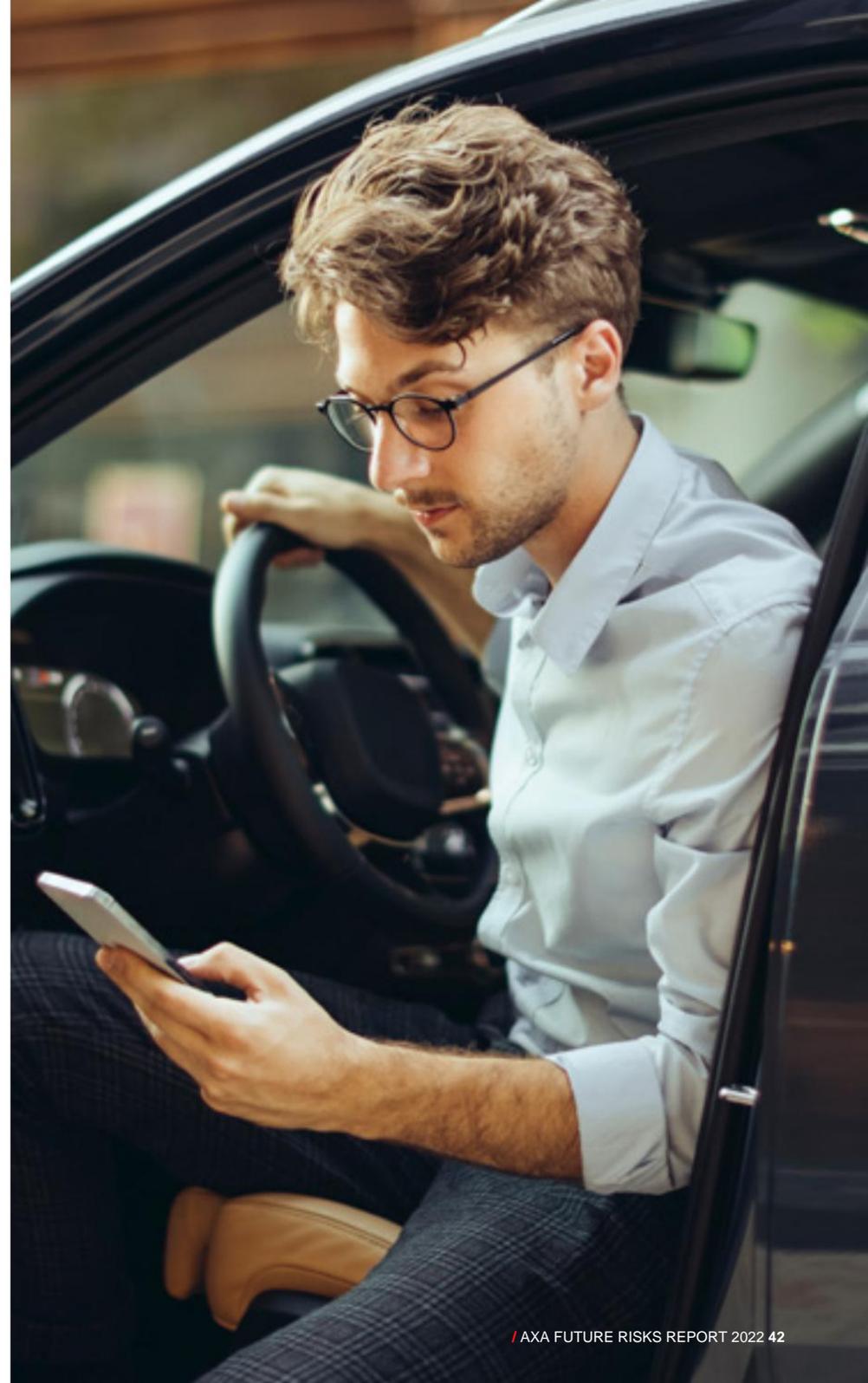
How can we adapt our offer to meet new customer expectations?

CG: At AXA UK, we are engaged in a digital transformation journey focused on improving customer satisfaction, by offering greater flexibility and more choice to optimally cover their constantly evolving needs. We have also integrated knowledge of our customers into the design of our products and journeys. A recent example is the launch of Moja, AXA UK's new 100% digital brand, initially available to motor policyholders. It aims to offer maximum simplicity and flexibility to adapt to the evolving needs of our customers and their budgets. Innovation is essential to not only survive but also thrive in the face of the various challenges facing the insurance industry today.

