



Allianz Survey: What You Didn't Hear @COP27

Sustainability-Readiness of Business Leaders in Emerging Markets

Understanding the state of climate resilience and future needs of mid- to large companies in Asia, Africa, Latin America and the impact of the energy crisis

External version

Emerging markets – energy crisis is seen as impeding the climate agenda and growth



The world's attention has been focused on COP27 and how policymakers and global leaders find solutions to our overheating planet. Less prominent in these global climate discussions is the voice of business leaders in emerging markets, despite being most exposed. This survey seeks to fill this gap by surveying the experiences and sentiments of emerging markets private sector leaders on the state of climate resilience. Allianz, who partners with clients in their transition to climate-resilient business models, canvassed C-level managers of mid- to large businesses operating in 14 emerging markets (EMs) across Asia, Africa and Latin America.

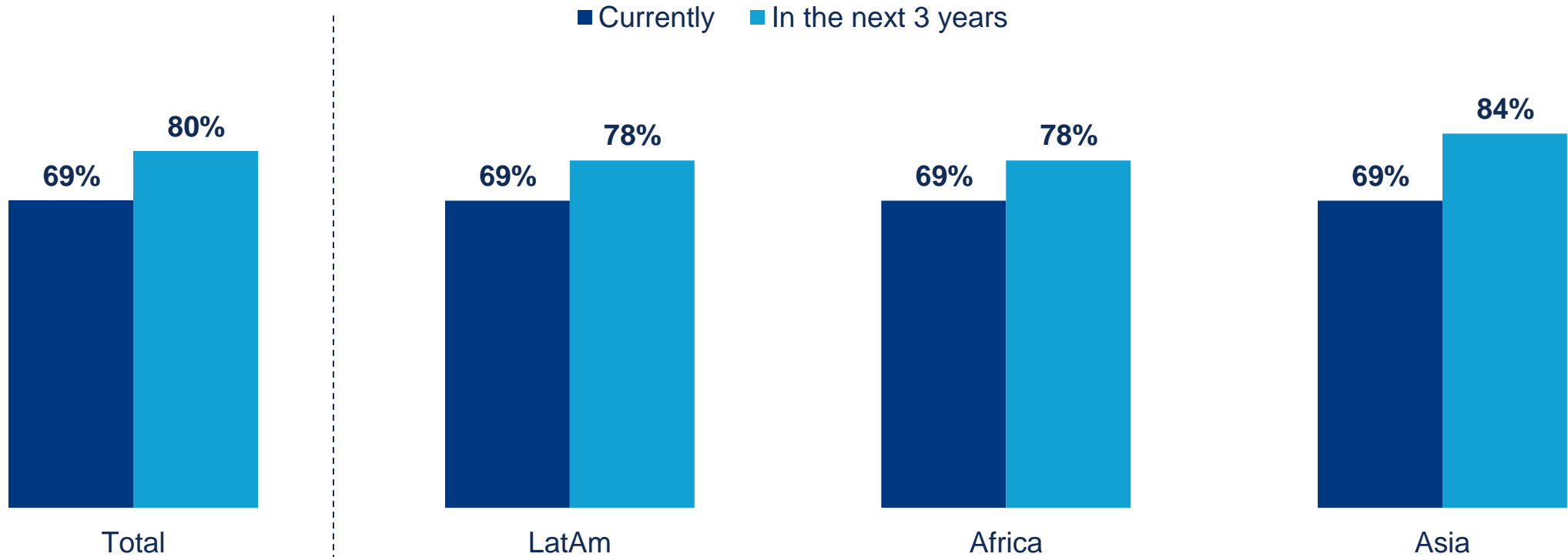
Key findings

- 7 out of 10 of the business leaders say sustainability integration is a key success factor for their company.
- But an overwhelming majority (67%) highlights that addressing the energy crisis is a more pressing priority than climate change. 77% say that inflation -- itself largely driven by rising energy costs -- delays the implementation of sustainable measures within their companies.
- The private sector remain optimistic and pragmatic about the overall importance of sustainability, citing as top reasons cost savings, including energy (57%), regulatory compliance (51%) and brand benefits (50%).
- While shifting to renewable energy and adaptation to physical risks is considered a key task, only 23% of EM business leaders have a net-zero-target in place, while 45% are planning to develop targets in the near future.
- The majority are already preparing for climate resilience and the low-carbon transformation. Most (83%) also say that sustainability is becoming a requirement for investors looking to capitalize on emerging market businesses.
- Overall, respondents feel that the responsibility is a collective one. The majority see multinational companies (87%), investors (85%), international organisations (85%) and insurers (84%) as positive drivers.
- Insurers are seen as an ally. Two-thirds of business leaders surveyed feel insurance is important to support organizations with climate change adaptation and mitigation (67%) and a real partner in helping businesses be more sustainable (63%).



