



IMPACT

Where are the Belgian companies now?

The turbulent journey towards net-zero

Ipsos report: sustainability in Belgium

Life Is On

Schneider
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Brief introduction

- 1 Attitudes towards sustainability are evolving and are increasingly seen as a **business problem**.
- 2 Most companies agree on the need for **climate action**, but are unsure how to proceed.
- 3 Many companies see opportunities, but are confronted with **practical and financial barriers** and seek help from the government and experts.
- 4 Companies need **broader implementation** of these technologies to achieve sustainability goals.
- 5 Effective carbon footprint reduction requires a focus on **demand management**: reduction, replacement of existing infrastructure and electrification.
- 6 As a leader in digital energy management, we help customers develop and implement **decarbonization strategies**.
- 7 This includes better monitoring, measuring, planning and using **less energy and more green energy**.



Life Is On

Schneider
Electric

1

**A global industrial
technology leader
in electrification,
automation,
and digitization**

8

**Unprecedented partner
network**

> 1 million partners

ESG champion

and sustainability partner

Multi-hub model

150k employees

world-leading

Portfolio with increased digital footprint

€36bn
revenues¹

Life Is On

Schneider
Electric

¹ Full year 2023



Sustainability in Belgium – Opportunities and barriers

Report for Schneider Electric



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Methodology



What brought us here

We wanted to gain measured insights on barriers and opportunities which companies in Belgium perceive in relation to sustainability, adding a specific focus on electrification and digitalization and on sustainability reporting.



Our approach

We commissioned research consultants, Ipsos, to conduct a study of Belgian business decision-makers to understand attitudes and adoption around sustainability initiatives, through a quantitative study of 10 minutes conducted via telephone interviews.



Who we spoke with

B2B sample of 251 respondents in Belgium. Respondents are decision-makers or co-responsible in areas of IT, Sustainability, Facilities. The sample is spread across different company sizes (5-49: n=101; 50-249 n=90; 250+: n=60)



Foreword

Attitudes continue to evolve towards seeing sustainability as a business issue, not just an environmental one. Thus, most businesses agree on the ‘why’ for taking action on climate change and energy-efficiency. However, they remain less clear on the ‘how’. Our survey illustrates that many companies see opportunities but also practical and financial barriers and are seeking assistance – from both government and experts.

New energy sources cannot alone drive the change; the only realistic pathway to net zero emissions is one that also builds on optimizing the demand side of the energy system equation. Hence, technology becomes a critical part of the solution. Our survey also shows companies are realizing the significant roles that digitization and energy management play in achieving sustainability goals, but there are steps to be taken in wider and more broad-ranging implementation

We believe that the technology and mindset exists to make deep inroads to reducing our collective carbon footprint. However, it requires a multifocal lens on three areas of demand management: reduction, replacing legacy infrastructure, and electrifying (almost) everything.

As a leader in the digital transformation of energy management and automation, we are working with our customers to develop and implement their decarbonization strategies. This begins with better monitoring and measurement and defining a plan, then goes beyond that to considering all the ways they can use less energy – and make it greener



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Summary





Summary

Rising costs have accelerated the importance of energy-efficiency

Electrification and digitalization perceived as opportunities

Investment costs, administrative load and practical restrictions seen as barriers



1.

Rising costs make sustainability more important

- Sustainability holds an important place within companies, especially larger ones. They are almost equally driven by environmental reasons and the ambition to reduce costs.
- A majority measures sustainable aspects (to a certain extent) and acts on this data.

ACTION TO BE TAKEN

Continue to illustrate how sustainability measures are good for business

Expand data collection and the smart use of data



2.

Opportunities: electrification and digitalization

- A majority of respondents believe Electrification and Digitalization of their business is an important step to make it more sustainable
- In many cases the focus today is on an electrical fleet. There is great potential to take extra steps in other domains

ACTION TO BE TAKEN

Increase awareness on the broad scope of possibilities of electrification and digitalization: Homes, Buildings, Grids, Industries of the future,...



3.

Barriers: investment costs, administration, practical restrictions

- Perceived high investment costs and practical restrictions (for example net congestion) are seen as barriers
- The larger companies are getting their CSRD regulations in place, but most of them are not there yet.

ACTION TO BE TAKEN

Support companies in their questions and concerns, on a practical and administrative level

Main insights



1.