INTERVIEW



Claudio Gienal
Managing Director
of AXA UK
& Ireland



FOCUS ON the youth



Young people surveyed are more likely than average to think that risks are easy to predict (57% compared to 49% for the general public). They also display above-average trust in various actors to manage future crises, including scientists, international organizations, public authorities, civil society, individuals and businesses. These confidence levels have also declined since last year's survey, although more slowly than for other age groups, with scientists seeing the biggest drop in confidence (from 77% last year to 71% This year).

Public trust in experts and governments has declined over the past year

Public trust in institutions to protect them from future risks is eroding. Compared to last year, general public respondents are less likely to trust many actors to limit any possible future global crisis: trust in scientists, for example, has fallen to 66% , compared to 75% last year; the public also has less trust in international institutions (from 64% to 61%), national authorities (from 62% to 58%), civil society (from 56% to 53%) and private companies (from 47% at 45%).

Among experts, confidence levels are generally higher and the trend is more mixed. If trust in scientists has also declined – from 87% to 82% – as has trust in businesses; on the other hand, trust in international organizations, national authorities and civil society has increased.

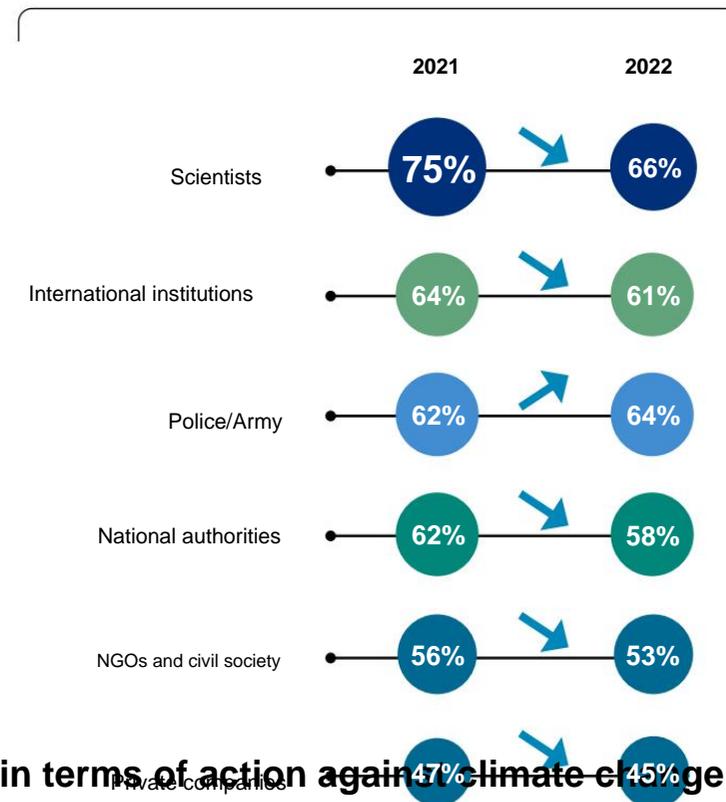
Trust in the military and police to handle future crises increased among experts (from 64% to 69%) and the general public (from 62% to 64%), likely reflecting the growing concern over issues such as terrorism, geopolitical tensions and social unrest.

George Stansfield, Director delegate general of AXA Group



Geopolitical tensions, the erosion of certain fundamental principles of international law and their direct consequences on energy security raise doubts about the capacity of the various actors to maintain the same level of ambition in terms of action against climate change. And yet it is imperative. The current energy crisis we are experiencing proves that we must remain focused on achieving our climate goals and helping to build greater energy sovereignty.

Public trust in experts and governments



NB: Percentage of selection by the general public of the most reliable actors to mitigate future crises

How insurers can play their role in managing future risks

The general public is more likely than experts to think that future risks are “very easy” to predict or “somewhat easy” to predict. This gap may help explain the growing sense of popular frustration with public institutions and the private sector for failing to protect them against risks they might believe should be predictable.

In this climate of growing vulnerability, distrust and skepticism, insurers can and must play a major role in enabling individuals to pursue their goals.

Nearly 70% of the general public agrees that insurers will play an important role in mitigating future risks.

Insurers have the opportunity to help build trust and hope by responding to the public's growing need for protection.

Asked what insurers should do, the experts mentioned: supporting innovative risk transfer solutions, contributing to prevention and resilience, sharing risk management expertise and contributing to the development of a common culture prevention against risks.

UPCOMING PUBLICATION FROM THE AXA RESEARCH FUND

Building societal resilience through inclusive growth: the role of individuals, insurers and institutions in a fragmented world

Although more than 1.1 billion people have been lifted out of extreme poverty over the past 30 years, the benefits of economic growth in terms of improved quality of life have been unequally distributed. Wealth has gone disproportionately to the richest 10% of the world's population.

