FALIA

The Foundation for the Advancement of Life & Insurance Around the world
(Public Interest Incorporated Foundation)
公益財団法人　　国　際　保　険　振　興　会

Mission

FALIA aims for enlightenment and dissemination of sound insurance philosophy through education, guidance and support. It aims to widely contribute to sound development of insurance business around the world.

Vision

Be a Platform to encourage connections between people

FALIA will develop a human network of horizontal collaboration among insurance supervisors, companies and students globally through group training seminars and essay competitions.

President
Takeshi Fuiii

1. Invitational Seminars in Japan

Breakdown of Participants in the Seminars held in Japan

Total 4,283 persons as of March 2024

China	286	Philippines	362
Hong Kong	46	Singapore	63
Taiwan	730	Sri Lanka	319
India	65	Thailand	474
Indonesia	447	Turkey	81
Korea	843	Uzbekistan	159
Malaysia	205	Vietnam	49
Mongolia	40	Others (*)	114

2. Overseas Seminars

Year	Location	Topics
2010	Taipei, Taiwan	CS Promotion Strategy at a Life Insurance Company
	Manila, Philippines	Risk Management at a Life Insurance Company
	Seoul, Korea	Total Life Planning Strategy and Sales Promotion
	Bangkok, Thailand	Risk Management at a Life Insurance Company
2011	Colombo, Sri Lanka	Product Development and Control of Pricing Risk
	Tashkent, Uzbekistan	Life Insurance Product Development Strategy
2012	Jakarta, Indonesia	Product Development and Control of Pricing Risk
	Ulaanbaatar, Mongolia	Product Development Strategy of Life Insurance
2013	Kuala Lumpur, Malaysia	Risk Management at a Life Insurance Company
2014	Manila, Philippines	Risk Management at a Life Insurance Company
	Jakarta, Indonesia	Overview of Life Insurance Industry in Japan
		Risk Management at a Life Insurance Company
2015	Taipei, Taiwan	Product Development and Control of Underwriting Risk
2016	Colombo, Sri Lanka	Product Development and Control of Pricing Risk
	Kuala Lumpur, Malaysia	Product Development Strategy in responding to Changes in Social Environment
		Internet Life Insurance in Japan-Current Situation and Challenge
2018	Bangkok, Thailand	Product Development Strategy under Lowering Interest Rate and Aging
		IT Utilization “The Digital”
	Tashkent, Uzbekistan	Risk Management in Life Insurance Companies
2023	Kathmandu, Nepal	Challenges of Life Insurance Industry in a Rapidly Changing Business Environment
		Challenges of Life Insurance Industry in Japan and Suggestions for Life Insurance Industry in Nepal
		Sustainability Management of Life Insurance Company

3. Essay Competition

2024 Essay Contest Award Ceremony

FALIA Essay Competition 2024 Prize Winner Announcement

Prize	Name	Country	University	Essay Title
1st	Bamunu Arachchillage Niluka Dilrukshi	Sri Lanka	International University of Japan	Barriers to Market Penetration of Life Insurance Products: Assessing the Factors Affecting the Adoption of Educational Investment Life Insurance Products in Sri Lanka

https://falia.info/perdentaion2024

4. EAIC Secretary General

East Asia Insurance Congress (EAIC)

Welcome to EAIC

The EAIC was founded in 1962 with the aim of furthering and developing international collaboration in the field of insurance of every sort.

https://eaic2024.hk


EAIC
2024
HONG KONG
HKFI
EAIC


EAIC
2024
HONG KONG
Opening
Ceremony
EAIC
2024
HONG KONG
HKFI
EAIC

EAIC Hong Kong 2024


EAIC 2024 HONG KONG
Conference Partner
AIA HEALTHIER, LONGER, BETTER LIVES
Organiser
HKFI
The Pursuit of Happiness
LIVE
The power of collaboration:
East Asian insurers uniting to drive sustainability
EAIC 2024 HONG KONG
Mr Butch BACANI
United Nations
Mr Clement LAU
Insurance Authority
Ms Orchis LI
Gen Re
Mr Masayuki TANAKA
EAIC
Mr Edward MONCREIFFE
HSBC Holdings
Moderator

Principles for Sustainable Insurance
Responding to the Climate Change and Biodiversity Loss

March 25, 2025
Masayuki Tanaka
FALIA

Agenda

1. Historical Background of Sustainable Development

2. Risk related to climate change

3. Climate Change Impact

4. Risk related to biodiversity

5. Education for Sustainable Development (ESD)

6. Principles for Sustainable Insurance (PSI)

7. Corporate Governance and Sustainability

1. Historical Background of Sustainable Development

United Nations Conference on Environment and Development, Rio de Janeiro, Brazil, 3-14 June 1992

The United Nations Framework Convention on Climate Change (UNFCCC) was signed. After this COP (Conference of the Parties) started its activities.

https://www.un.org/en/conferences/environment/rio1992

Millennium Summit, 6-8 September 2000, New York

8 MDGs (Millennium Development Goals)

1. Eradicate extreme poverty and hunger
2. Achieve universal primary education
3. Promote gender equality and empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria and other diseases
7. Ensure environmental sustainability
8. Develop a global partnership for development

https://www.un.org/en/conferences/environment/newyork2000

United Nations Conference on Sustainable Development, 20-22 June 2012, Rio de Janeiro (Rio+20)

https://www.un.org/en/conferences/environment/rio2012

United Nations Summit on Sustainable Development, 25-27 September 2015, New York

Declaration of SDGs

https://www.un.org/en/conferences/environment/newyork2015

Sustainable Development Goals (SDG)

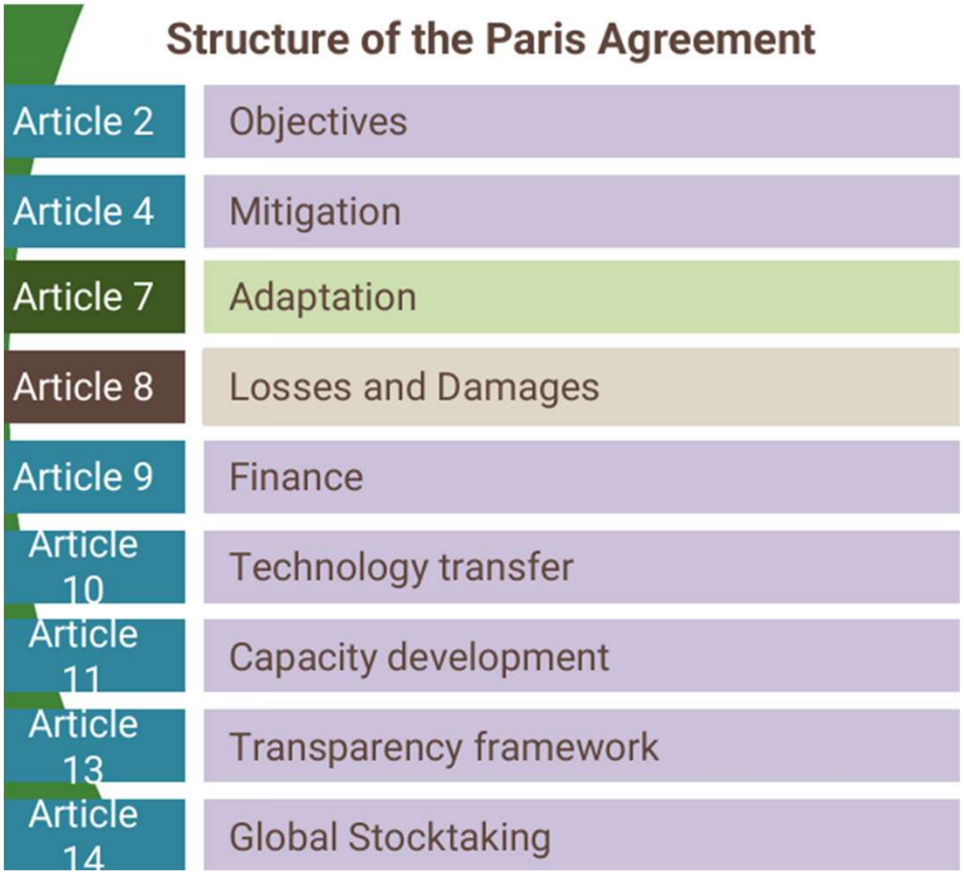
https://www.un.org/sustainabledevelopment/news/communications-material/

The Paris Agreement, adopted at COP21 in 2015

The Agreement sets goal to guide all nations to reduce GHG emissions and limit the global temperature increase in this century to 2 ℃ above pre-industrial levels.

https://www.un.org/en/climatechange/paris-agreement

Paris Agreement 29 Articles



Article 6

Voluntary Corporation to Implement NDCs
Carbon Trading including JCM

International transfer of mitigation outcomes (ITMOs)
Sustainable Development Mechanism or SDM

https://unfccc.int/files/meetings/paris_nov_2015/application/pdf/paris_agreement_english_.pdf#:~:text=Parties%20recognize%20that%20some%20Parties%20choose

Nationally Determined Contribution (NDC)?

NDCs are national climate action plans by each country under the Paris Agreement. A country's NDC outlines how it plans to reduce greenhouse gas emissions to help meet the global goal of limiting temperature rise to 1.5C and adapt to the impacts of climate change.

https://www.un.org/en/climatechange/all-about-ndcs

NDC of Sri Lanka

Sri Lanka's per capita greenhouse gas emission in 2010 was 1.02 tons and its global cumulative contribution in 2019 was 0.03%.

Despite this low carbon footprint and highly vulnerable status, Sri Lanka commits to increase 32% forest cover by 2030 and reduce greenhouse gas emissions by 14.5% for the period of 2021-2030 from Power (electricity generation), Transport, Industry, Waste, Forestry, and Agriculture

https://unfccc.int/sites/default/files/NDC/202206/Amendmend%20to%20the%20Updated%20Nationally%20Determined%20Contributions%20of%20Sri%20Lanka.pdf

NDC of Sri Lanka

In order to realize this ambitious target, Sri Lanka further commits;

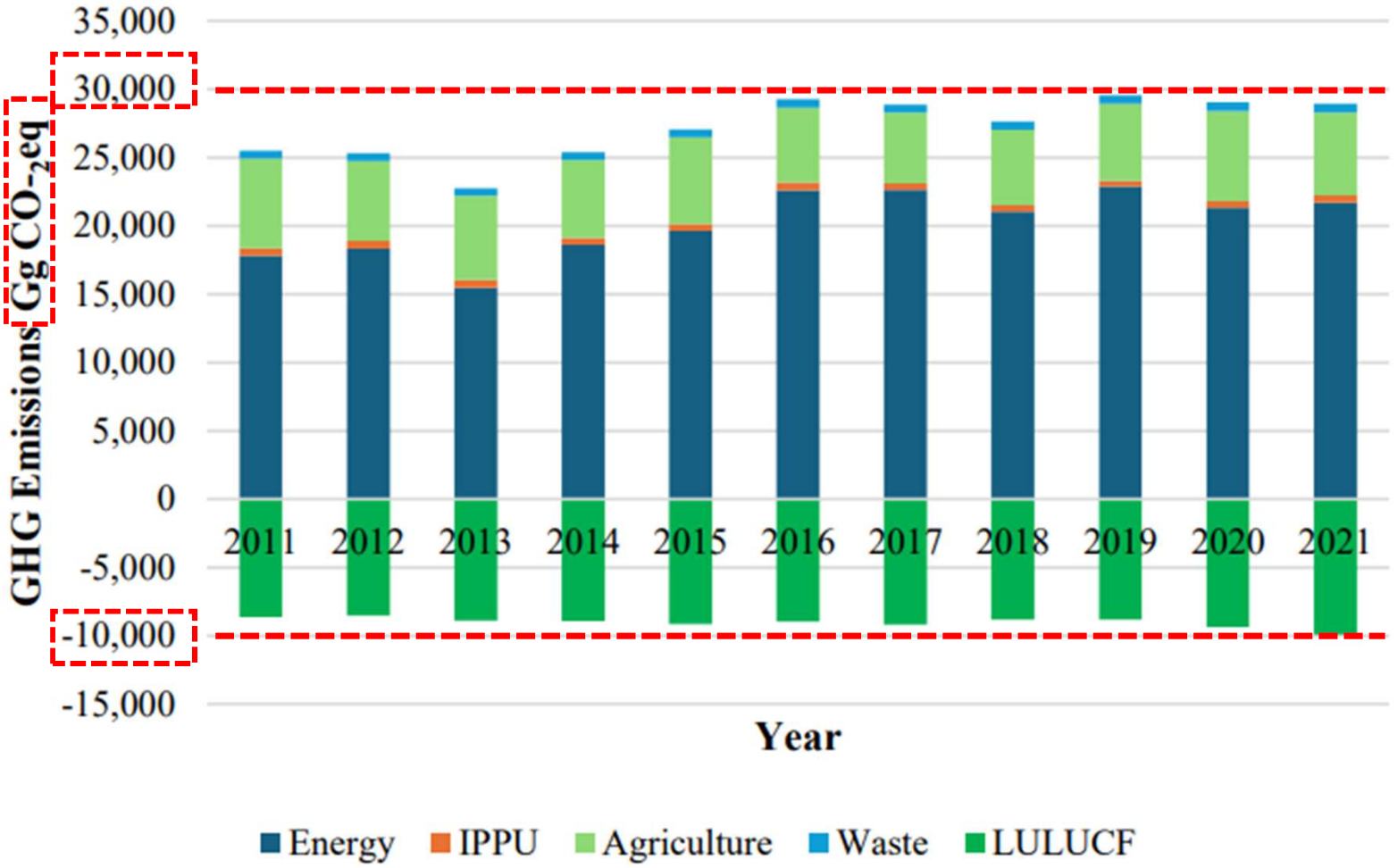
- **To achieve 70% renewable energy in electricity generation by 2030**
- **To achieve Carbon Neutrality by 2050 in electricity generation**
- **No capacity addition of Coal power plants**

https://unfccc.int/sites/default/files/NDC/202206/Amendmend%20to%20the%20Updated%20Nationally%20Determined%20Contributions%20of%20Sri%20Lanka.pdf

Sri Lanka’s first Biennial Transparency Report (BTR)

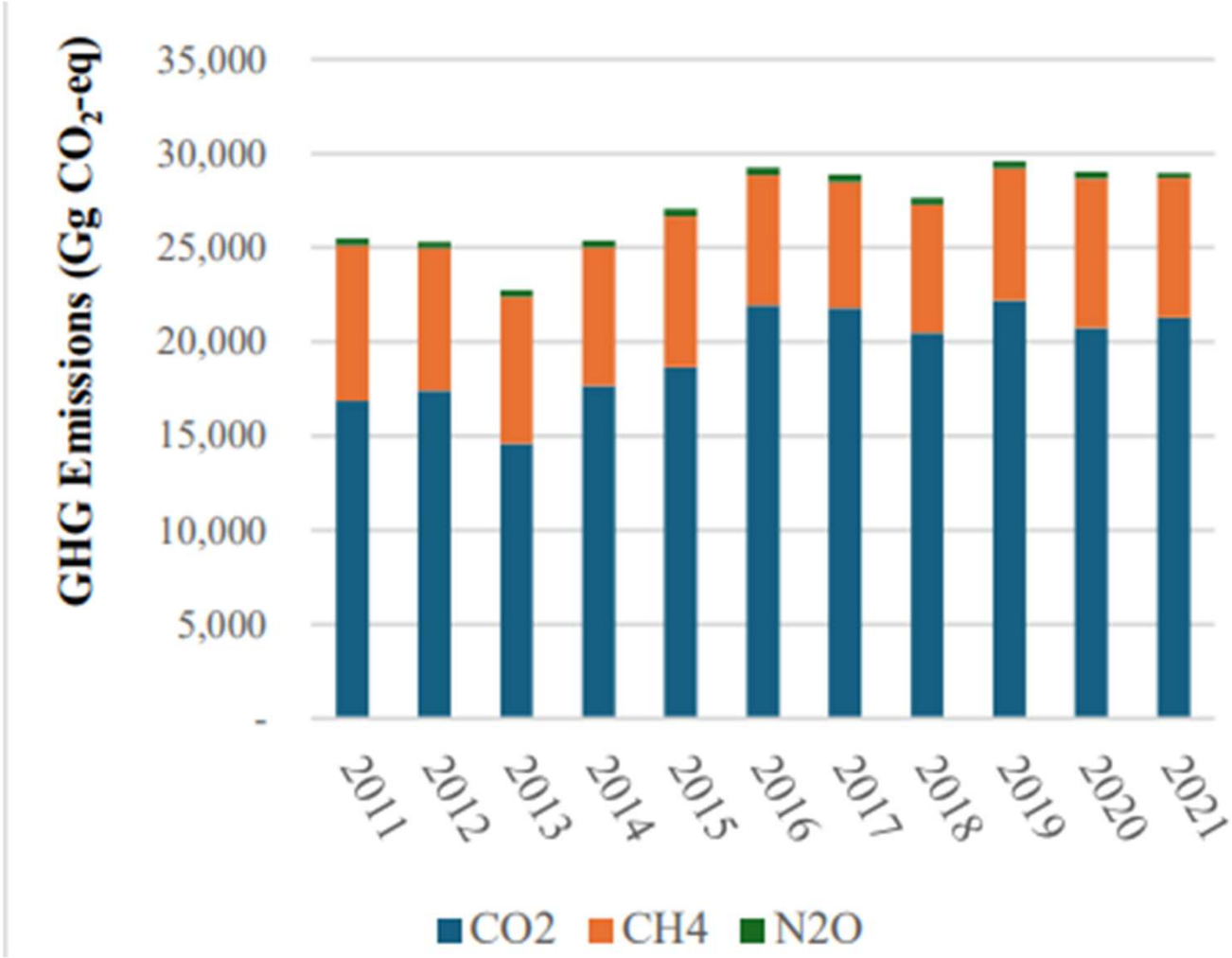
https://unfccc.int/sites/default/files/resource/First%20Biennial%20Transparancy%20Report%20-%20Sri%20Lanka%20-%202024.pdf

Sector-wise GHG emissions and removals including LULUCF net value



https://unfccc.int/sites/default/files/resource/First%20Biennial%20Transparancy%20Report%20-%20Sri%20Lanka%20-%202024.pdf

GHG Emission by gas (Without LULUCF)



https://unfccc.int/sites/default/files/resource/First%20Biennial%20Transparancy%20Report%20-%20Sri%20Lanka%20-%202024.pdf

Sri Lanka's first Biennial Transparency Report (BTR)

5.2 Tracking progress of NDCs implementation

a) Lack of continuous awareness programmes on NDCs

b) Insufficient monitoring and evaluation of NDC implementation

c) Lack of sector-wise priority and climate hazard maps

d) Insufficient research on climate change impacts

:

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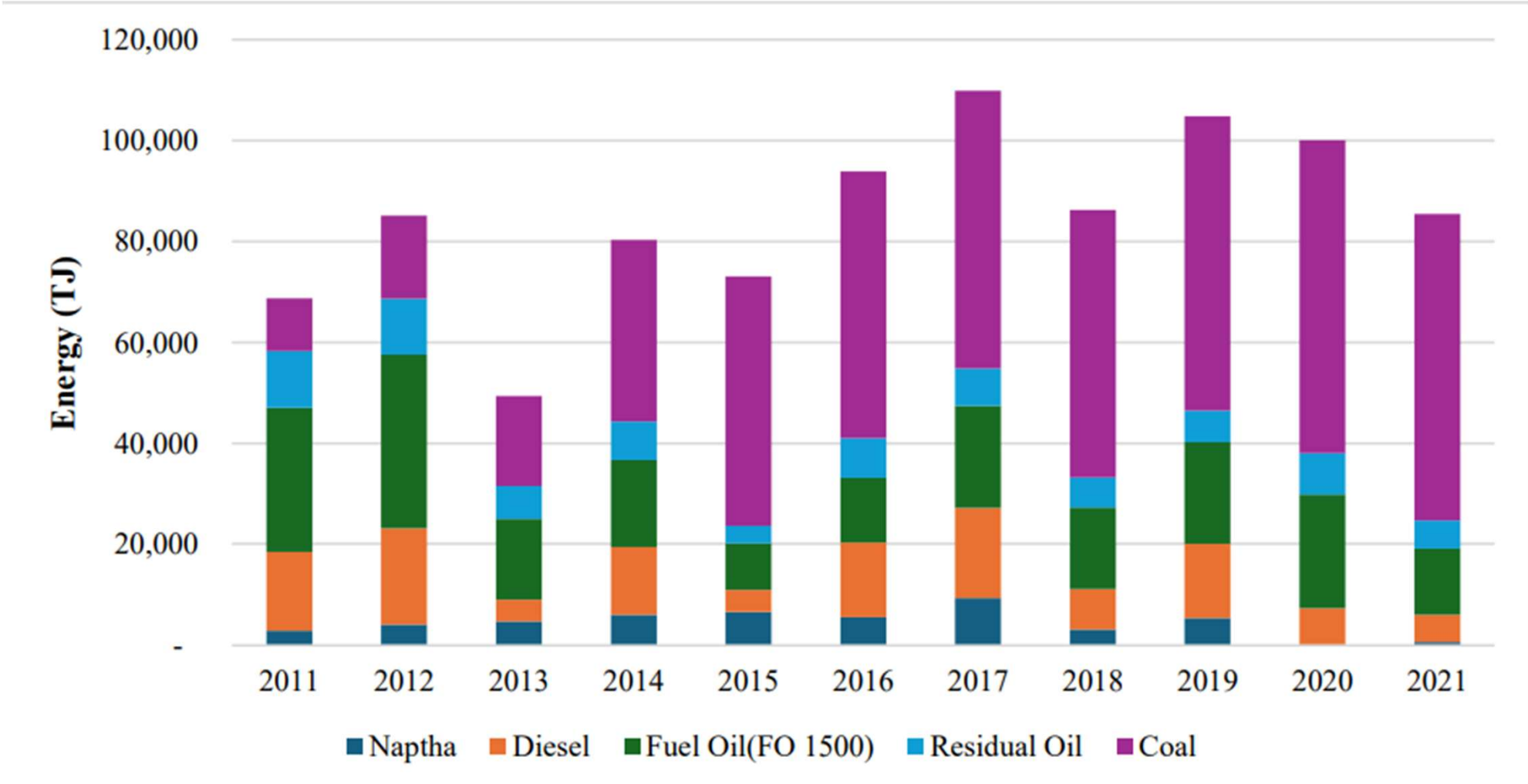
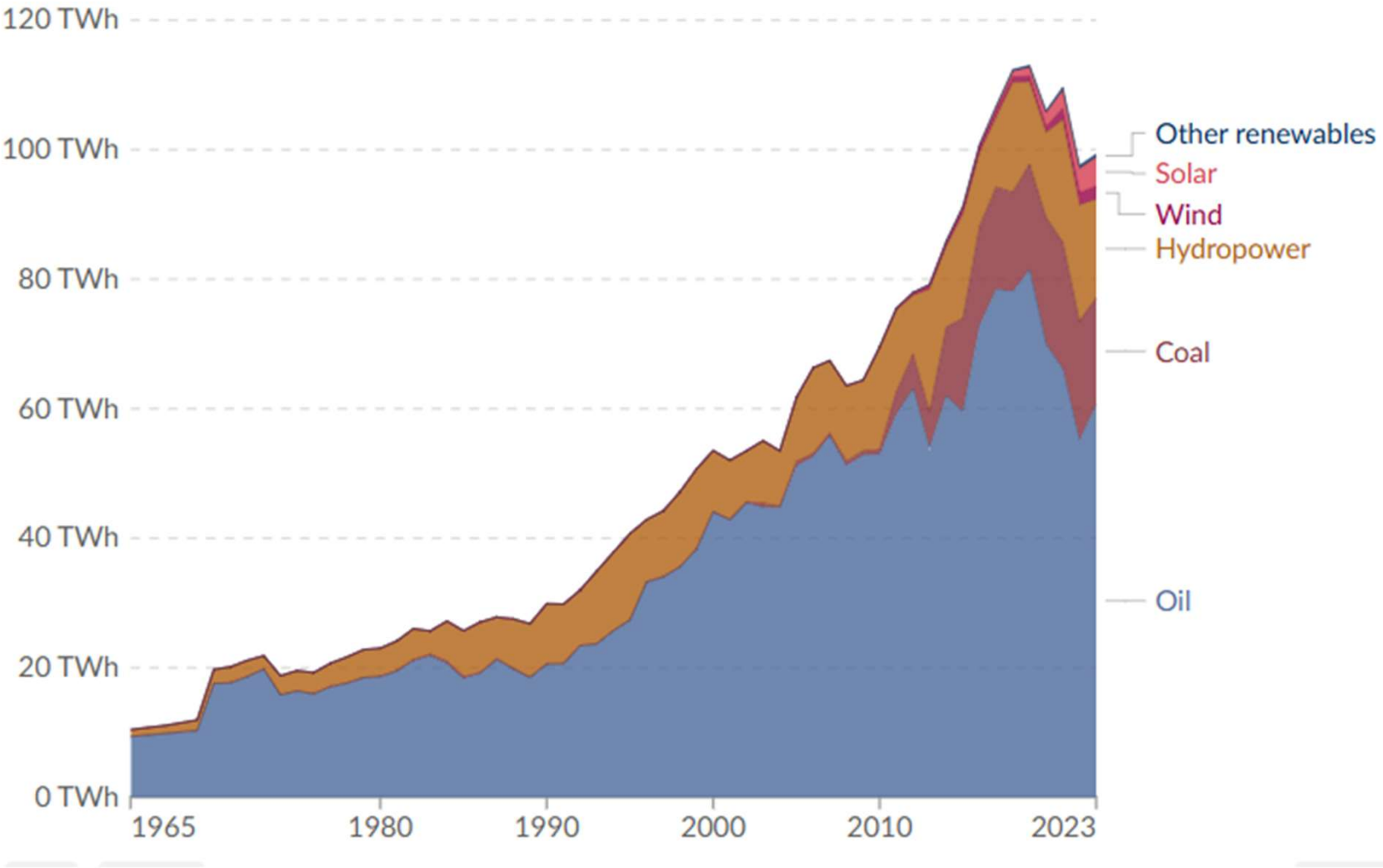
https://unfccc.int/sites/default/files/resource/First%20Biennial%20Transparancy%20Report%20-%20Sri%20Lanka%20-%202024.pdf