Importance of sustainability in the context of an energy crisis

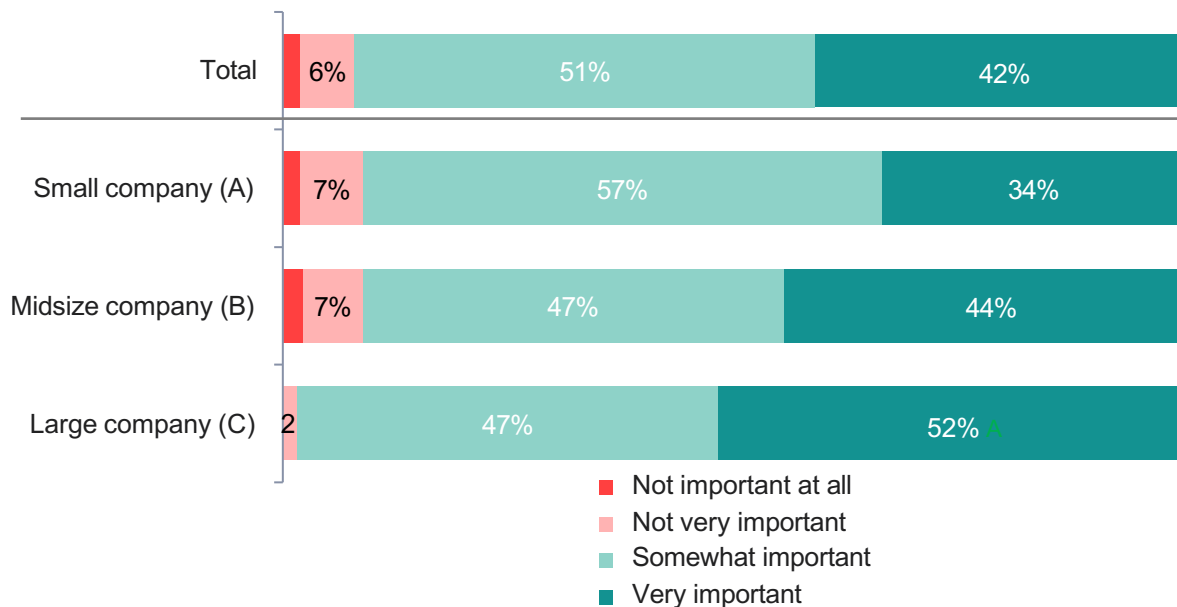




Importance of sustainability in the context of an energy crisis

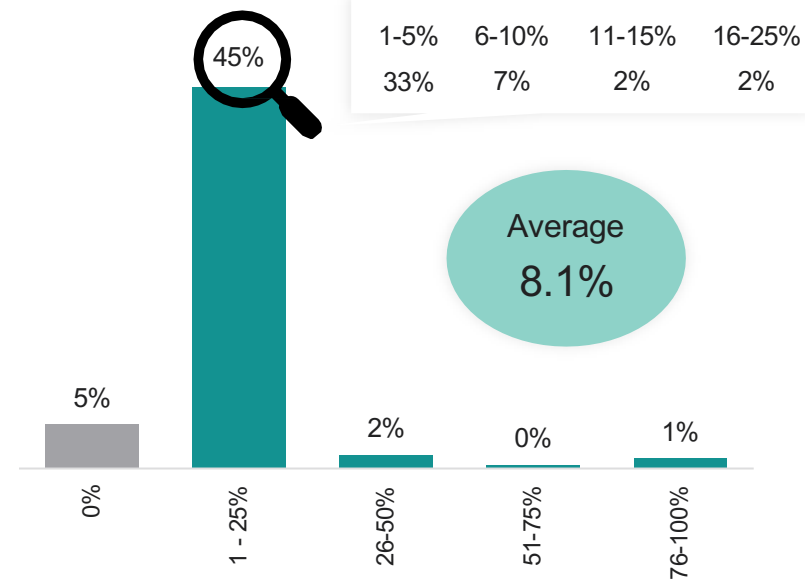
Sustainability plays a (very) important role within the strategy of most companies, on average around 8% of revenue is spent towards sustainability

Sustainability importance



Revenue spend on sustainability

47% of the total sample don't know



Base: all respondents (n=251); small <50; (n=101); midsize 50-249 (n=90); large 250+ (n=60)

Q5: How important is sustainability in your company's strategy?

Q5a: What percentage of your annual revenue does your company spend on sustainability and decarbonization initiatives? [open]

A/B/C: Significantly higher than other size company

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Importance of sustainability in the context of an energy crisis

Environmental/moral reasons are the main drivers for companies to become sustainable, followed by reasons that are beneficial to companies themselves

Reasons why sustainability is important

		Small company (A)	Midsize company (B)	Large company (C)
Environmental/moral reasons	60%	64%	56%	59%
To reduce energy costs	57%	59%	55%	58%
To comply with regulations	44%	41%	50%	39%
To improve brand perception/reputation	35%	35%	38%	31%
To attract or retain customers/clients	30%	25%	39% A	24%
To attract/retain employees	24%	27% B	12%	36% B
To gain a competitive advantage	17%	17%	17%	17%
To receive government funding	9%	7%	7%	17% A
Pressure from the industry	9%	10%	10%	7%
Internal pressure from the board	6%	4%	5%	8%
Other	5%	5%	5%	5%

More important in Flanders (50%) than in Wallonia (36%)

“The impact on countries in the south to be watched closely; Improve Africa, South-America.”

Base: sustainability is (very) important total (n=233); small; <50 (n=92); midsize 50-249 (n=82); large 250+ (n=59)

Q6: What are the 3 main reasons why sustainability is important in your company's strategy?

A/B/C: Significantly higher than other size company

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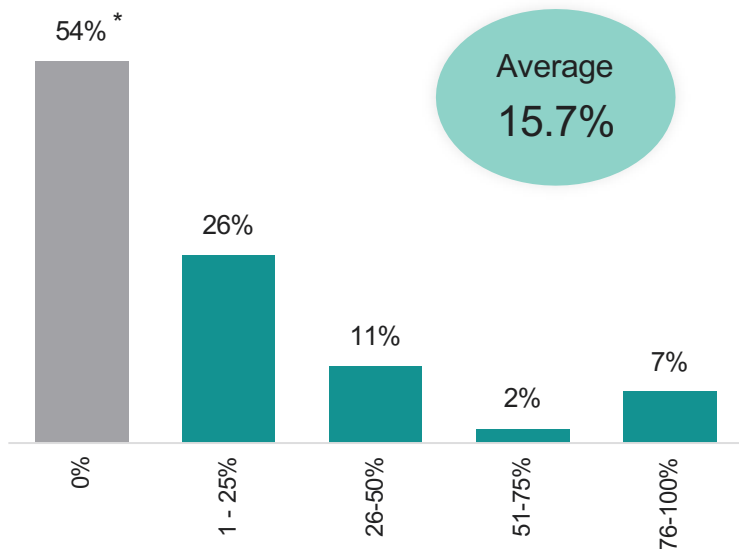