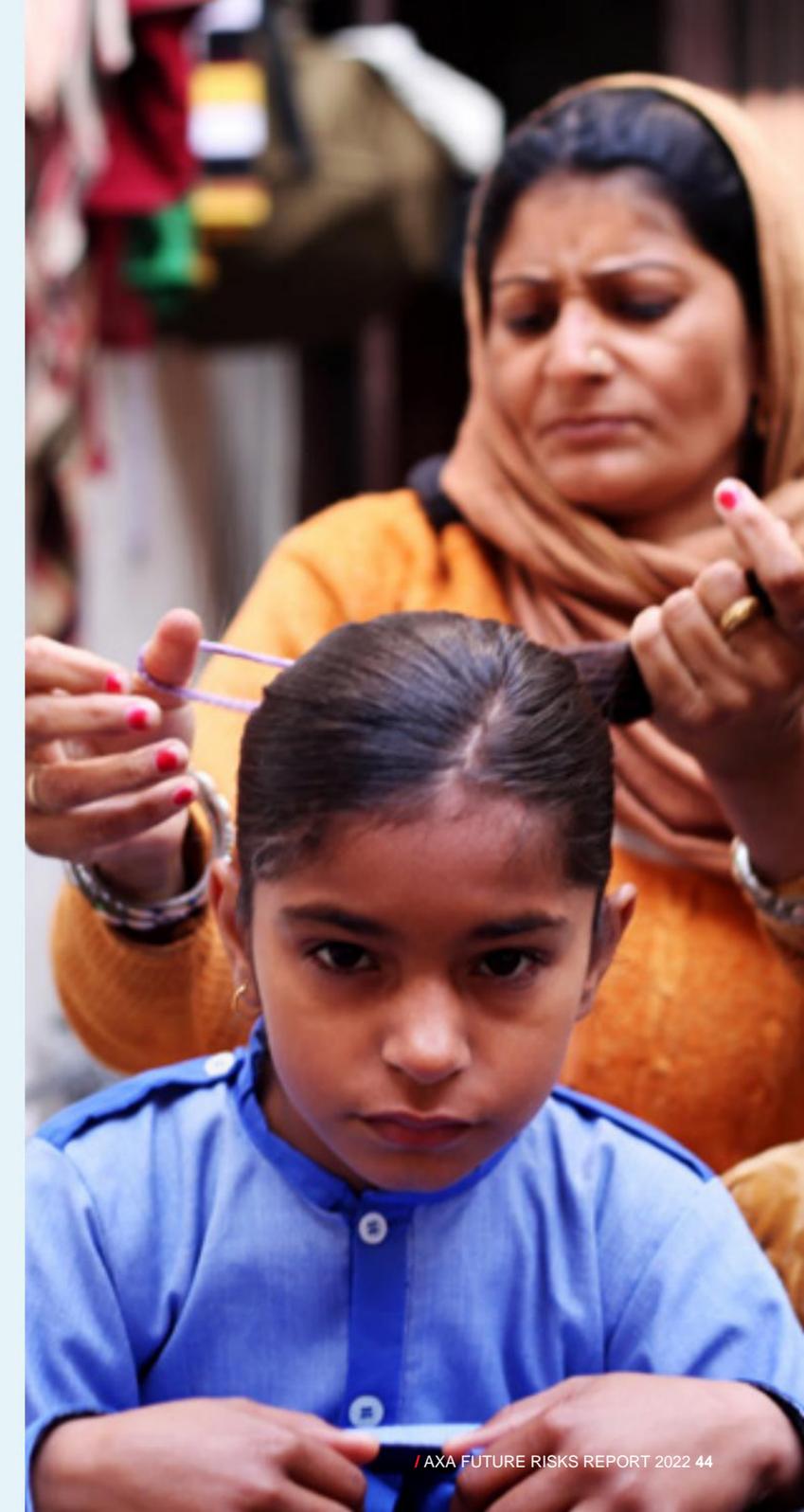
Since 1985 the gap between the richest and the poorest has never been so wide. “Inclusive growth” – which refers to a more equitable distribution of economic growth across income levels, genders and regions, among other factors – promotes resilience by lifting people out of poverty and increasing opportunities for all.

The AXA Research Fund supports independent research into risk and provides knowledge for informed, science-based decision-making. Blending business, academic and institutional perspectives, the Fund's next publication aims to provide a holistic view of the most important issues in inclusive growth and societal resilience. It will explore the issues that have helped shape the current global inequality landscape, present case studies of success in meeting the challenge of driving inclusive growth, and examine the role insurers must play in building societal resilience.