7 of 10 business leaders say sustainable integration is a key success factor, rising to 8 in 10 in the next 3 years

Importance of sustainability integration into business model (NET Important)



But the energy crisis is most pressing and inflation delays the implementation

77%

agree **inflation** hinders the implementation of sustainability measures within their company

70%

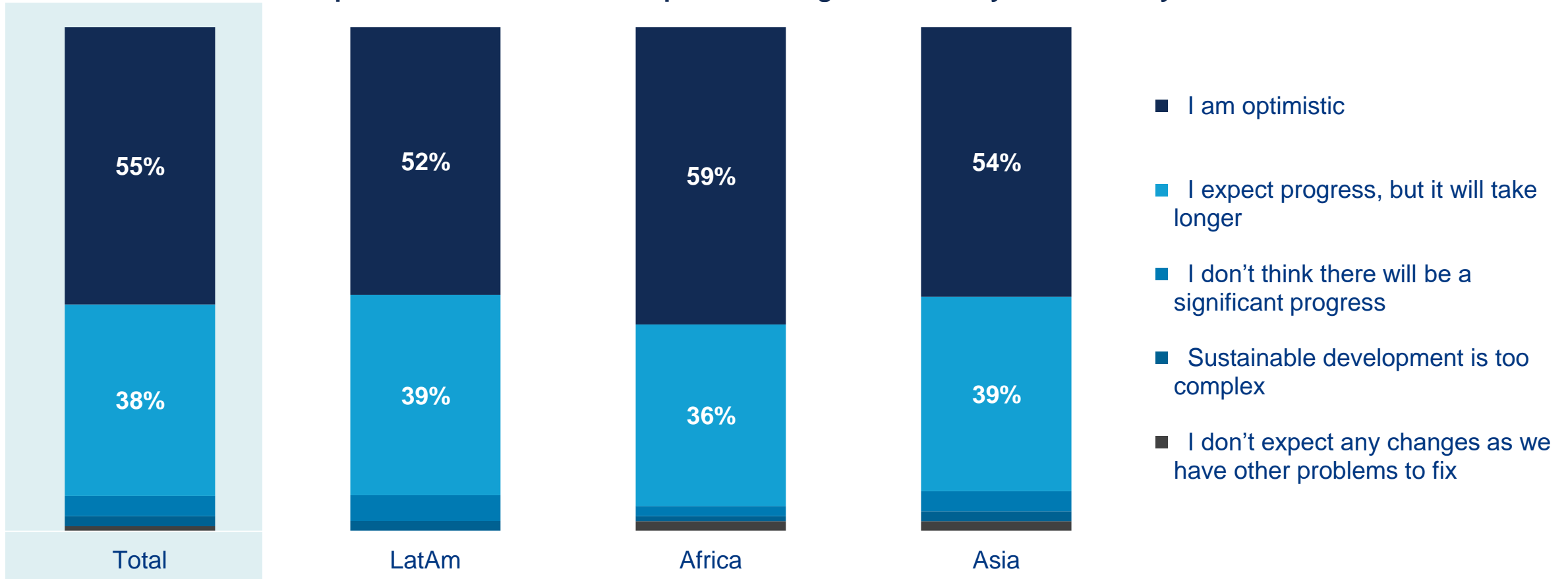
agree the **Covid-19 pandemic** has hindered climate change adaption and mitigation locally and internationally

67%

agree that **addressing the energy crisis** is a more **pressing** priority than climate change
(Asia significantly higher with 79%)

