

Strengthening the Capacity of Business to Meet the Challenges of Climate Change

by

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This topic has the capacity to create pessimists of us all. It is a deep problem. It is a complex and tough problem. But I believe that, if we apply optimism and the energy we, as women leaders, have already shown at this network meeting in our debates, then there will be solutions.

Optimism is one of those rare currencies we have to keep in all our economies. Women will play a huge role in ensuring that this is a solution-based issue rather than one that will suffer from doom and gloom.

I came to this issue five years ago when I joined an insurance company. The lens of insurance for global warming and for climate change is scary and it took me time to understand what we were seeing in claims figures on this coming through businesses. We insure homes, cars, businesses, boats and properties, and we were seeing dramatic changes in the claims profiles of the events that are now hitting our various economies in different ways.

In Australia alone, 19 of the 20 most costly events in the last 40 years have been weather-related, and have cost the economy \$8.9 billion. For many years global reinsurance markets have been identifying climate change and weather-related changes as one of the most significant security issues for the globe, and warning there will soon be things that cannot be insured —the kinds of things that Lloyd's of London, one of the world's biggest re-insurers, reports on like oil and gas platforms in the oceans and seas that can no longer be insurable because of the effects of the hurricanes and storm activities that beat up against them.

The insurance industry provides a clear lens into these issues, giving a rational economic discussion about the cost of calamity and property damage. What it does not do, unfortunately, is tell the human story. And, as those of us in Australia are seeing with the floods in northern New South Wales, the human cost of towns being wiped out through flooding is a cost to our communities.

The calamities we face are borne out by good scientific data and good economics. The latest IPCC report predicts temperature rises of up to 3.5 degrees by 2050 and sea level rises by up to 0.8 of a meter by the end of the century. In Australia we thought it was important to look at those macro issues, through both the IPCC and Stern reports, and formulate our own views as companies concerned about climate change, working with the Australian Conservation Foundation to look at the economic models for either doing something about climate change, or in some cases doing nothing. The

economic costs if we took the science as being read. We particularly looked at the macro issues running through our economy —like property damage, infrastructure damage and population displacement. In my lifetime I believe we will see environmental refugees. Many will look to Australia for assistance, given that many of the Pacific nations may well be affected by an inundation of sea level rises. Drought, food prices, health and disease vectors are changing. It gets complex when the issues are no longer about the climate, but what the climate is doing to our natural systems and our disease systems. The reality is that diseases will be felt in parts of the world where they have never been felt before. And we may be experiencing dengue fever as low down as Sydney by the end of this century if we do not do something about this problem.

The group of six Australian companies that came together with the Australian Conservation Foundation wanted to build a case for the economics of acting, and I am delighted to tell you that their modeling concluded that early actions will reduce today's greenhouse gases significantly by 2050. In fact, it would be a job enhancement program and we would see innovation flourish. Importantly, the group concluded that delaying action would lead to major disruptive shocks to the economy and to our lifestyles. We need to deal with the significant build up.

I remain an optimist, but I have many people telling me that I am mad. It is a particularly women's perspective of remaining optimistic in the face of these big global challenges and the macro challenges presented by climate change.

We need to think about the unacknowledged economic power in women, which is underestimated dramatically. We talked about it this morning in terms of an economic figure, but I think we underestimate to our detriment on this topic, the incredible power of women's resilience, the problem-solving skills we heard about today, our collaborative skills, our interconnectedness, and essential issues we all care about when it comes to raising our families and being part of our communities. We bring a different blush to these debates when we are in leadership positions than our male counterparts. That is not to say our male counterparts are not doing a terrific job in examining these issues. But we will fail dramatically on the climate change issue if we do not acknowledge the completely undervalued weight that we have as women caring about global issues.

What are we women doing already? I am constantly amazed at the ability of women to just pick this issue up and start achieving. It is happening locally all around the world in part because, as women, we all understand efficiency. We talk about it as waste. We waste resources —as families, as communities and as businesses. We waste energy. Today across the globe, 1% of our energy sits in landfill embedded in packaging. We must start to think about this issue in terms of what we waste, rather than getting too worried about the setting of targets and making a big plan for the future. We must also understand that we are in climate change, we are all experiencing it daily, but what we continue to do is live a lifestyle, as Ziggy pointed out, that will require significant change. But this will be led by women, not just at the family level, but in government and businesses at a global level.

Buying power is also important. As women with buying power—in our households, in business and in government where we are running massive departments—we can make profound decisions about how to buy energy and how to use it wisely and stop wasting it. We can also make decisions about how we use water. We can think about this in the context of a ‘big-company context’. We can talk about setting our own carbon neutrality targets to drive innovation. In the company I work for, we set ourselves a carbon neutrality target with no idea of how we were going to get there—carbon neutral in five years—and I cannot tell you how much innovation we’ve seen since announcing this target. We did not prescribe how we would do it because we believed people would know. Since announcing our carbon neutrality strategy, our organisation has saved \$7 million in excessive use of electricity alone.

In Australia there is a group called Climate Coolers. They call themselves the hottest women on the planet sorting out the biggest issues. All they are doing is selling through party plans the light globes and showerheads households need to deal with their waste. It is an extraordinary phenomenon, because it is women connecting with women—women making money while changing the behaviour of families.

We have to learn to collaborate more. As women we understand the essence of collaboration, but sometimes in this debate, we do not know who to collaborate with. I am delighted to have met some of the women engineers at this meeting, and we forget the engineers at our peril. We need to better connect engineers, scientists, entrepreneurs, government, businesses and communities to help solve this problem.

At the end of the day the power we have as women is our resilience and that we can talk about taking care of things for our children and grandchildren. But why don’t we take care of things now and be proud when we talk to those grandchildren about the impact we had today.

The next 10 years matter. It’s the next 10 years, not the next 50, that matter. If we get together and use our innate skills as women, we will change the way we live and stop wasting resources.