



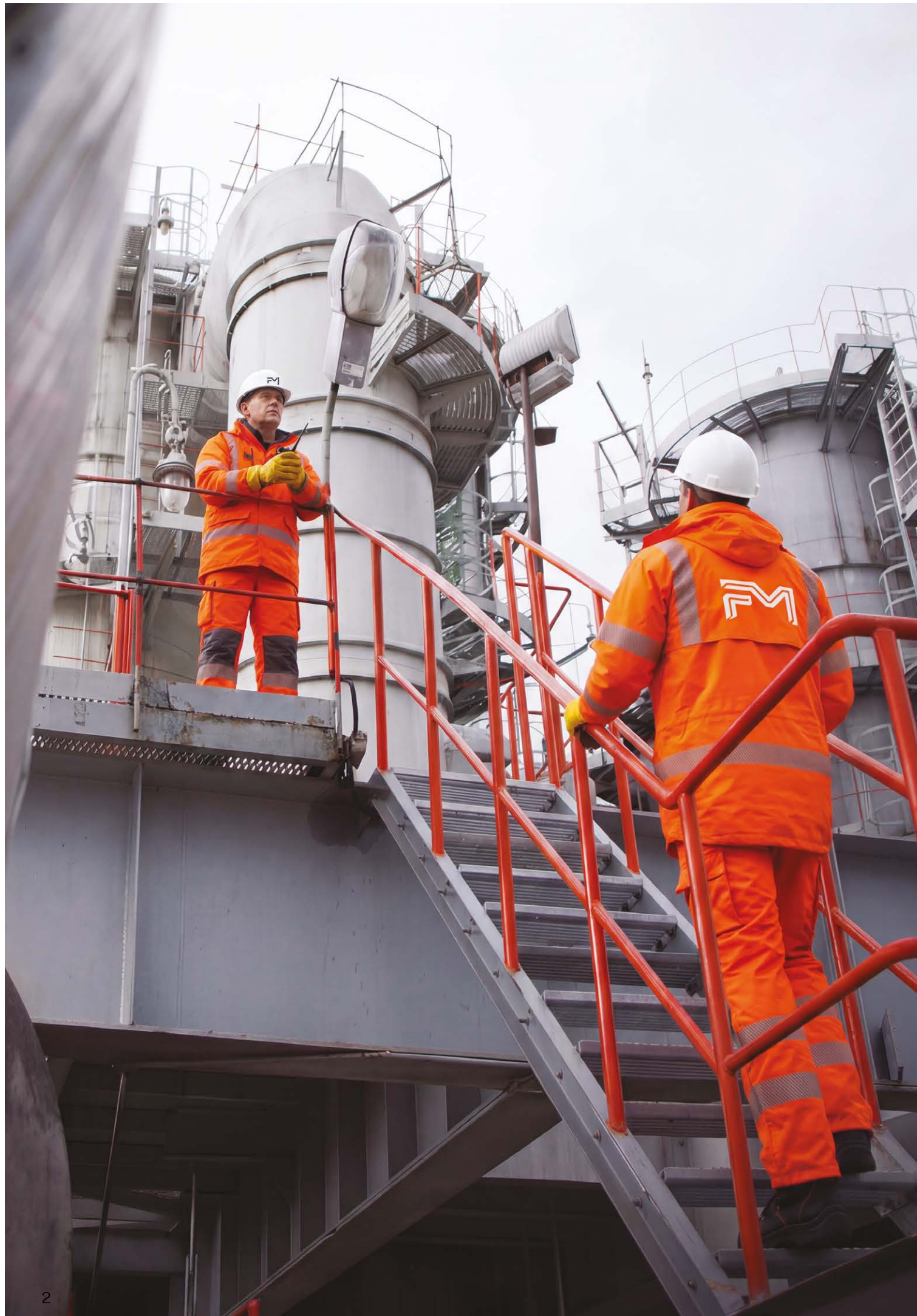
Resetting resilience

How Europe's chemical industry is responding
to regulation, disruption and rising risk



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Foreword



Andrew Bryson

Senior vice president
Engineering and research
FM



Katy Shannon

Operations senior vice president
Chemical operations manager
FM

The European chemical sector is evolving at unprecedented speed. Regulatory pressure is intensifying, decarbonisation programmes are accelerating and energy and feedstock costs are increasingly volatile. Meanwhile, new technologies, shifting supply chains and changing market expectations are reshaping operating models.

For many chemical manufacturers, the challenge is no longer managing individual risks but being able to adapt quickly enough to the change happening around them. As organisations modernise assets, rethink processes and overhaul their operations, new exposures and interdependencies are emerging faster than governance frameworks and traditional risk models can adapt.

Drawing on a survey of 500 decision-makers from the chemical industry and 50 insurance brokers, this report explores how firms navigate these competing demands, where resilience gaps are emerging and what separates the reactive organisations from those able to strengthen their long-term resilience during a period of disruption.

The findings suggest that resilience is increasingly shaped by how early risk considerations are embedded into operational and strategic decision-making. Organisations that include risk considerations as an integral part of their transformation – rather than viewing it as a constraint – are better placed to navigate the uncertainty and avoid unintended vulnerabilities.

This shift is also changing expectations of the insurance sector, with organisations moving beyond risk transfer alone to seek out data, engineering expertise and insight that can help them better understand and manage emerging risks in the long term.

This is not just a story of pressure. It is a story of how a sector is adapting to a more complex risk environment and, in some cases, using it to create a competitive advantage.

Key findings

To understand how Europe's chemical companies respond to environmental regulation and supply chain constraints, and how they manage the accompanying risks, FM conducted a double-blind survey of 500 decision-makers in the industry and 50 insurance brokers with clients in the sector.

Here's what we found:

Decarbonisation targets and reporting requirements are the greatest challenges facing the European chemical sector.



of industry decision-makers rank these obligations in the top five external challenges causing concern for their companies

Environmental and safety rules drive process changes, retrofits and new technology implementations.



are adapting their reporting systems to meet ESG-disclosure requirements



are investing in emissions reduction technologies



are modifying processes to comply with new chemical safety rules

But process changes are introducing new risks faster than chemical companies can handle.



of chemical industry decision-makers agree these process changes happen faster than their internal risk assessments can accommodate



77%
Unanticipated downtime



70%
Supply chain bottlenecks



68%
Unexpected maintenance costs

Overall, process changes, retrofits and new technology implementations have led to:

And these risks may not automatically be covered by insurance.



of chemical companies say operational changes have led to insurance gaps

Brokers are going to extra lengths to secure coverage for their chemical industry clients.



of brokers say securing coverage for clients in the industry is a challenge

In response, they:

Encourage closer dialogue with insurers



Focus on the total cost of risk



Chemical companies acknowledge the need to embed resilience into operations.



95%

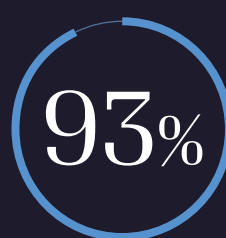
agree that engineering-led loss prevention is 'very important' to insurability and competitiveness



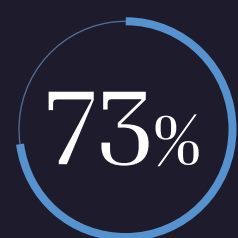
85%

view decarbonisation as a resilience opportunity

To achieve resilience, chemical companies must overcome a short-term focus and disjointed operations.



say siloed operations are a hurdle to integrated risk management



say resilience investments are held back by the difficulty of proving return on investment