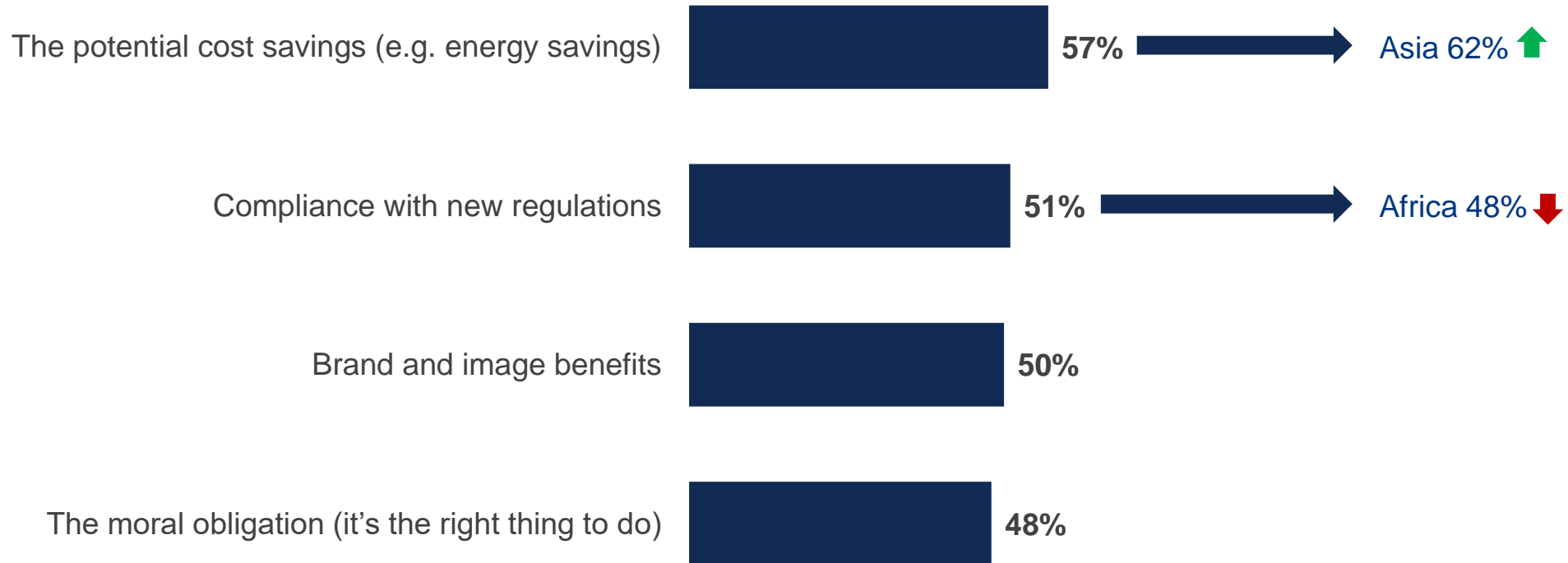
However, optimism regarding the sustainable development clearly prevails

Opinion of sustainable development of the global economy in the next 5 years



The view on Sustainability is pragmatic – cost savings, compliance and brand benefits are the focus

