



Adapting to Global Shifts: Strengthening Systemic Resilience Across Asia

ReThink HK Forum

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This session explored how organisations across Asia are adapting to a rapidly changing economic, environmental and regulatory landscape. As sustainability expectations evolve from voluntary commitments to mandatory requirements, panelists discussed the challenges of building resilience, funding long-term transformation and balancing sustainability ambitions with commercial realities.

Executive Summary

The discussion highlighted that resilience is increasingly becoming a core business imperative rather than a standalone sustainability objective. Panelists agreed that while individual organisations can reduce their environmental impacts and strengthen their

operations, systemic resilience requires coordinated action across governments, financial institutions, supply chains and industries.

A recurring theme throughout the session was the challenge of financing the transition. Businesses face limited ability to pass sustainability-related costs to customers, while governments and investors must work together to create the enabling conditions required to scale resilient infrastructure, sustainable agriculture and low-carbon technologies.

Key Discussion Themes

1. Resilience must be approached as a system-wide challenge

- Climate risks increasingly affect interconnected systems rather than individual organisations alone.
- Businesses, governments, investors and communities all play a role in building resilience.
- Actions taken at the organisational level can be valuable but are unlikely to achieve the scale required without broader coordination.
- Panelists stressed the importance of engaging entire value chains and economic systems rather than focusing solely on direct operational emissions.

2. Consumer demand remains a significant barrier to progress

- Sustainability continues to compete with affordability, convenience and product quality for consumer attention.
- Many consumers remain unwilling or unable to absorb additional costs associated with more sustainable products and services.
- This creates challenges for retailers attempting to reduce emissions while maintaining competitive pricing.
- The discussion acknowledged that large-scale shifts in consumer behaviour often occur only when external events significantly alter public priorities.

3. Business strategies are evolving towards resource efficiency

- Organisations are increasingly identifying commercial opportunities that align with sustainability outcomes.

- Examples included maximising the value of existing assets, improving operational efficiency and integrating renewable energy solutions.
- Reducing environmental impacts is increasingly being viewed as a byproduct of smarter business models rather than a separate compliance exercise.
- Panelists noted that focusing on existing infrastructure and assets can often deliver both economic and environmental benefits.

4. Supply chain engagement is critical to decarbonisation

- Scope 3 emissions remain one of the most significant challenges for many businesses.
- Industries such as retail and real estate are heavily influenced by emissions generated upstream in supply chains.
- Companies cannot achieve meaningful decarbonisation alone and must work closely with suppliers to drive change.
- Particular emphasis was placed on high-emission sectors such as agriculture, steel and aluminium.

5. Finance has a central role in strengthening resilience

- Financial institutions increasingly view climate resilience through a risk management lens.
- Physical climate risks such as extreme heat, flooding and weather-related disruptions are creating new challenges for insurers and investors.
- Capital allocation decisions can help accelerate the adoption of resilient infrastructure and sustainable technologies.
- Better data and risk modelling remain essential to understanding climate-related exposure across complex value chains.

Perspectives from the Panel

Business Perspective

- Organisations face growing pressure to balance sustainability objectives with commercial performance.
- Companies often encounter resistance when sustainability initiatives increase costs without delivering immediate financial returns.
- Success increasingly depends on embedding resilience into core business strategy

rather than treating it as a separate programme.

- Businesses must also collaborate more effectively across sectors to drive system-wide outcomes.

Financial Sector Perspective

- Climate resilience is becoming a material financial issue rather than solely an environmental concern.
- Insurance providers and investors are increasingly incorporating physical climate risks into risk assessments and capital decisions.
- Transition finance will play a critical role in supporting large-scale infrastructure and economic transformation across Asia.
- Improved climate data remains necessary to better understand vulnerabilities within supply chains and markets.

Development Finance Perspective

- Resilience requires investment in foundational systems such as energy, healthcare, education and infrastructure.
- Emerging markets often need policy reforms and investment frameworks that attract private sector capital.
- Governments play an essential role in creating stable and investable environments for long-term development.
- Knowledge sharing between regions can accelerate the adoption of resilient solutions and successful policy approaches.

Economic Barriers to Transition

The discussion examined the challenge of financing sustainability across different sectors:

- Retailers face difficulty charging consumers more for sustainable products.
- Property developers often struggle to justify higher-cost materials when tenants are unwilling to absorb additional expense.
- Governments in developing economies face fiscal constraints that limit their ability to fund large-scale transitions independently.

- Businesses and investors continue to grapple with balancing short-term profitability expectations against long-term resilience investments.

A central question emerged throughout the session:

How can stakeholders bridge the gap between immediate commercial pressures and the long-term investment required to build resilient economies and societies?

Audience Discussion

- Participants explored the extent to which market forces alone can drive sustainability transitions.
- Questions were raised about who should ultimately bear the costs associated with the "green premium".
- Discussion focused on the role of policy in creating incentives and reducing barriers to adoption.
- Panelists reflected on how early-stage support and market mechanisms can help emerging technologies achieve scale and affordability.
- The importance of cross-regional collaboration and knowledge transfer was highlighted as a critical enabler of resilience.

Final Takeaway

The session reinforced that resilience is no longer solely an environmental objective. It is a strategic, economic and societal challenge that requires coordinated action across sectors and borders.

While organisations can drive meaningful progress within their own operations, lasting resilience depends on strengthening the systems that underpin economies, supply chains and communities.

Key Learnings

1. Resilience is increasingly a business imperative

- Climate-related risks are affecting operations, supply chains, infrastructure and financial performance. Building resilience is becoming essential for long-term competitiveness.

2. System-wide transformation matters more than individual success

- Isolated sustainability achievements have limited impact unless they contribute to wider industry and value-chain change.

3. Scope 3 emissions remain one of the biggest challenges

- Many organisations have relatively greater control over direct emissions than the emissions embedded within their supply chains.

4. Consumer economics cannot be ignored

- Affordability remains a major determinant of consumer behaviour, making it difficult for businesses to pass transition costs directly to customers.

5. Financial institutions play a critical enabling role

- Insurers, banks and investors influence resilience by directing capital towards projects and sectors that reduce long-term risk.

6. Data gaps continue to hinder decision-making

- Better visibility of physical climate risks across supply chains and markets is required to improve risk assessment and investment decisions.

7. Policy and markets must work together

- Governments create enabling environments, while businesses and investors mobilise the capital and innovation necessary for implementation.

8. The cost of inaction may already be materialising

- Rising food prices, commodity volatility and climate-related disruptions suggest that societies may already be paying the price for insufficient investment in resilience.

Overall Learning

The discussion underscored that strengthening resilience across Asia requires moving beyond organisation-level sustainability initiatives toward systemic transformation. Businesses, financial institutions and governments all have distinct but interconnected roles to play. While the transition presents significant economic and operational challenges, the panel concluded that investing in resilience today is likely to be less costly than managing the consequences of climate-related disruption in the future.