Fuel usage in energy generation



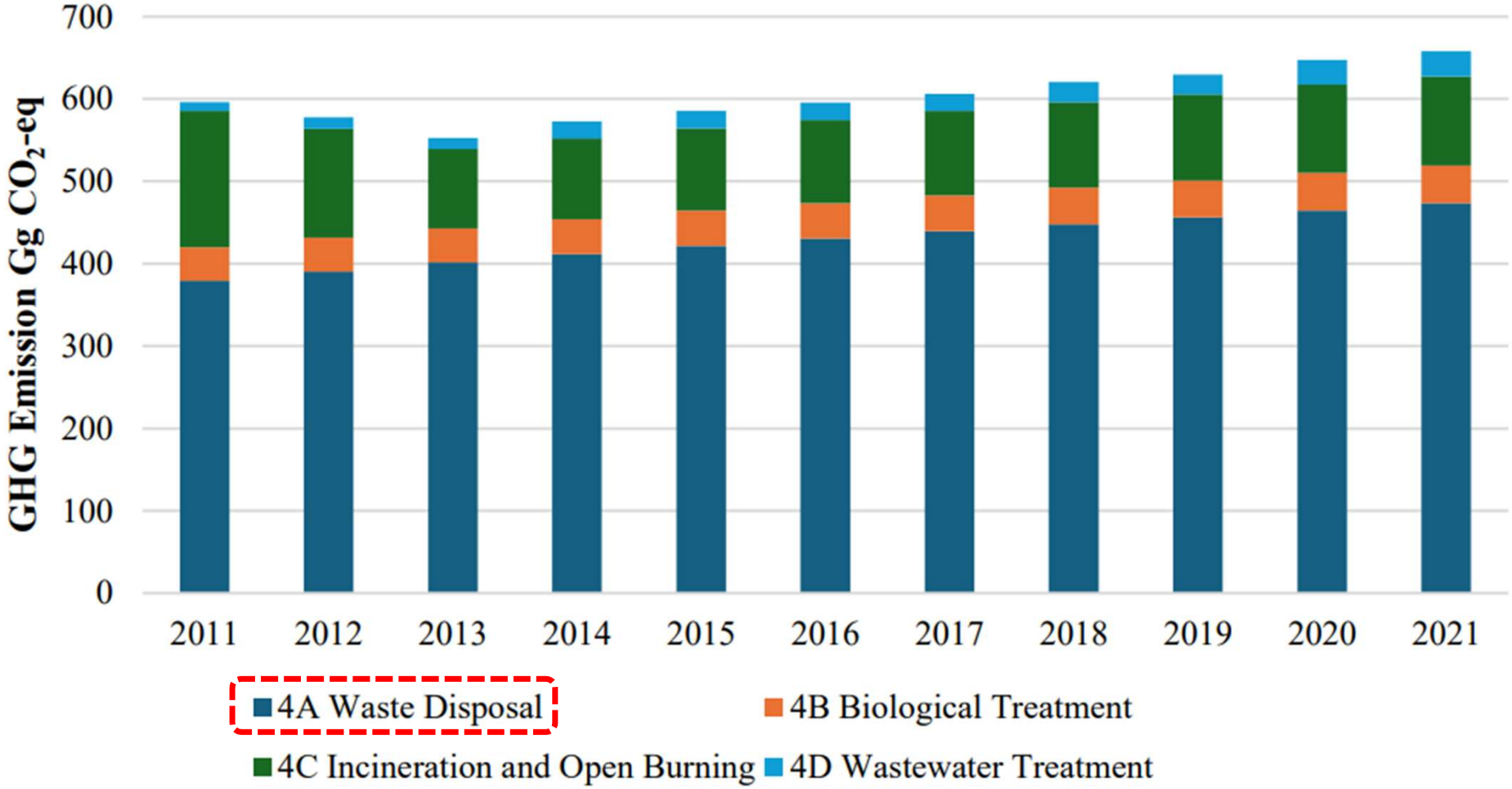
https://unfccc.int/sites/default/files/resource/First%20Biennial%20Transparancy%20Report%20-%20Sri%20Lanka%20-%202024.pdf

Energy consumption by source in Sri Lanka



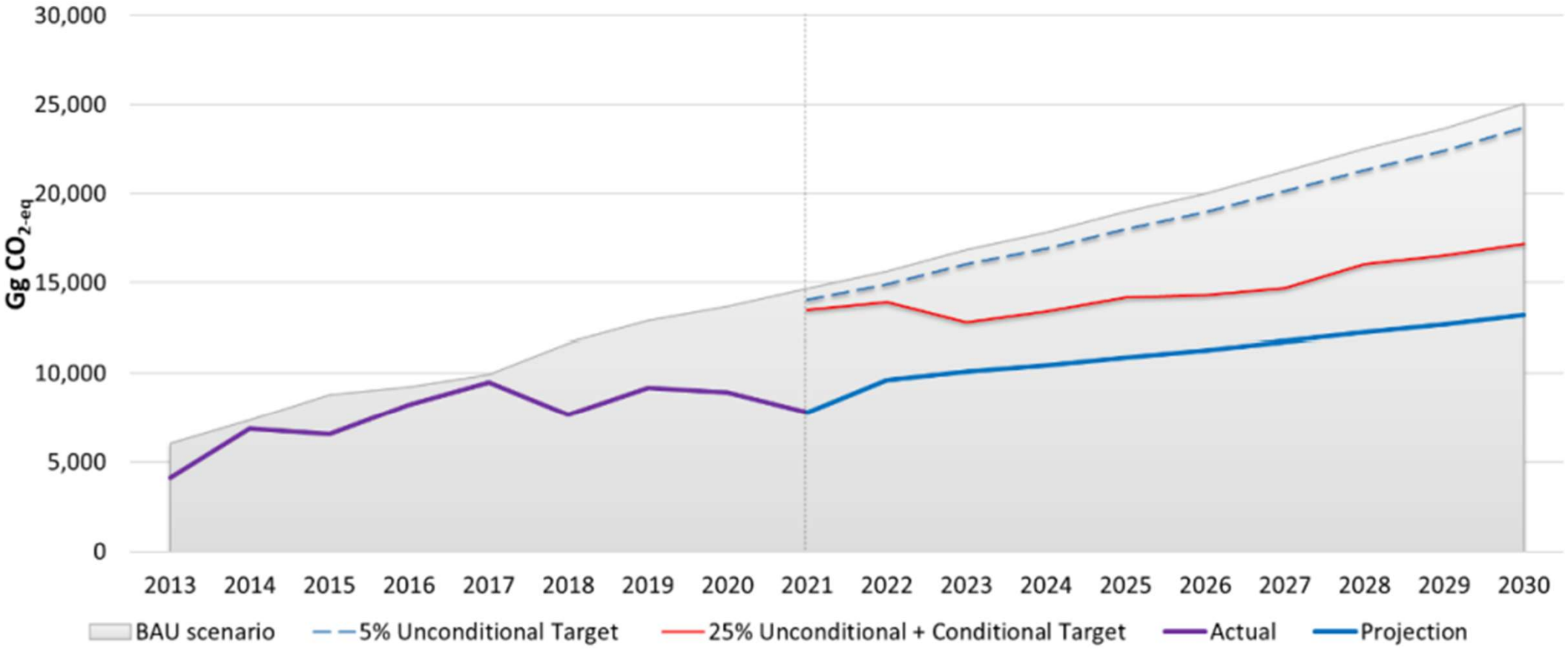
(Source) Energy Institute - Statistical Review of World Energy (2024)

GHG emissions and removals in the Waste sector



https://unfccc.int/sites/default/files/resource/First%20Biennial%20Transparancy%20Report%20-%20Sri%20Lanka%20-%202024.pdf

GHG emission NDC projections and actual emissions

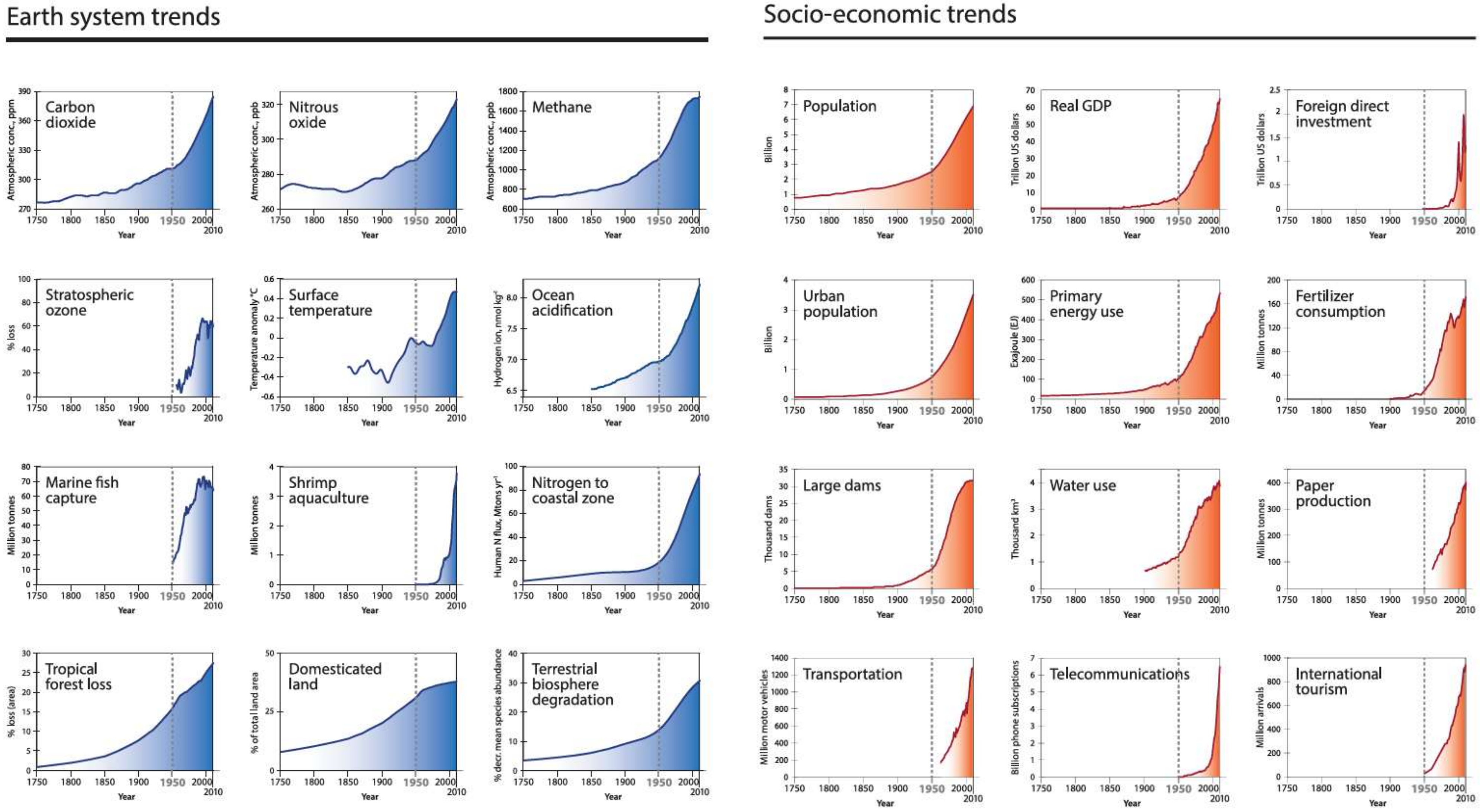


https://unfccc.int/sites/default/files/resource/First%20Biennial%20Transparancy%20Report%20-%20Sri%20Lanka%20-%202024.pdf

2. Risk related to Climate Change

The Great Acceleration

https://www.bpb.de/system/files/dokument_pdf/Steffen2015ThetrajectoryoftheAnthropoceneTheGreatAcceleration.pdf

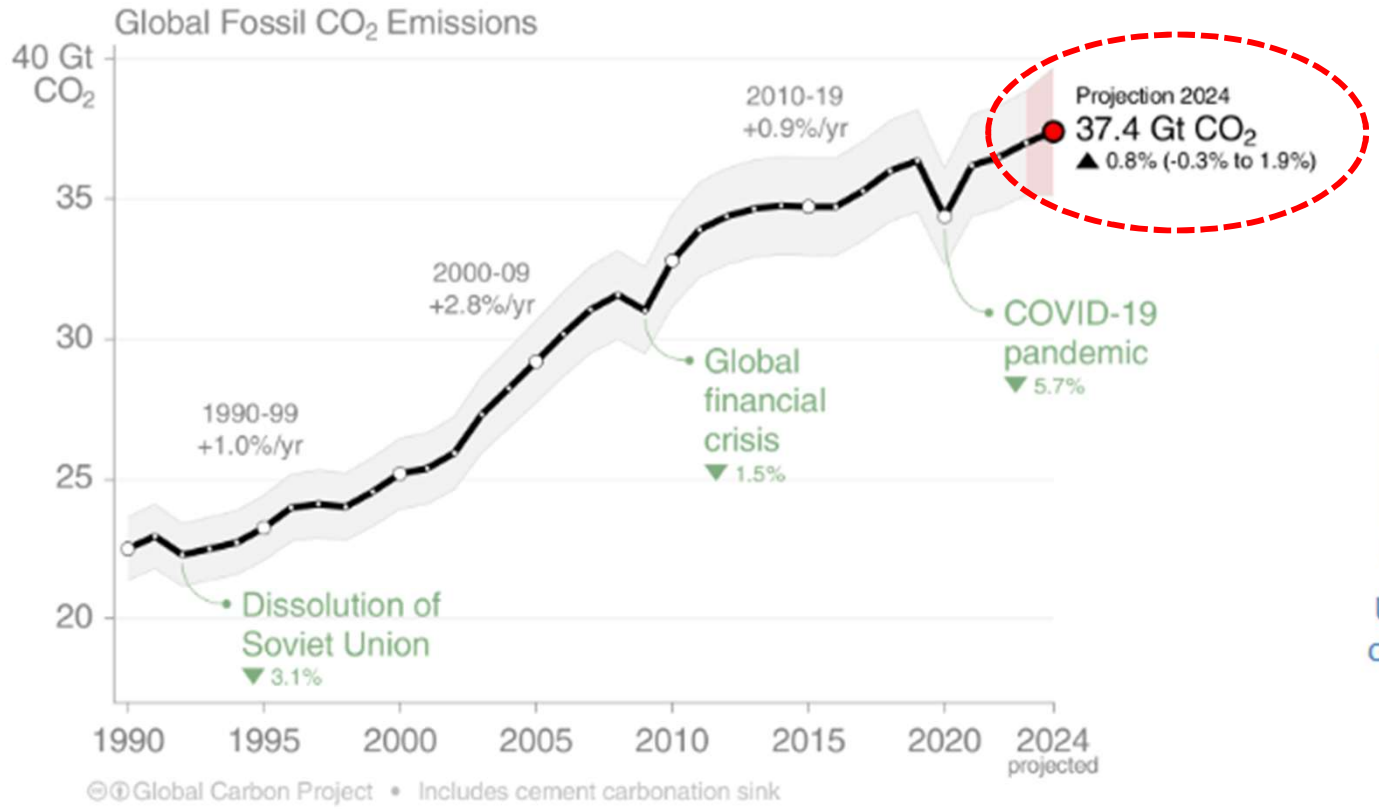


(Source) Will Steffen et al (2015)The trajectory of the Anthropocene: The Great Acceleration

Global fossil CO2 emissions

Global fossil CO_2 emissions: 37.0 ± 2 $GtCO_2$ in 2023, 66% over 1990

Projection for 2024: 37.4 ± 2 $GtCO_2$, 0.8% [-0.3% to +1.9%] higher than 2023



Uncertainty is ±5% for one standard deviation (IPCC "likely" range)

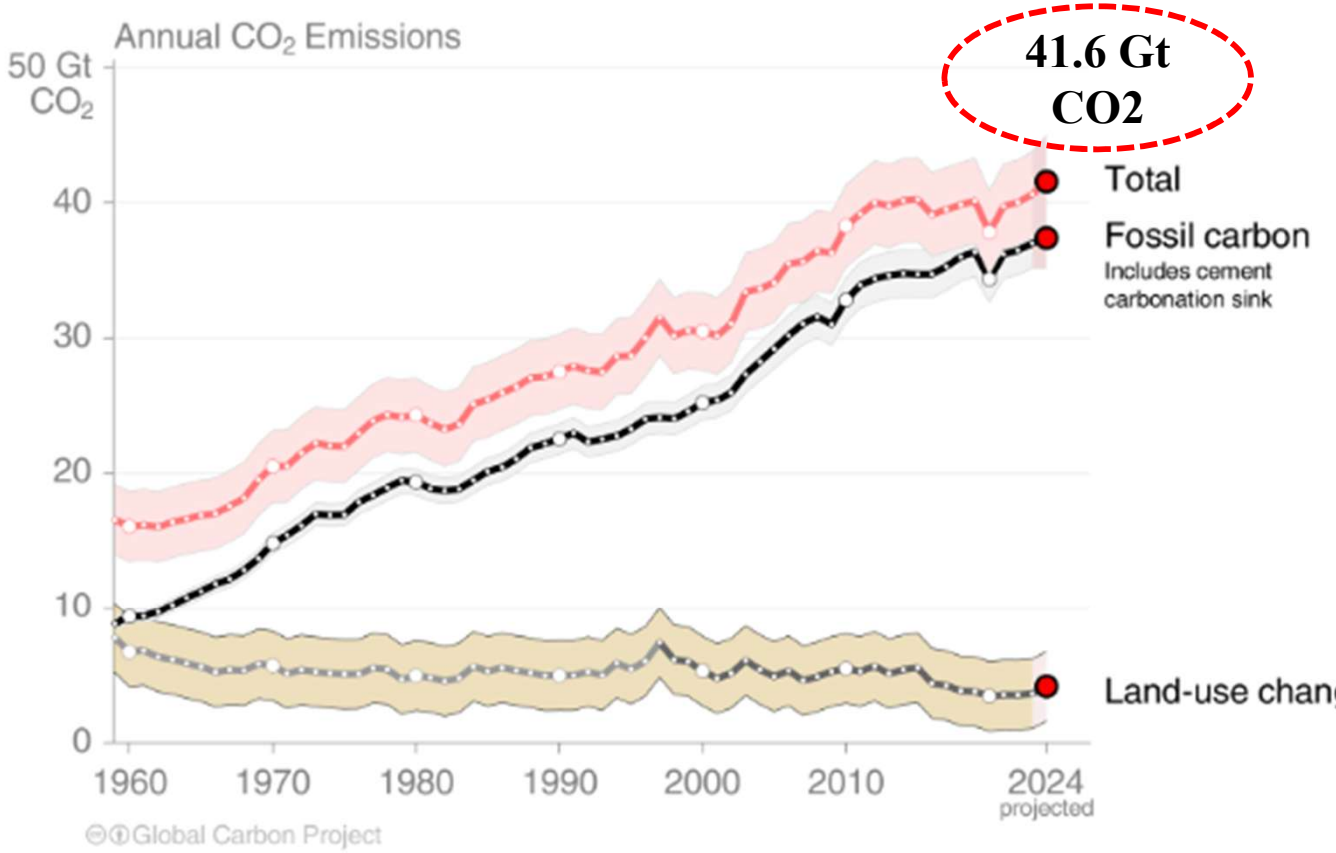
The 2024 projection is based on preliminary data and modelling. It includes a cement carbonation sink of 0.8 $GtCO_2$.

Source: Friedlingstein et al 2024; Global Carbon Project 2024

https://globalcarbonbudget.org/

Total Global emissions

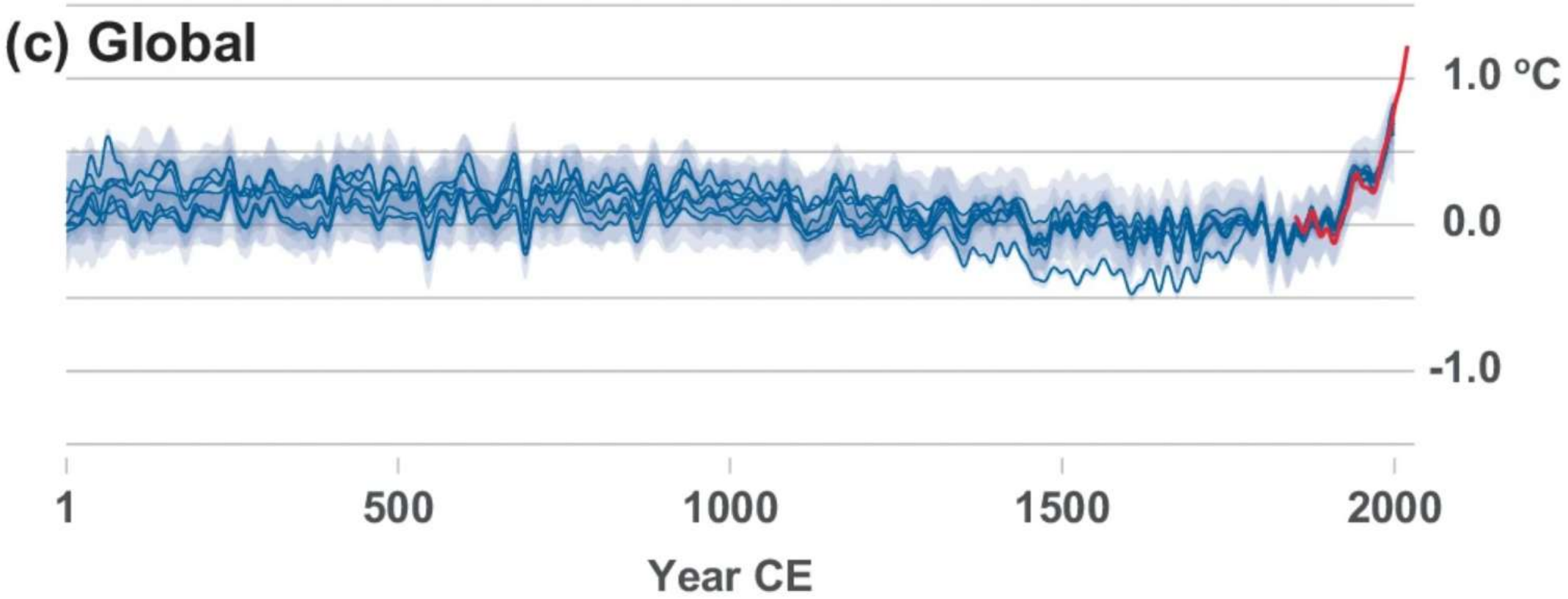
Total global emissions, projected to reach 41.4 ± 3.3 $GtCO_2$ in 2023, 49% over 1990
Percentage land-use change: 42% in 1960, 10% averaged 2014–2023



Land-use change estimates from four bookkeeping models, using fire-based variability from 1997
Source: Friedlingstein et al 2024; Global Carbon Project 2024

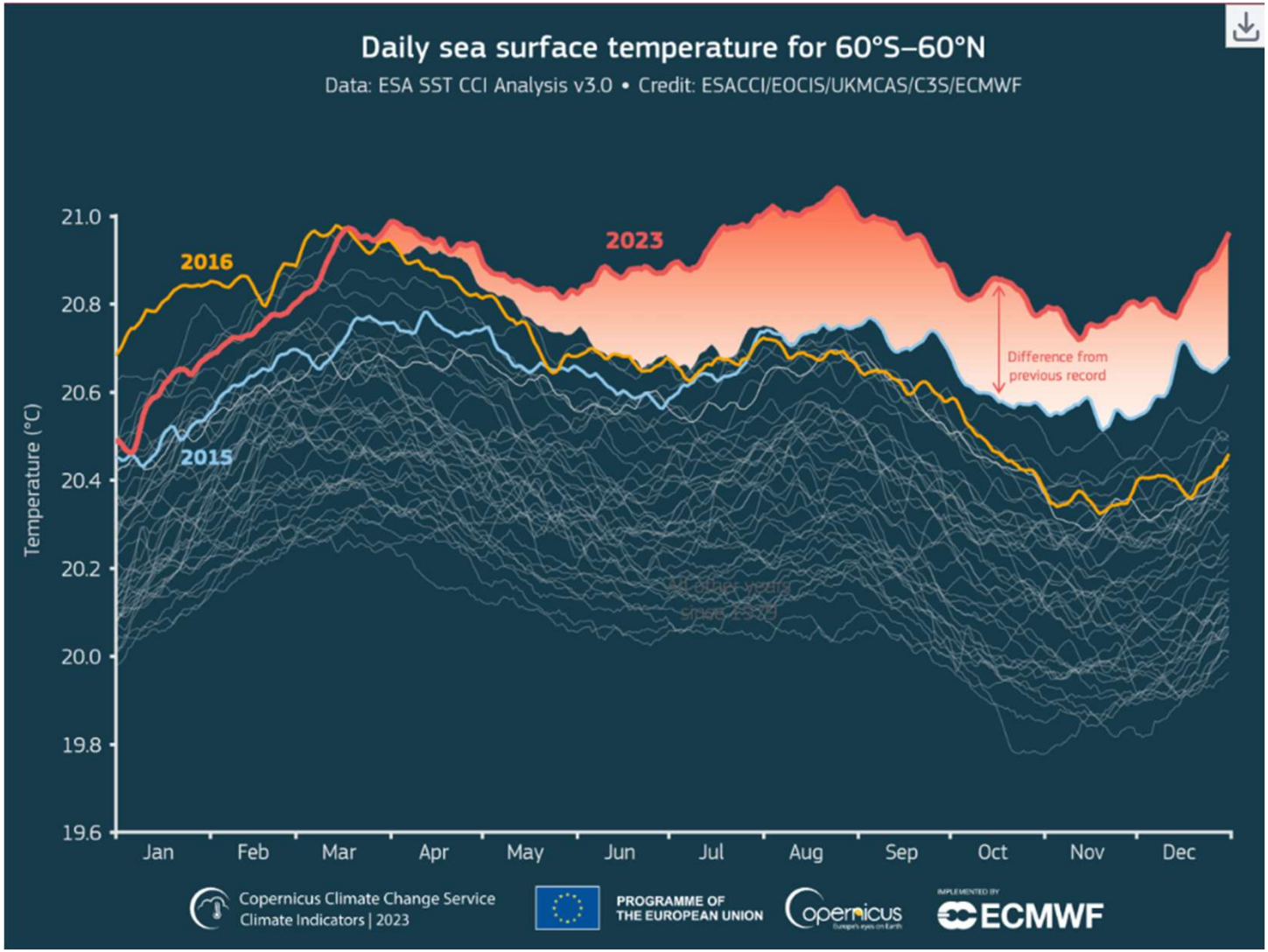
https://globalcarbonbudget.org/

Global land temperature



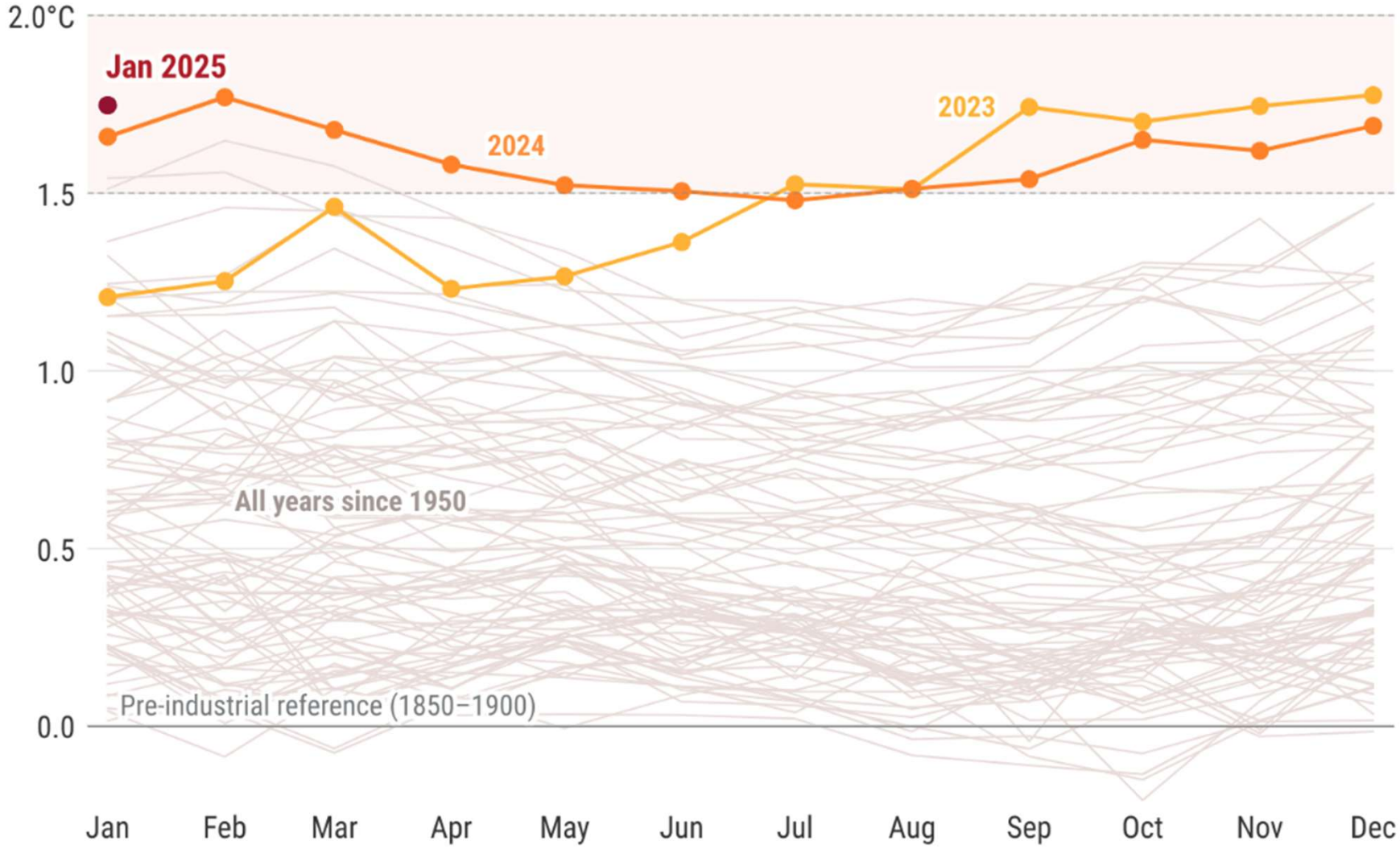
https://www.nature.com/articles/s43247-024-01371-1/figures/3

