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Economic uncertainty drives a cautious approach to sustainability in Asia Pacific

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- **83%** of executives1 based in Asia believe that the current economic climate is making meeting their sustainability targets less of a priority, compared to **73%** of executives globally.
- **77%** are adopting new risk management procedures due to extreme weather, compared to **72%** of executives globally.
- **26%** of regional executives ranked economic uncertainty as their top risk, up from **20%** in 2024.
- **22%** of Asia-based executives ranked climate and associated risk catastrophic as a top risk concern, compared to just **20%** of global executives.

In the current economic environment, executives are focusing on the challenges of the here and now, leaving their businesses unprepared and exposed to the intensifying environmental and climate risk. This is according to the latest Risk & Resilience report: **Spotlight on Environmental & Climate Risk 2025**, released by Beazley, the leading specialty insurer.

The report details how 3,500 global business leaders perceive the threat posed by climate risk, the energy transition, greenhouse gas emissions and environmental damage to their operations today.

Exposed and Unprepared

The last 12 months have brought home the real, far-reaching and devastating impact of extreme weather events – and businesses are increasingly exposed.

Yet despite the pressing need to protect their business from the growing impact of extreme weather, concerns about the uncertain

economic environment are making meeting sustainability targets less of a priority (**83%**), with only **22%** of Singapore-based executives ranking climate and associated catastrophic risk as a top concern. Combined, this paints a concerning picture of businesses being left vulnerable and unprepared.

Powering Progress

As Singapore sets ambitious targets for sustainable development, particularly in relation to the maritime energy transition, over two-thirds (**68%**) of Asia-based executives believe they are struggling with the transition to non-carbon energy sources. Yet concern around the energy transition risk is falling, with just **17%** selecting it as their top environmental risk this year, down from **25%** in 2024.

Regulatory Jeopardy

The regulatory road for international businesses is complex. With a host of new and stringent regulations set to come into force in some regions, and diverge in others, navigating this landscape will prove difficult.

But our data indicates that concern around regulatory risk is falling, with **20%** of Asia-based executives selecting the failure to comply with new ESG requirements as their top concern this year, down from **21%** in 2024.

Jessica Schappell, Head of Asia Pacific, Beazley said:
“Communities and businesses across Asia are experiencing the devastating and wide-ranging impact of climate risk, yet our data reveals that executives are turning their attentions to the economic uncertainties of the here and now. But as Asia warms up faster than the global average2, businesses can’t afford to underestimate the impact of climate and environmental risks.

“Now is the time to invest in resilience and with **77%** of business leaders in Asia telling us that they plan on adopting new risk management procedures due to extreme weather, the role of insurance is vital. Climate risk can often feel too big to tackle for many, but by harnessing forward looking climate risk data, and through innovative solutions, insurance can help businesses in identifying, understanding and preparing for these new exposures.”

1- See methodology for details

2- WMO report: Asia hit hardest by climate change and extreme weather | UN News

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Note to editors:

About the Risk & Resilience research
During January 2025, we commissioned research company Opinion Matters to survey the opinions of 3,500 business leaders and insurance buyers of businesses based in the UK, US, Canada, Singapore, France, Spain, and Germany.

Survey participants were asked about their views on insurers and insurance, as well as on four categories of risk:

- Cyber & Technology – including the threat of disruption, failure to keep pace with changing technology, cyber risk and IP risk.
- Geopolitical – including strikes and civil disruption, changes in legislation and regulation, economic uncertainty, inflation and war & terror.
- Business – including supply chain instability, business interruption, boardroom risk, crime, reputational and employer risk and failure to comply with ESG regulations and reporting requirements.
- Environmental – including climate change and associated catastrophic risks, environmental damage, greenhouse gas emission, pandemic, food insecurity and energy transition risk.

  Of the firms surveyed, there was an equal split of respondents across company sizes of: US$250,000 - US$999,999, US$1m - US$9.99m, US$10m - US$99.99m, US$100m-US$999.99m, US$1 billion plus.

With a minimum of 50 respondents per country per industry sector, respondents represented businesses operating in:

- Healthcare & Life Sciences
- Manufacturing, Retail, Wholesale and Food & Beverage
- Commercial Property, Real Estate and Construction
- Hospitality, Entertainment and Leisure (including Gaming)
- Financial Institutions and Professional Services
- Energy and Utilities (including Mining), Marine and Warehousing
- Public Sector and Education
- Tech, Media and Telecoms
- Transportation, Logistics, Cargo and Aviation

  This year’s survey was undertaken between 06.01.25 and 17.01.25 with 3,500 respondents based in the UK, US, Canada, Singapore, France, Germany and Spain. In 2021 the survey was undertaken with 1,000 respondents based in the UK and US. In 2022 and 2023 the sample base was expanded to 2,000 respondents based in the UK, US, Canada and Singapore. In 2024 the survey was conducted with 3,500 respondents based in the UK, US, Canada, Singapore, France, Germany and Spain.

About Beazley
Beazley plc (BEZ.L), is the parent company of specialist insurance businesses with operations in Europe, North America, Latin America, and Asia. Beazley manages seven Lloyd's syndicates and, in 2024, underwrote gross premiums worldwide of $6,164.1million. All Lloyd's syndicates are rated A by A.M. Best.

Beazley's underwriters in the United States focus on writing a range of specialist insurance products. In the admitted market, coverage is provided by Beazley Insurance Company, Inc., an A.M. Best A rated carrier licensed in all 50 states and its subsidiary, Beazley America Insurance Company, Inc. In the surplus lines market, coverage is provided by the Beazley syndicates at Lloyd's, and from 1 January 2024, also from Beazley Excess and Surplus Insurance, Inc.

Beazley's European insurance company, Beazley Insurance dac, is regulated by the Central Bank of Ireland and is A rated by A.M. Best and A+ by Fitch.

Beazley is a market leader in many of its chosen lines, which include Professional Indemnity, Cyber Liability, Property, Marine, Reinsurance, Accident and Life, and Political Risks and Contingency business.

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