01

New rules,
new solutions

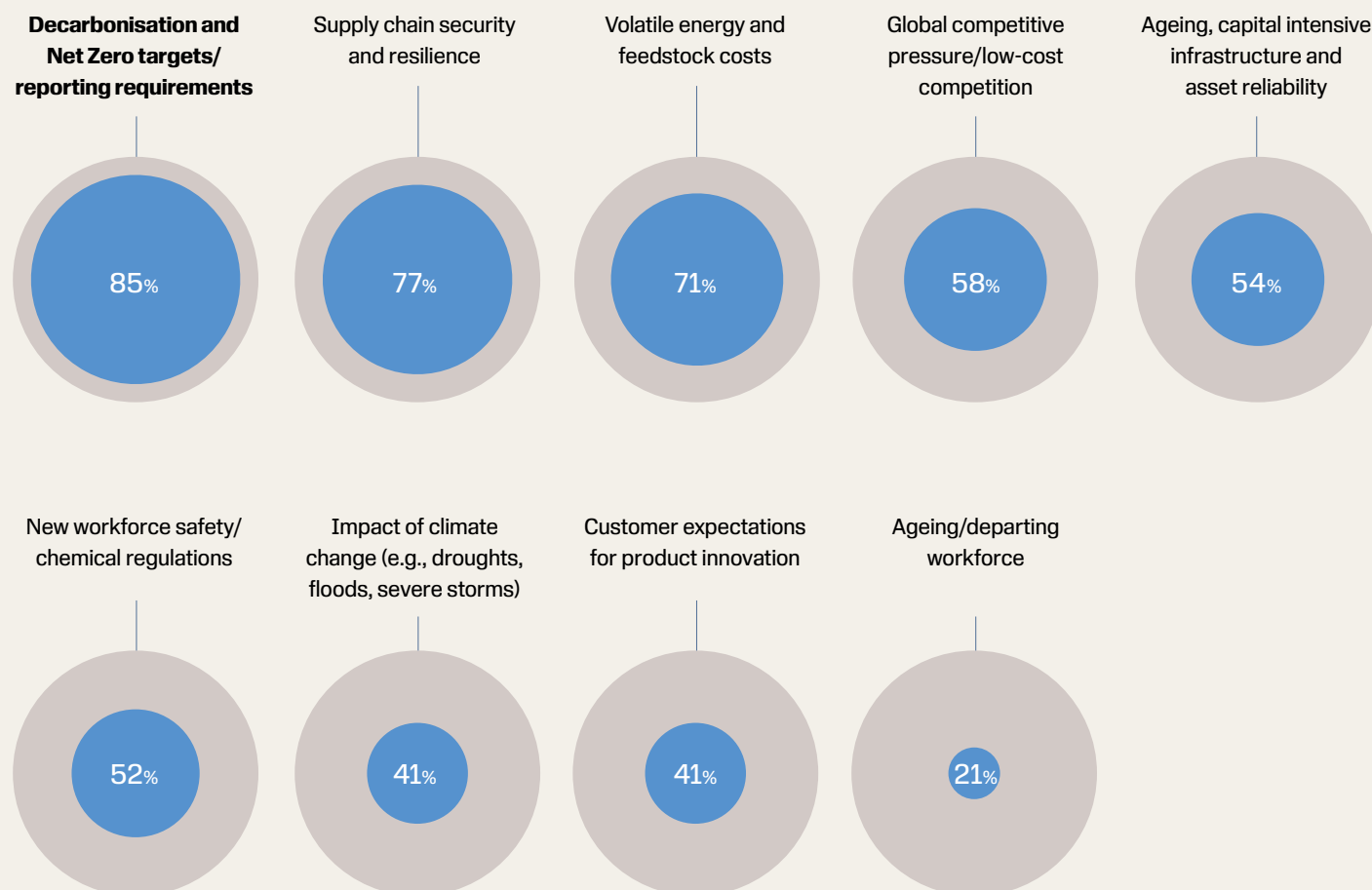
The European chemical sector is at the sharp end of the continent's greatest economic challenges. Tightening safety and decarbonisation regulations, volatile energy and feedstock costs, fragile supply chains and global competition are not simply squeezing profit margins – they are putting the survival of some facilities at risk.

Chemical plant closures in Europe increased sixfold between 2022 and 2025, according to trade body Cefic. In FM's survey of 500 chemical industry decision-makers, a third expect their company to prioritise accelerating the closure, mothballing or offshoring of assets over the next two to three years, as a result of regulation.

Chief among the sector's challenges is the burden of decarbonisation targets and reporting requirements: 85% of our chemical industry respondents rank these in the top five external challenges causing concern for their companies, more than any other option (see Fig. 1).

FIG 1. DECARBONISATION OBLIGATIONS ARE THE EUROPEAN CHEMICAL INDUSTRY'S GREATEST CHALLENGE

Which of the following external challenges are currently of greatest concern to your business? (% of chemical industry decision-makers, rank 1 to 5)



Among pan-European regulations, the EU Corporate Sustainability Reporting Directive (CSRD) will have the greatest negative impact on respondents' assets, process or products, they say, followed by the Corporate Sustainability Due Diligence Directive (CSDDD).

But national schemes can be just as challenging: nearly a quarter of respondents in France expect the country's Energy and Climate Act to have a 'significant' negative impact on their operations, for example.

The next highest-ranked challenges are two measures of supply constraints – supply chain security and resilience and volatile energy and feedstock costs (the survey was conducted before the Iran war drove up energy prices in much of Europe).

Energy costs have swelled the tide of closures and offshoring, says Jean-Michel Gauthier, a chemical industry executive who has held senior positions at DuPont and AkzoNobel. "Over the past four years, we've seen a number of very large operators move out of Europe, and the cost of energy has been an accelerator of that dynamic," he says.

85%

of chemical companies say decarbonisation obligations are driving significant operational changes or retrofits

"We undertook a major transformation in the face of these external changes, focusing on decarbonisation, process modernisation and digitisation... All of this is very much about sustainability, but it's also about profitability."

Sonia Cambier

Insurance and prevention director, Solvay

If the industry is to withstand these challenges, now is the time to act. And many in the sector are responding – the majority say that decarbonisation requirements (85%), supply chain security (75%) and volatile energy and feedstock prices (69%) are all driving significant operational changes or retrofits at their organisation.

Belgian multinational Solvay is among the European chemical manufacturers undergoing substantial operational changes.

"We undertook a major transformation in the face of these external changes, focusing on decarbonisation, process modernisation and digitisation," explains Sonia Cambier, Solvay's insurance and prevention director.

"We are getting out of coal and reducing our emissions, we are modernising processes across our estate and we are rapidly expanding the use of digital technology across our plants."

Although spurred by regulation, this transformation is driven by the profit motive, too. "All of this is very much about sustainability, but it's also about profitability."

Where Solvay leads, others will soon follow: 72% of chemical industry respondents say their company will adapt reporting systems and controls in response to CSRD and other ESG disclosure requirements in the next two-to-three years. Two thirds (66%) will invest in emissions reduction technologies to meet national or EU climate targets. And 65% will modify their processes or formulations to comply with new chemical safety rules (see Fig. 2).

FIG 2. NEW REGULATIONS AND CLIMATE TARGETS ARE DRIVING PROCESS AND PROPERTY CHANGES

Which types of regulatory-driven commercial property changes do you expect your organisation to prioritise over the next 2-3 years?

(% of chemical companies)

A Adapting reporting systems and controls for CSRD and other ESG disclosure requirements

B Investing in emissions reduction technologies to meet national/EU climate targets

C Modifying processes or formulations to comply with new chemical safety rules

D Adding or expanding on-site water management and recycling systems

E Upgrading or redesigning fire protection systems

F Converting boilers, furnaces or process heating to alternative/low carbon fuels (e.g., hydrogen, biofuels)

G Installing or expanding rooftop or on-site solar PV systems

H Reconfiguring site layout or adding new structures to meet safety/environmental standards

I Reconfiguring supply chains to comply with due diligence/human rights and environmental laws

J Introducing new energy storage technologies (e.g., battery systems) on-site

K Accelerating closure, mothballing or offshoring of specific assets due to regulatory pressure