Global Sea Surface temperature



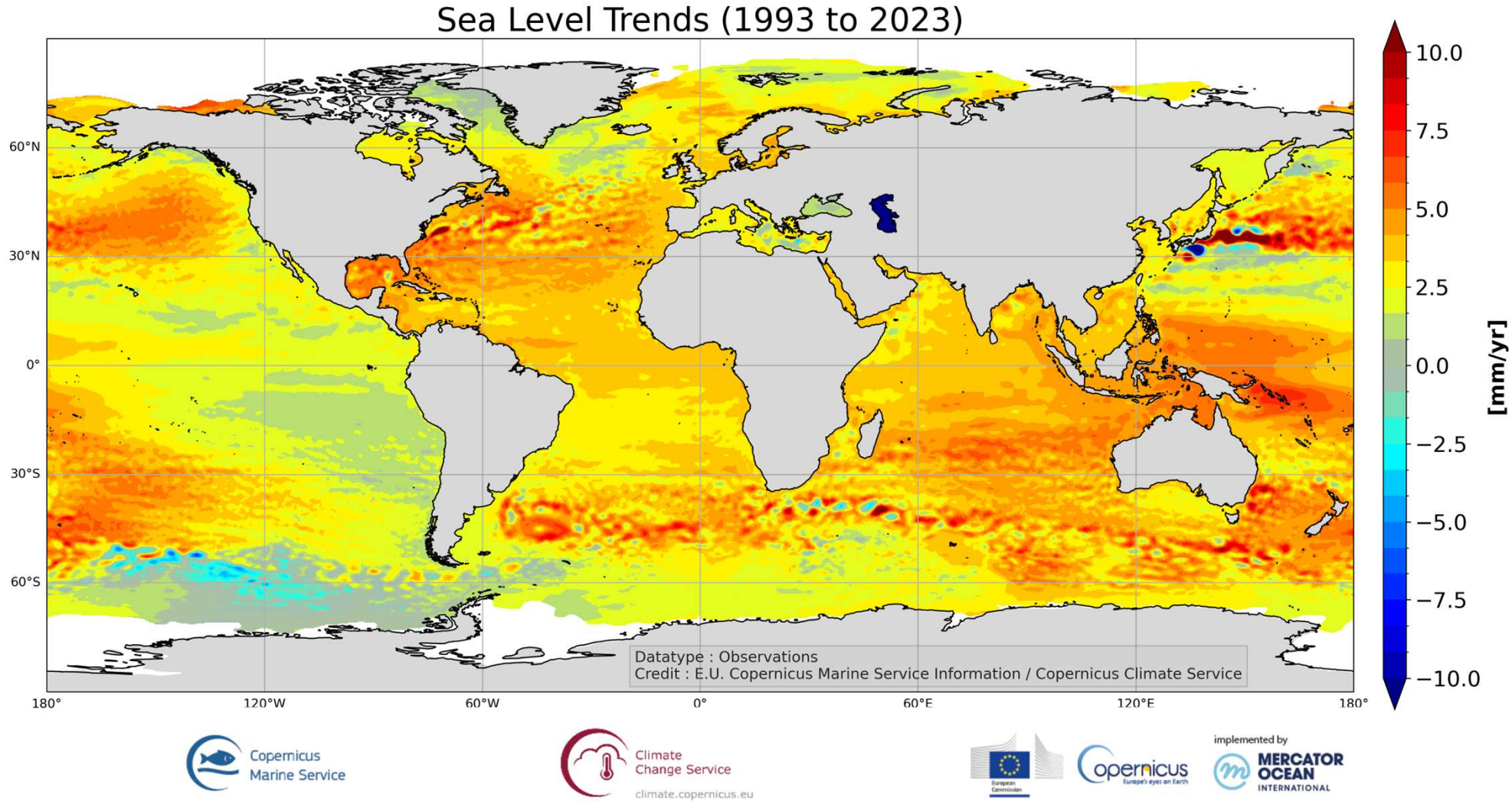
https://climate.copernicus.eu/esotc/2023/sea-surface-temperature

Global Sea Surface temperature



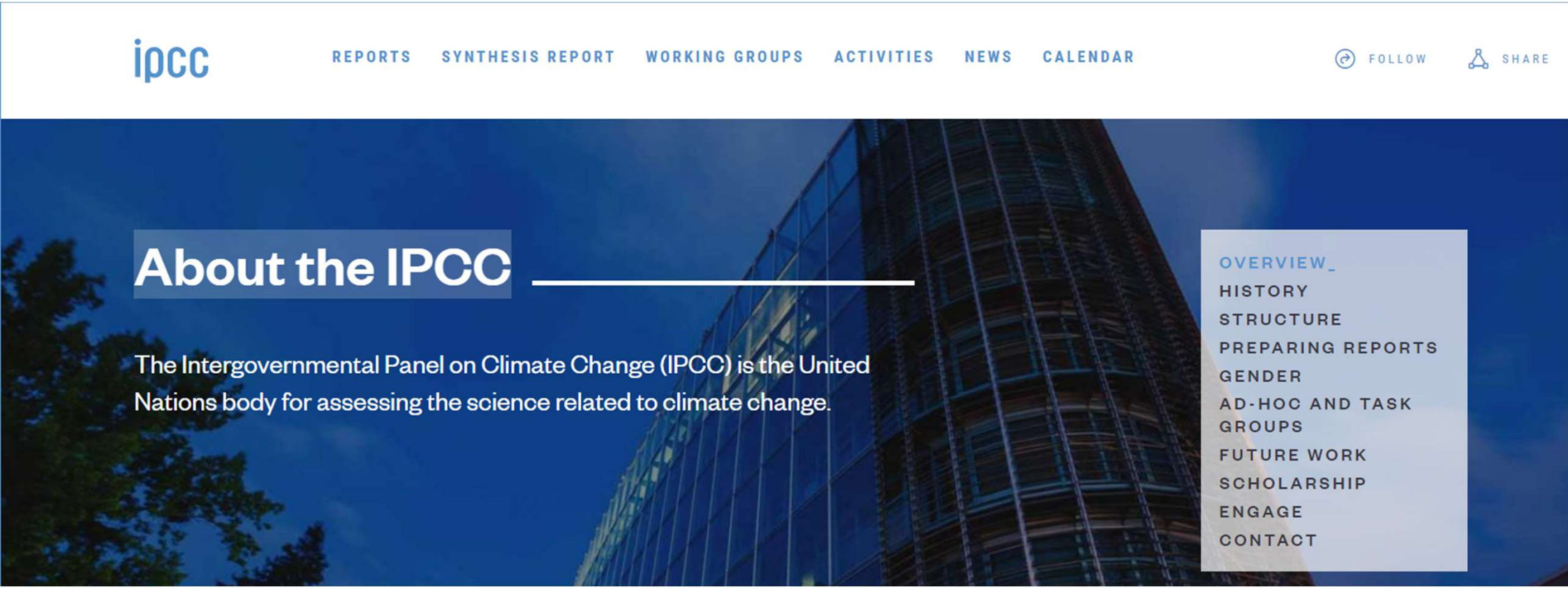
https://climate.copernicus.eu/esotc/2023/sea-surface-temperature

Global Sea Level Rise



https://marine.copernicus.eu/access-data/ocean-monitoring-indicators/global-ocean-mean-sea-level-trend-map-observations

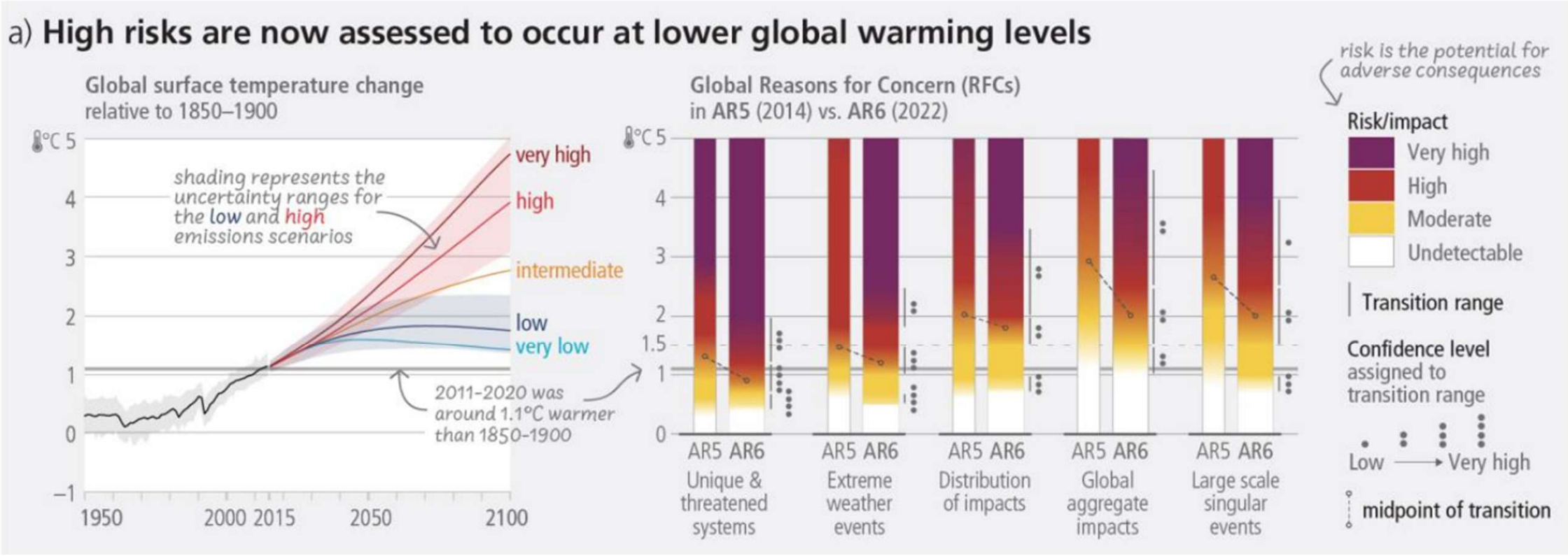
What is IPCC?



https://www.ipcc.ch/

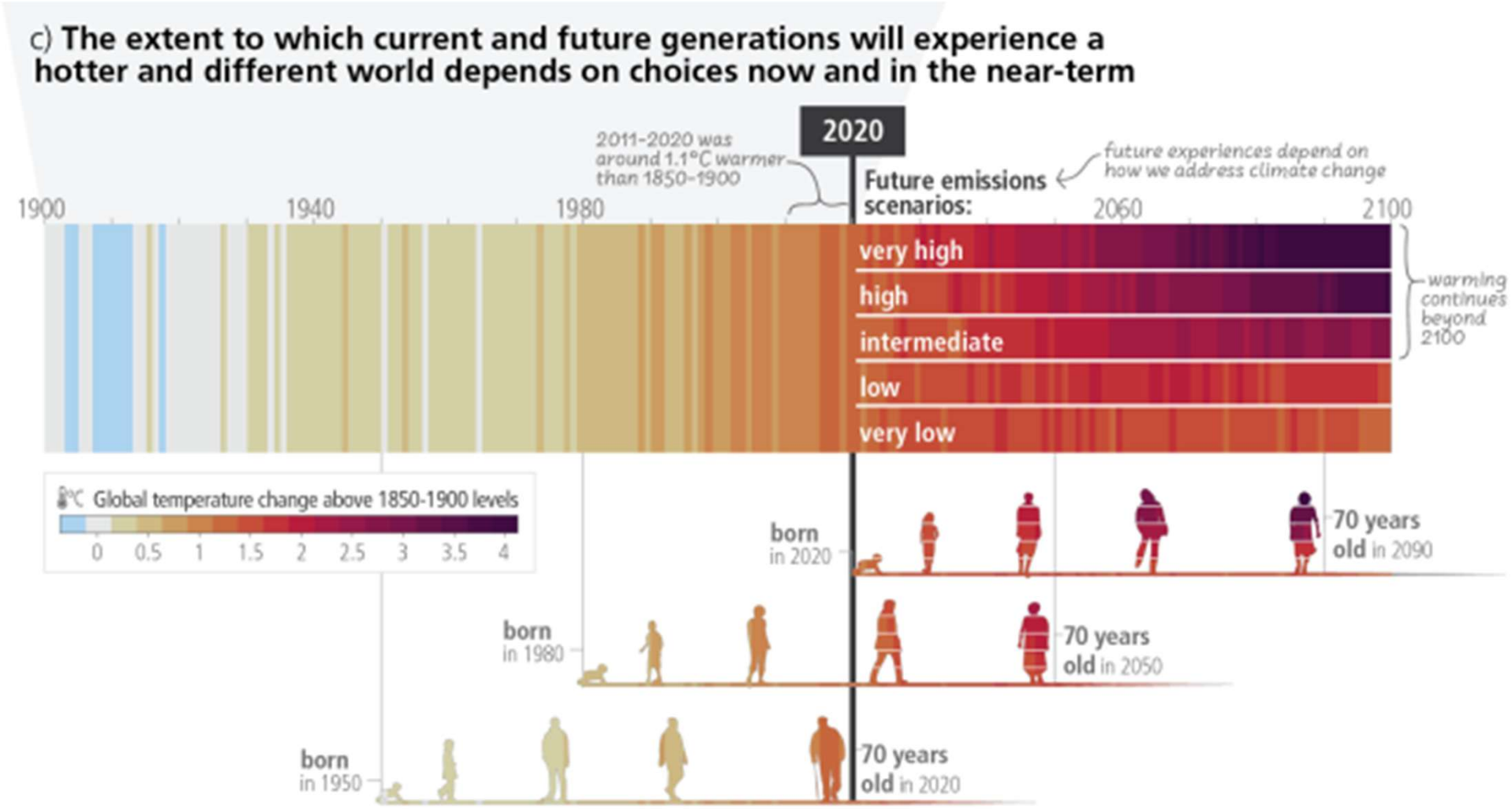
IPCC 6th Assessment Report (AR6)

Risks are increasing with every increment of warming



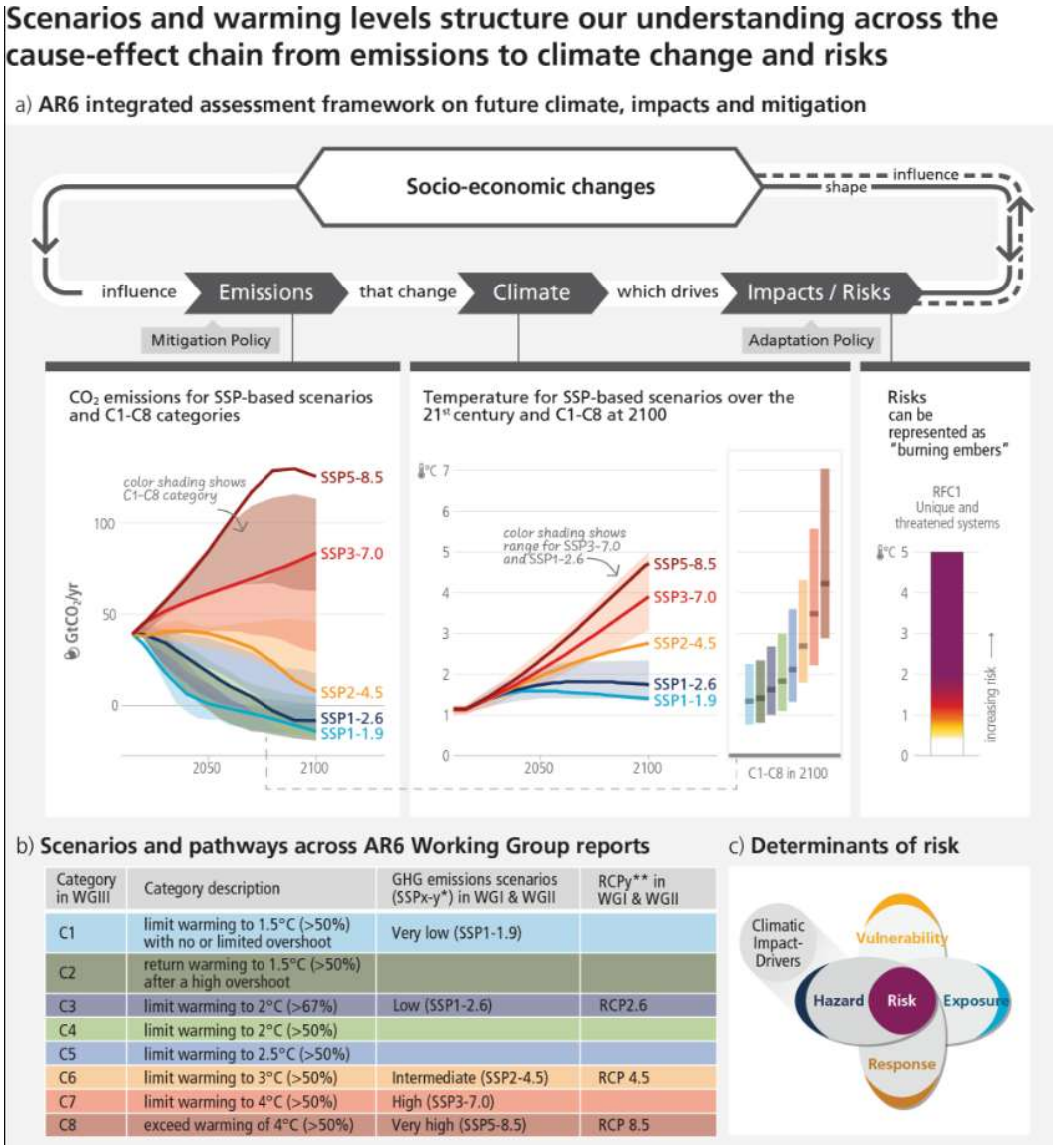
https://report.ipcc.ch/ar6syr/pdf/IPCC_AR6_SYR_SPM.pdf

IPCC 6th Assessment Report (AR6)



https://report.ipcc.ch/ar6syr/pdf/IPCC_AR6_SYR_SPM.pdf

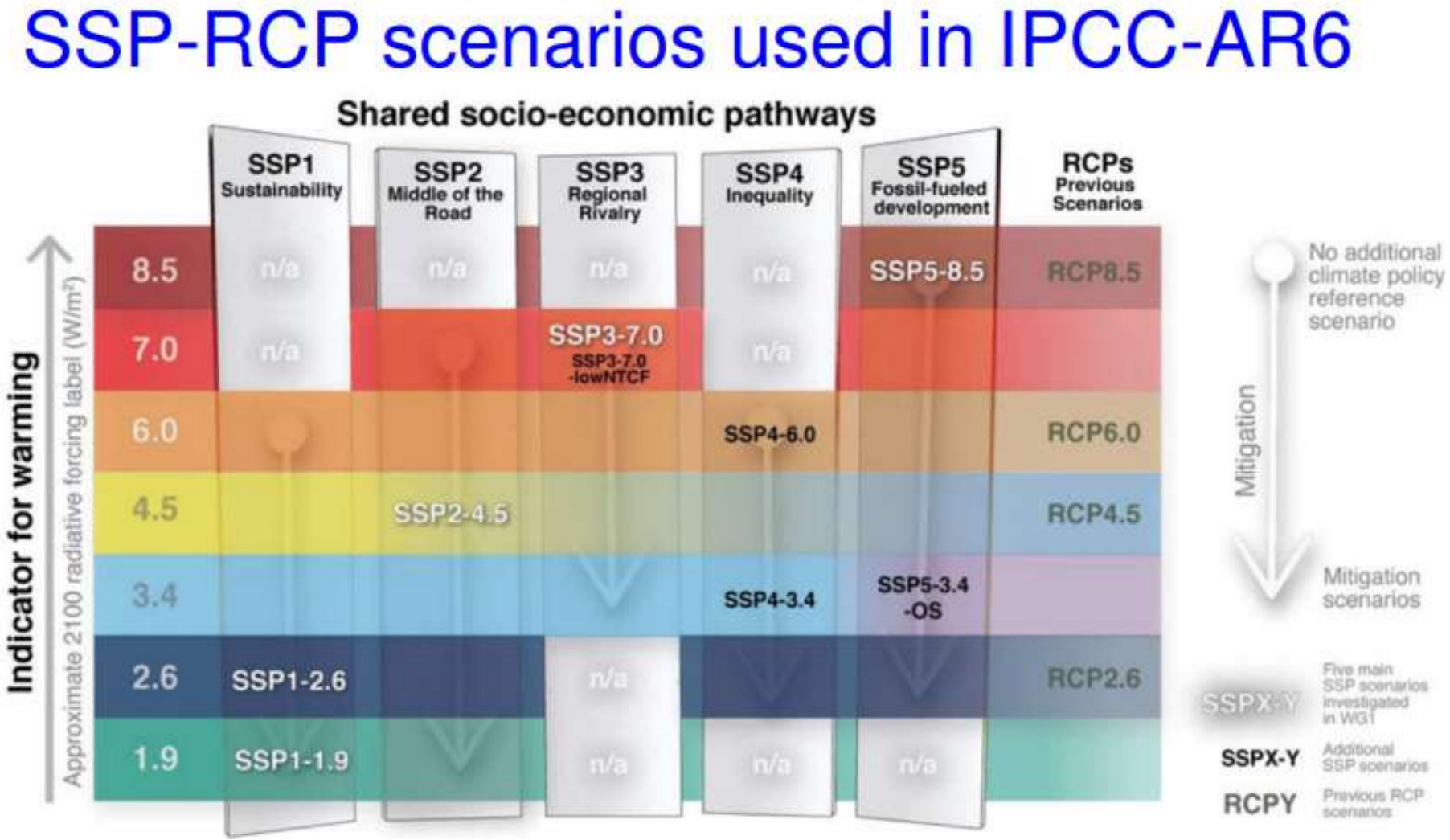
AR6 Assumptions



Category in WGIII	Category description	GHG emissions scenarios (SSPx-y*) in WGI & WGII	RCPy** in WGI & WGII
C1	limit warming to 1.5°C (>50%) with no or limited overshoot	Very low (SSP1-1.9)	
C2	return warming to 1.5°C (>50%) after a high overshoot		
C3	limit warming to 2°C (>67%)	Low (SSP1-2.6)	RCP2.6
C4	limit warming to 2°C (>50%)		
C5	limit warming to 2.5°C (>50%)		
C6	limit warming to 3°C (>50%)	Intermediate (SSP2-4.5)	RCP 4.5
C7	limit warming to 4°C (>50%)	High (SSP3-7.0)	
C8	exceed warming of 4°C (>50%)	Very high (SSP5-8.5)	RCP 8.5

(Reference) IPCC AR6

AR6 Assumptions



(Reference) IPCC AR6

What is SSP (Shared Socioeconomic Pathways)?

SSP1: Sustainability (Taking the Green Road)

This pathway envisions a world making a gradual shift towards sustainability, with a focus on inclusive development and respect for environmental boundaries. Investments in education and health accelerate demographic transitions, and economic growth emphasizes human well-being over material consumption.

SSP2: Middle of the Road

This scenario assumes that current social, economic, and technological trends continue without significant deviations. It represents a world where development and environmental challenges are managed in a balanced way, without major shifts towards sustainability or fossil-fuel dependency.

SSP3: Regional Rivalry (A Rocky Road)

In this pathway, the world becomes more fragmented, with countries focusing on their own interests. This leads to slower economic growth, less international cooperation, and significant challenges in both mitigation and adaptation to climate change.

(Reference) IPCC AR6

What is SSP (Shared Socioeconomic Pathways)?

SSP4: Inequality (A Road Divided)
This scenario highlights a world with high levels of inequality both within and between countries. A small, wealthy elite drives technological advancements, while large segments of the population face limited access to resources and opportunities.

SSP5: Fossil-fueled Development (Taking the Highway)
This pathway envisions rapid economic growth driven by intensive use of fossil fuels. Technological advancements and high energy consumption lead to significant greenhouse gas emissions, posing high challenges for climate mitigation.

(Reference) IPCC AR6

What is RCP (Representative Concentration Pathway)?

RCP2.6: In this scenario, radiative forcing peaks in the mid-21st century and then declines to 2.6 Watt/m2 (Radiant flux leaving (emitted, reflected and transmitted by) a surface per unit area) by the end of the 21st century. This means that greenhouse gas emissions will decline rapidly and atmospheric carbon dioxide concentrations will stabilize. In this scenario, the impacts of climate change can be minimized, but this requires strong mitigation measures and negative emissions technologies.