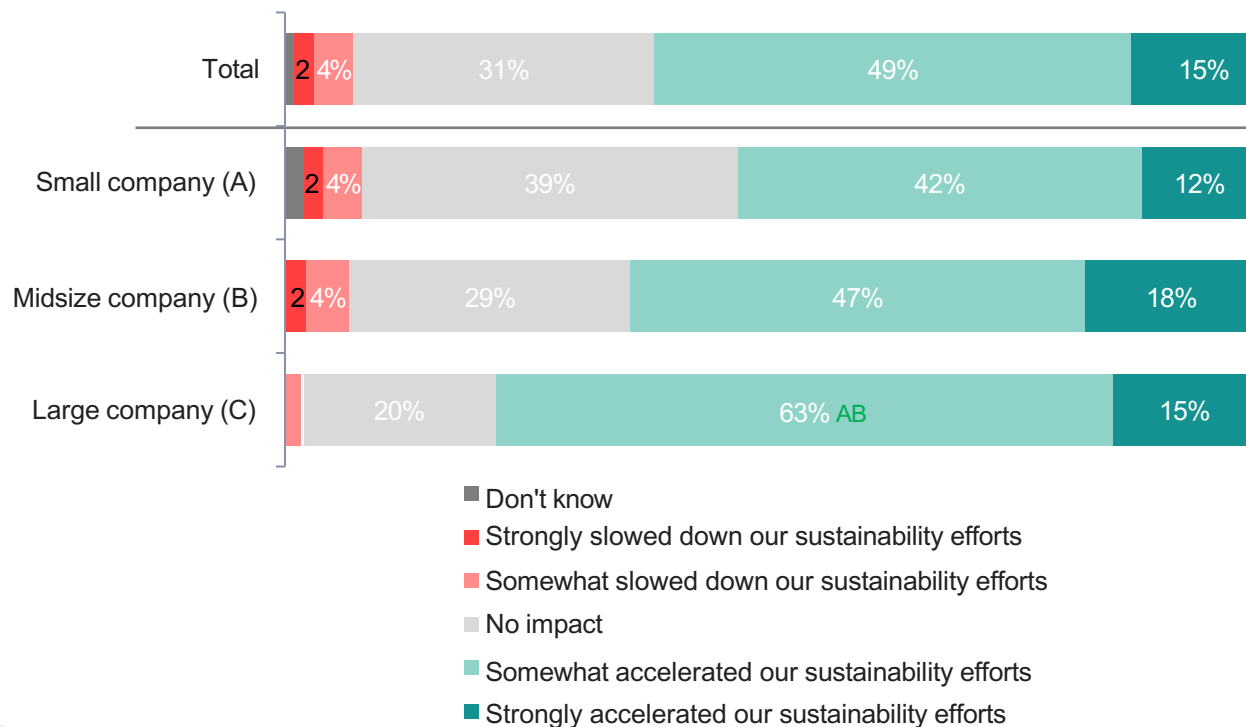
Importance of sustainability in the context of an energy crisis

Especially for larger companies, rising energy costs were a motivator to accelerate their sustainability efforts

Increase of energy costs



Impact rising costs gas/oil/energy on sustainability



Base: all respondents (n=251); small <50; (n=101); midsize 50-249 (n=90); large 250+ (n=60)

Q8a: By what percentage did your energy costs increase compared to beginning of last year?

Q8d: How much impact did the rising costs of gas/oil/energy have on your efforts to become more sustainable?

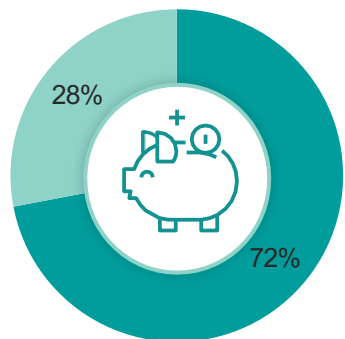
*Striking outcome; possibly caused because the largest costs increase took place before the beginning of last year



Importance of sustainability in the context of an energy crisis

Majority has a plan in place to manage their energy costs and believes the costs remain high, but stable.

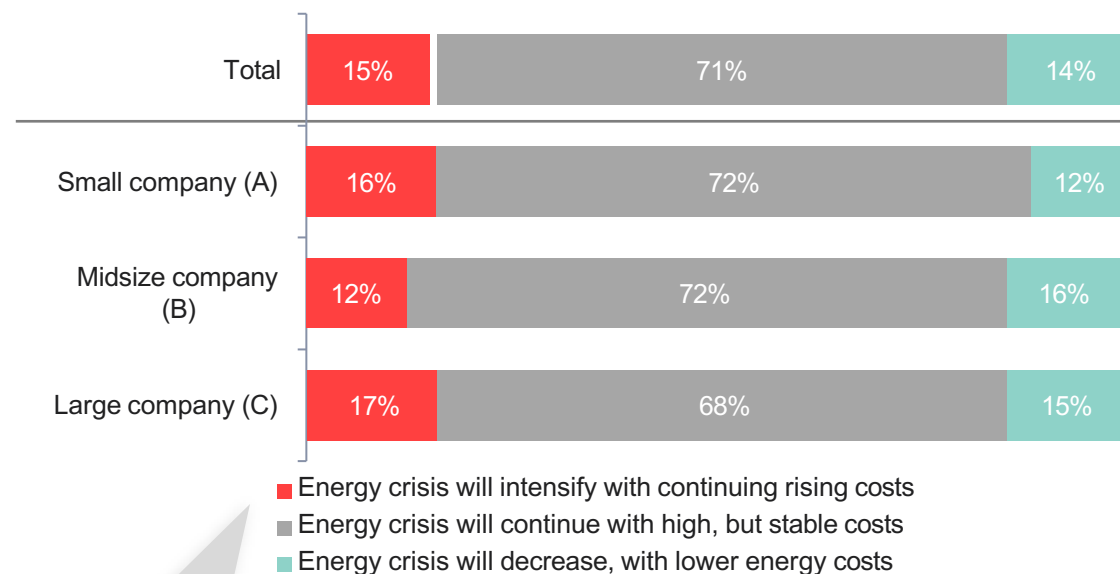
Plan managing energy costs



- Yes
- No

	Small company (A)	Midsize company (B)	Large company (C)
Yes	53%	82% A	87% A
No	47% BC	18%	13%

Development energy crisis coming winter



- Energy crisis will intensify with continuing rising costs
- Energy crisis will continue with high, but stable costs
- Energy crisis will decrease, with lower energy costs

In Flanders, it is more strongly believed that the Energy crisis will intensify (20%) than in Wallonia (9%).

Base: all respondents (n=251); small <50; (n=101); midsize 50-249 (n=90); large 250+ (n=60)

Q8b: Do you have a plan in place to manage your energy costs?

Q8c: How do you expect the energy crisis to develop in the coming winter?

