

Rising energy prices: one in three Belgian companies make sustainability a top priority in 2022

ING survey: more expensive energy bill prompts 37% of respondents to accelerate sustainability process

Wednesday 30 March - Brussels - More than one in three Belgian companies make sustainability their top strategic priority for this year. The consequences of the covid pandemic and rising energy prices put pressure on companies' sustainability investments. Yet, no less than 37% of the companies say that rising energy prices have accelerated the sustainability process. This is the conclusion of the first Sustainability Barometer conducted by ING Belgium among more than 130 Belgian companies in collaboration with independent research agency DVJ Insights. In addition, two-thirds of the companies surveyed expect that becoming more ecological will ultimately have a positive impact on their business results. On average, the companies spend 20% of their turnover on sustainability.

The fight against climate change and the agreements made to this end at COP26 last year, but also the continuing rise in energy prices - now for example due to the war in Ukraine and the sanctions against Russia - are pushing sustainability higher and higher on the agenda of Belgian companies. This is evident from the first ING Sustainability Barometer among 137 companies in our country. Sustainability is seen by 35% of companies as their top priority for 2022, followed by cost-cutting and reorganisation (34%) and attracting and retaining talent (31%). Almost all companies indicate that they are concerned about the environment in one way or another, especially CO2 reduction, recycling and energy saving.

Peter Göbel, Head of Business Banking Sales, ING Belgium: *"It is good to see from our research that sustainability is high on the agenda of our companies, although investments are under pressure due to the COVID aftermath, the current situation in Europe and rising energy prices. But it is the energy-saving investments, among others, that will make companies more competitive and bring cost savings in the short term. We see it as our role as a bank to continue to encourage and guide companies in their sustainability journey."*

Four out of ten companies put sustainability on the agenda out of concern for the environment

When asked why a company initially started to implement sustainability, 41% said it was to build a sustainable image. When asked why they are currently putting it on the agenda, 40% said it was out of concern for the environment. Image and cost savings share second place with 34%. Of the companies surveyed, 53% have a sustainability plan and in 46% of the companies these objectives are linked to management rewards.

Almost one in four says that rising energy prices accelerate the sustainability process

One in two companies (51%) feel that there is currently uncertainty in the market, due to the effects of the corona pandemic, the continuing higher energy prices and rising inflation, among other things. Of the companies that see uncertainties, over 30% have postponed their sustainability investments and 42% have reduced them.

"The main obstacles at the moment are the risk of the investment, more urgent matters and no budget. Companies indicate that they need (extra) time, financing and innovative techniques. It is striking that almost one in four companies (37%) indicate that rising energy prices have actually accelerated the sustainability process," adds Peter Göbel.

Companies spend on average 20% of their turnover on sustainability

Six out of ten companies (62%) expect to incur costs in the next two years to become more ecological. They will use their own resources for this or turn to their financial institution. On average, companies spend 20%

of their turnover on this. Just over half (52%) of the companies pass on the costs of sustainability to their customers and 57% do so at the expense of their margin. In addition, large companies believe that their customers are more willing to pay the costs related to sustainability.

Three out of four companies consider government measures very important for sustainability

The vast majority (71%) of Belgian businesses are positive or very positive about current international, European and national government measures to combat climate change. They are also positive about the European Green Deal, the plan of the European Commission to make the European Union climate neutral by 2050: 60% think that they can achieve the objectives of the Green Deal.

When zooming in on the sustainability ambitions of the Belgian coalition agreement, the respondents are more critical. 66% of the entrepreneurs find it a good start, but not specific enough and 68% think it consists of too many different elements. A majority (68%) of the large companies find that the objectives of the coalition agreement are even insufficiently in line with business and foreign policy. 60% of them claim that it is detrimental to Belgium's competitive position.

Nevertheless, four out of ten companies indicate that the government has played a role in making their company more sustainable. According to them, the government can mainly help by providing subsidies (34%) and ensuring a level playing field in Europe (32%).

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About the survey

ING commissioned this survey in January 2022 (and thus before the war in Ukraine) from independent research company DVJ Insights among a representative sample of approximately 137 Belgian companies: 76 medium-sized companies (50-249 employees) and 61 larger companies (250-1,000 employees). We weighted the sample according to the representative distribution of the business subgroups within the total sample and according to a representative Flemish / Walloon ratio. There is no weighting within the subgroups.

About ING

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