RCP4.5: In this scenario, radiative forcing stabilizes at 4.5 W/m2 by the end of the 21st century. This means that greenhouse gas emissions will peak in the mid-21st century and then gradually decline. In this scenario, the effects of climate change can be limited to some extent, but this requires moderate emissions reduction measures and improvements in energy efficiency.

(Reference) IPCC AR6

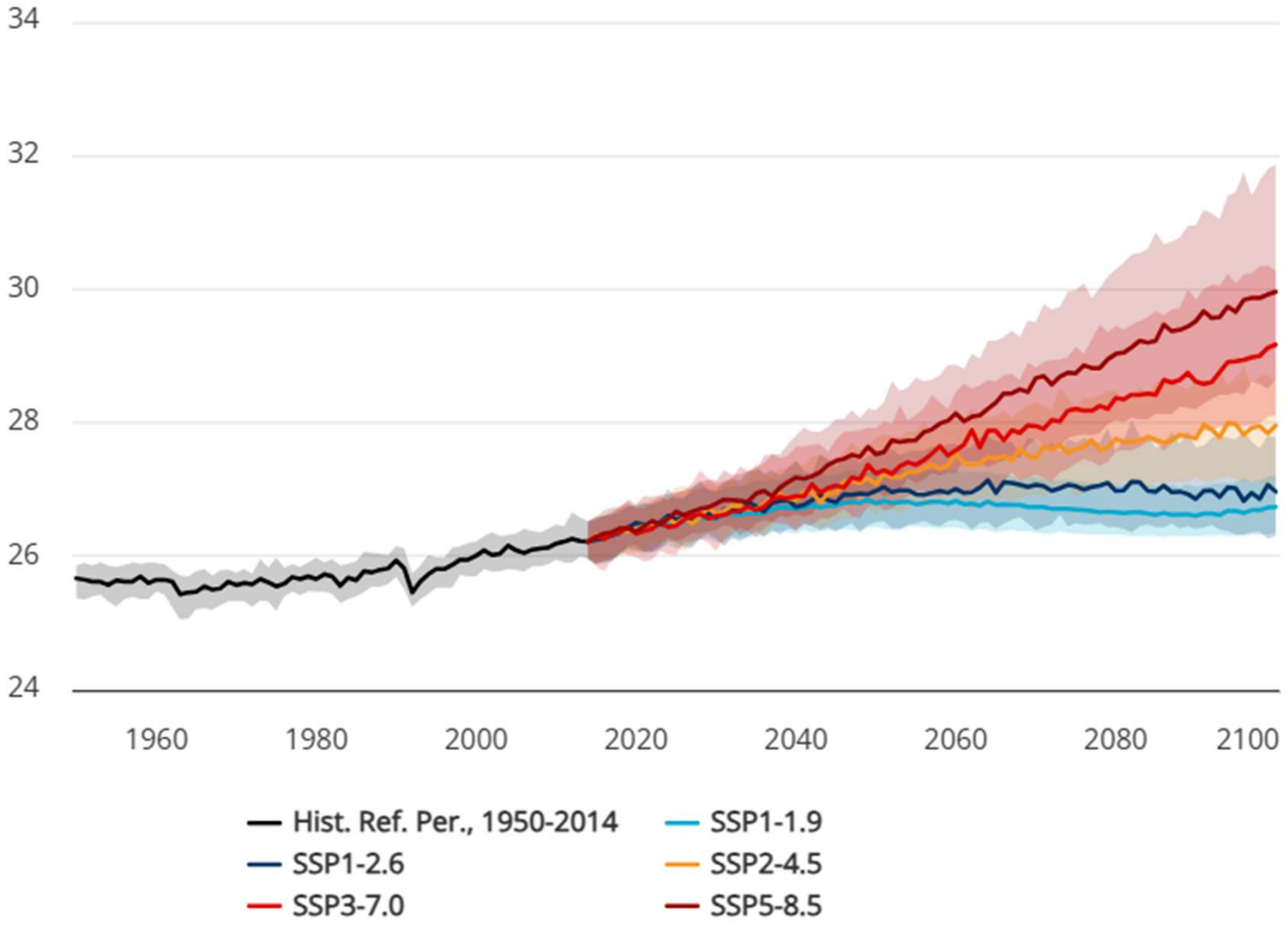
RCP (Radiation Concentration Pathway)

RCP6.0: In this scenario, radiative forcing stabilizes at 6.0 W/m2 by the end of the 21st century.
This means that greenhouse gas emissions will peak in the second half of the 21st century and then decline slightly. In this scenario, the impacts of climate change would be significant, but they would require lower-level emissions mitigation and energy transitions.

RCP8.5: In this scenario, radiative forcing will reach 8.5 W/m2 by the end of the 21st century. This means that greenhouse gas emissions will continue to increase throughout the 21st century. In this scenario, the impacts of climate change will be very severe, but it assumes that few mitigation or adaptation measures will be taken.

(Reference) IPCC AR6

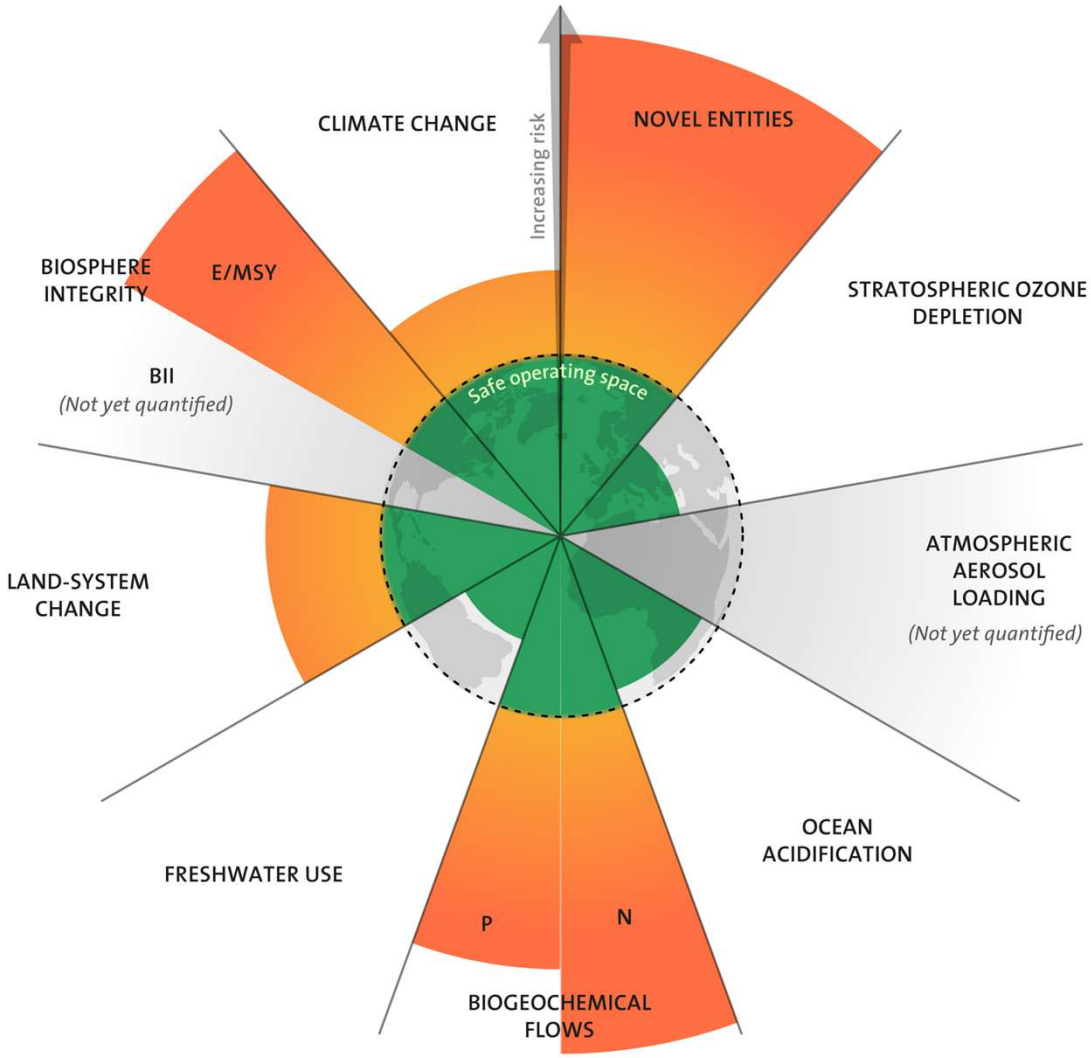
Projected Average Mean Surface Air Temperature Malaysia



https://climateknowledgeportal.worldbank.org/country/malaysia/climate-data-projections

Planetary Boundaries

https://www.weforum.org/videos/how-16-tipping-points-could-push-our-entire-planet-into-crisis/



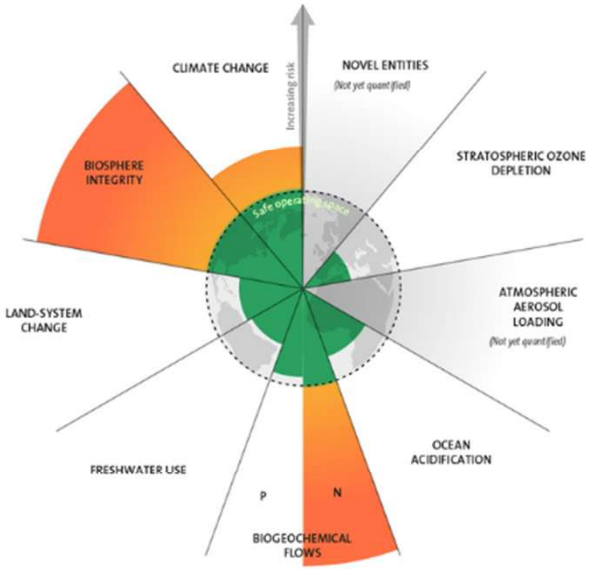
Stockholm Resilience Centre | Stockholm University

Johan Rockström

https://www.stockholmresilience.org/research/planetary-boundaries.html

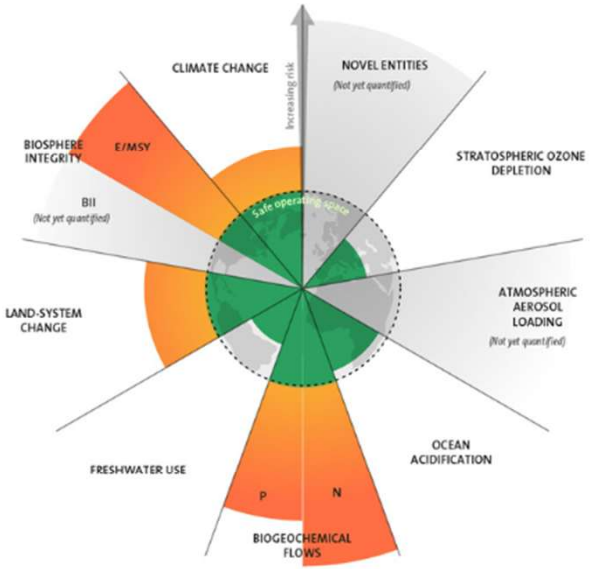
Transition of Planetary Boundaries

2009



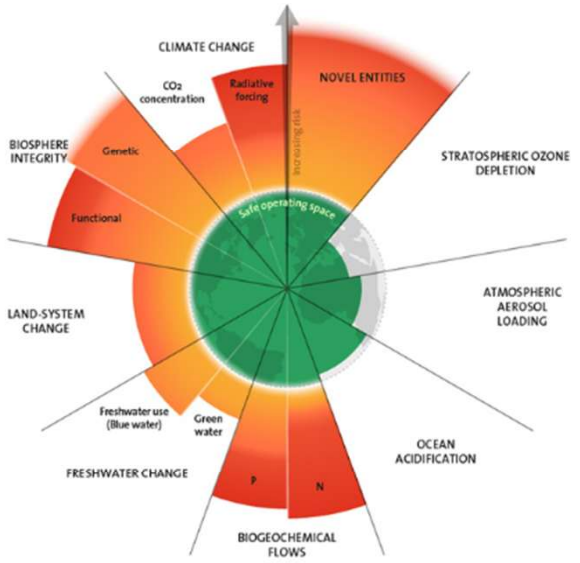
7 boundaries assessed,
3 crossed

2015



7 boundaries assessed,
4 crossed

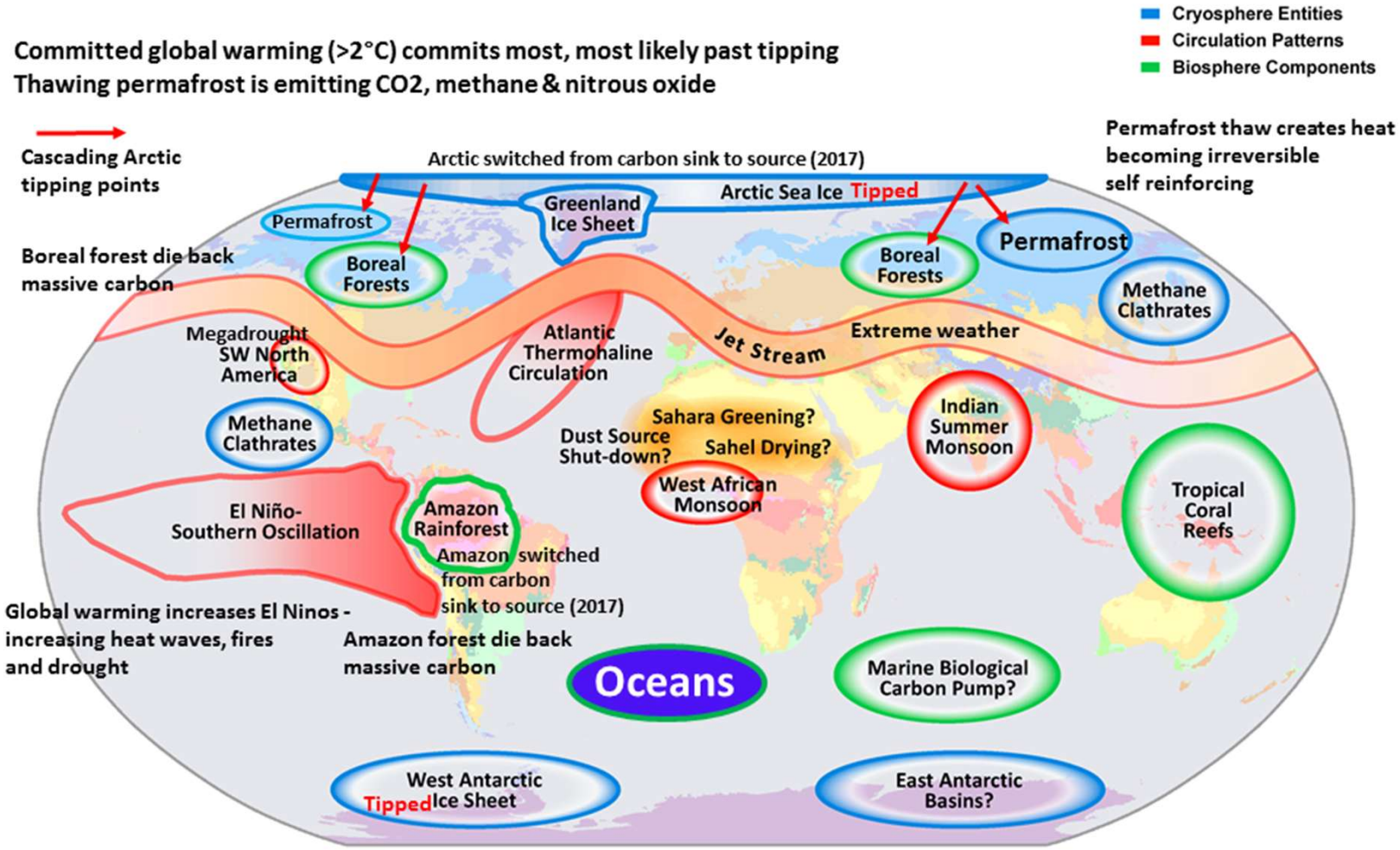
2023



9 boundaries assessed,
6 crossed

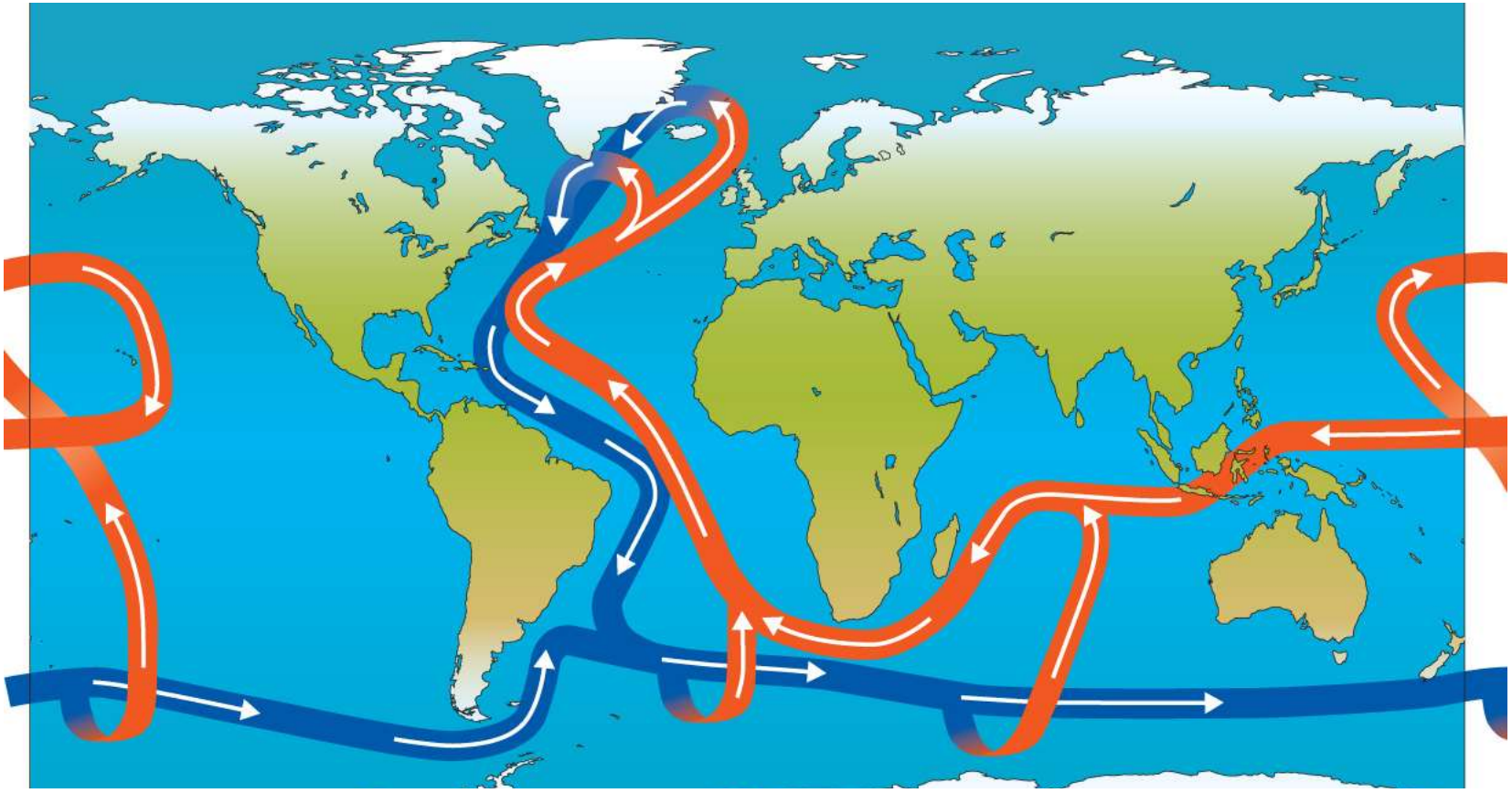
https://www.stockholmresilience.org/research/planetary-boundaries.html

Global Warming Vulnerable Tipping Points



Adapted from Potsdam Climate Institute
Tipping Elements the Achilles Heels of the Earth System
https://www.pik-potsdam.de/en/output/infodesk/tipping-elements

The Atlantic Meridional Overturning Circulation (AMOC)



Mechanism: The AMOC is driven by differences in water temperature and salinity, which affect water density. Warm, salty water flows northward near the surface, cools, and sinks in the North Atlantic, then flows back southward at deeper levels

https://climate.metoffice.cloud/amoc.html

The Atlantic Meridional Overturning Circulation (AMOC)

Current Status: Recent studies suggest that the AMOC is at risk of collapsing if current greenhouse gas emissions continue. This collapse could occur between 2025 and 2095, with a high probability around 2057.

Potential Impacts: A collapse of the AMOC could lead to severe climate disruptions, including:

Cooling in Europe: Despite global warming, Europe could experience significant cooling due to the disruption of heat distribution.

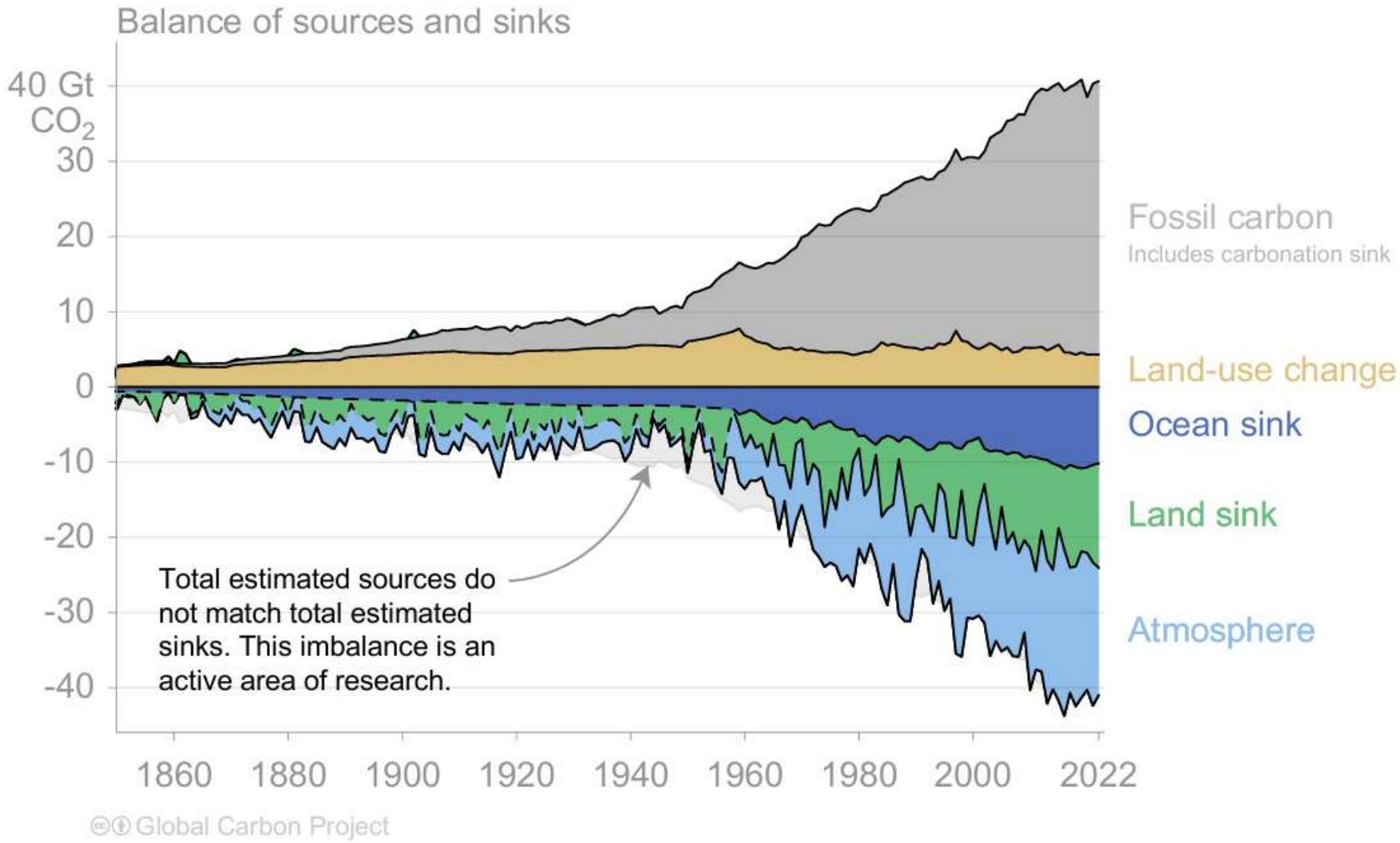
Warming in the Tropics: Increased temperatures in tropical regions, exacerbating already challenging living conditions.

Sea Level Rise: Particularly along the East Coast of the United States, due to changes in ocean currents and thermal expansion.

Extreme Weather: More intense storms and altered precipitation patterns globally.