A/B/C: Significantly higher than other size company

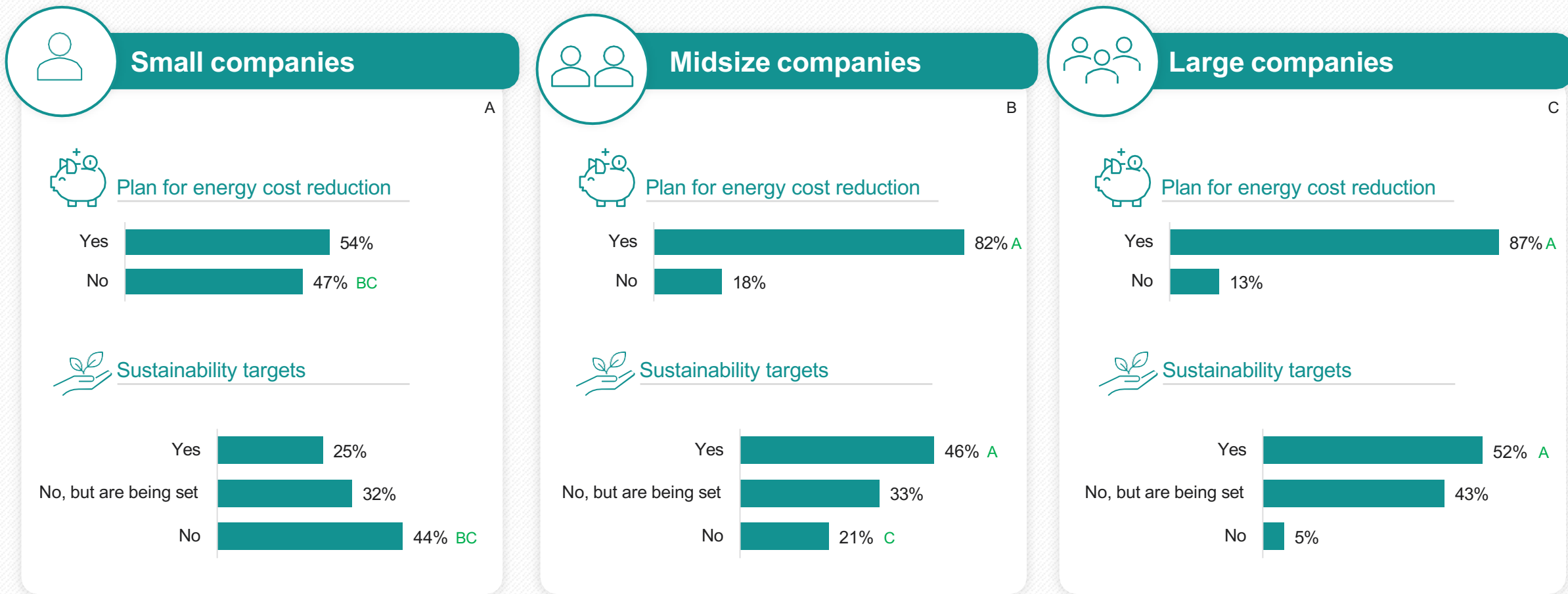
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Importance of sustainability in the context of an energy crisis

Larger and midsize companies more often have plans to reduce energy costs and have sustainable targets in place than small companies



Base: all respondents (n=251); small <50; (n=101); midsize 50-249 (n=90); large 250+ (n=60)

Q8b: Do you have a plan in place to manage your energy costs?

Q9: Has your business set measurable sustainability targets?

A/B/C: Significantly higher than other size company

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2.

Sustainability initiatives

- Insight into sustainability and targets set
- Electrification initiatives
- Digitalization initiatives



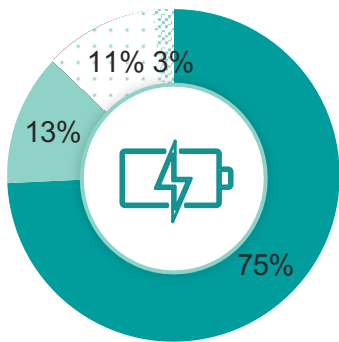


Sustainability initiatives; Insight into sustainability and targets set

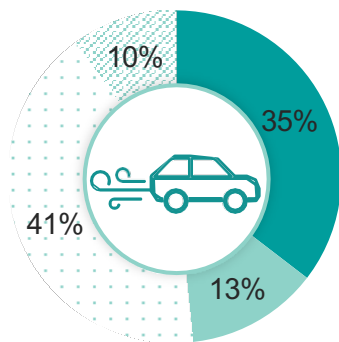
Majority has insights in their energy consumption (to a certain extent) and acts on this data.

Measuring sustainability aspects

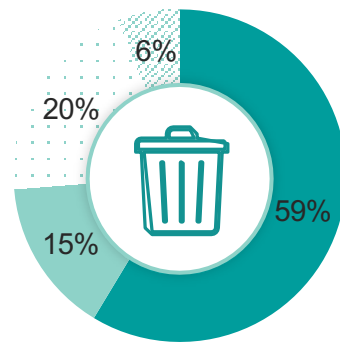
Energy consumption



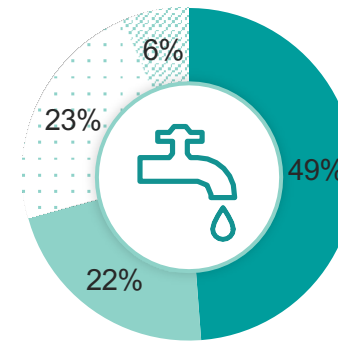
Carbon emissions



Produced waste



Water usage



- We measure this data and actively use it
- We measure this data but don't really use it
- We don't measure this
- Not applicable

Larger companies (50+) use their data more actively than smaller companies (<50) in all categories (see appendix)

Base: all respondents (n=251)

Q8: How much insight do you have into the following aspects of sustainability? Your company's...