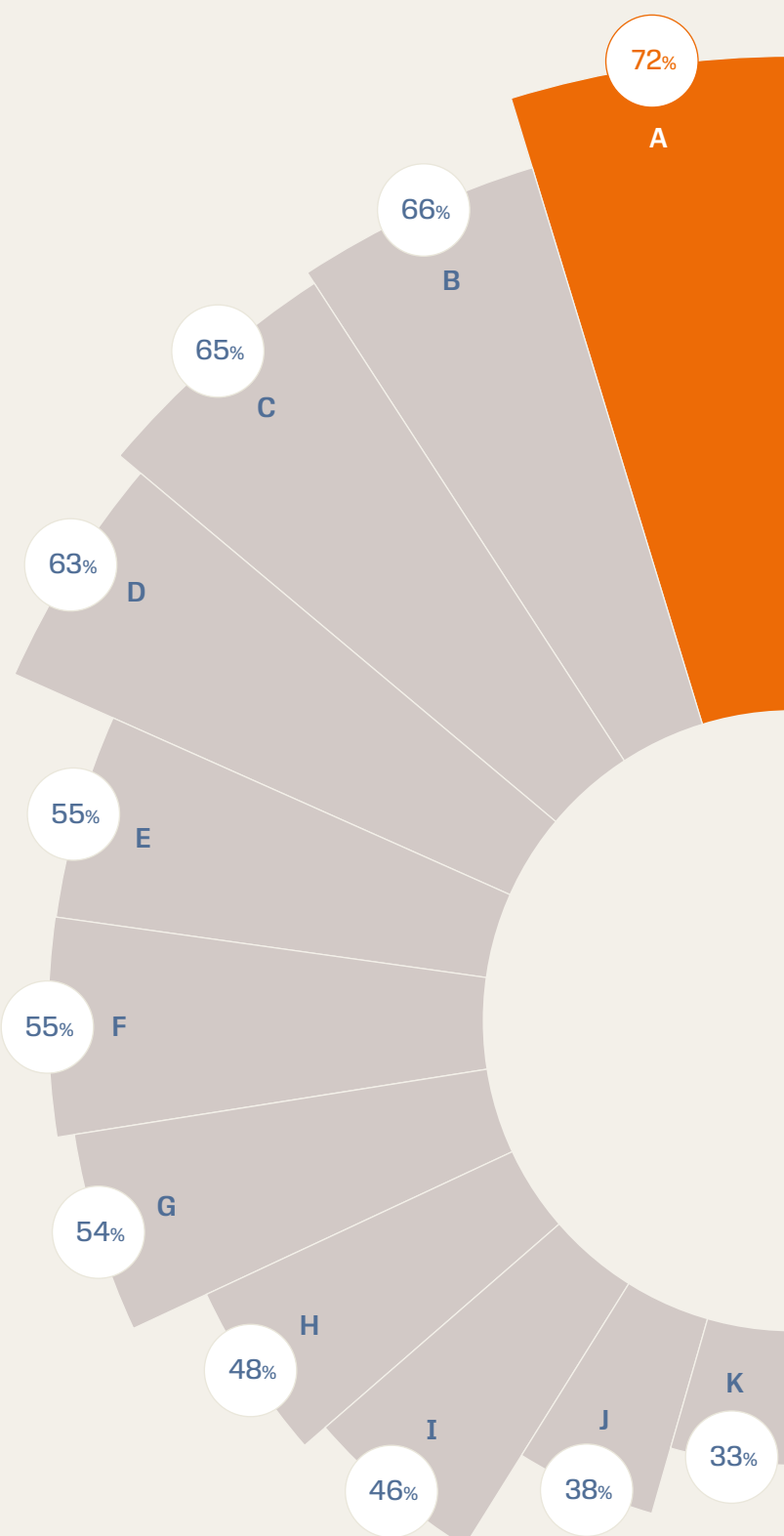
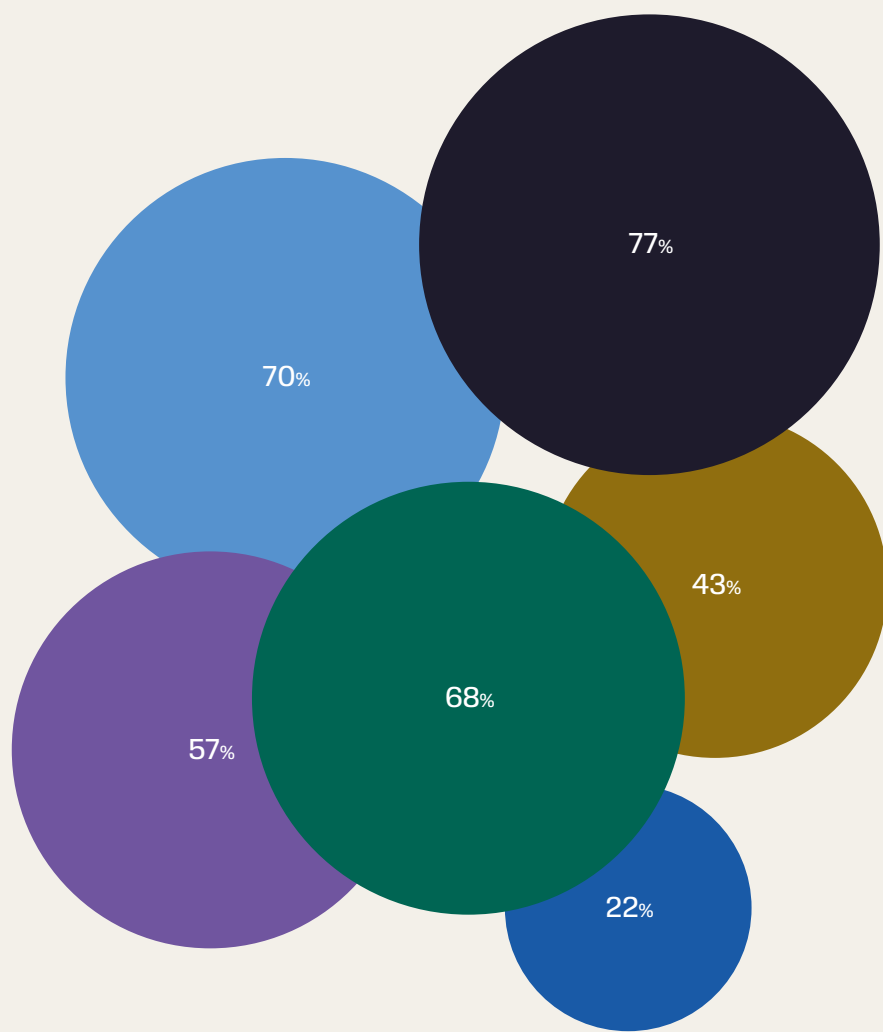


FIG. 3. OPERATIONAL CHANGES HAVE LED TO DISRUPTIONS AND PENALTIES

In the past 24 months, which of the following, if any, have you observed following process changes, retrofits or the implementation of new technologies? (% of chemical companies)



Many of these measures require substantial process changes, retrofits or new technology implementations. This introduces new risks: in the past two years, most respondents have experienced unanticipated downtime (77%), supply chain bottlenecks (70%) and unexpected maintenance costs (68%) due to this kind of operational change (see Fig. 3).

And the pace of change outstrips many chemical companies' ability to measure and mitigate these risks: 60% of respondents agree, for example, that new sustainability and safety regulations force them to make process changes faster than their internal risk assessments can accommodate.

60%

of chemical companies agree new regulations drive process changes faster than their risk assessments can handle

This is an early warning sign.

"Many of the largest losses that we see occur not because risks are unknown, but because change outpaces governance," says Katy Shannon, operations senior vice president, chemical operations manager at FM. "Workforce turnover, new processes, new feedstocks, energy transitions – all potentially introduce complexity faster than organisations can absorb it."

The rapid digitisation of the sector adds a further layer of complexity as connected production processes and monitoring tools increase exposure to online threats and create new governance questions around automation and AI.

"There are concerns about data security as the more digital you are, the greater the cyber exposure, but there is a compliance aspect to this, too, as we have the EU AI regulations to comply with," says Cambier.



“Regulation is sprinting ahead and those that don’t plan for that will eventually feel it on their balance sheets.”

Andrew Bryson

Senior vice president,
engineering and research, FM

A resilience opportunity

“It’s a sharper and more complex risk environment with regulatory expectations tightening and environmental pressures intensifying,” acknowledges Andrew Bryson, senior vice president, engineering and research at FM.

But, he adds, chemical companies cannot respond with inertia. “There are those who see the challenge before the opportunity and there are those who see the opportunity first. But regulation is sprinting ahead and those who don’t plan for that will eventually feel it on their balance sheets.”

Plus, the alternatives – such as moving offshore – are no less risky, Bryson adds. “Shifting to a low manufacturing

cost base, such as China, may be attractive, but in doing so, you could be exposing the business to a whole new set of risks, particularly environmental.”

Chemical manufacturers such as Solvay see the ongoing wave of environmental and safety regulation as an opportunity to transform their operations and build a more profitable, enduring business.

Meanwhile, the overwhelming majority of chemical industry decision-makers (85%) view decarbonisation as a resilience opportunity: if managed correctly, they agree, it offers the chance to upgrade safety and reliability, lowering their company’s overall risk profile.

The pressures bearing down on Europe’s chemical sector are real, and in some cases severe. But for businesses that can modernise operations while controlling the new risks that come with that change, this period may offer something more than routine compliance. It may offer a competitive advantage.

85%

of chemical companies
view decarbonisation as
a resilience opportunity



02

Addressing insurance gaps



Leaning into the opportunities offered by decarbonisation means effectively managing the accompanying risks. Fortunately, the European chemical industry is highly risk aware and has developed formal approaches to risk management, explains former industry executive Jean-Michel Gauthier.

“There’s a much stronger recognition of the risk in any new project or investment than there was 10 or 15 years ago,” he explains. “Planning is much more formal with more protocols and a more structured process than ever before. And chemical companies look at risk in a broad sense – not only operational risk but all risks.”

Even so, commercial property insurance remains a vital ingredient of risk management for the sector. “There are hundreds of millions of euros in technology, machinery and buildings on their sites, so clients are aware that they need insurance to maintain operations,” explains Martin Schlachta, international business development lead at specialist industrial insurance broker Funk.

But process changes, retrofits and new technology implementations create insurance gaps, our survey shows: 43% of chemical industry decision-makers surveyed have experienced insurance compliance and coverage gaps in the past two years due to such changes.

43%

of chemical companies have experienced insurance gaps due to operational changes

“There are hundreds of millions of euros in technology, machinery and buildings on their sites, so clients are aware that they need insurance to maintain operations.”

Martin Schlachta

International business development lead, Funk

These gaps reflect constraints on capacity and insufficient coverage in individual policies: 82% of the brokers surveyed for this report say that securing adequate coverage and/or maximising total insurable value for chemical industry clients present a 'significant' or 'moderate' challenge.