Most important aspects for business when adopting sustainable business practices

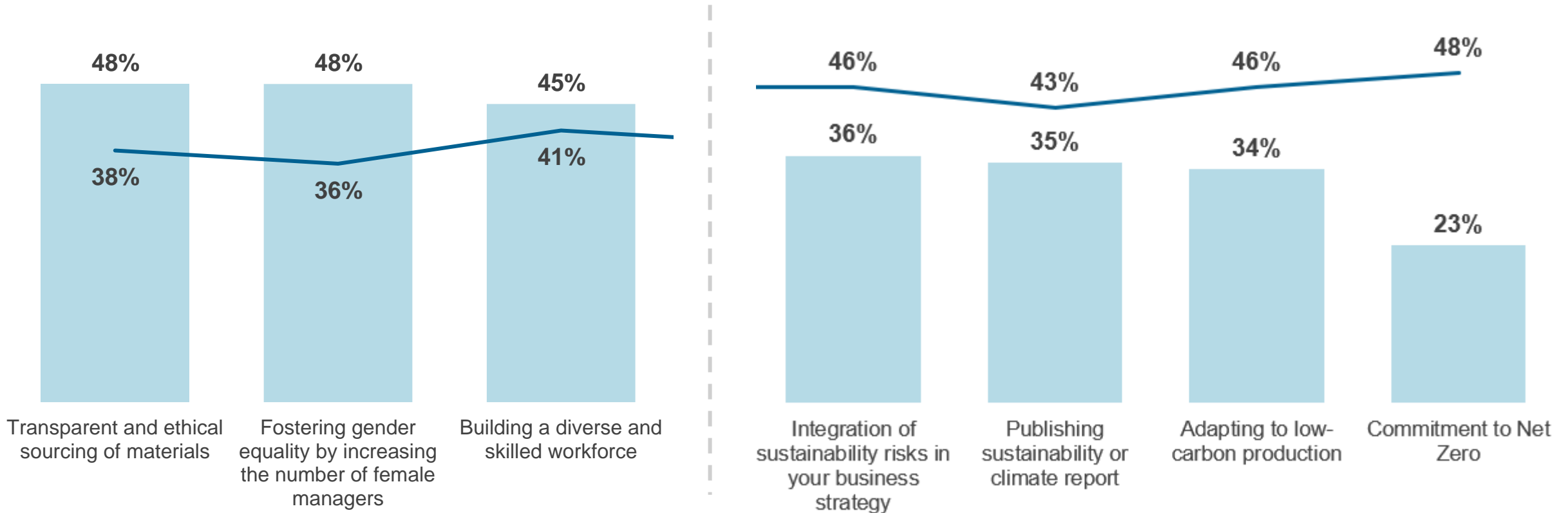




There has been progression around Sustainability measures, but less than a quarter have a net-zero-target in place

Organization/business' status on achieving sustainability measures

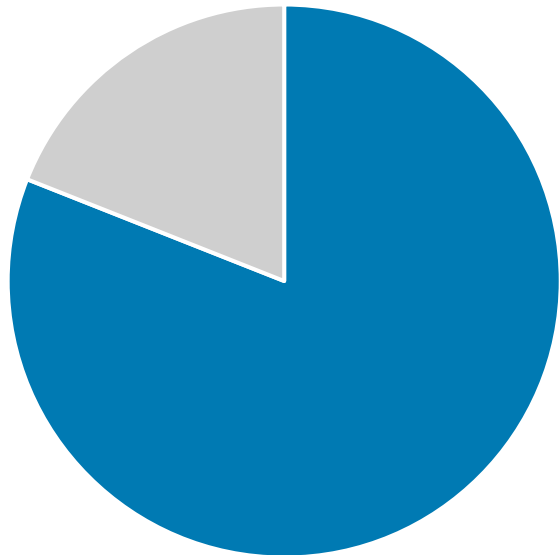
■ Something we have achieved — Something we do but need to improve on



2022 COP27. Q4. On the following sustainability measures, please specify your organization's / business's status:
 Base size: Total (601); LatAm (201); Africa (200); Asia (200)

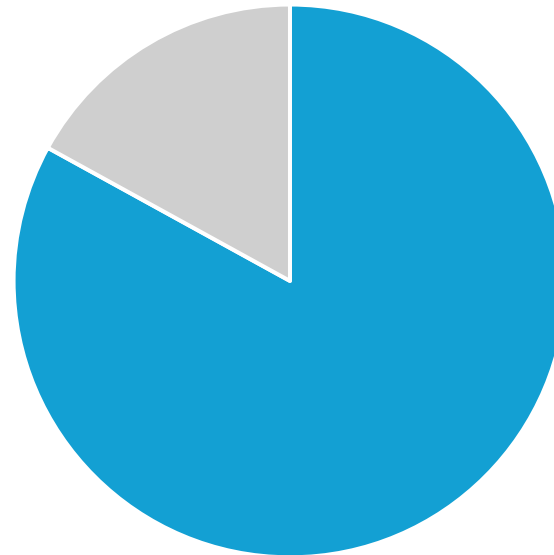
While Sustainability is becoming a requirement for customers and investors, leaders would also like insurers to provide support

8 in 10 companies



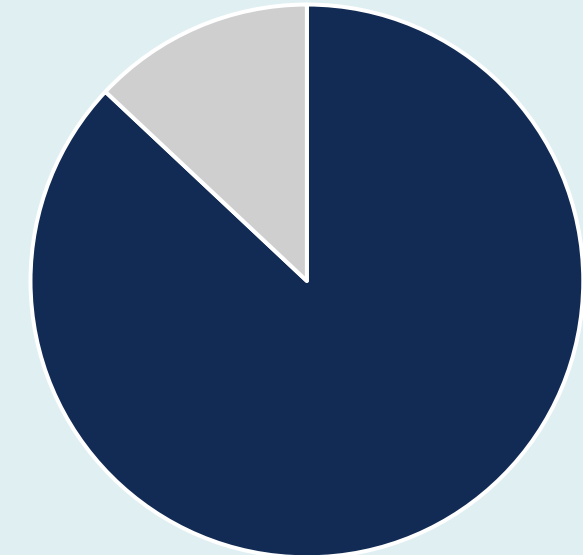
think **customers** show interest in products/services that have positive impact on environment and society (81%)