Larger and midsize companies use their data more actively

Measuring sustainability aspects



Energy consumption

	Small company (A)	Midsize company (B)	Large company (C)
We measure this data and actively use it	61%	78% A	92% AB
We measure this data but don't really use it	16% C	14%	5%
We don't measure this	20% BC	7%	2%
Not applicable	3%	1%	2%



Carbon emissions

	Small company (A)	Midsize company (B)	Large company (C)
We measure this data and actively use it	20%	41% A	53% A
We measure this data but don't really use it	8%	20% A	12%
We don't measure this	56% BC	31%	32%
Not applicable	16% C	8%	3%



Produced waste

	Small company (A)	Midsize company (B)	Large company (C)
We measure this data and actively use it	43%	62% A	80% AB
We measure this data but don't really use it	17%	16%	12%
We don't measure this	30% C	19% C	7%
Not applicable	11% BC	3%	2%



Water usage

	Small company (A)	Midsize company (B)	Large company (C)
We measure this data and actively use it	36%	50% A	70% AB
We measure this data but don't really use it	24%	27% C	12%
We don't measure this	33% BC	19%	12%
Not applicable	8%	4%	7%

Base: all respondents (n=251)

Q8: How much insight do you have into the following aspects of sustainability? Your company's...

A/B/C: Sign. higher than other size company

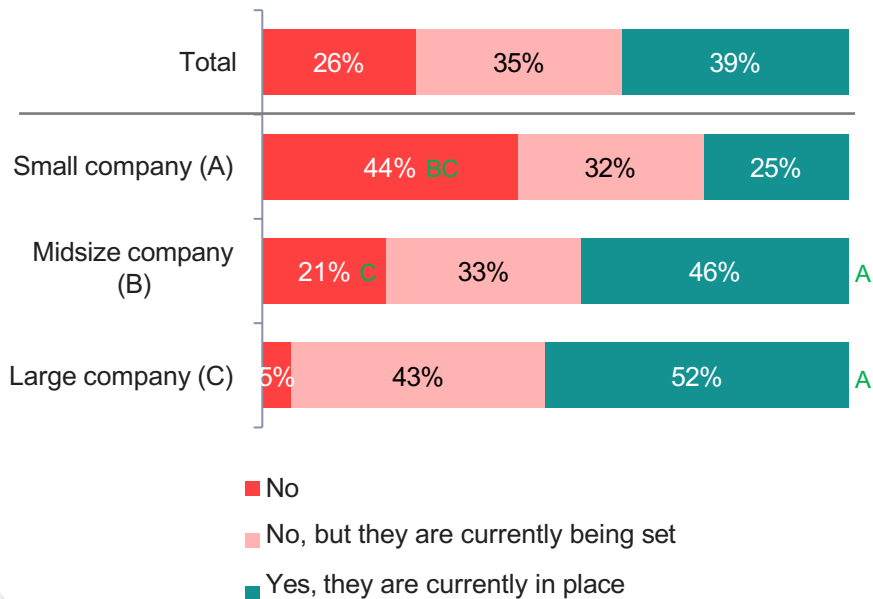
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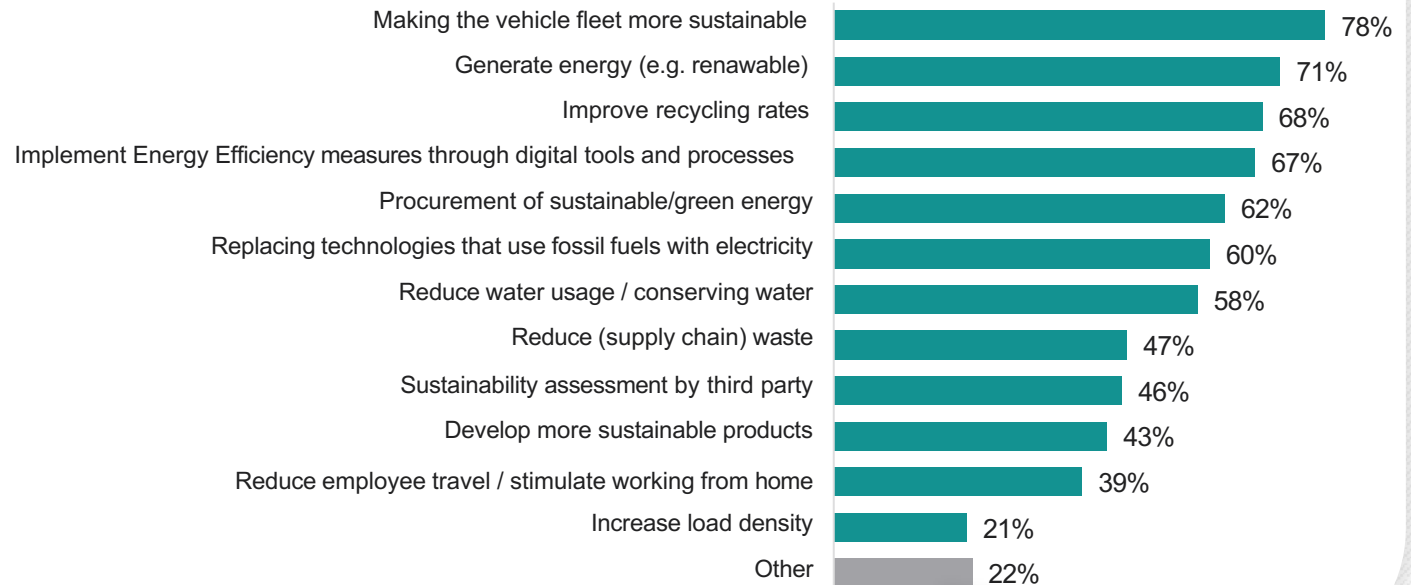


There is a strong difference between companies whether they have sustainability targets in place.

Having sustainability targets



Implementing sustainable initiatives



“Support social causes and local businesses environment and that you are not a nuisance and that you form partnerships.”

Base: all respondents (n=251); small <50; (n=101); midsize 50-249 (n=90); large 250+ (n=60)

Q9: Has your business set measurable sustainability targets?

Q10: Which of these sustainability initiatives do you plan to implement in the coming years (in order to reach these targets)?