"The biggest gaps are found in underinsurance," explains FM's Shannon. "It's about policy limits."

She adds that gaps in coverage are more likely to emerge in layered programmes where multiple policies converge. This is what inspired FM client Axplora, which manufactures ingredients for the pharmaceutical sector, to opt for a single provider.

"It's about securing the best possible coverage," explains Dominik Blank, Axplora's head of group treasury. "We might have been able to secure coverage elsewhere, but we would have needed to find several insurers to build a sustainable syndicate. This is very difficult from a communication perspective, and it would mean we'd have different requirements to fulfil [from each insurer]."

"Finding several insurers to build a syndicate... is very difficult from a communication perspective, and it would mean we'd have different requirements to fulfil."

Dominik Blank

Head of group treasury, Axplora



The brokers' response

Insurance brokers are at the frontline of securing coverage for their chemical industry clients, and their chosen strategies reveal what really makes a difference.

Their most common approach to securing capacity and adding value for their chemical industry clients, as adopted by 80% of brokers surveyed, is to facilitate a three-way dialogue between clients, brokers and insurers (see Fig. 4).

This dialogue allows risk to be understood in greater detail, supports more informed underwriting decisions and helps to ensure that risk management efforts are focused where they will have the greatest impact.

Its effectiveness, however, depends on the depth of expertise available in the insurance market. Providing effective support to the chemical sector requires technical and regulatory expertise, and not every carrier has both. For example, 94% of brokers say identifying carriers with the necessary understanding of regulatory shifts is a challenge.

94%

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This expertise does exist, but it is relatively scarce and increasingly valuable. This explains why 60% of brokers actively seek out specialist carriers with strong risk engineering capabilities to support their clients.

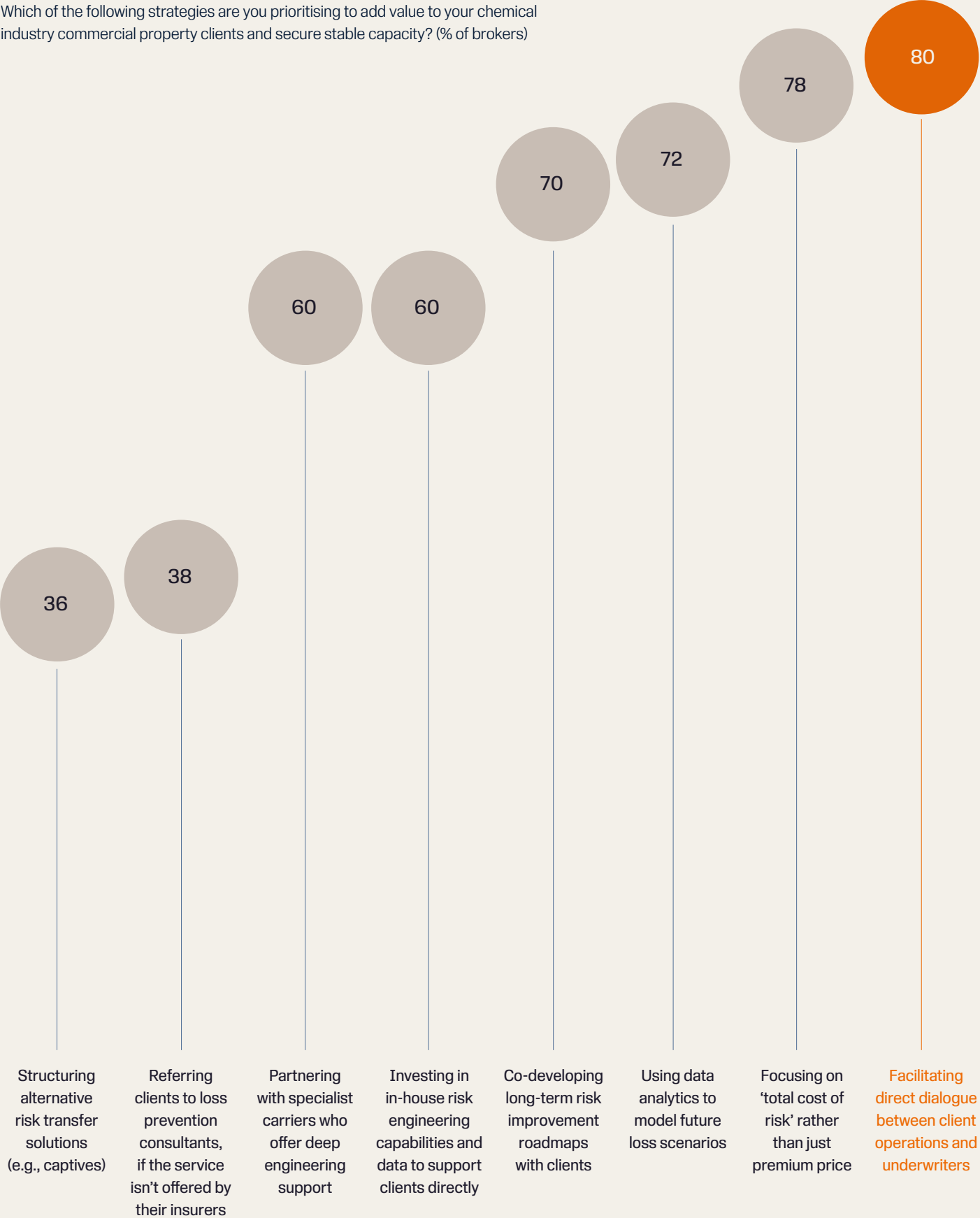
It's vital that dialogue around risk happens on site, says FM's Bryson. "We are a location-based property insurance underwriter," he says. "In partnership with brokers, we send chemical loss prevention specialists out to client sites to evaluate their unique property-related risks and create a detailed risk assessment from that. That insight, delivered consistently over time, can have a significant impact on our clients' property risks."

At Axplora, this dialogue is a vital part of the risk assessment process. "The feedback I get from our engineers on site is that they have really fruitful discussions," says Blank.

Ideally, this is a three-way dialogue with client, broker and insurer. "I recently made a trip to a facility, and we took our own risk managers and engineers and we invited the insurer," recalls Funk's Schlachta. "It's not market standard but we see this an opportunity to work closely with the insurer and have a better position in front of the client."

**FIG. 4. INSURER DIALOGUE AND FOCUSING ON TOTAL COST OF RISK
ARE BROKERS' TOP STRATEGIES FOR SECURING CAPACITY**

Which of the following strategies are you prioritising to add value to your chemical industry commercial property clients and secure stable capacity? (% of brokers)





Total cost of risk

Brokers' second-most common strategy for securing capacity is to focus on the total cost of risk, not just premium price.

When margins are squeezed, buyers might take a short-term view of the cost of insurance. Indeed, 88% of brokers say justifying premiums against client budget cuts presents a 'significant' or 'moderate' challenge.

However, assessing the total cost of risk (TCOR) – which takes insurance spend, loss mitigation activity and the wider impact of disruption and downtime into account – shines new light on insurance spending.

Given how much of the European economy depends on the chemical sector's products, the total cost of a given risk can be considerable.

"If we are the only local producer of a chemical, an extended interruption could become a catastrophe," says Cambier at Solvay. "It's not just an insurance claim – it's a loss of customers and reputation."

Analysing TCOR also puts insurers' claim handling into focus, as the time and cost required to process a claim should factor into the cost calculation.

Here, our survey reveals growing dissatisfaction among chemical companies: 60% of survey respondents say that handling insurance claims has taken longer in the past three years than previously. And only 35% of chemical industry decision-makers are satisfied with the speed of settlement in their company's most significant recent claim (see Fig. 5).

Chemical industry claims can be complex and time consuming to process, says FM's Shannon. But much of that complexity can be removed with a more strategic approach, she adds.