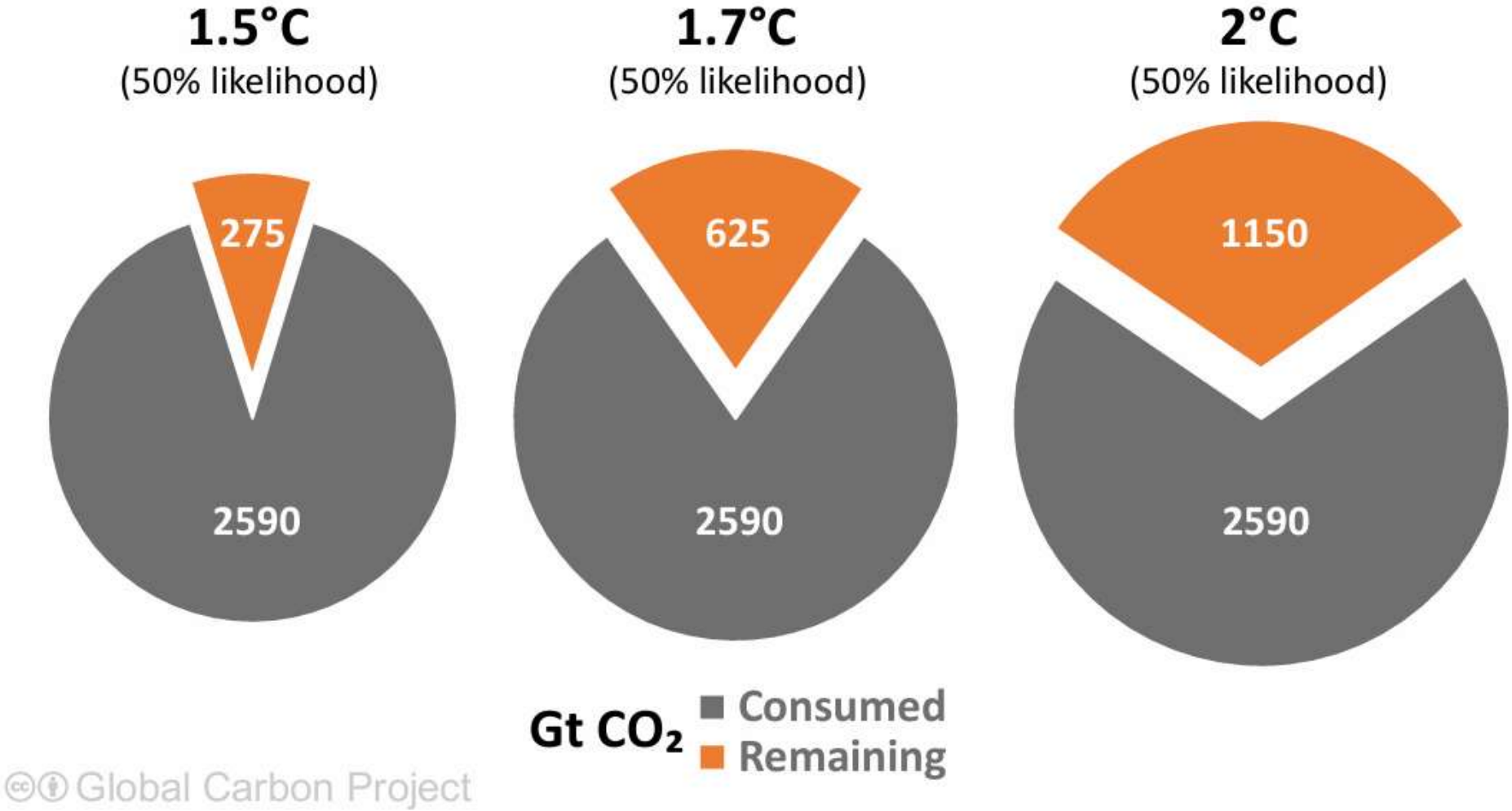
https://climate.metoffice.cloud/amoc.html

Global Carbon Sink



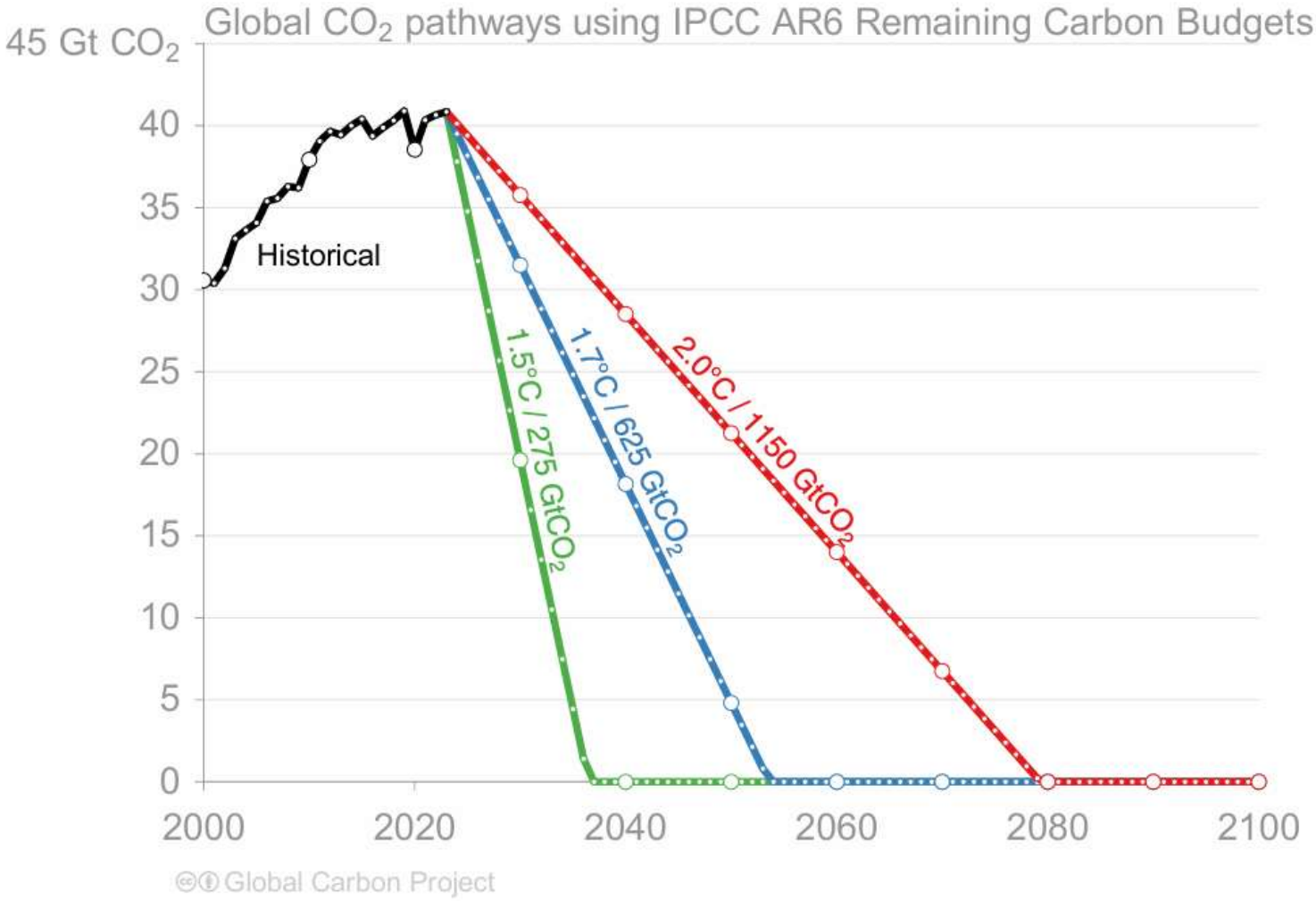
https://essd.copernicus.org/articles/15/5301/2023/ https://globalcarbonbudget.org/

Remaining Carbon Budget



https://globalcarbonbudget.org/

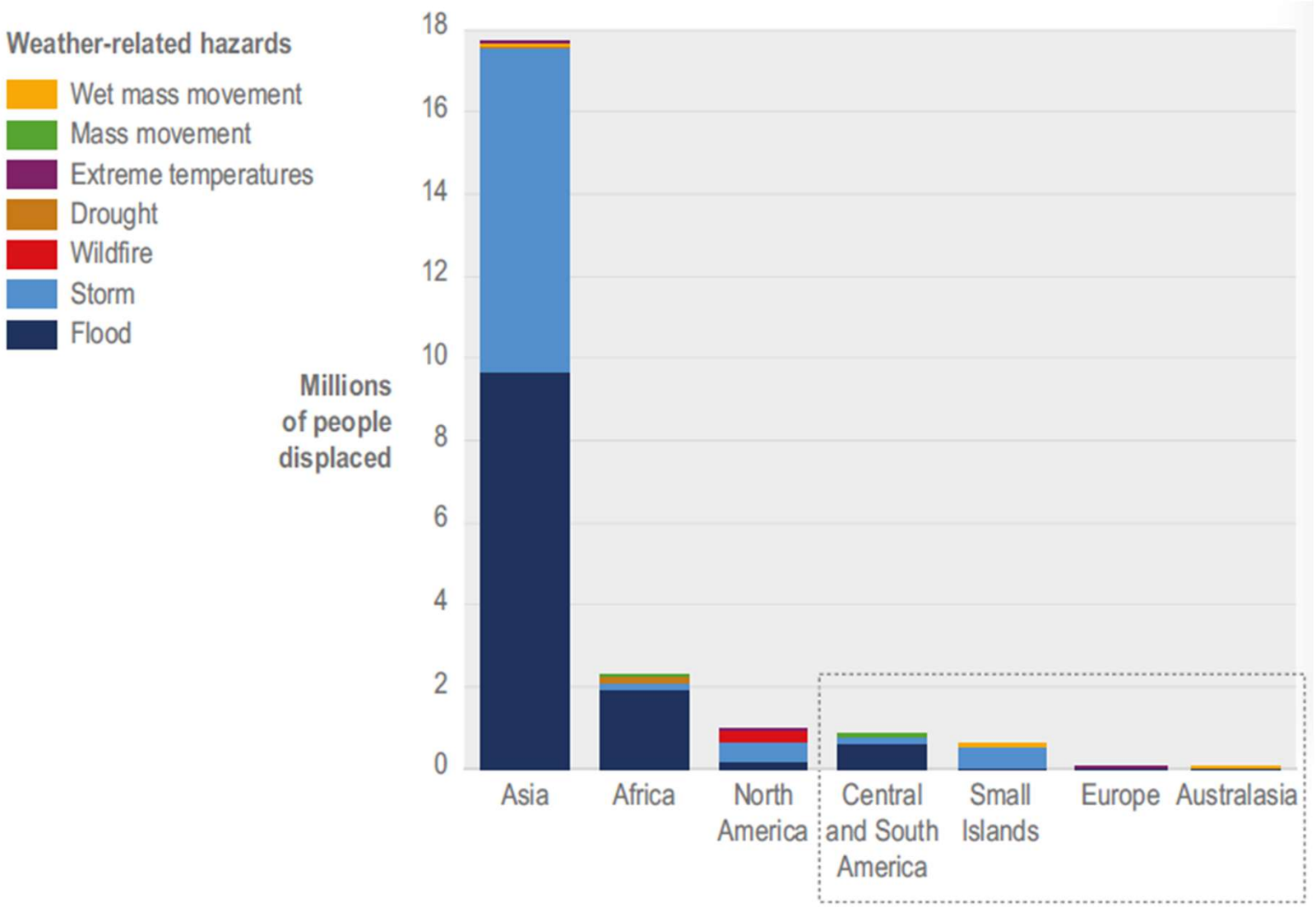
Global CO2 emissions must reach 0 to limit global warming



https://globalcarbonbudget.org/

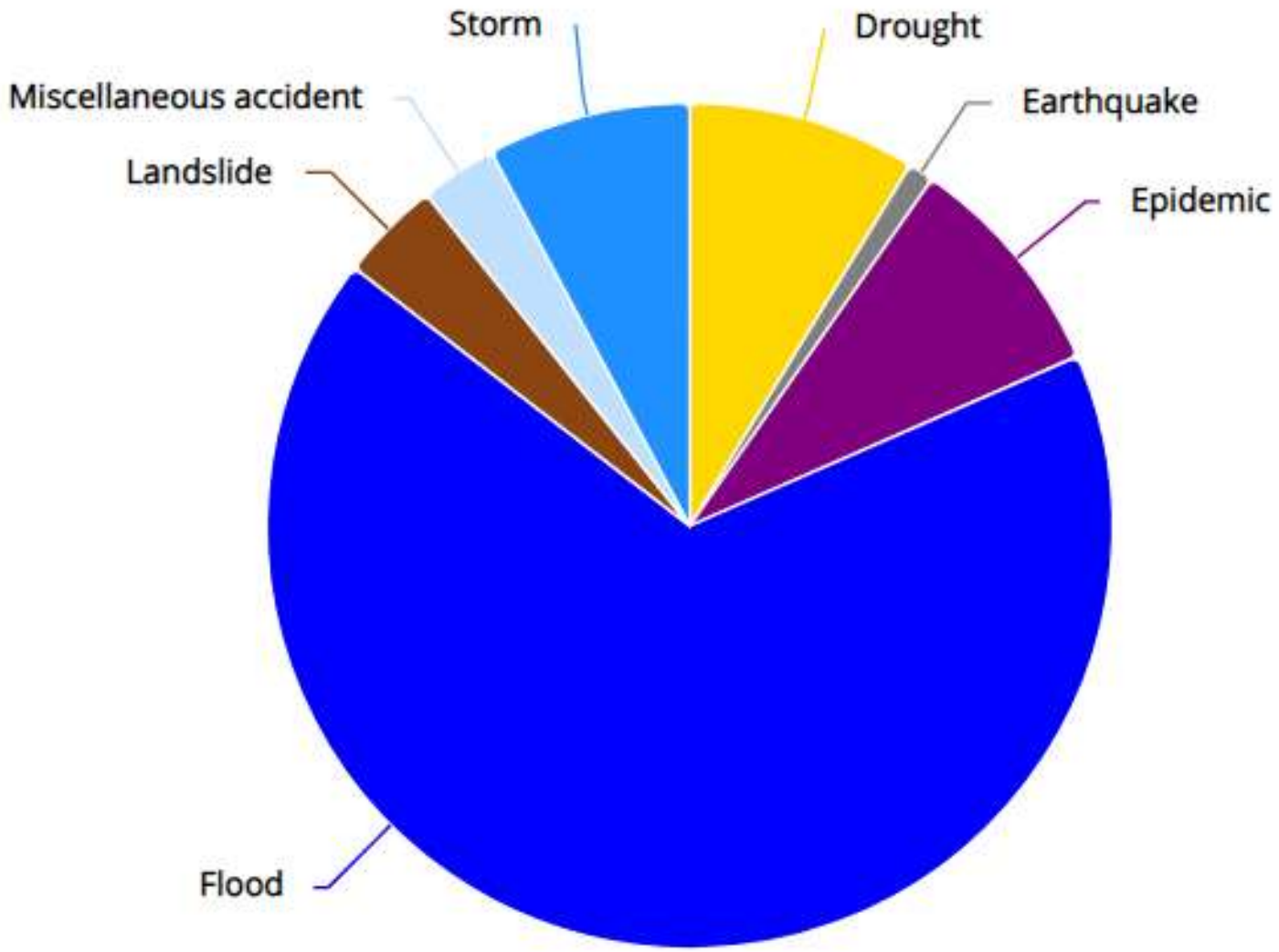
3. Climate Change Impact

Average annual weather-related displacements, 2010–2020



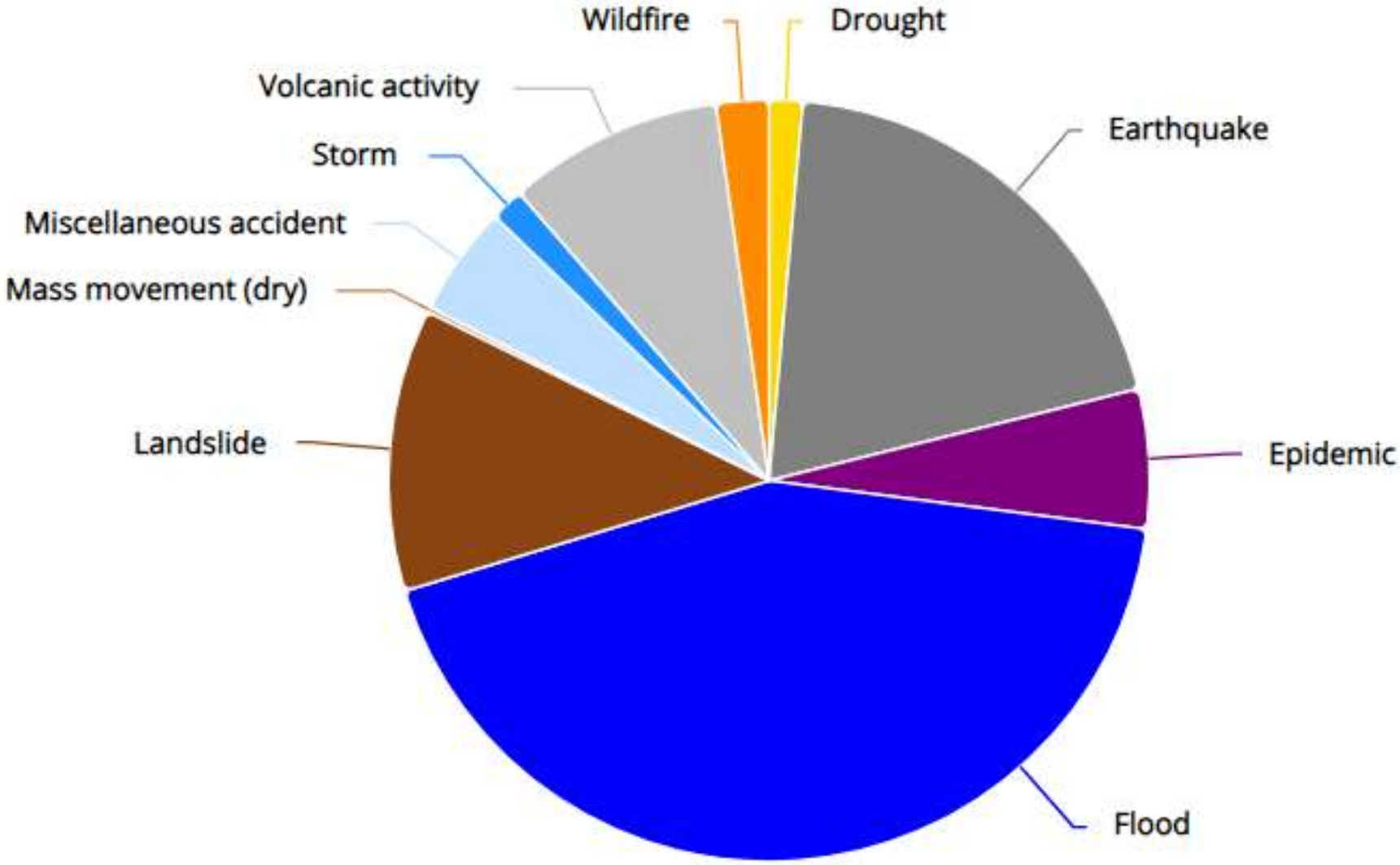
(Reference) IPCC AR6 WGII Chapter 7

Average Annual Natural Hazard Occurence in Sri Lanka for 1980-2020



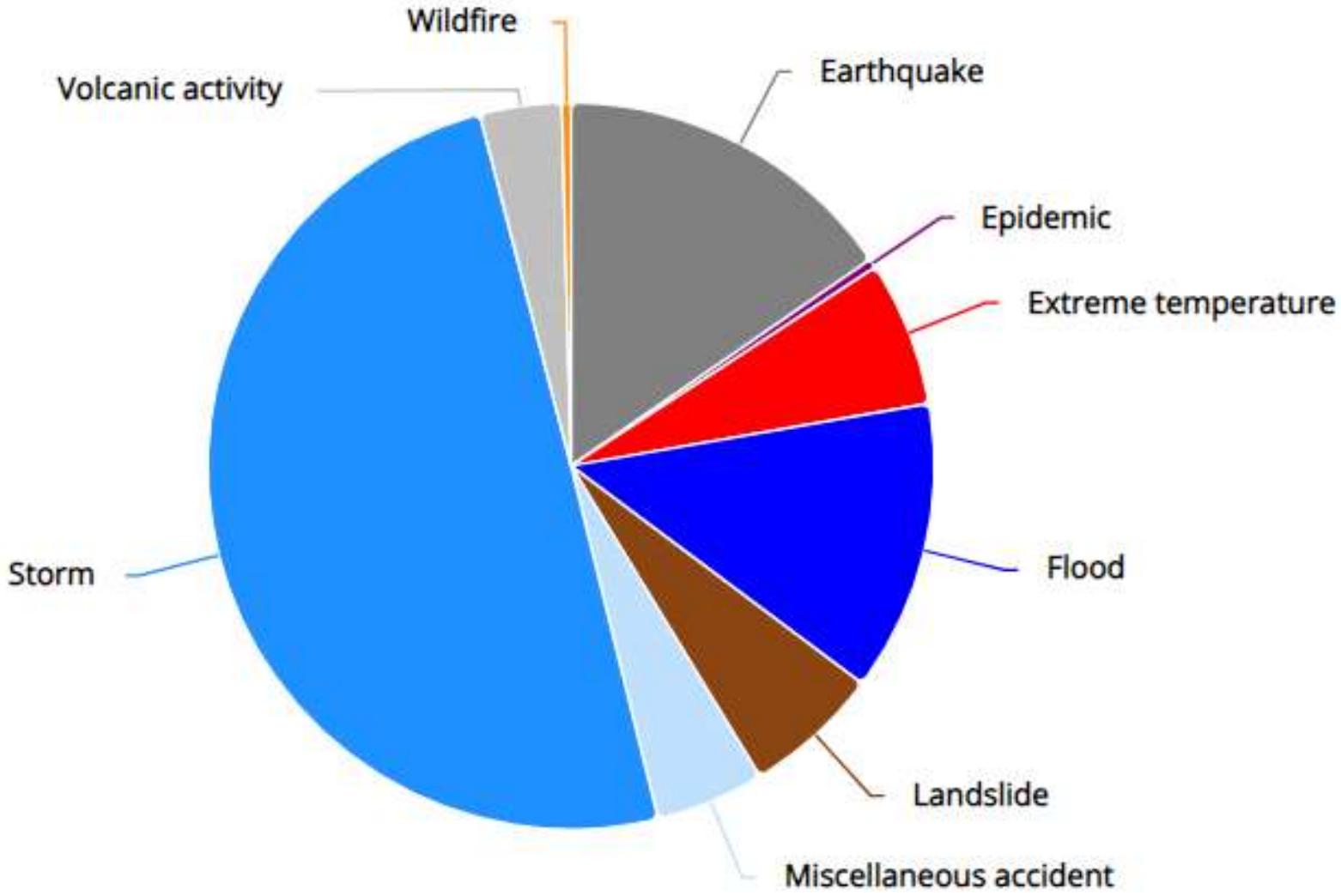
(Source) https://climateknowledgeportal.worldbank.org/country/sri-lanka/vulnerability

Average Annual Natural Hazard Occurence in Indonesia for 1980-2020



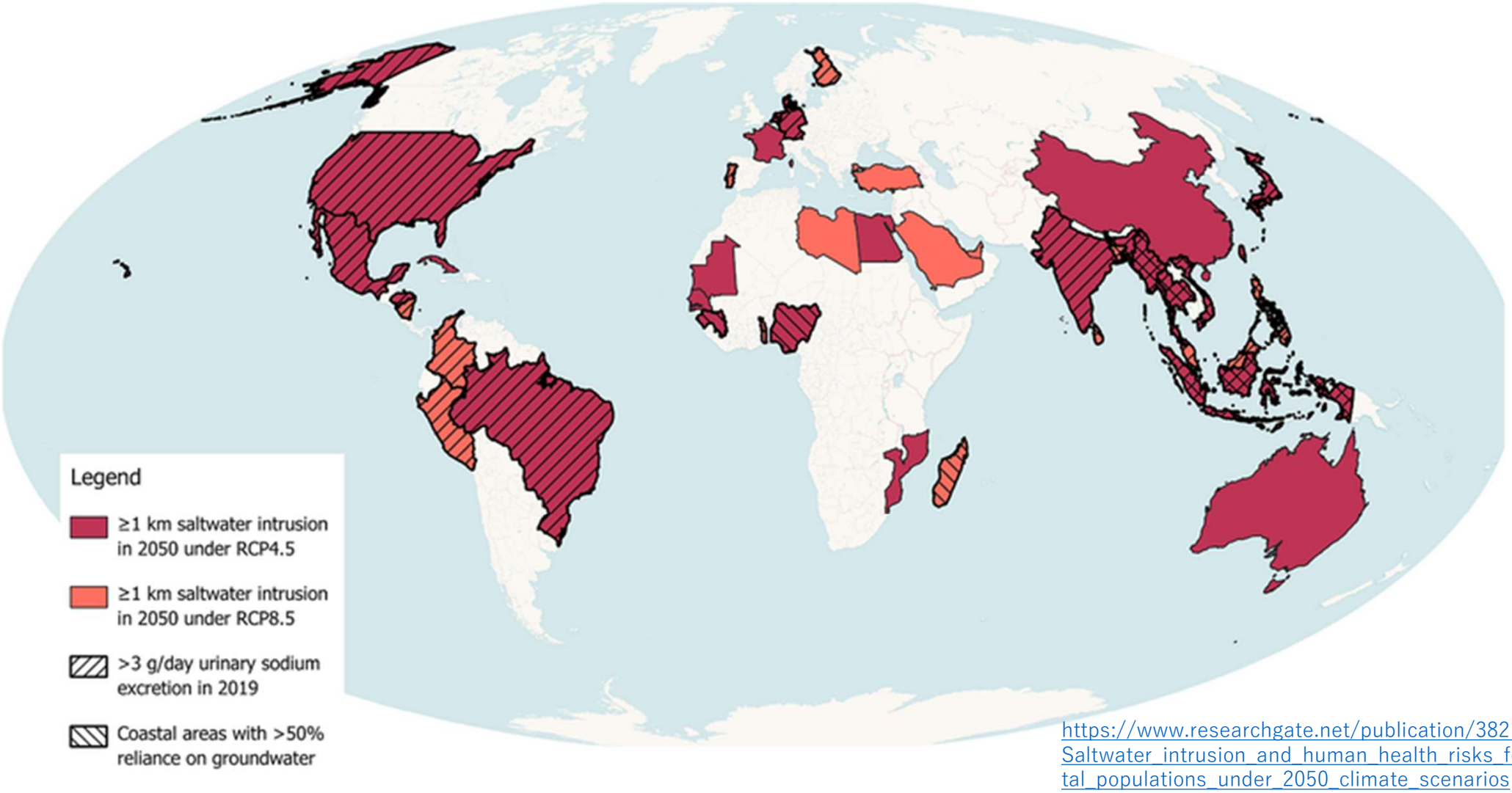
(Source) https://climateknowledgeportal.worldbank.org/country/indonesia/vulnerability

Average Annual Natural Hazard Occurence in Japan for 1980-2020



(Source) https://climateknowledgeportal.worldbank.org/country/japan/vulnerability

Saltwater intrusion and human health risks for coastal populations



https://www.researchgate.net/publication/382146190_Saltwater_intrusion_and_human_health_risks_for_coastal_populations_under_2050_climate_scenarios

(Source) Mueller et al., 2024, Saltwater intrusion and human health risks for coastal populations under 2050 climate scenarios

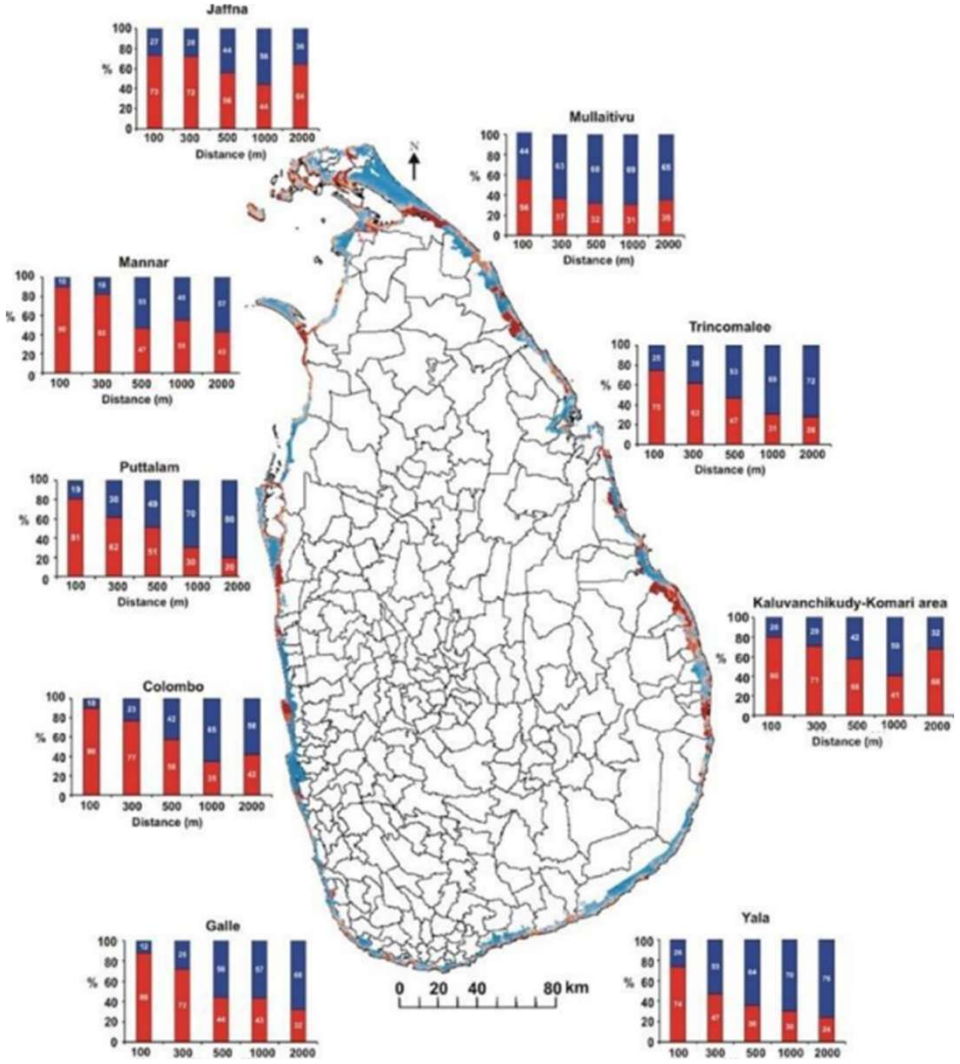
Impact of Sea Level Rise

Drinking Water Supply: Contaminated groundwater affects the availability of potable water.