A/B/C: Significantly higher than other size company



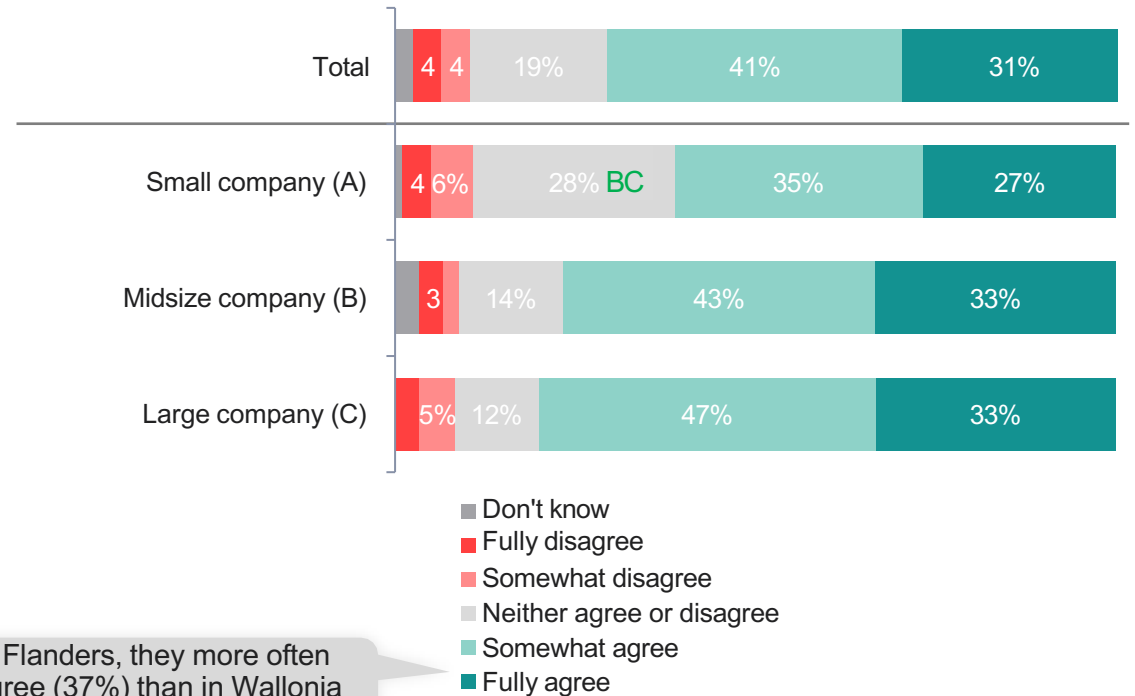
Majority agrees that electrification is an important step to become more sustainable.



Electrification of my business is an important step to become more sustainable.

With electrification of your business, we mean replacing technologies that use fossil fuels – such as oil, coal, and natural gas – with technologies that run on electricity.

Importance electrification



In Flanders, they more often agree (37%) than in Wallonia (23%).

Base: all respondents (n=251); small <50; (n=101); midsize 50-249 (n=90); large 250+ (n=60)

Q11: To what extent do you agree with the following statement?

A/B/C: Significantly higher than other size company

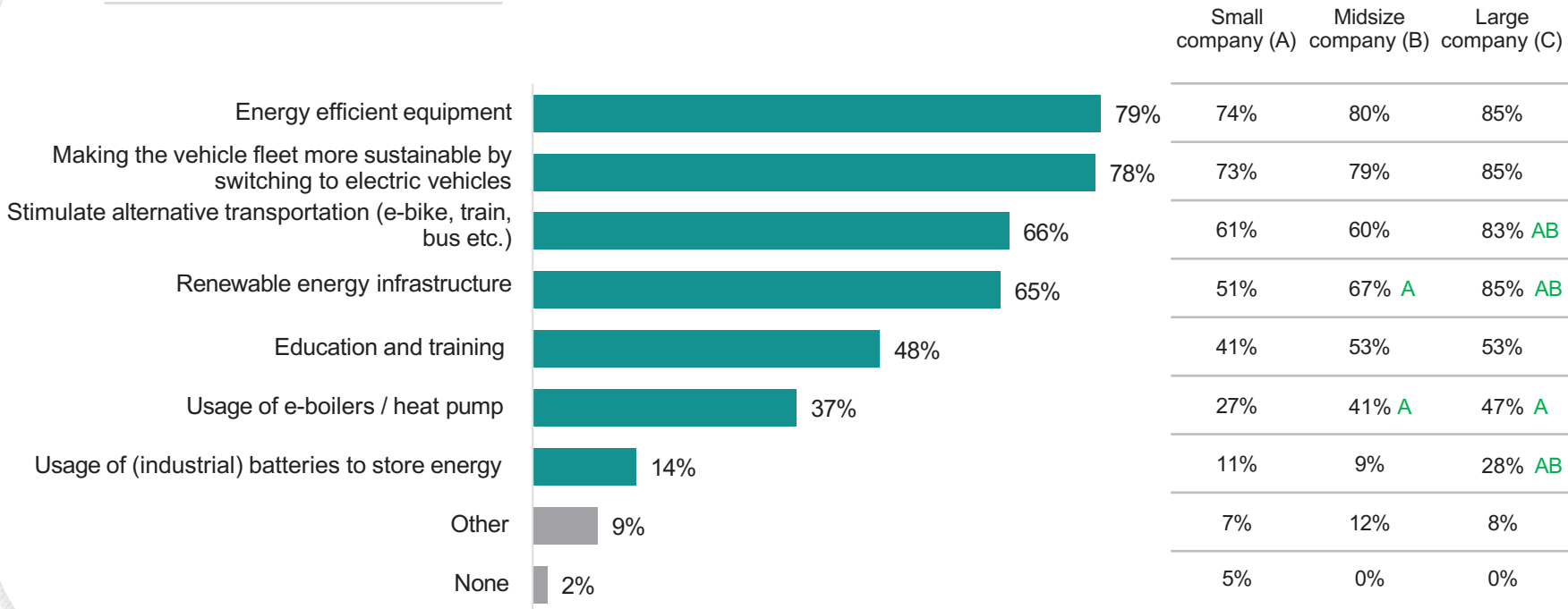
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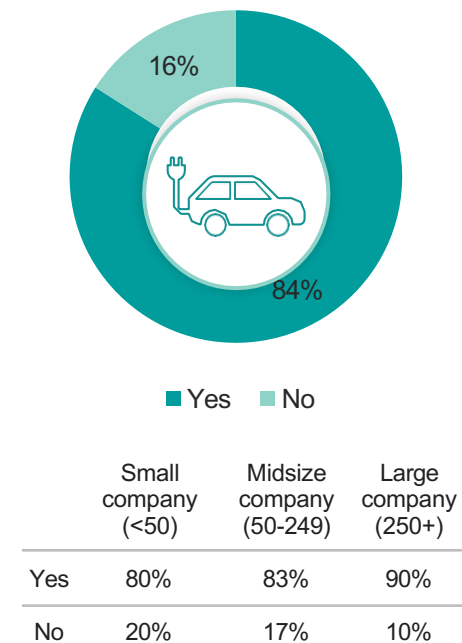