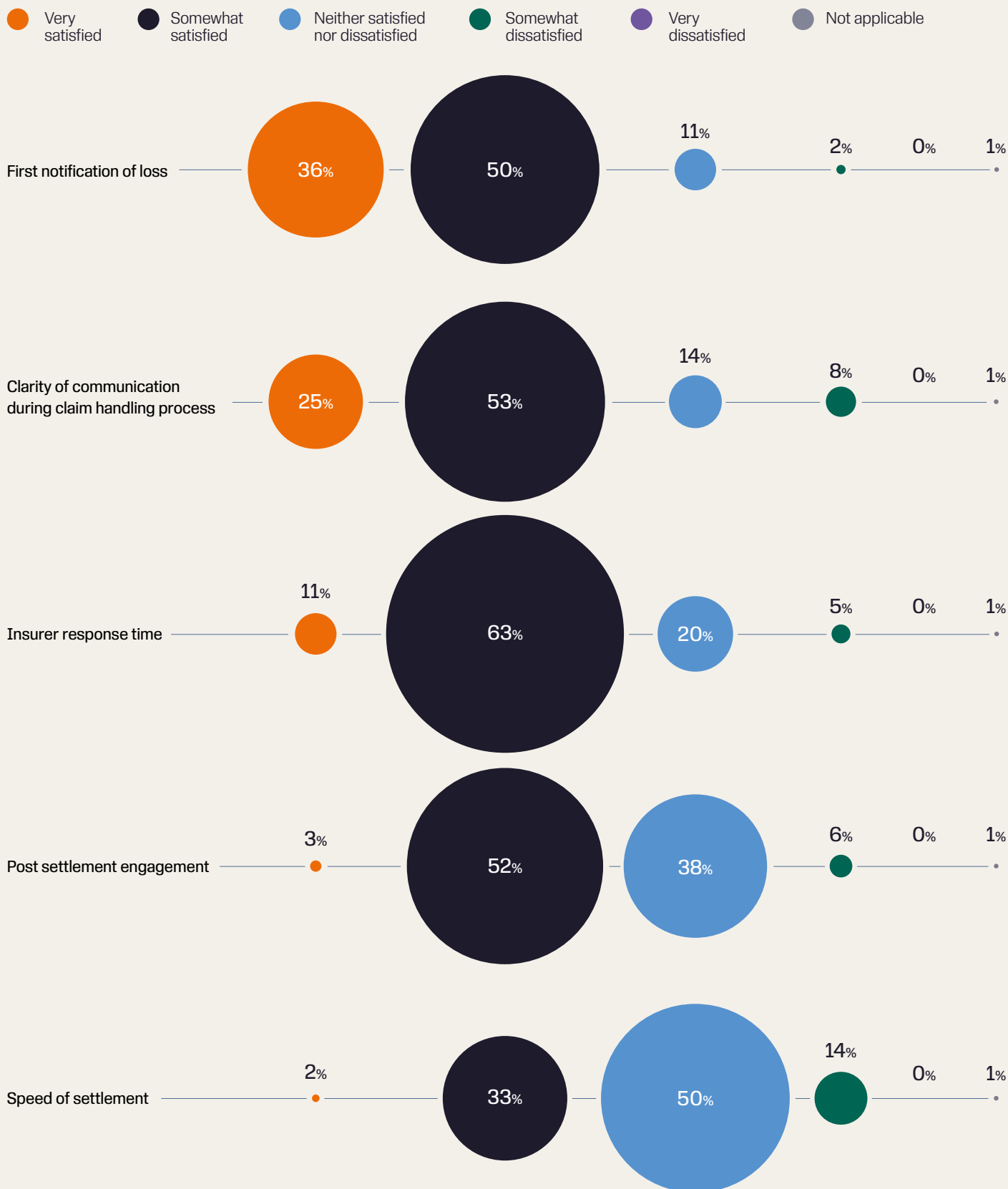
"As soon as it's safe to do so, and with the agreement of the broker, FM will have a specialist adjuster on site to start the claims process, and they will remain on the case until it's settled," Shannon explains. "Working through the client's broker, our adjusters have the authority to settle claims on site and provide advance payments to clients while the investigations continue."

Closer dialogue with insurers and a TCOR approach can help chemical companies and their brokers minimise gaps in their insurance coverage. But there are limits to what traditional risk transfer alone can achieve.

In response, the focus is shifting towards understanding how resilience can be built into operations from the outset.

FIG. 5. FEW CHEMICAL COMPANIES WERE SATISFIED WITH THE SPEED OF SETTLEMENT OF THEIR MOST SIGNIFICANT RECENT INSURANCE CLAIM

Thinking about the most significant property or business interruption claim your organisation has made in the past three years, how satisfied were you with the insurer's handling against the following factors? (% of chemical companies)





03

Building real resilience

“We invite clients to the FM Research Campus to show them the devastation that can be caused by an uncontrolled fire. And then we show them the same fire with automatic fire protection in place – they can see for themselves that the impact is night and day in terms of consequence.”

Andrew Bryson

Senior vice president, engineering and research, FM

The risks that may arise from process changes, retrofits and new technology implementations cannot be transferred away. Instead, resilience must be embedded into operations.

Chemical industry decision-makers understand this. In our survey, nearly all (95%) agree that engineering-led loss prevention will be ‘very important’ to their ability to maintain insurability and competitiveness over the next five years, including 33% who believe it will be a ‘critical’ competitive advantage.

And nearly three-quarters of the chemical decision-makers we surveyed describe their companies as ‘resilience-driven’, meaning they regularly invest in loss-prevention and resilience projects for commercial property, informed by internal data and input from insurers and consultants.

Nevertheless, nearly all face barriers to a truly integrated approach to risk management, in which risk decision-making is part of business strategy, not just insurance purchasing. For example, 93% say that siloed operations, where the risk, finance, sustainability and operations functions are not working in concert, prevent integrated risk management (see Fig. 6).

For Blank at Axplora, a shared focus on resilience arises quicker when a company suffers a disruption.

This has helped to foster a culture of resilience in the organisation.

“We don’t have to convince anyone to take risk seriously,” he says.

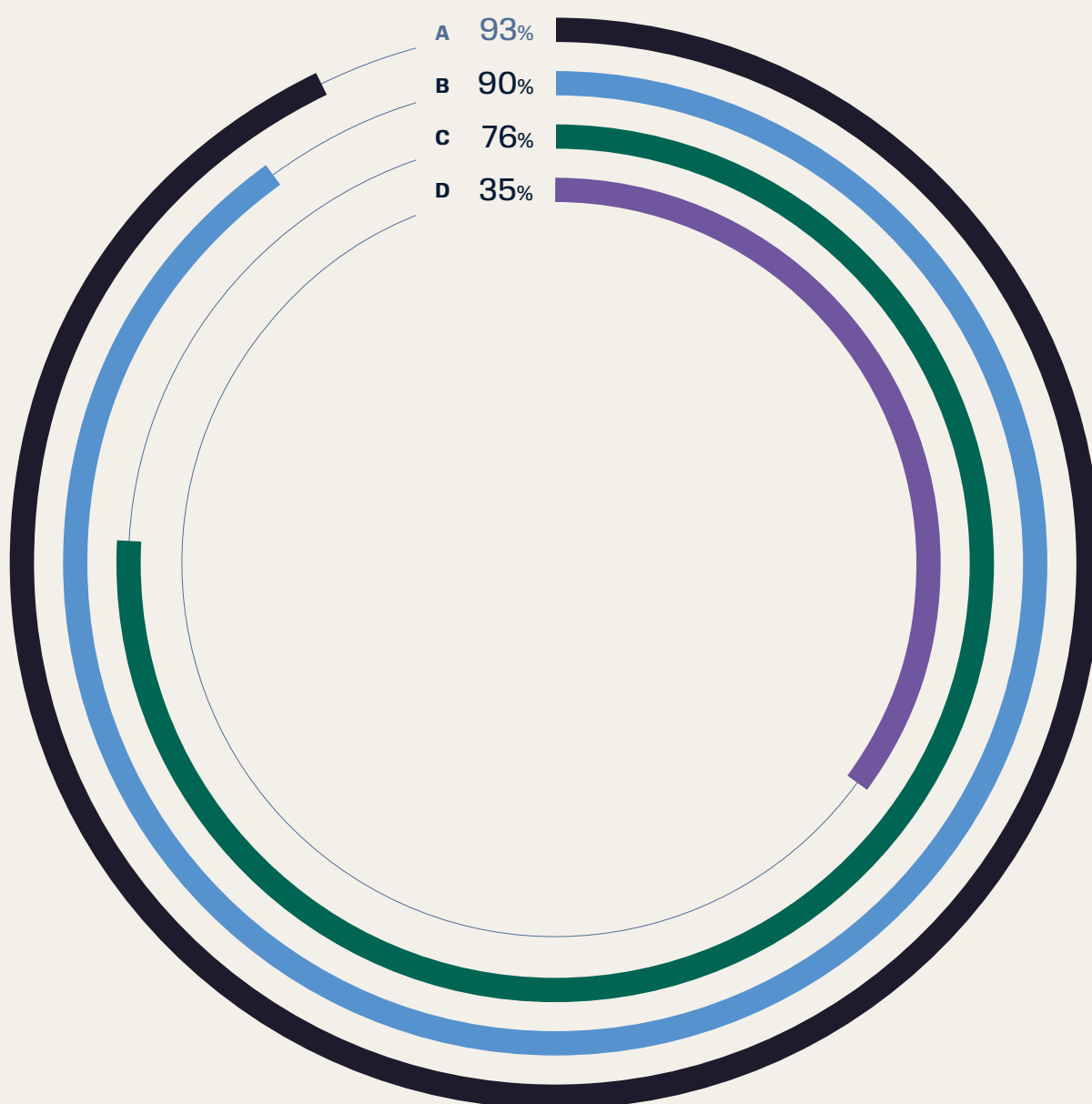
Although incidents should never happen in the first place, they do help to sharpen people’s attention. Otherwise, they tend to assume that if a risk hasn’t occurred in the past, it won’t happen in the future. “That’s always the easiest argument to make. But we’re not living in the past – a lot of things have changed quickly.”