Agriculture: High salinity levels in irrigation water can harm crops and reduce agricultural productivity.

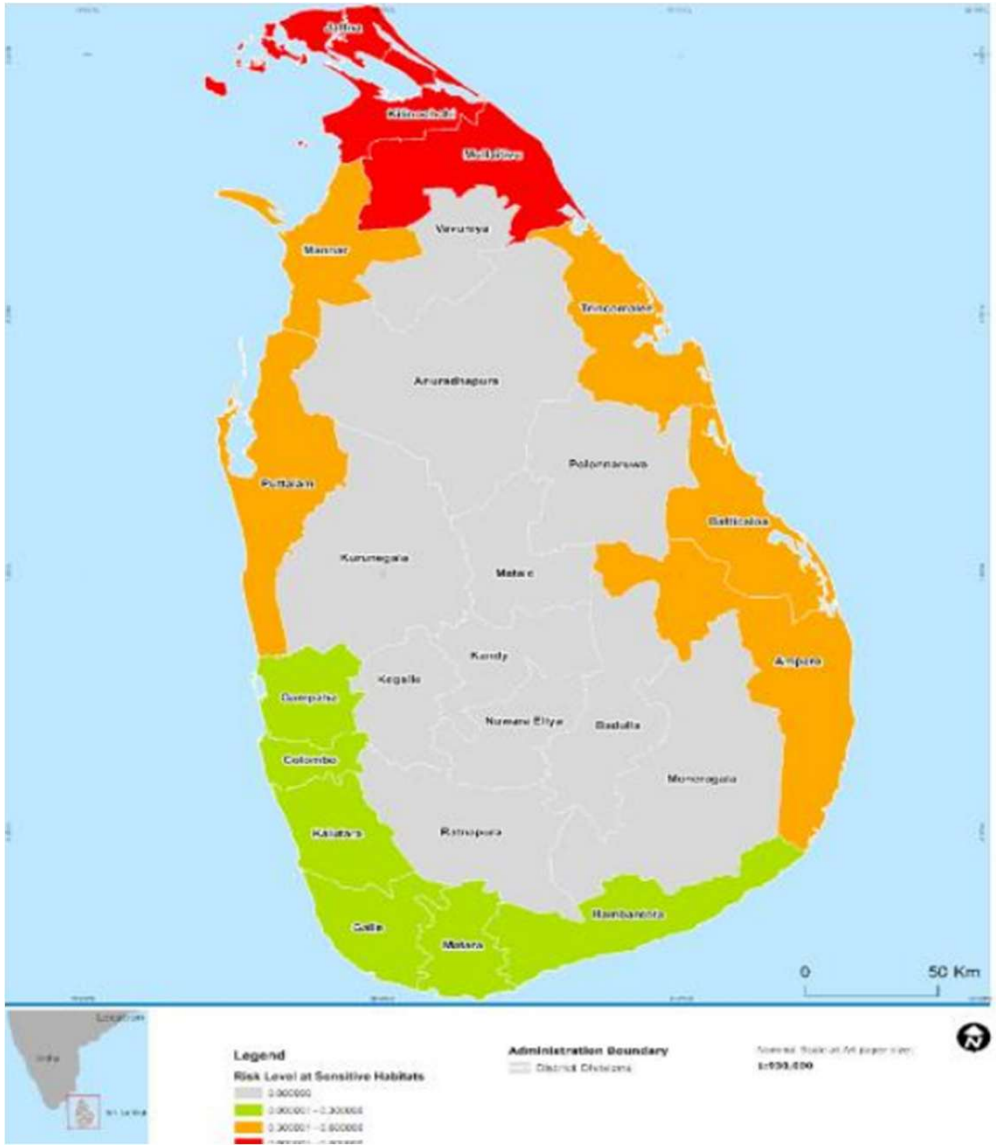
Ecosystem Disruption: Saline groundwater can affect the health of ecosystems, especially in wetlands and lakes.

Vulnerability Index Map of Sri Lanka



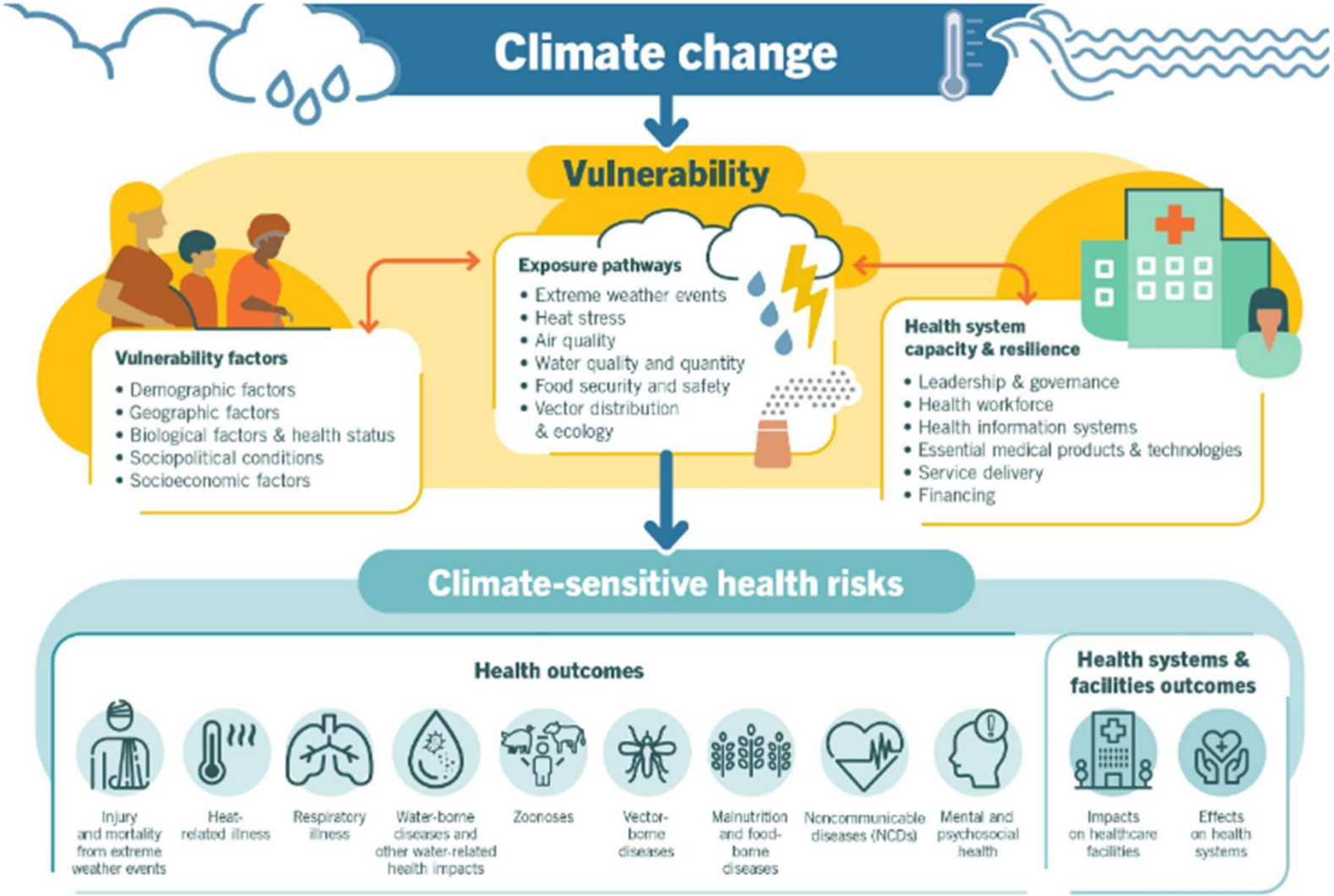
(Source) Satyanarayana et al. (2017), BTR

Vulnerability Index Map of Sri Lanka



(Source) MoE (2022), BTR

Climate Change impact on Human Health

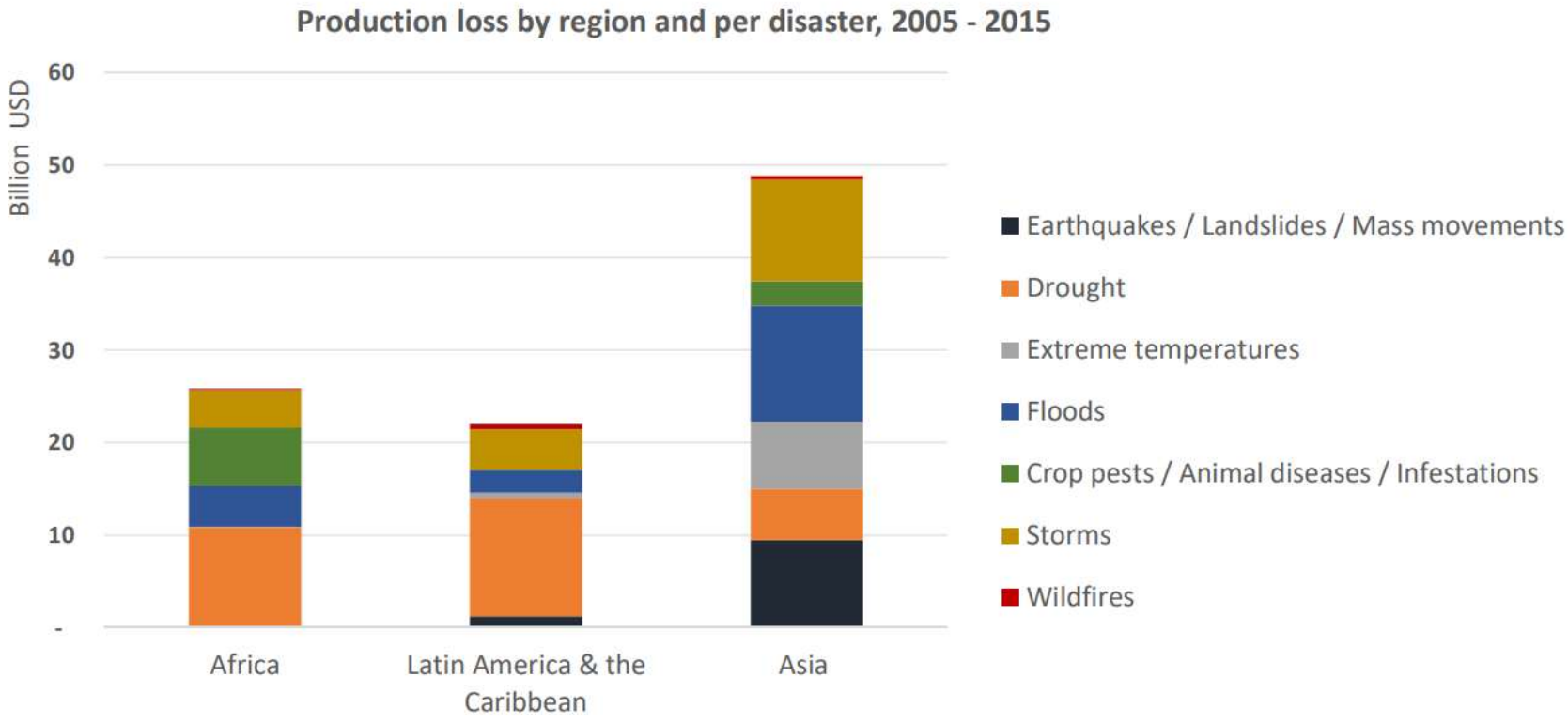


(Reference) https://www.who.int/news-room/fact-sheets/detail/climate-change-and-health

Climate Change impact on Food Security (Agriculture Loss)

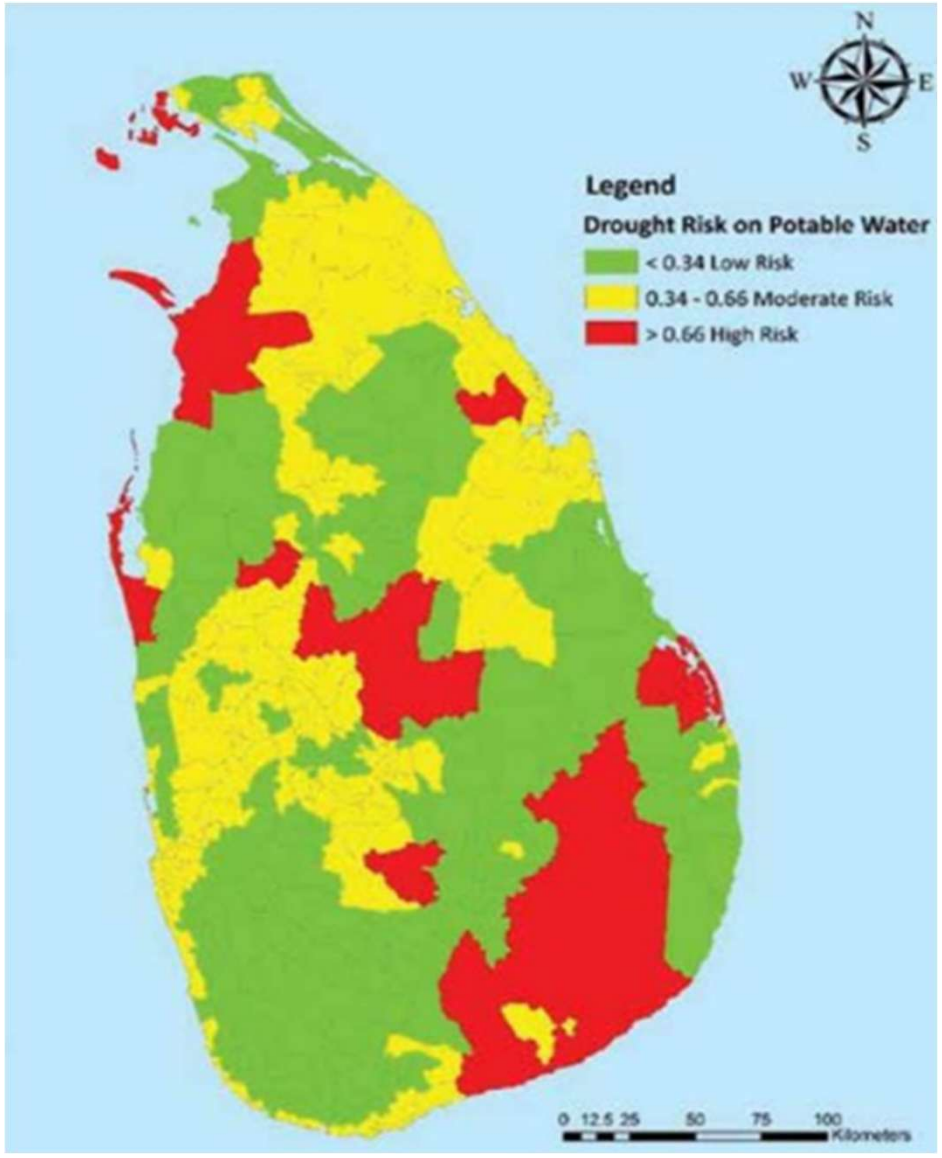
Assessing Damage and Loss in Agriculture
FAO's methodology

Upcoming FAO report
Main findings



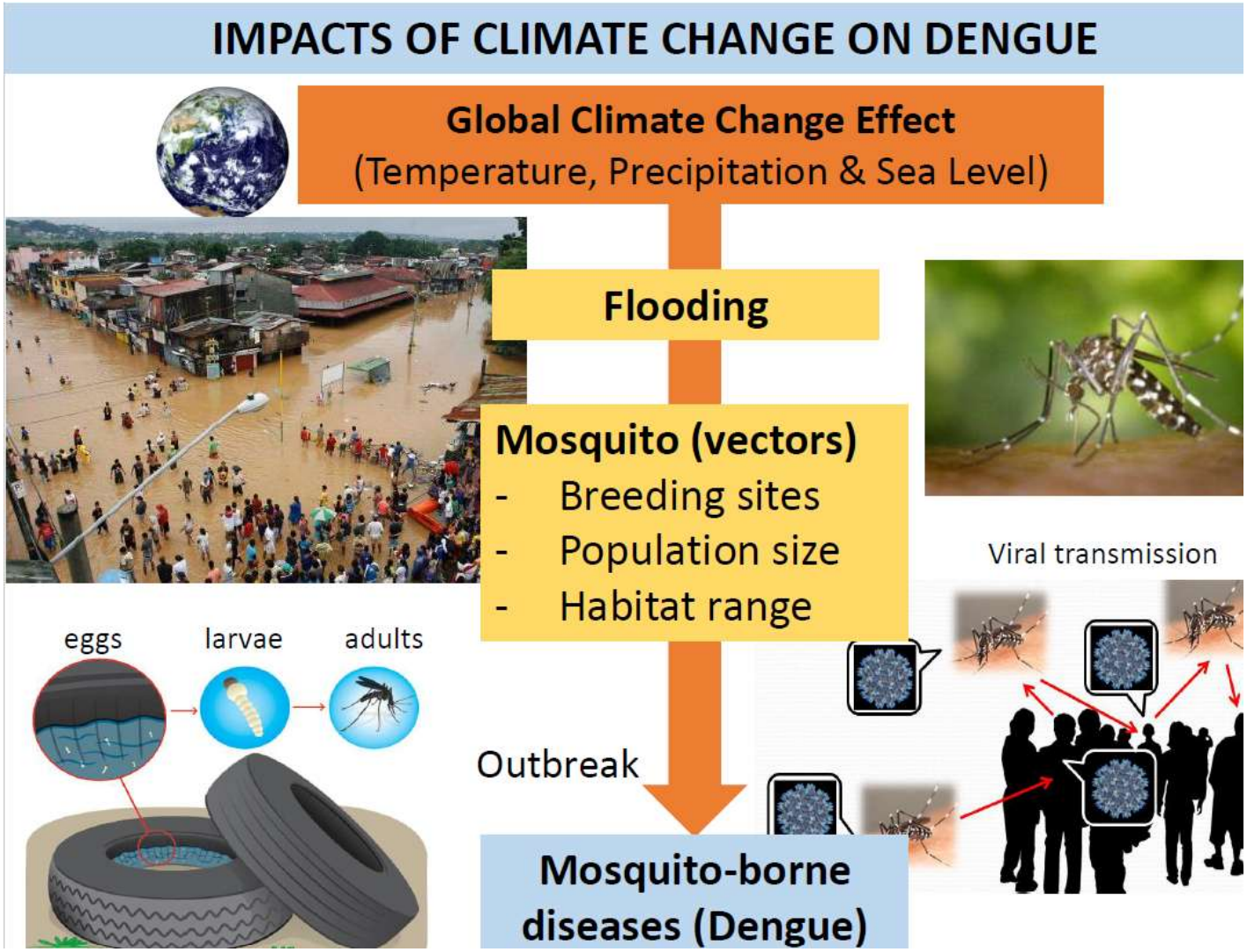
(Reference) https://unece.org/fileadmin/DAM/stats/documents/ece/ces/ge.33/2017/mtg3/5_4_Assessing_Damage.pdf

Drought risk on freshwater resources in Sri Lanka



(Source) MoE (2022), BTR

Climate Change impact on Dengue

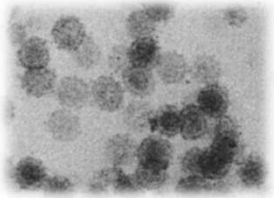


(Reference) WHO

Dengue fever at a glance

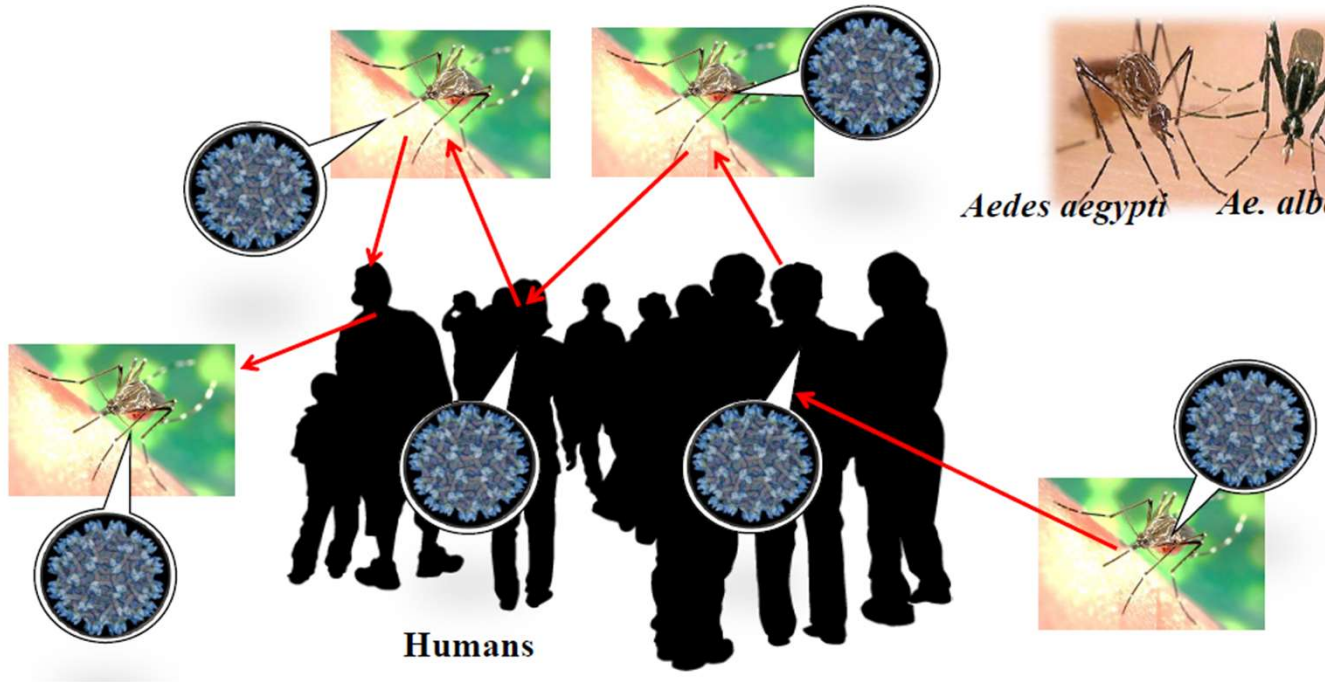
WHAT IS DENGUE?