8 in 10 companies



think **sustainability** is becoming a requirement for **investors** to invest in businesses in local market (83%)

9 in 10 companies

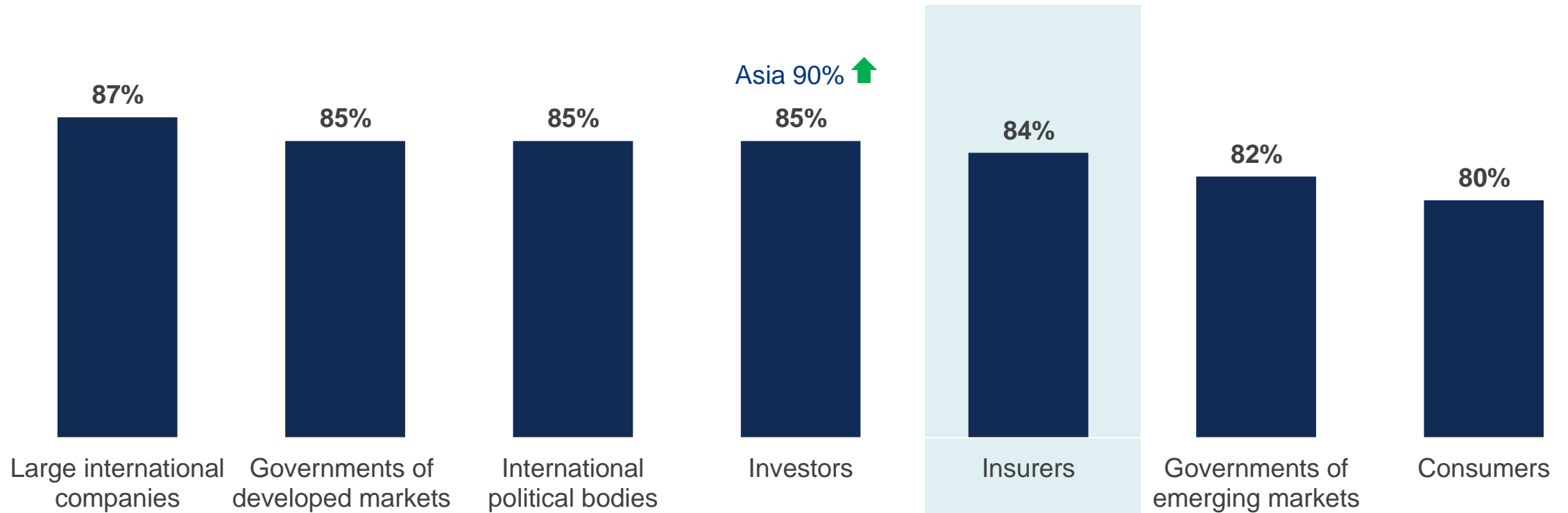


think **insurers** should guide and support more in implementing sustainability and becoming greener (87%)



Sustainability is perceived as a collective effort requiring corporates, governments, investors and insurers

Proportion who feel the following groups have responsibility when it comes to taking action and leadership on fostering a sustainable economy and society (NET Responsible)



2022 COP27. Q12. How would you rate the level of responsibility of the following groups when it comes to taking action and leadership on fostering a sustainable economy and society? Please use a 7-point scale where 1 means 'no responsibility at all' and 7 means 'extremely high responsibility'. Responsible: Top 3
 Base size: Total (601); LatAm (201); Africa (200); Asia (200)

↑ Significantly higher than Africa

Insurers are seen as an ally in the progression to Sustainability

Two thirds of business leaders in emerging markets feel **insurance** is...