“The persistence and worsening of inequalities compromise the resilience of society. It is essential that economic actors focus on the central issue of social inclusion to ensure the development of healthy and peaceful societies”

Marie Bogataj,
Director of the AXA
Research Fund and
Group Foresight



The AXA study on future risks 2022 was carried out by IPSOS on behalf of AXA. This involved presenting online questionnaires to two distinct groups: experts and the general public.

Experts

We surveyed 4,449 experts in 58 countries between May 10 and June 9, 2022. The average age of those surveyed was 45 years old. 59% were men and 41% women. Most – 86% – worked at AXA, with underwriting and risk management being the most represented professions. The remaining 14% come from AXA's professional networks, working mainly in the financial services sector and for large companies.

General public

We surveyed 18,999 members of the general public in 15 countries between May 13 and June 9, 2022. Respondents were sampled from people aged 18 and over to be representative in terms of age, gender and occupation, with countries chosen by region and market size.

We surveyed 4,999 people in the United States, and 1,000 people in each of these areas: Australia, Belgium, China, France, Germany, Hong Kong, Italy, Japan, Mexico, Morocco, Nigeria, Spain, Switzerland and the United Kingdom United. Country results were weighted to produce global and regional results.

The 25 risks

We presented those consulted with 25 risks, divided into five categories, and asked them to choose those they placed at the top of the list. We ranked the results by assigning 5 points to each answer coming first, 4 to the answer coming second, etc.

Health and medicine: chronic diseases, prolonged exposure to harmful substances; pandemics and infectious diseases; risks linked to changes in health practices and new occupational diseases, risks linked to medical advances and innovations.

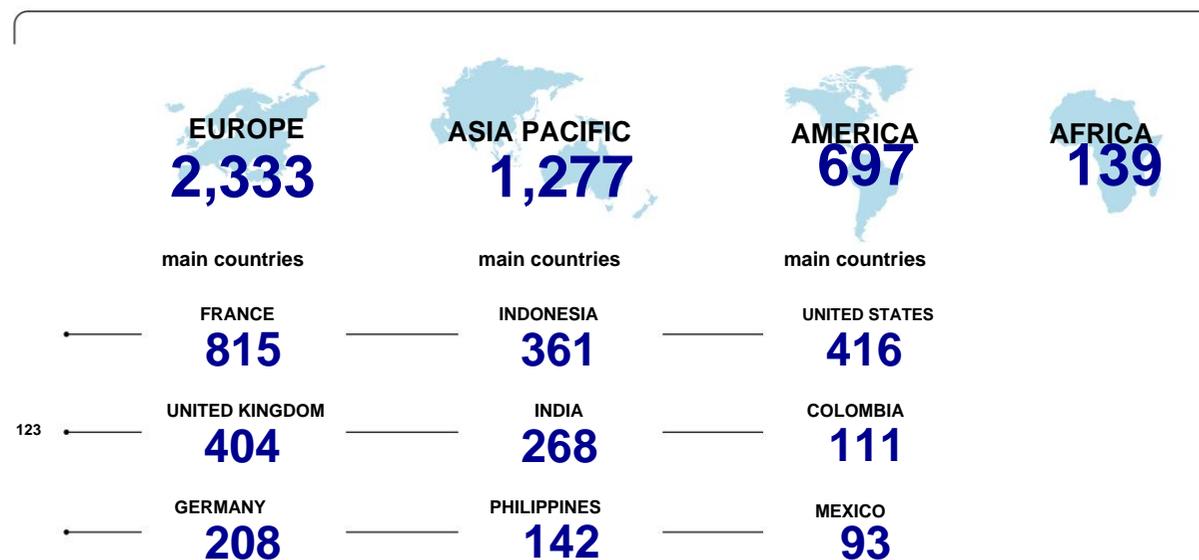
Environment and energy: climate change; energy risks; risks linked to pollution; space and planetary risks; risks linked to natural resources and biodiversity.

Technology and data: cybersecurity risks; disruptive technologies; ethical risks associated with the use of technology; risks related to intelligent and autonomous systems; risks linked to artificial intelligence and big data.

Economy, finance and business environment: risks to financial stability; macroeconomic risks; risks related to monetary and fiscal policy; risks related to artificial intelligence and big data and related economic risks.

Society, politics and regulation: geopolitical instability; new security threats and terrorism; risks linked to demographic change; risks related to regulatory developments and litigation; social tensions and movements.

Worldwide distribution of experts interviewed





foreword 2