It is a viral infection transmitted by the bite of an infected female *Aedes* mosquito (WHO, 2012)



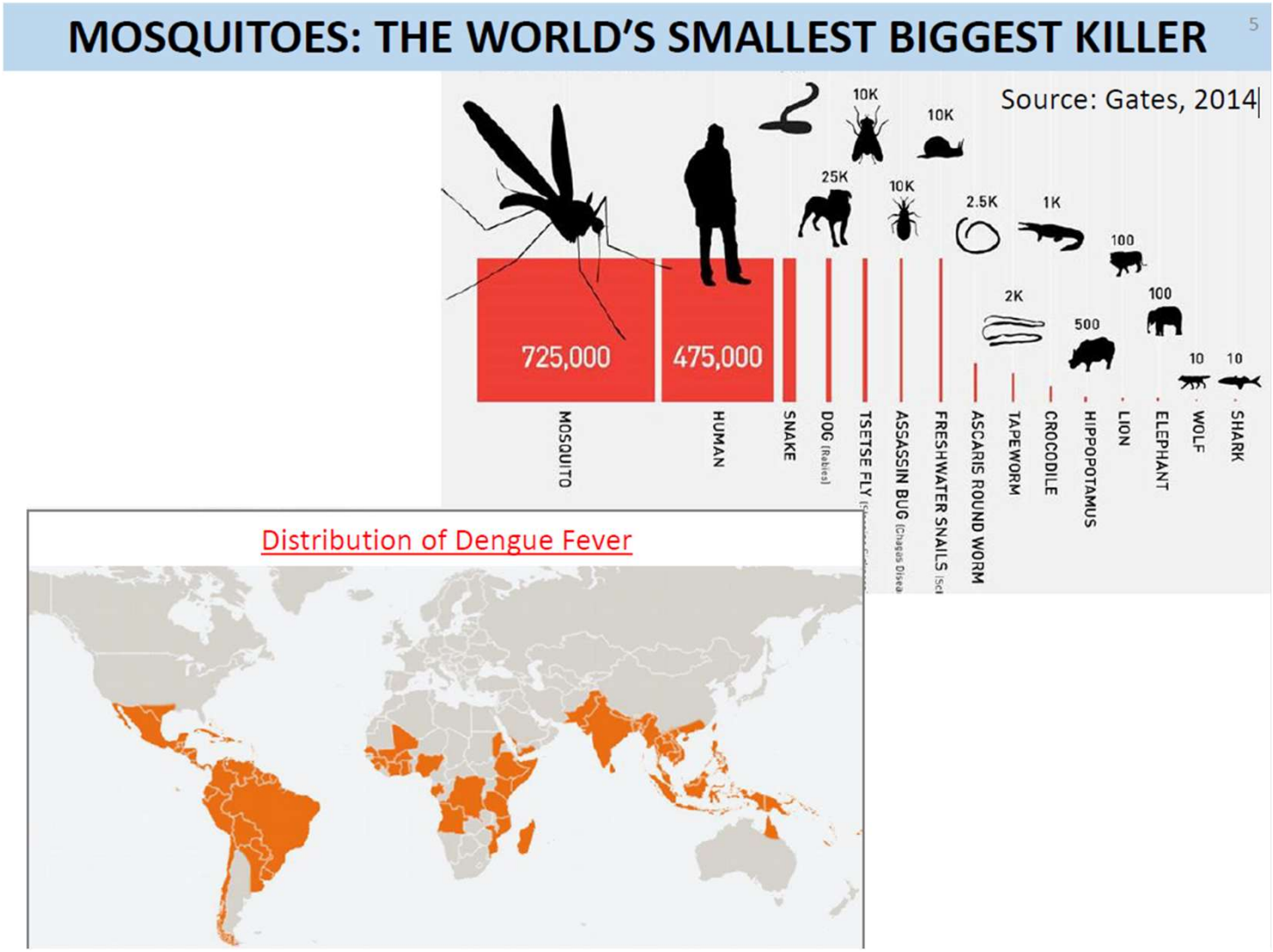
Dengue Virus (DENV)
Has 4 serotypes

Aedes aegypti ***Ae. albopictus***



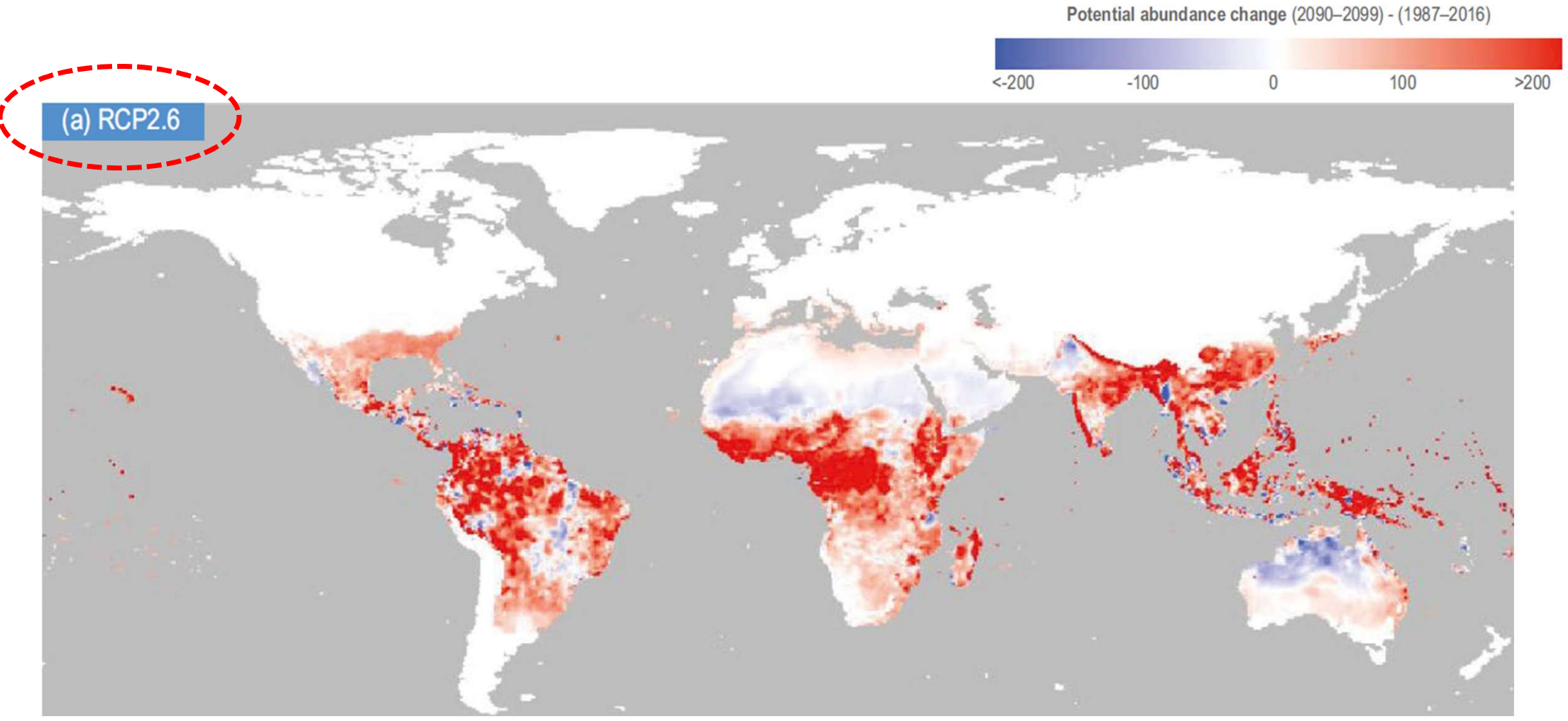
(Reference) WHO

Dengue fever at a glance



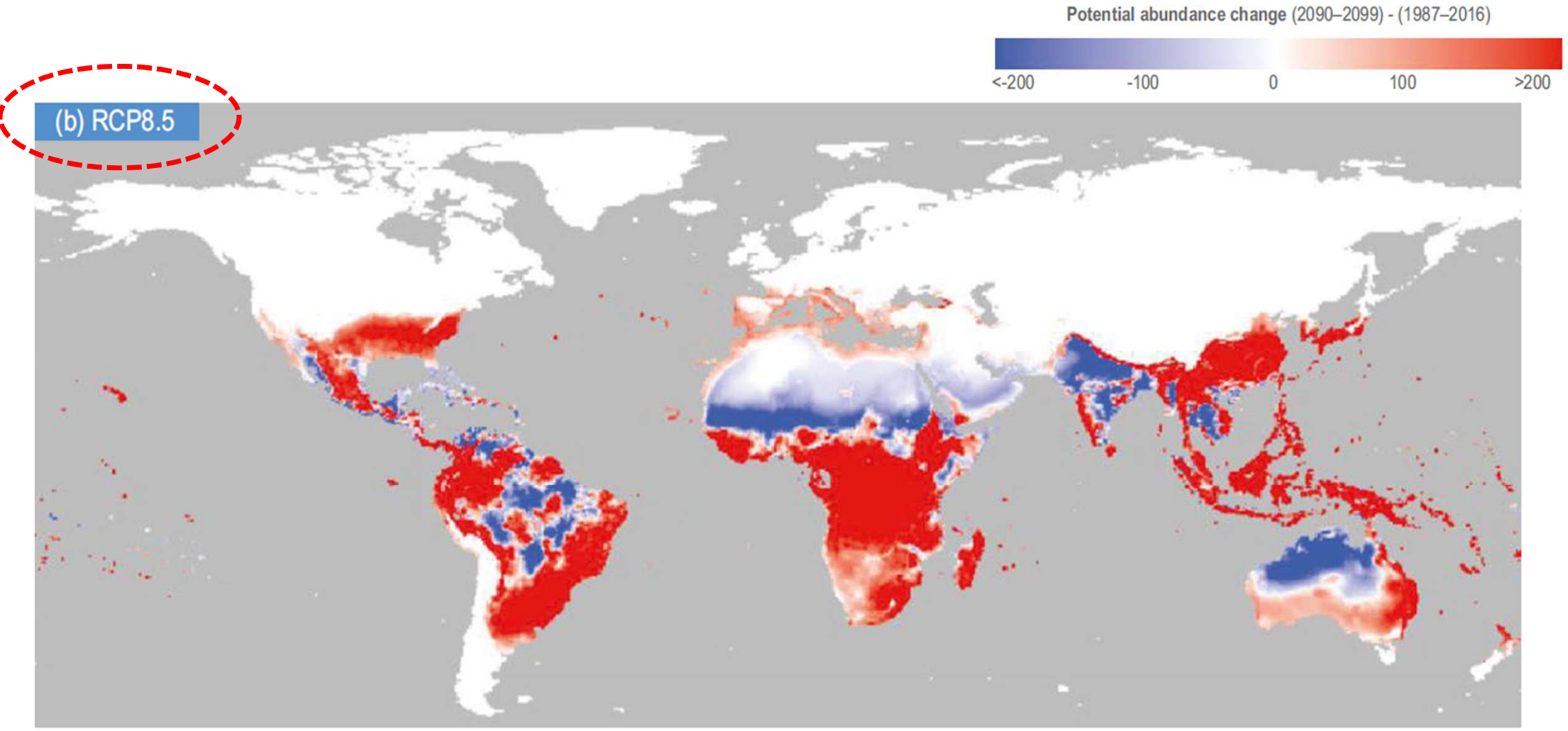
(Reference) Merinda and Bill Gates Foundation

Projected change in the abundance of Aedes aegypti



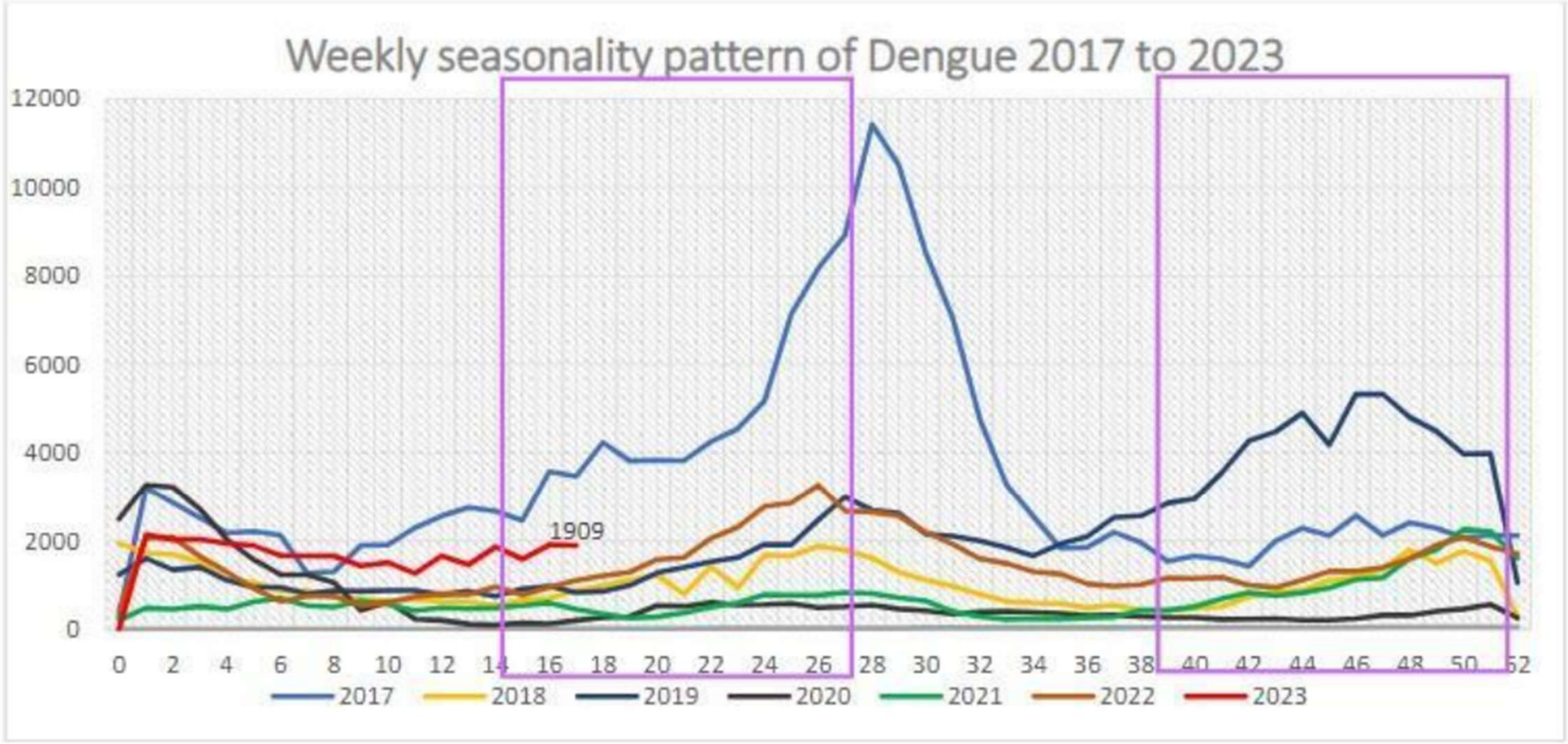
(Reference) IPCC AR6 WGII Chapter 7

Projected change in the abundance of Aedes aegypti



(Reference) IPCC AR6 WGII Chapter 7

Seasonal pattern of Dengue in Sri Lanka 2017-2023



(Reference) WHO, BTR

4. Risk related to biodiversity

What is IPBES?

= Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services

ipbes

https://zenodo.org/records/3553579

Definitions of Key Words

Biodiversity:

The variability among living organisms from all sources including terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species and of ecosystems.

(Source: UNU)

Definitions of Key Words

Ecosystem:

A dynamic complex of plant, animal, and micro-organism communities and their non-living environment interacting as a functional unit. Ecosystems can be defined at a variety of scales, from a single pond to the globe. Humans and their activities are part of ecosystems as well.

(Source: UNU)

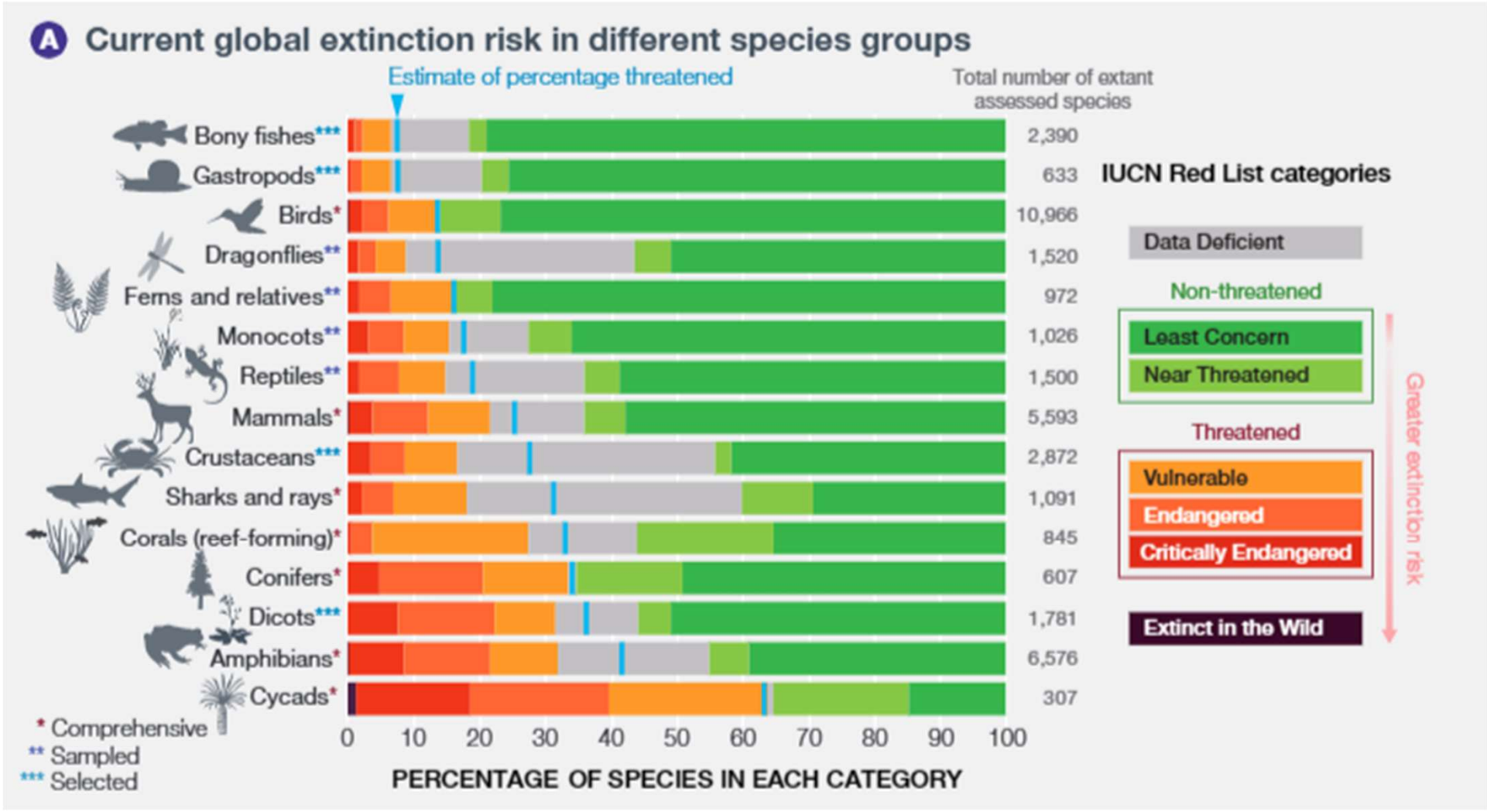
Definitions of Key Words

Ecosystem services:

The benefits (and occasionally disbenefits or losses) that people obtain from ecosystems. These include provisioning services such as food and water; regulating services such as flood and disease control; and cultural services such as recreation, ethical and spiritual, educational and sense of place.

(Source: UNU)

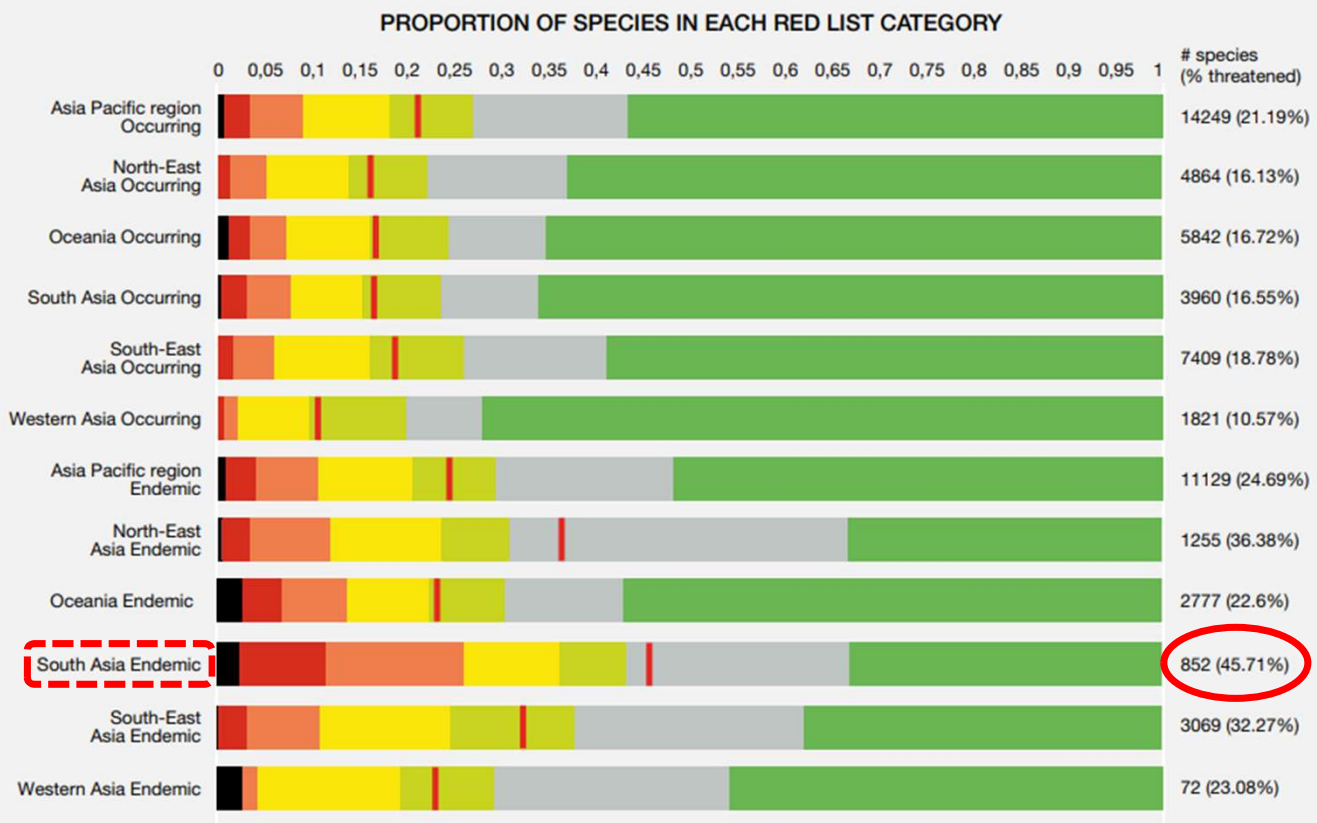
Biodiversity Issues



https://zenodo.org/records/3553579

Biodiversity Issues

Figure SPM 4 A **Overall extinction risk of species in the Asia-Pacific region. Data from the IUCN Red List of Threatened Species.[5]**



https://www.biodic.go.jp/biodiversity/about/ipbes/deliverables/files/spm_biodiversity_ecosystem_pacific_2018.pdf

Biodiversity Loss

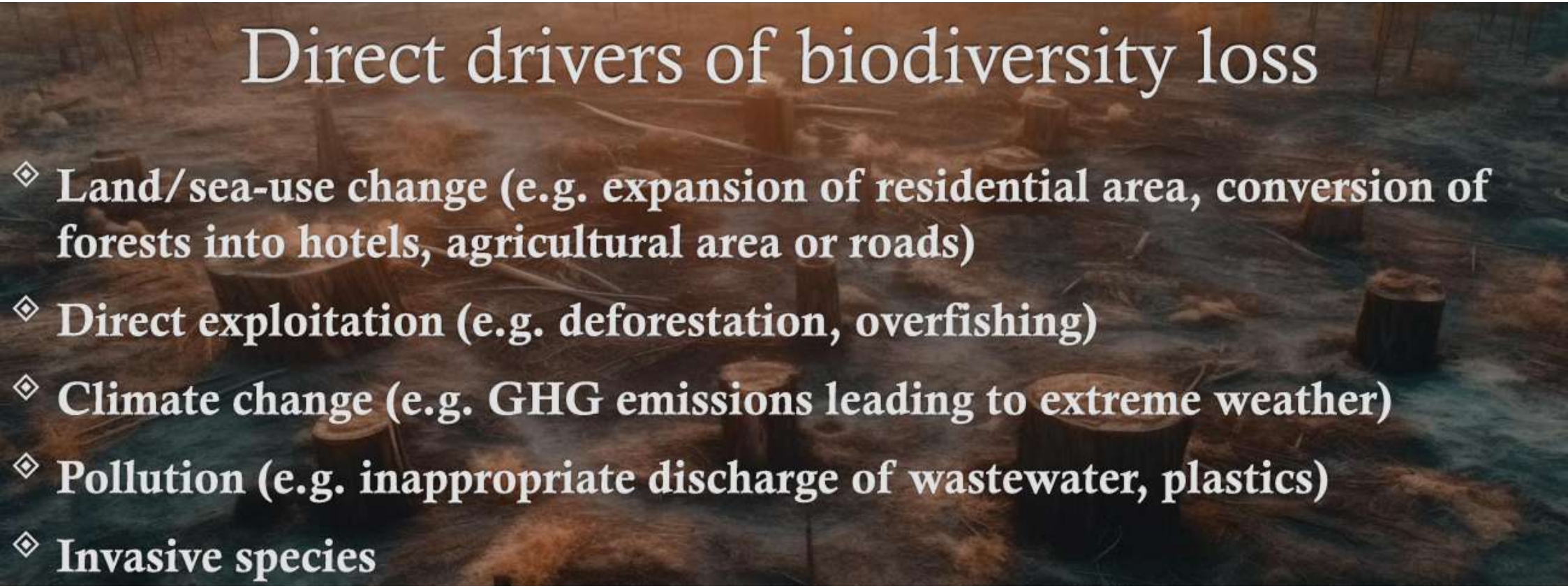
Unprecedented rate of extinction

- On the Earth, 8.7 million or more of animal and plant species exist (estimate)
- Currently, 37,480 species (28%) are threatened to extinction out of 134,425 species identified
- If we don't take urgent actions, most of them will extinct within a few decades. (IPBES, 2019)




https://www.iges.or.jp/en/pub/need-sustainable-tourism-face-enviromental-crises/en

Biodiversity Loss



https://www.iges.or.jp/en/pub/need-sustainable-tourism-face-enviromental-crises/en

UN Biodiversity Conference (COP15) in December 2022

- **196 countries joined**
- **The Kunming-Montreal Global Biodiversity Framework (GBF) adopted**
- **4 goals and 23 targets were formulated**

Four Goals for 2050:

1. **Halt human-induced extinction**: Reduce the rate of extinction of all species tenfold by 2050.
2. **Sustainable use and management of biodiversity**: Ensure that nature's contributions to people are valued, maintained, and enhanced.
3. **Fair sharing of benefits**: From the utilization of genetic resources and digital sequence information on genetic resources.
4. **Accessible implementation**: Adequate means of implementing the GBF accessible to all Parties, particularly Least Developed Countries and Small Island Developing States

https://www.cbd.int/doc/decisions/cop-15/cop-15-dec-04-en.pdf

23 Targets for 2030:

- **Effective conservation and management**: At least 30% of the world's lands, inland waters, coastal areas, and oceans, emphasizing biodiversity-rich regions.
- **Restoration**: Complete or initiate restoration on 30% of degraded terrestrial, inland waters, and coastal and marine ecosystems.
- **Reduce food waste**: Cut global food waste in half.
- **Nutrient and pesticide reduction**: Halve excess nutrients and overall risk from pesticides.
- **Subsidy reform**: Phase out or reform subsidies harming biodiversity by at least $500 billion annually.
- **Biodiversity funding**: Mobilize at least $200 billion per year in biodiversity-related funding.
- **Invasive species control**: Prevent introduction of priority invasive alien species and reduce their establishment.
- **Corporate transparency**: Require large companies to disclose their biodiversity risks and impacts

Flood mitigation by Colombo Wetland Complex

https://www.biophiliccities.org/colombo

Beira Lake intervention area development plan

https://www.uda.gov.lk/upload/attach/Media%20-Zoning%20Plan.pdf

Colombo Wetland Complex (CWC)

- Total wetland area is19 km2
- Saves 50.6 million USD /year from flood mitigation
- Saves 6.8 million USD /year from water purification

Sustainable Drainage Systems (SuDS)

A natural approach to managing surface water runoff that aims to reduce the negative impact of climate change.