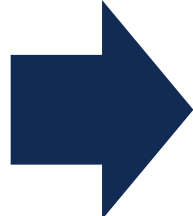
...important to **support organizations** with climate change adaption and mitigation (67%)

...**a real partner** in helping businesses being more sustainable (63%)

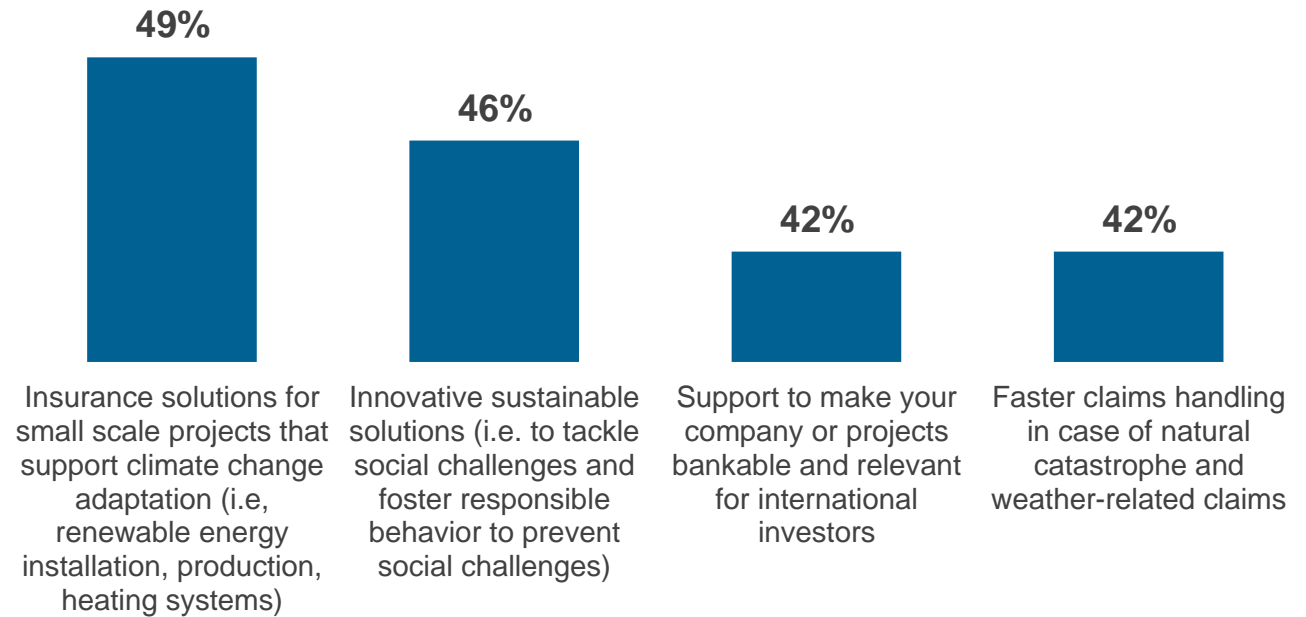
And offerings for climate change adaption and innovative solutions are requested

Proportion who agree insurers are ahead of regulations on implementing sustainable business practices ('Agree' and 'Strongly Agree')

Over half (55%)
of business leaders in emerging markets feel **insurers are ahead of regulations** when it comes to implementing sustainable business practices (e.g., incentivizing sustainable behaviours through lower premiums)



Expectations from insurers in supporting company to prepare for climate related risks and opportunities



Sample overview – approx. 600 C-Suite members in developing markets

Total sample			
	C-Suite members of mid to large companies in developing markets	N = 601	100%
Region			
	LatAm/Central America: Brazil, Mexico, Argentina, Colombia	N = 201	33%
	Africa: South Africa, Nigeria, Egypt, Algeria, Kenya, Morocco	N = 200	33%
	Asia: Thailand, Indonesia, Malaysia, Philippines	N = 200	33%
Size of company			
	Medium Enterprise	N = 250	42%
	Large Enterprise	N = 351	58%
Length of time organization has been operating			
	1-5 years	N = 161	27%
	6-10 years	N = 211	35%
	11+ years	N = 229	38%

Where organization operates					
	Locally	N = 104	17%		
	Nationally	N = 288	48%		
	Regionally	N = 151	25%		
	Globally	N = 58	10%		
Industry					
Tech/Telecomms	N = 114	19%	Biotech/Life Sciences	N = 21	3%
Professional Services	N = 69	11%	Utilities	N = 17	3%
Financial Services	N = 67	11%	Distribution	N = 15	2%
Manufacturing	N = 64	11%	Hospitality	N = 14	2%
Construction	N = 48	8%	Agriculture	N = 14	2%
Retail	N = 42	7%	Media	N = 11	2%
Healthcare	N = 31	5%	Insurance	N = 11	2%
E-commerce Retail	N = 25	4%	Not-for Profit	N = 3	0%
Real Estate	N = 23	4%	Other	N = 12	2%

Fieldwork: September 2022

