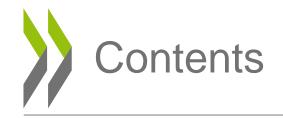
#### SYSTEMIC RISK AND SDGS

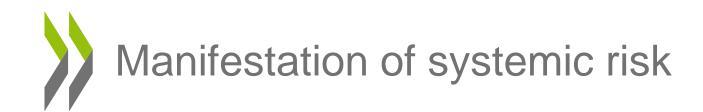
#### 8 JUNE 2021 YOSHIHIRO KAWAI

Professor Kyoto University Chair OECD Insurance and Private Pension Committee



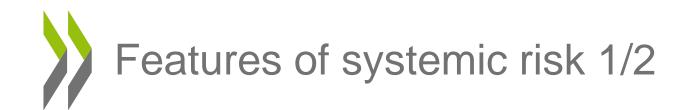


- Manifestation of systemic risk
- Features of systemic risk
- SDGs impacted by systemic risk manifestation
- What should we do?
- Possible approach to fulfilling its mission



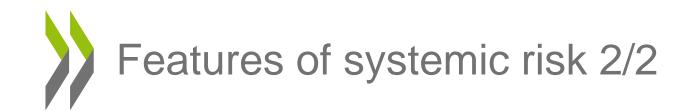
- Financial crisis
- Pandemics
- Climate change
- Income gaps



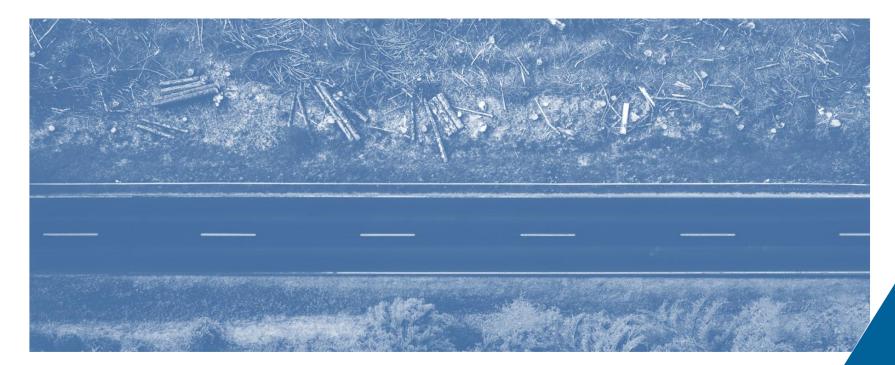


- Significant negative impact
- Global impact
- Interconnectedness
- Unpredictability





 Externality (<u>damage caused</u> by somebody's <u>activities</u> for which it does not <u>pay</u>)

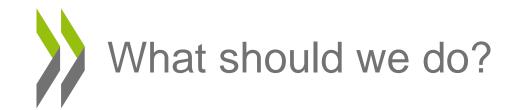


# SDGs impacted by systemic risk manifestation

SDGs impacted by systemic risk manifestation include:

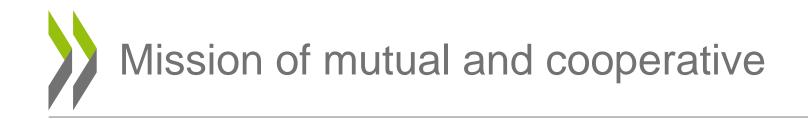
- No poverty
- Zero hunger
- Good health and well-being
- Quality Education
- Clean water and sanitation
- Decent work and Economic growth
- Reducing inequality





### Contribute to society and people – not solely to our own



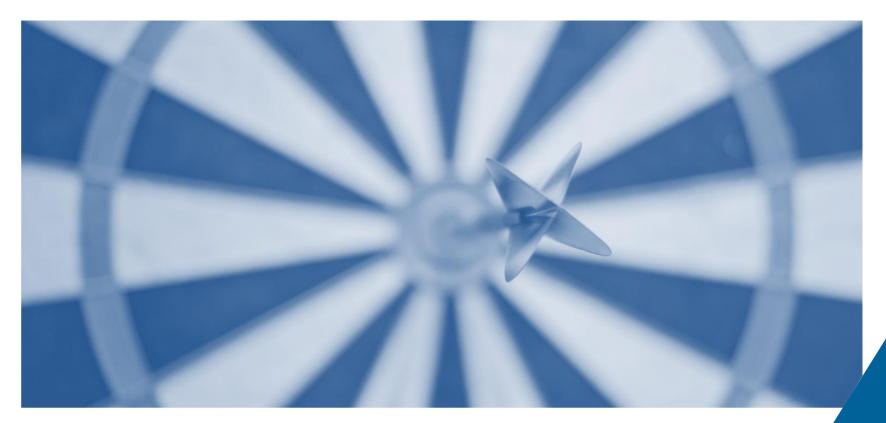


## Contribute to people (members) and community



## What should mutual and cooperative do?

#### Fulfil its mission



# Possible approach to fulfilling its mission 1/2

- Aim for fulfilling SDGs
- Agree with key indicators
- Set concrete goals and a plan for their achievement
- Assess implementation
- Disclose results of assessment



## Possible approach to fulfilling its mission 2/2

- Enhance comparability and quantification (e.g. carbon emission, scenario testing...)
- Pay attention to three Rs (report, risk assessment and return)
- Take into account regulatory development (disclosure (pillar 3), scenario testing, supervisory review (pillar 2) and potentially regulatory capital (pillar 1) )