Updating the equipment and vehicles are the most popular implemented initiatives of electrification; larger companies have implemented more initiatives

Electrification initiatives



Effect of Electrification



Q12: Which initiatives related to electrifying the company are you already implementing, if any? Base: all respondents (n=251); small; (n=101); midsize (n=90); large (n=60)

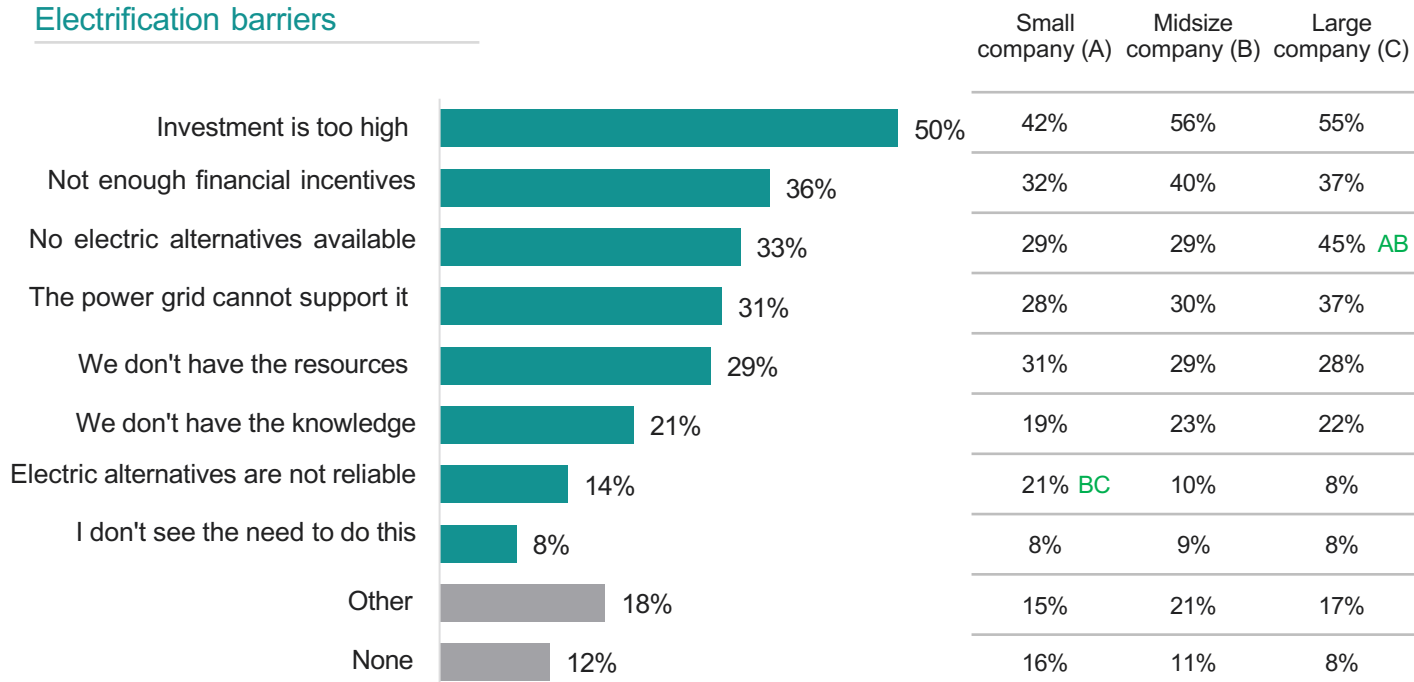
Q13b: Did these electrification initiatives help to reduce carbon emissions? Base: (n=245)

A/B/C: Significantly higher than other size company



High investment costs and limited financial incentives are the main barriers for electrification

Electrification barriers



Base: all respondents (n=251); small <50; (n=101); midsize 50-249 (n=90); large 250+ (n=60)

Q13: What are the main barriers to electrify your business?