In FM’s experience, however, it is possible to demonstrate the value of resilience, even to companies that are lucky enough to have avoided major incidents. “We invite clients to the FM Research Campus to show them the devastation that can be caused by an uncontrolled fire,” says Bryson. “And then we show them the same fire with automatic fire protection in place – they can see for themselves that the impact of the protection is night and day in terms of consequence.”

FIG. 6. OPERATIONAL AND DATA SILOS STAND IN THE WAY OF INTEGRATED RISK MANAGEMENT

What organisational hurdles have you encountered when trying to take an integrated approach to property risk i.e., where risk management is treated as part of industrial and business strategy, not just insurance purchasing? (% of chemical companies)

- A** Siloed operations between operations, sustainability, finance and risk/insurance functions
- B** Lack of shared data across business functions
- C** Cap ex/op ex budget misalignment
- D** Lack of senior/board buy in



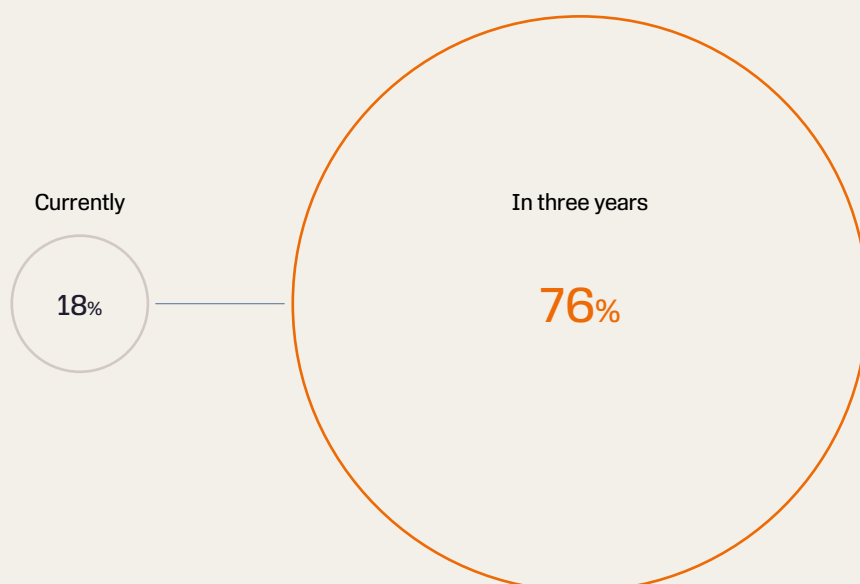
Planning with data

The second-greatest barrier to integrated risk management is a lack of shared data across business functions. As this suggests, data is vital for understanding a company's true risk exposure and to assess the likely impact of operational changes.

Today, though, only 18% of chemical companies say they 'systematically' use engineering risk data to assess how new sustainability requirements will impact business continuity and safety on site – although 76% hope to be doing so in three years' time (see Fig. 7).

FIG. 7. FEW CHEMICAL COMPANIES USE DATA 'SYSTEMATICALLY' TO PREDICT THE IMPACT OF NEW SUSTAINABILITY REQUIREMENTS

% of chemical companies using data to assess how new sustainability requirements will impact business continuity and safety on site, currently and in three years



86%

of brokers use insurer-provided loss prevention insights to support client risk management decisions

This is a missed opportunity, says Kashia Moua, staff senior vice president, FM Solutions, especially when transforming operations to achieve sustainability goals.

"Sustainability and risk management are deeply connected – decisions around decarbonisation don't just affect emissions targets, they also change risk exposure, operational resilience and insurability," says Moua. "To move ahead, companies need to look at these challenges together and use data and engineering insight to make smarter, more confident decisions."

Insurers and brokers can be a vital source of data and analysis, particularly when they work together. Nearly nine out of 10 (86%) brokers use insurer-provided loss prevention insights to support client risk management decisions.

As it stands, though, only a minority of chemical companies describe their insurance carrier as a 'strategic partner' that provides engineering data and risk analytics when planning major capital projects. This is a missed opportunity, not only to make insurance programmes more sustainable and predictable, but also to embed risk engineering expertise in operational upgrades right from the very start.



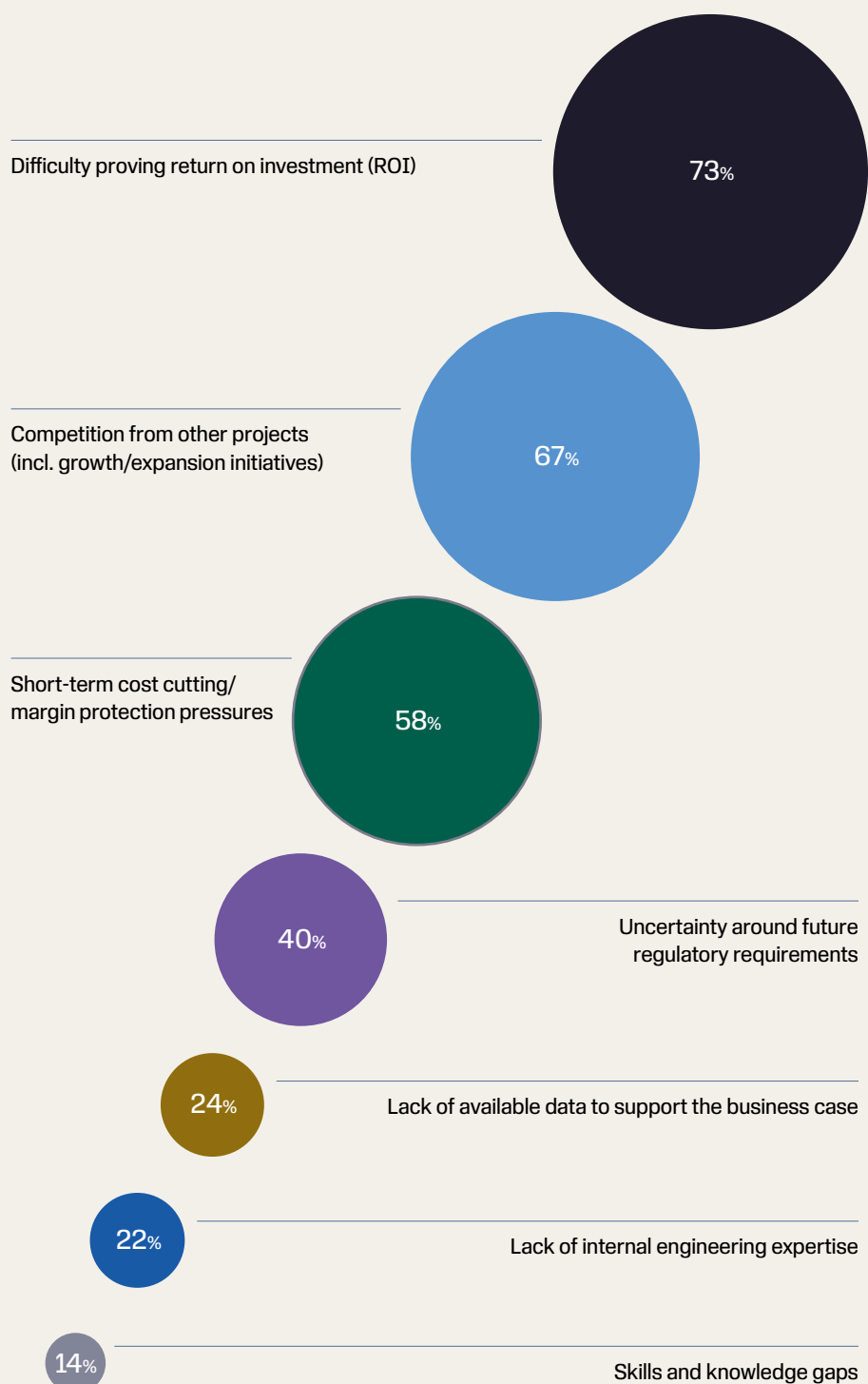
“If the client is planning something new, our aim is to always be invited by the broker or the client to provide input. When that kind of relationship is in place, we’re not just reacting to risk, we’re helping shape how it’s managed from the start,” says Bryson.

By taking a longer-term, more integrated view of risk, chemical manufacturers can position themselves ahead of those who remain focused on managing risk as it arises. And they will almost certainly gain a clear competitive advantage in the process.

Or as Bryson says: “The art of being an effective risk manager is perhaps to not get distracted by the here and now. You need to be looking ahead to the risks that you will have to manage in the future, and use data and insight to define your investment priorities.”