1. Improve water quality: **2. Reduce runoff**

3. Improve biodiversity **4. Combat climate change**

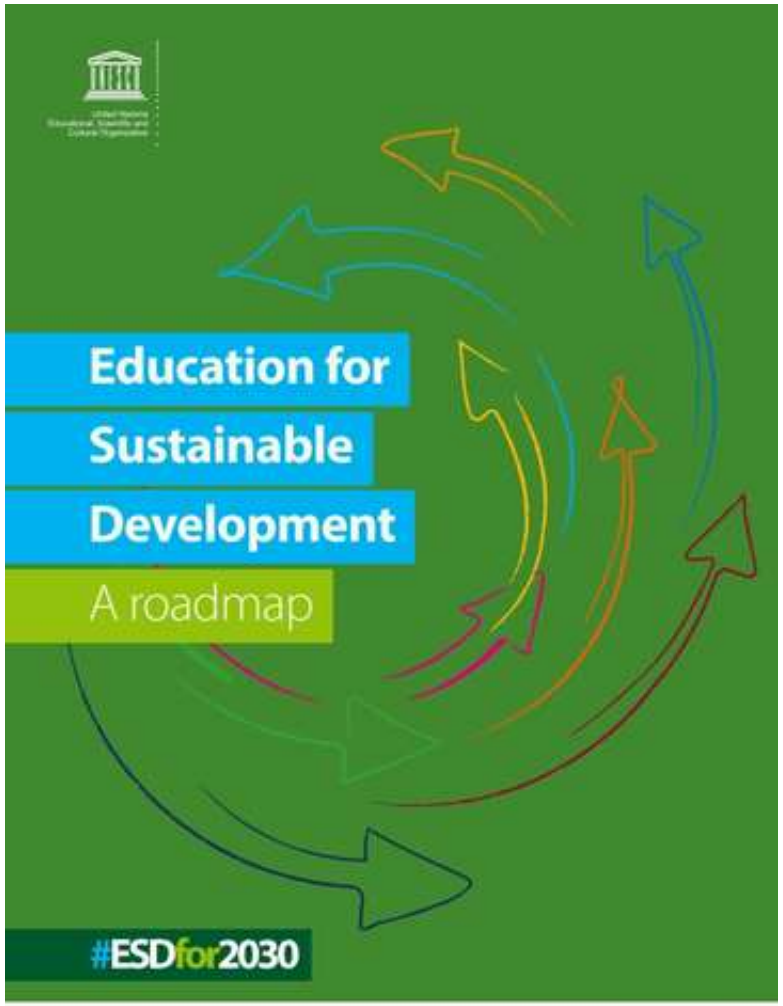
https://www.unesco.org/en/sustainable-development/education/toolbox

5. Education for Sustainable Development (ESD)

What is ESD?

ESD
= Education for
Sustainable Development

"development that meets the needs of the present without compromising the ability of future generations to meet their own needs,"



https://www.unesco.org/en/sustainable-development/education/toolbox

Berlin Declaration on ESD was adopted

https://unesdoc.unesco.org/ark:/48223/pf0000387344

Key Points of the Berlin Declaration on ESD

Commitment to ESD: The declaration reaffirms the commitment of UNESCO member states to integrate ESD into all levels of education and training.
Sustainable Development Goals (SDGs): It emphasizes the role of ESD in achieving the SDGs, particularly Goal 4 (Quality Education) and Goal 13 (Climate Action).
Transformative Education: The declaration calls for transformative education that empowers learners to take informed decisions and responsible actions for environmental integrity, economic viability, and a just society.
Global Cooperation: It highlights the importance of international cooperation and partnerships to enhance the effectiveness of ESD initiatives.
Policy Integration: Encourages countries to integrate ESD into national education policies, curricula, teacher education, and assessment systems.

https://unesdoc.unesco.org/ark:/48223/pf0000387344

How does UNESCO work on this theme?

UNESCO is the lead United Nations agency for ESD and is responsible for the implementation of ESD for 2030 framework.

Climate change education is a key component of ESD, as it helps people understand key issues, change attitudes and behaviors, and take action to limit climate change.

https://www.unesco.org/en/sustainable-development/education/toolbox

7 Key Words to explain education system on ESD?

- **Sustainability**: Understanding and promoting practices that do not deplete resources or harm ecological systems.
- **Critical Thinking**: Encouraging students to analyze and evaluate issues from multiple perspectives.
- **Global Citizenship**: Fostering a sense of responsibility towards the global community and environment.
- **Interdisciplinary Learning**: Integrating knowledge from various subjects to understand complex sustainability issues.
- **Problem-Solving**: Developing the ability to find solutions to environmental, social, and economic challenges.
- **Equity and Justice**: Promoting fairness and addressing inequalities in access to resources and opportunities.
- **Participation**: Encouraging active involvement in decision-making processes at local, national, and global levels.

Textbook of ESD

https://unsdg.un.org/sites/default/files/2023-01/SDG_Guidelines_AUG_2019_Final.pdf

What can countries do?

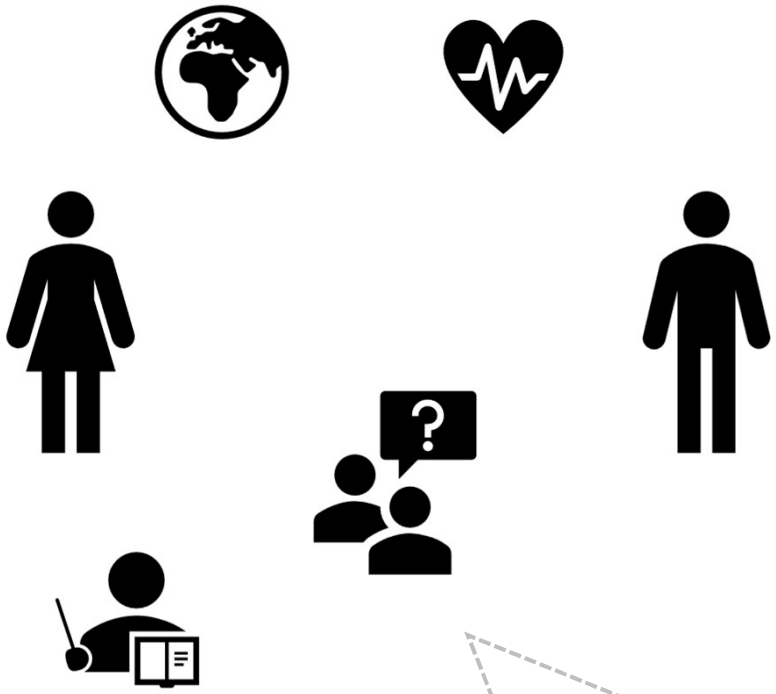
Asia Pacific

KK Tan/Shutterstock.com

To advance this, UNESCO encourages Member States to develop ESDfor2030 country initiatives to mainstream education for sustainable development.

https://www.unesco.org/en/sustainable-development/education/toolbox

Students in the Future



What can insurance contribute to attain SDGs?
What can you do as a person?

6. Principles for Sustainable Insurance (PSI)

Principles for Sustainable Insurance (PSI)

Launched at the 2012 UN Conference on Sustainable Development, the UNEP FI Principles for Sustainable Insurance (PSI) serve as a global framework for the insurance industry to address environmental, social and governance risks and opportunities. The PSI initiative is the largest collaborative initiative between the UN and the insurance industry.

https://www.unepfi.org/insurance/insurance/

What is Sustainable Insurance?

Sustainable insurance is a strategic approach where all activities in the insurance value chain, including interactions with stakeholders, are done in a responsible and forward-looking way by identifying, assessing, managing and monitoring risks and opportunities associated with environmental, social and governance issues.

Sustainable insurance aims to reduce risk, develop innovative solutions, improve business performance, and contribute to environmental, social and economic sustainability.

https://www.unepfi.org/insurance/insurance/

PSI's 4 Principles

Ban Ki-moon
Secretary-General of the United Nations

Principle 1 - We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.

Principle 2 - We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.

Principle 3 - We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.

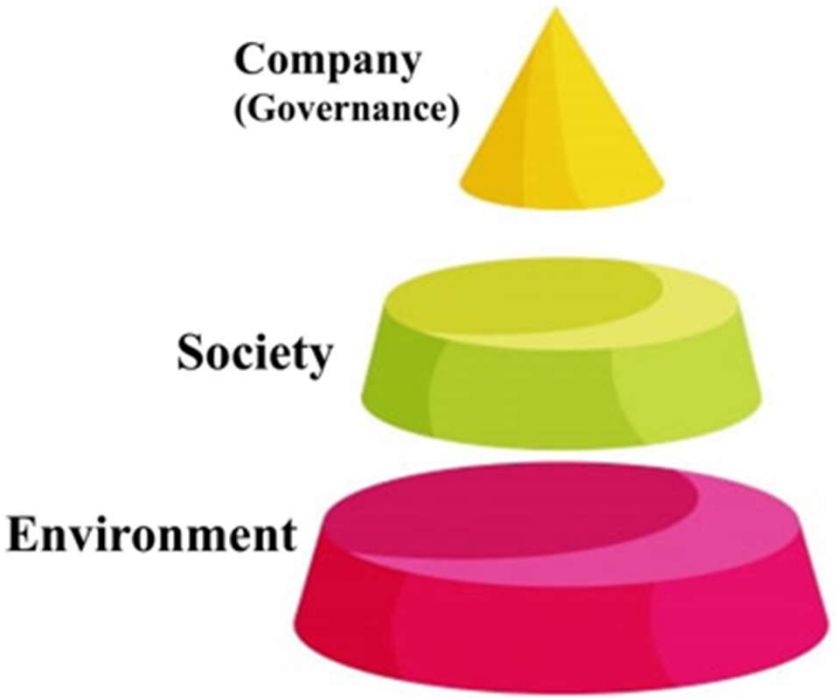
Principle 4 - We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

https://www.unepfi.org/insurance/insurance/the-principles/#

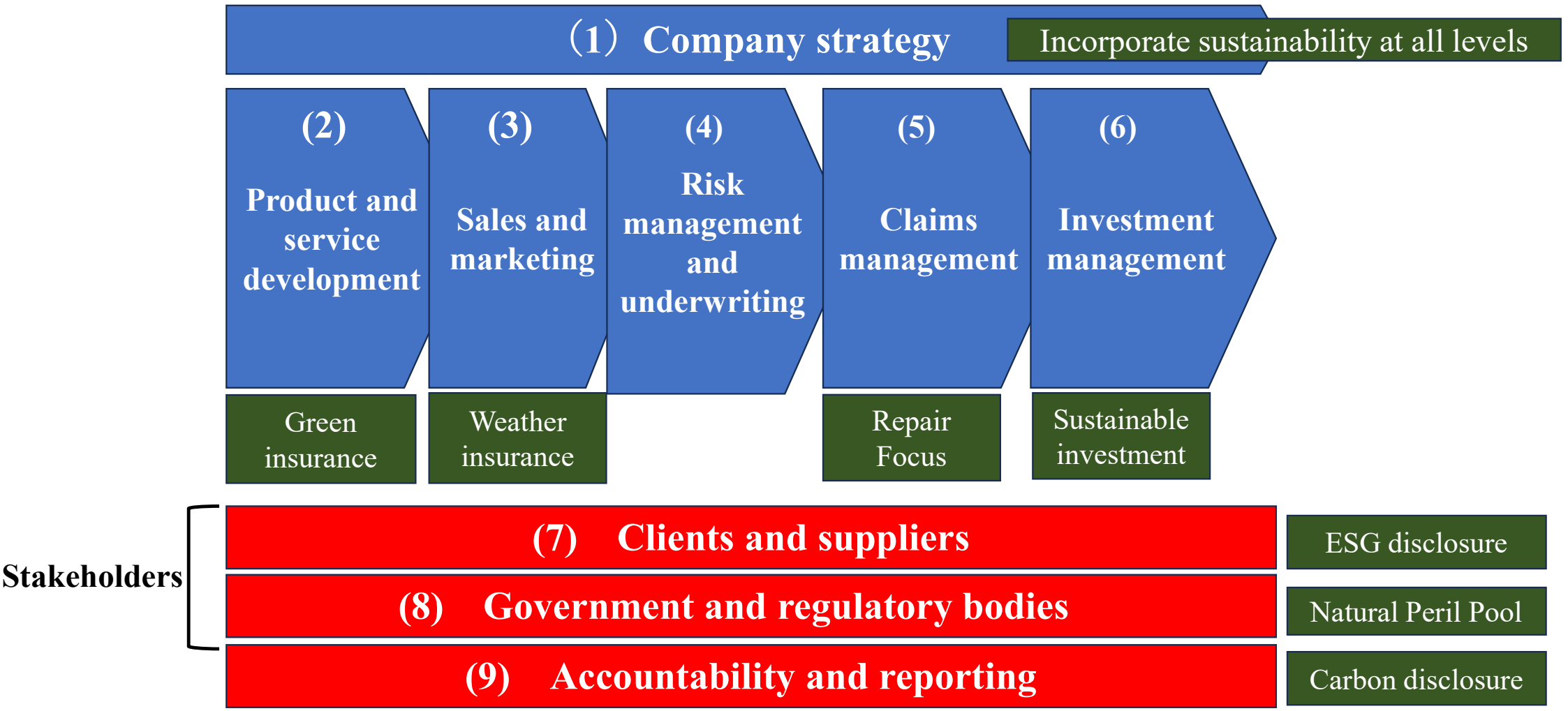
Stakeholder Theory and Sustainability Management

Stakeholder theory is a concept in organizational management that suggests that a company should consider the interests of all its stakeholders, not just its shareholders. Stakeholders include anyone who is affected by the company's actions, such as employees, customers, suppliers, community members, and the environment poised by Freeman (2010)

Sustainability Management



Value Chain of Insurance Companies



Adapted by Value Chain model of Barrera et al. (2023)

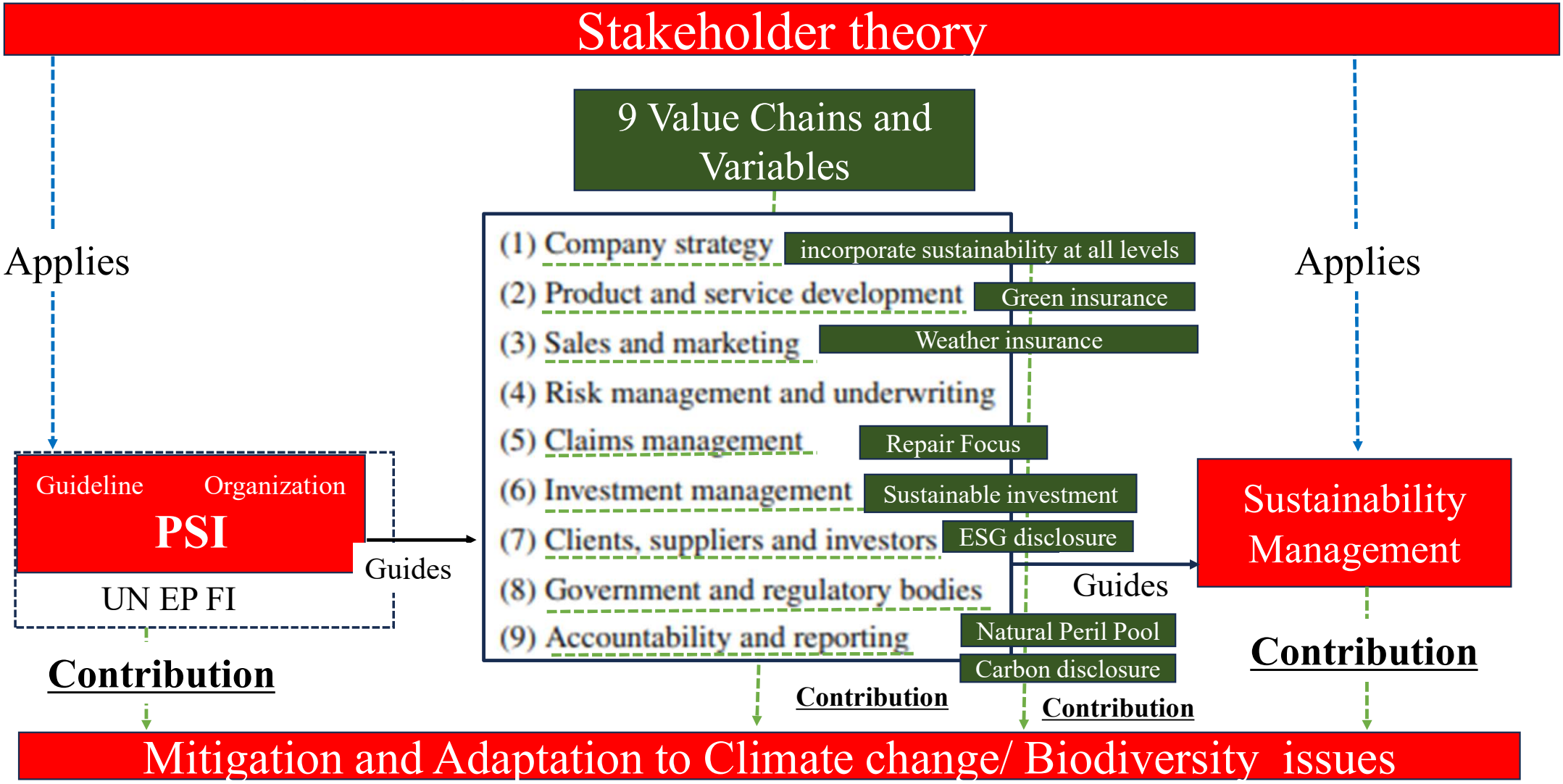
PSI guidelines

Value chain categories	(1) Company strategy	(2) Product and service development	(3) Sales and marketing	(4) Risk management and underwriting	(5) Claims management
PSI guidelines	• Establish a company strategy at the Board and executive management levels to identify, assess, manage and monitor ESG issues in business operations • Dialogue with company owners on the relevance of ESG issues to company strategy • Integrate ESG issues into recruitment, training and employee engagement programmes	• Develop products and services which reduce risk, have a positive impact on ESG issues and encourage better risk management • Develop or support literacy programmes on risk, insurance and ESG issues	• Educate sales and marketing staff on ESG issues relevant to products and services and integrate key messages responsibly into strategies and campaigns • Make sure product and service coverage, benefits and costs are relevant and clearly explained and understood	• Establish processes to identify and assess ESG issues inherent in the portfolio and be aware of potential ESG-related consequences of the company's transactions • Integrate ESG issues into risk management, underwriting and capital adequacy decision-making processes, including research, models, analytics, tools and metrics	• Respond to clients quickly, fairly, sensitively and transparently at all times and make sure claims processes are clearly explained and understood • Integrate ESG issues into repairs, replacements and other claims services

PSI guidelines

Value chain categories	(6) Investment management	(7) Clients and suppliers	(8) Government and regulatory bodies	(9) Accountability and reporting
PSI guidelines	• Integrate ESG issues into investment decision-making and ownership practices (e.g. by implementing the Principles for Responsible Investment)	• Dialogue with clients and suppliers on the benefits of managing ESG issues and the company's expectations and requirements on ESG issues • Provide clients and suppliers with information and tools that may help them manage ESG issues • Integrate ESG issues into tender and selection processes for suppliers • Encourage clients and suppliers to disclose ESG issues and to use relevant disclosure or reporting frameworks • Promote the adoption of the Principles • Support the inclusion of ESG issues in professional education and ethical standards	• Support prudential policy, regulatory and legal frameworks that enable risk• Dialogue with intergovernmental and non-governmental organisations to support sustainable development by providing risk management and risk transfer expertise • Dialogue with business and industry associations to better understand and manage ESG issues across industries and geographies • Dialogue with academia and the scientific community to foster research and educational programmes on ESG issues • Dialogue with media to promote public awareness of ESG issues and good risk management reduction, innovation and better management of ESG issues • Dialogue with governments and regulators to develop integrated risk management approaches and risk transfer solutions	• Assess, measure and monitor the company's progress in managing ESG issues and proactively and regularly disclose this information publicly • Participate in relevant disclosure or reporting frameworks • Dialogue with clients, regulators, rating agencies and other stakeholders to gain mutual understanding on the value of disclosure through the Principles

PSI will guide Sustainability Management which contributes to Climate Change mitigation and adaptation



Sustainability Reporting will become popular as Financial Disclosure

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

TNFD Taskforce on Nature-related Financial Disclosures

https://www.fsb-tcfd.org/
https://tnfd.global/wp-content/uploads/2023/08/Recommendations_of_the_Taskforce_on_Nature-related_Financial_Disclosures_September_2023.pdf?v=1695118661

PSI Participants (As of February 18th 2025)

Latest Signatory Stats:

175 *Signatories*	114 *Supporting Institutions*
In Asia 22	**18**

PHILIPPINE LIFE INSURANCE ASSOCIATION, INC.

LIVE LIFE, LOVE LIFE. INSURE YOUR Life!

HKFI 香港保險業聯會 The Hong Kong Federation of Insurers

ROYAUME DU MAROC

acaps

https://www.unepfi.org/insurance/insurance/signatory-companies/

Asia Pacific

Association of Insurers and Reinsurers of Developing Countries, Philippines

Australian Prudential Regulation Authority, Australia

Friends of the Earth (HK), China

Financial Services Council of New Zealand, New Zealand

Foundation for Advancement of Life and Insurance Around the World (FALIA), Japan

General Insurance Council of India, India

Hong Kong Federation of Insurers , China

Insurance Commission of the Philippines, Philippines

Insurance Council of Australia, Australia

Insurance Council of New Zealand, New Zealand

Insurance Institute for Asia & the Pacific, Philippines

Insurance Institute of India, India

Korea Deposit Insurance Corporation, Republic of Korea

Philippine Insurers & Reinsurers Association, Philippines

Philippine Life Insurance Association, Philippines

Thaipat Institute, Thailand

Tobacco Free Portfolios, Australia

University of Technology, Sydney (UTS) Business School, Australia

The insurance industry and sustainable development: A UN system-wide agenda

UN Global Compact

UN Framework Convention on Climate Change

UN Environment

International Labour Organization

UN Dept. of Economic & Social Affairs

World Health Organization

Office of the UN High Commissioner for Human Rights

UN Human Settlements Programme

UN Office for Disaster Risk Reduction

UN Development Programme

Food & Agriculture Organization

World Food Programme

UN Educational, Scientific & Cultural Organization

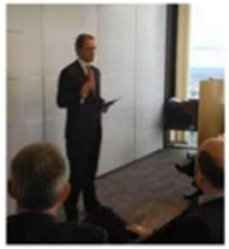
World Meteorological Organization

UN Conference on Trade & Development

PSI market events:
Shaping the global sustainable insurance agenda

PSI
Principles for Sustainable Insurance

The US



The UK

Switzerland

Germany

Costa Rica

Brazil

Morocco

The Philippines

Colombia

South Africa

Australia

https://www.youtube.com/watch?v=HCDXw2sTz0U

Health is Our Greatest Wealth: How life & health insurers can drive better health outcomes and address the protection gap

The global health crisis has highlighted the importance of population access to healthcare and the need for individuals to take…

The Four-Point Plan for Life & Health Insurers

to drive better health outcomes and address the protection gap

Strategy 1	Strategy 2	Strategy 3	Strategy 4
Offering insurance products that are suitable, affordable and accessible	Engaging with policyholders and other stakeholders to promote preventative healthcare	Leveraging technology and ethical use of data to expand access to insurance and support prevention measures	Collaborating with healthcare providers, policymakers and local communities

https://www.unepfi.org/category/publications/?ca%5B%5D=5

Appendix: Summary of case studies by theme

Theme	Insurer	Case Study Name	Summary	Impact	Region	Partnership
Theme 1: Health capability and awareness	Swiss Re	Partnership with Women's World banking to provide microinsurance to women in Egypt	Provide microinsurance to women in Egypt	397,700 customers and their family members benefitted from insurance cover by the end of 2021	Egypt	World Bank
	Babyl (digital platform), AXA	Delivering affordable healthcare services through telehealth	Telehealth use in rural and remote areas		East Africa/ Global	National health scheme
	AXA	Inclusive insurance	Emerging market customers' coverage	By 2022, AXA had covered over 10 million emerging market customers across the globe.	Global	Multiple
	AXA XL, Chubb, Liberty Specialty Markets, Sovereign Risk Insurance, Swiss Re Corporate Solutions, and Tokio Marine HCC	COVAX—partnering for access to vaccines	Supporting the bulk purchase of vaccines to lower the cost	Increased vaccination rates in developing countries	Global	Marsh, multiple public and private sector participants

7. Corporate Governance and Sustainability

Corporate Governance Code in Sri Lanka and its Structure

Section	Title
I	**THE COMPANY**
A	**Directors**
A.1	The Board
A.2	Chairman and Chief Executive Officer (CEO)
A.3	Chairman's Role
A.4	Financial Acumen
A.5	Board Balance
A.6	Supply of Information
A.7	Appointments to the Board
A.8	Re-Election
A.9	Appraisal of Board Performance
A.10	Disclosure of Information in Respect of Directors
A.11	Appraisal of Chief Executive Officer (CEO)
B	**Directors' Remuneration**
B.1	Remuneration Procedure
B.2	Remuneration Committee
B.3	Disclosure of Remuneration
C	**Relations with Shareholders**
C.1	Constructive use of the Annual General Meeting (AGM) and Conduct of General Meetings
C.2	Communication with Shareholders
C.3	Major and Material Transactions
D	**Accountability and Audit**
D.1	Financial and Business reporting (The Annual Report)
D.2	Risk Management and Internal Control
D.3	Audit Committee
D.4	Risk Committee
D.5	Related Party Transactions Review Committee
D.6	Code of Business Conduct and Ethics
D.7	Corporate Governance Disclosures

(Source) Code of Best Practice 0n Corporate Governance 2023

Corporate Governance Code in Sri Lanka and its Structure

II	**SHAREHOLDERS**
E	**Institutional Investors**
E.1	Shareholder Voting
E.2	Evaluation of Governance Disclosures
F	**Other Investors**
F.1	Investing/ Divesting Decision
F.2	Shareholder Voting
III	**OTHER MATTERS**
G	**Internet of Things and Cybersecurity**
H	**Sustainability: ESG Risk and Opportunities**
I	**Special Considerations for Listed Entities**

ANNEXURES

A	Company Secretary Eligibility and Qualifications
A2	Role of the Company Secretary
B	Some Golden Tips for Directors
C	Declaration of Independence
D	Fit and Proper Assessment Criteria for Directors and CEOs
E	Terms of Reference for Nomination Committees
F	Board and Committee Performance Evaluation Checklist
G	Provisions on the Determination of Performance-Related Remuneration
H	Terms of Reference for Remuneration Committees
I	Specimen Remuneration Committee Report
J	Matters for consideration when making "Going-Concern" assumptions
K	Guidance on Establishing a Risk Management Framework
L	The Responsibilities of Directors in maintaining a sound system of Internal Control
M	Audit Committee Charter
N	Code of Business Conduct and Ethics
O	Board Checklist: Cybersecurity
P	Summary of Disclosures

(Source) Code of Best Practice On Corporate Governance 2023

Sustainability mentioned in Corporate Governance Code 2023

H.1.1

The company should include the impact of sustainability/ESG risks and opportunities in its business plans, strategic plans and present to the board for consideration on a regular basis.

Principle H.2

The board and key management personnel should continuously engage with and consider the views of its stakeholders to better understand and manage the company's sustainability/ESG risk and opportunities, as stakeholder expectations are heightening across various sustainability/ESG issues relating to the protection of environment…

https://www.sc.com.my/api/documentms/download.ashx?id=239e5ea1-a258-4db8-a9e2-41c215bdb776

Sustainability mentioned in Corporate Governance Code 2023

H.3.1.1

Environmental governance of an organization should adopt an integrated approach that takes into consideration the direct and indirect economic, social, health and environmental implications on business strategies, plans, decisions and operations. The company policy and practices on matters such as followings should be considered:

- **health and safety,**
- **climate change,**
- **pollution prevention,**
- **effluent treatment,**
- **sustainable resource use,**
- **restoration of natural resources,**
- **renewable energy, and**
- **biodiversity.**

https://www.sc.com.my/api/documentms/download.ashx?id=239e5ea1-a258-4db8-a9e2-41c215bdb776

This is the end of the presentation.

Thank you for listening to my presentation.