FIG. 8. THE GREATEST BARRIER TO INVESTMENT IN RESILIENCE IS PROVING RETURN ON INVESTMENT

What are the primary barriers to securing capital investment for 'resilience-focused' retrofits in your organisation? (% of chemical companies, rank 1-3)



Investing in resilience

The chemical sector has already made significant investments in risk prevention and resilience, says Schlachta at Funk. "Chemical companies have made huge investments in fire protection and other risk management procedures because they are very aware of the enormous environmental and fire risks they have," he says.

This is due in large part to the demands of insurers, he adds. "They know that if they don't meet the minimum risk management obligations issued by insurers, they won't be able to secure the necessary coverage. So, they are investing, both for better cover and premiums and for the long-term safety of employees and facilities."

Even so, their ability to invest in resilience-focused retrofits, such as upgraded fire protection, flood defences or predictive maintenance systems, is hampered by the difficulty of proving a return on investment from such measures: 73% say this is the primary barrier, while 67% cite competition from other projects (see Fig. 8).

“It’s about explaining to the client that their current protection scheme (or lack thereof) could present a risk of loss of \$500 million. But with an investment of, say, \$1 million in physical protection, they can reduce that same loss scenario to \$50 million with mitigation in place.”

Katy Shannon

Operations senior vice president, chemical operations manager, FM

Here, again, a TCOR perspective can help. While there might not be a positive return from resilience investments, the reduction in losses can be an order of magnitude.

As Shannon puts it: “It’s about explaining to the client that their current protection scheme (or lack thereof) could present a risk of loss of \$500 million. But with an investment of, say, \$1 million in physical protection, they can reduce that same loss scenario to \$50 million with mitigation in place.”

The loss prevented is even greater when one considers the reputational damage of a major incident, Shannon adds. “When companies suffer a major loss, they don’t just have to deal with the immediate damage. They run the risk of losing customers because there’s a perception that they are not reliable and that the event should have been preventable. That has a lasting impact.”

A company’s ability to respond to risks can also be linked to its share performance, adds Bryson. “The speed and quality of the recovery post-incident can even influence a company’s share price. If you invest in resilience, our data shows that it pays off in spades.”

FM’s business model provides more incentives to invest in resilience, through two channels – resilience and membership credits.

Resilience credits return a portion of the client’s premium to support their investment in risk improvements. The FM resilience credit was originally intended to help clients address climate risk, but in 2026 the credit was expanded to also cover operational risks. In addition, FM’s mutual model allows it to give back to its client owners through the FM membership credit.

Both these credits support a circle of resilience that benefits both parties – sharing FM’s profitability with members allows them to improve their facilities, resulting in less frequent and less severe losses: “This year, we will return more than 100% of our 2025 underwriting profit to clients via our policyholder credits, and that directly impacts their balance sheet,” says Shannon.

Viewed in those terms, resilience stops being a cost to manage and starts to look like a source of competitive advantage.

Recommendations

Environmental regulation, supply chain chokepoints and global competition are forcing European chemical companies to make operational changes faster than they can assess and mitigate the risks. But the findings suggest the organisations responding most effectively are not doing so reactively. They are embedding resilience into investment decisions, operational planning and long-term strategy. Our recommendations to join this cohort include:

Developing site-level resilience priorities

As the pace of change increases on all fronts, organisations need to move beyond reactive upgrades and develop multi-year, site-based resilience roadmaps. That means identifying critical assets, understanding single points of failure across operations and supply chains, and prioritising investment in areas such as fire and explosion protection, utilities resilience, natural hazard exposure and process continuity.

Engaging the experts early

One of the clearest themes emerging from the research is that resilience is significantly easier and cheaper to implement when built into projects at design stage, rather than after assets have been installed. Whether organisations are retrofitting legacy facilities, introducing new technologies or pursuing decarbonisation programmes, engineering, regulatory and risk expertise – sourced from insurers, brokers or other consultants – should be introduced to project planning as early as possible. This allows organisations to identify vulnerabilities before operational decisions are locked in and helps avoid introducing unintended exposures to fire, machinery breakdown, utility failures or business interruption.

Strengthening change management processes

Operational change is accelerating across the sector, from new feedstocks and process modifications to electrification, digitisation and supply chain shifts. As the pace increases, formal change management processes become increasingly important.

This includes establishing clear ownership of risk, maintaining documented governance around operational changes and ensuring technical knowledge is retained as workforces evolve over time. Without these controls in place, operational changes can start to outpace the organisation's ability to properly assess and mitigate emerging risks.

Investing in insurer partnerships

The findings suggest that organisations drawing the greatest long-term value from insurance relationships are those that engage insurers and brokers as ongoing risk partners, rather than conduits to capacity. Sharing long-term investment plans, operational changes and risk improvement strategies at an early stage allows insurers and engineers to provide more targeted insight around resilience, risk prioritisation and loss prevention. Over time, this can help organisations improve risk quality, strengthen insurability, protect access to capacity and build more stable insurance programmes amid changing market conditions.

How FM can help

FM's combination of deep research, industry-specific engineering expertise and its ability to write whole accounts as well as engage in shared and layered programmes, helps European chemical manufacturers to embed resilience in their operational transformation.

Dedicated expertise

FM's value to the chemical sector is rooted in industry specific engineering, supported by our Engineering and Research teams, which publish scientifically backed engineering standards based on our own research and decades of loss data. Our chemical engineers focus exclusively on property loss prevention and continuity of operations, enabling practical recommendations that align directly with insurability outcomes – particularly critical for complex European manufacturing footprints.

Data-driven risk insight

FM combines engineering expertise with property loss prevention data sheets, climate modelling tools and industry-specific risk guidance to help chemical companies assess and prioritise exposures across their operations. This includes technical guidance on chemical processes, fire protection, process safety management and climate resilience, alongside FM-approved products and systems that have been independently tested against rigorous loss prevention standards. These tools help organisations make better informed investment, resilience and operational decisions as their facilities evolve.

Sustainability and resilience support

FM's dedicated sustainability and climate specialists help clients understand evolving regulatory requirements, prioritise resilience investments and align operational risk management with broader sustainability objectives. This is supported by climate resilience modelling and reporting support tools such as FM's Climate Resilience Tracker and the FM Resilience Index.

Quality-driven underwriting

FM's mutual structure and integrated model – combining engineering insight, stable capacity, tailored policy design and in house claims – creates alignment around long term risk quality rather than short term market cycles. For European chemical companies managing large, interconnected asset bases, this alignment is particularly valuable when navigating transformation, expansion or recovery after a loss event, especially where insurers, brokers and clients are working more collaboratively.

Global footprint with local depth

With engineers and specialists located across Europe and around the world, FM combines local regulatory and operational understanding with global technical consistency, and FM colleagues that speak the local language. We can help clients navigate the changing conditions of individual markets across the globe because our risk experience and horizons are global in nature, crucial for multinational chemical groups managing varied site conditions, languages and governance frameworks across the region.

FM expert bios



Katy Shannon

Operations senior vice president
and chemical operations



Andrew Bryson

Senior vice president,
engineering and research



Kashia Moua

Staff senior vice president, head of FM
solutions and chief sustainability officer

Katy Shannon leads one of FM's largest specialty industry portfolios, partnering closely with chemical companies and broker partners to manage complex risk and drive resilience across global operations.

Katy joined FM in 2006 as a field engineer in Los Angeles and has since held a range of roles spanning engineering, underwriting, and client service across multiple regions, including Seattle, San Francisco, and Boston. She brings nearly two decades of experience supporting clients through evolving operational, regulatory, and market challenges.

Andrew Bryson has global responsibility for engineering, research and FM Approvals, while based in Johnston, Rhode Island, USA. Prior to this role, Andrew served as operations manager for London operations and managing director of FM Insurance Company Ltd, FM's licensed UK entity.

Andrew joined FM in 1995 as a field engineer after working in the offshore oil industry. He has held numerous roles at FM, including account engineer, account manager and operations engineering manager.

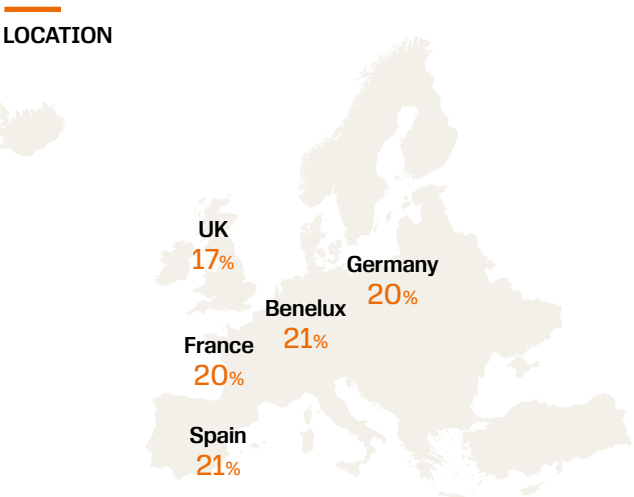
Kashia Moua is responsible for leading the FM Solutions advisory group and overseeing the mission and execution of FM's Sustainability strategy. She also serves as a director on the FM Foundation board.

Before joining FM in 2022, Kashia worked at the Allstate Insurance Company where she worked for The Allstate Foundation and built the organisation's sustainability function. Under her leadership, the company earned placement on the Dow Jones Sustainability Indices and made the A-List for CDP, known as the Carbon Disclosure Project.

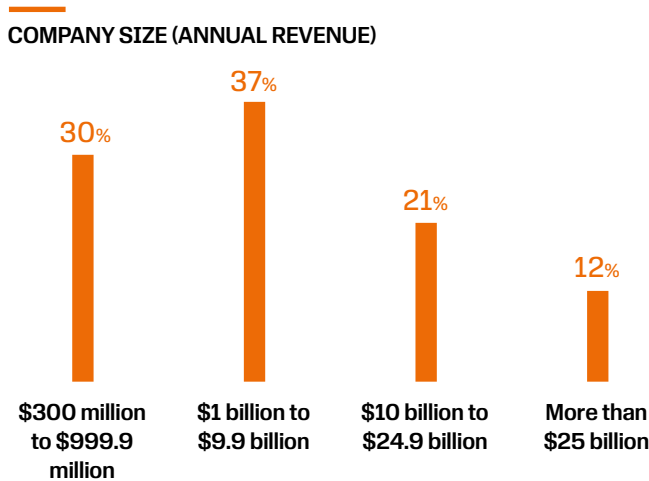
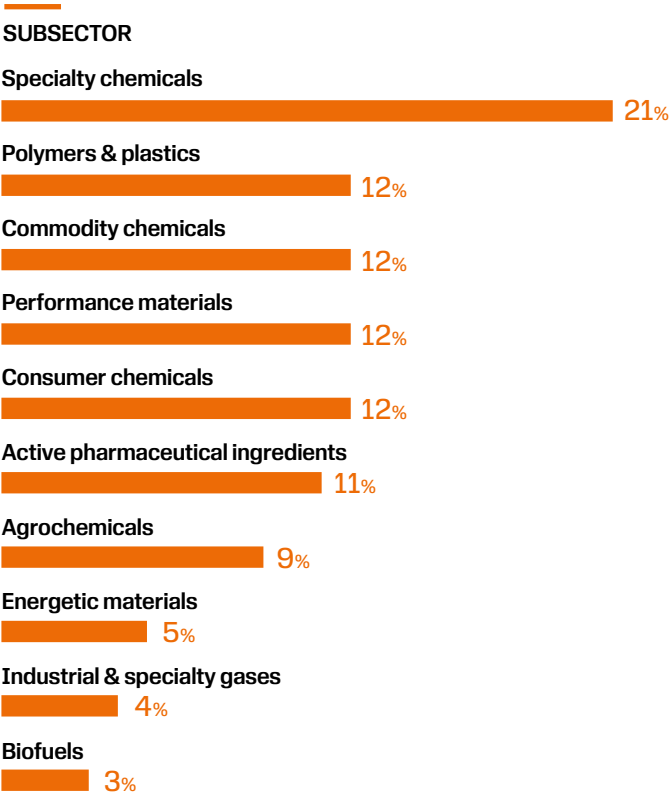
Methodology

In February and March 2026, FM surveyed 500 risk decision-makers at European chemical companies and 50 insurance brokers who serve the chemical industry. It was a double-blind survey, meaning that neither respondents or research recruiters were aware of FM's involvement. The respondents' demographic profile is as follows:

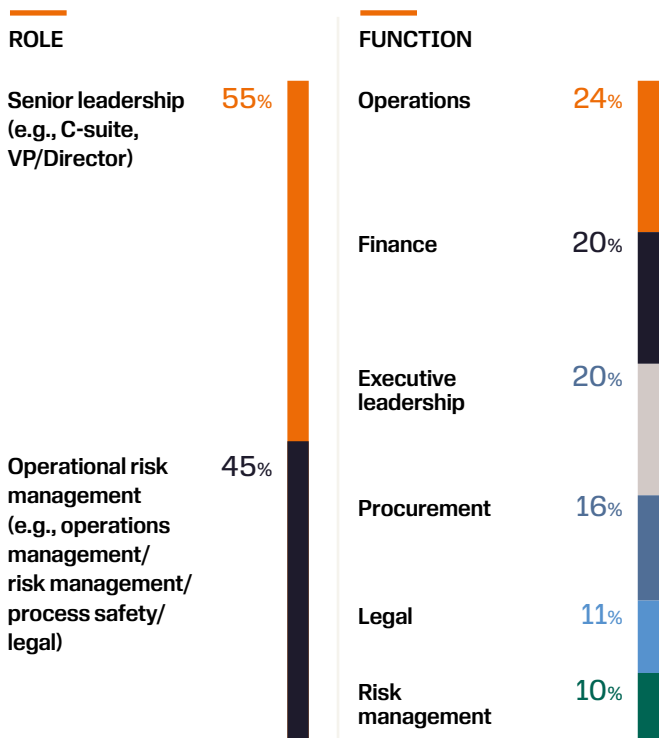
Chemical industry risk decision-makers



Numbers may not total 100% due to rounding



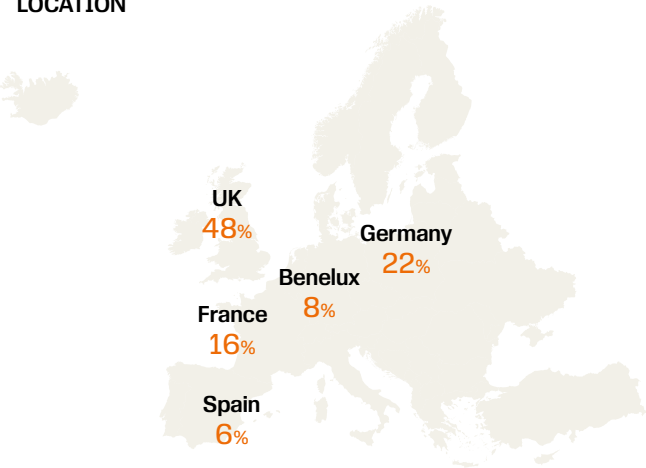
All currency figures shown in US dollars





Brokers

LOCATION



SUBSECTOR

I actively advise clients on risk mitigation, loss prevention, or resilience measures, beyond insurance placement



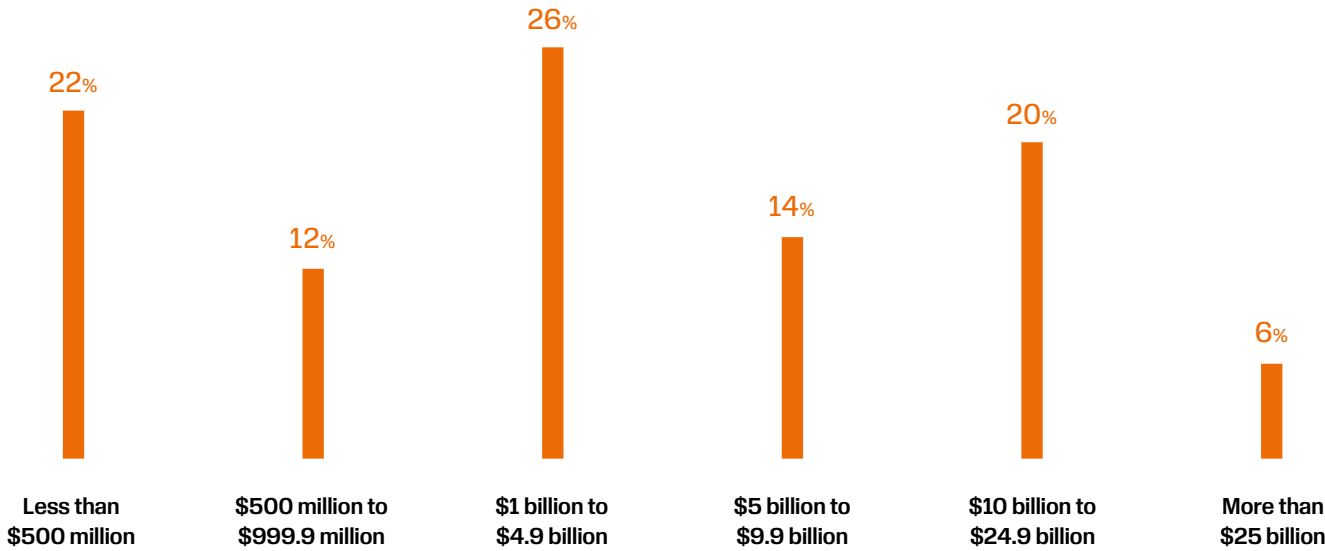
I discuss risk management primarily to support insurance placement and compliance requirements



I am minimally involved in risk management discussions



COMPANY SIZE (ANNUAL REVENUE)



All currency figures shown in US dollars





Protect Your Purpose

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