A/B/C: Significantly higher than other size company

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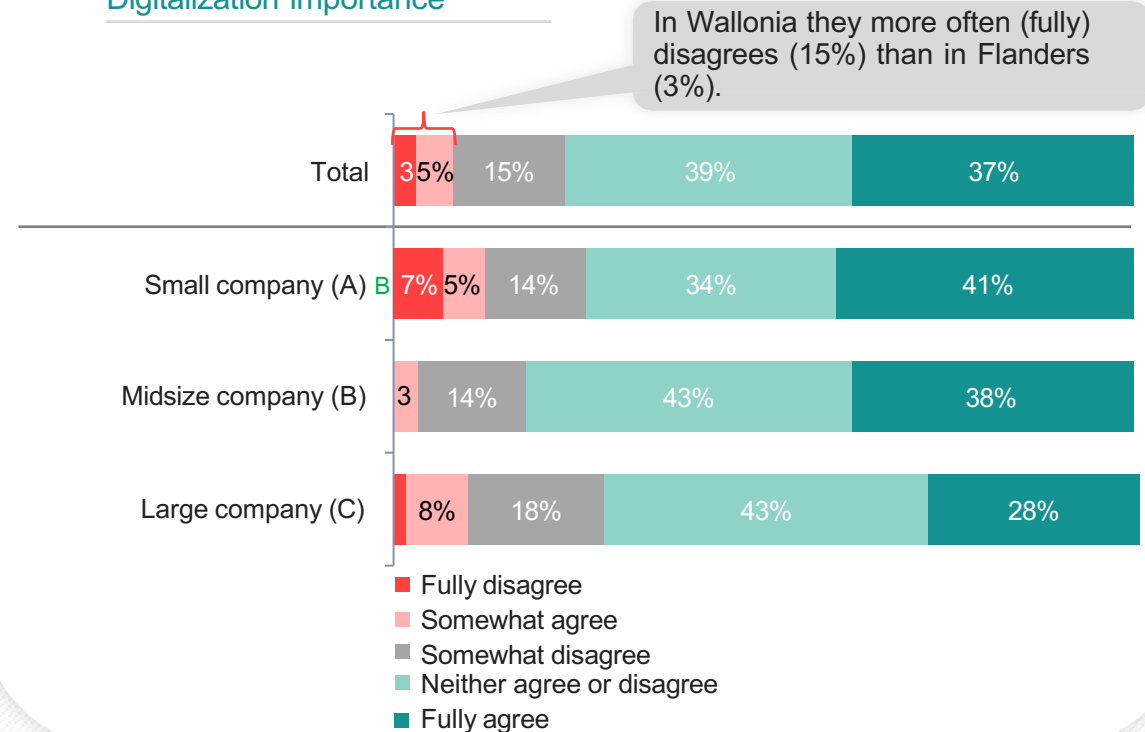
Next to electrification, the majority also agrees that digitalization is an important step to become more sustainable.



Digitalization of my business is an important step to become more sustainable.

With digitalization of your business we mean using digital tools and processes to make sustainability improvements, such as reducing environmental impact or increasing resource efficiency.

Digitalization importance



Base: all respondents (n=251); small <50; (n=101); midsize 50-249 (n=90); large 250+ (n=60)

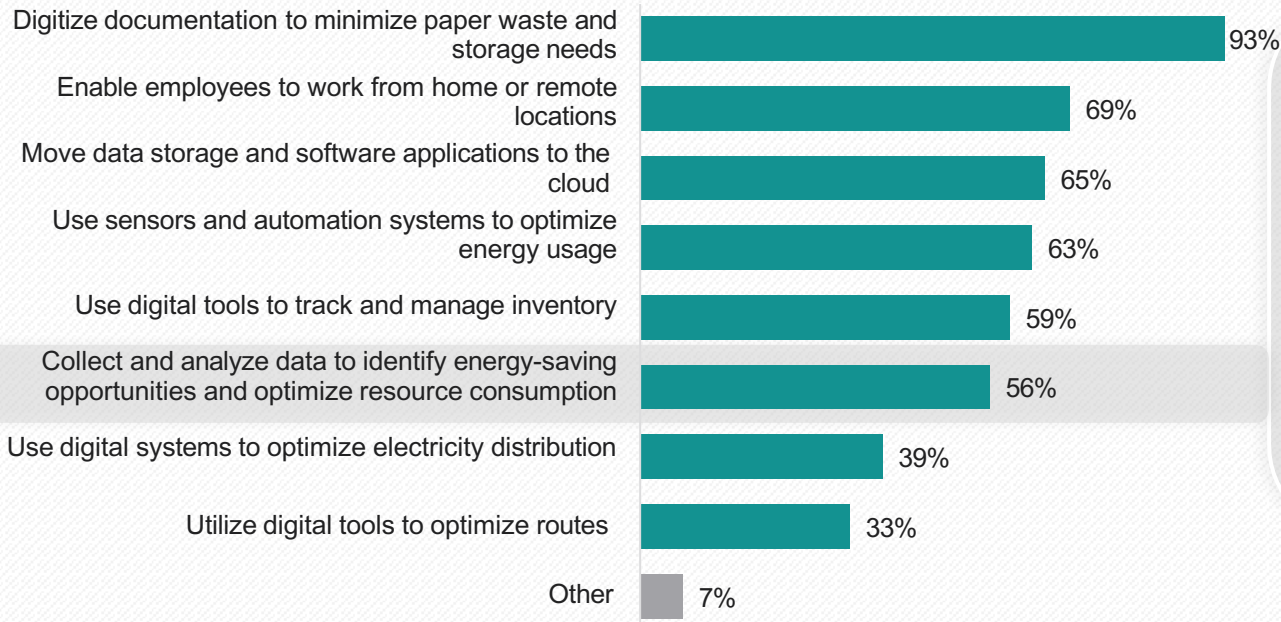
Q14: To what extent do you agree with the following statement?

A/B/C: Significantly higher than other size company

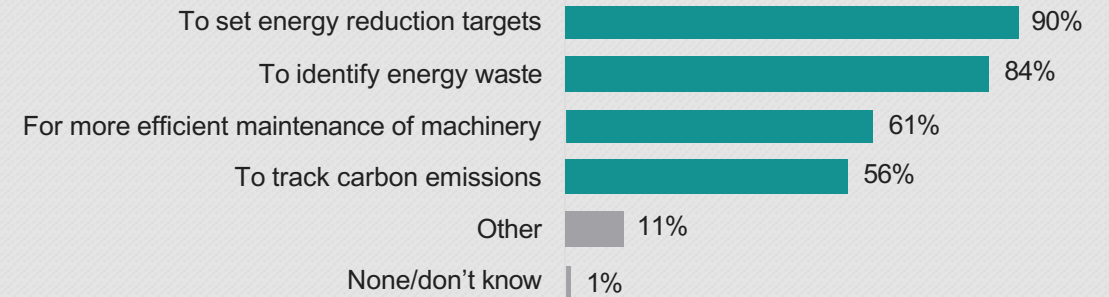


Almost everyone tries to minimize paper waste, while the majority believes their digitalization initiatives helped reducing carbon emissions and energy

Digitalization initiatives



How the analysed data is used



78% find that their digitalization initiatives helped reducing energy usage/carbon emissions

Base: all respondents (n=251)

Q15: Which initiatives related to digitalization are you already implementing, if any?

Q15b: Did these digitalization initiatives help to reduce energy usage and/or carbon emissions?

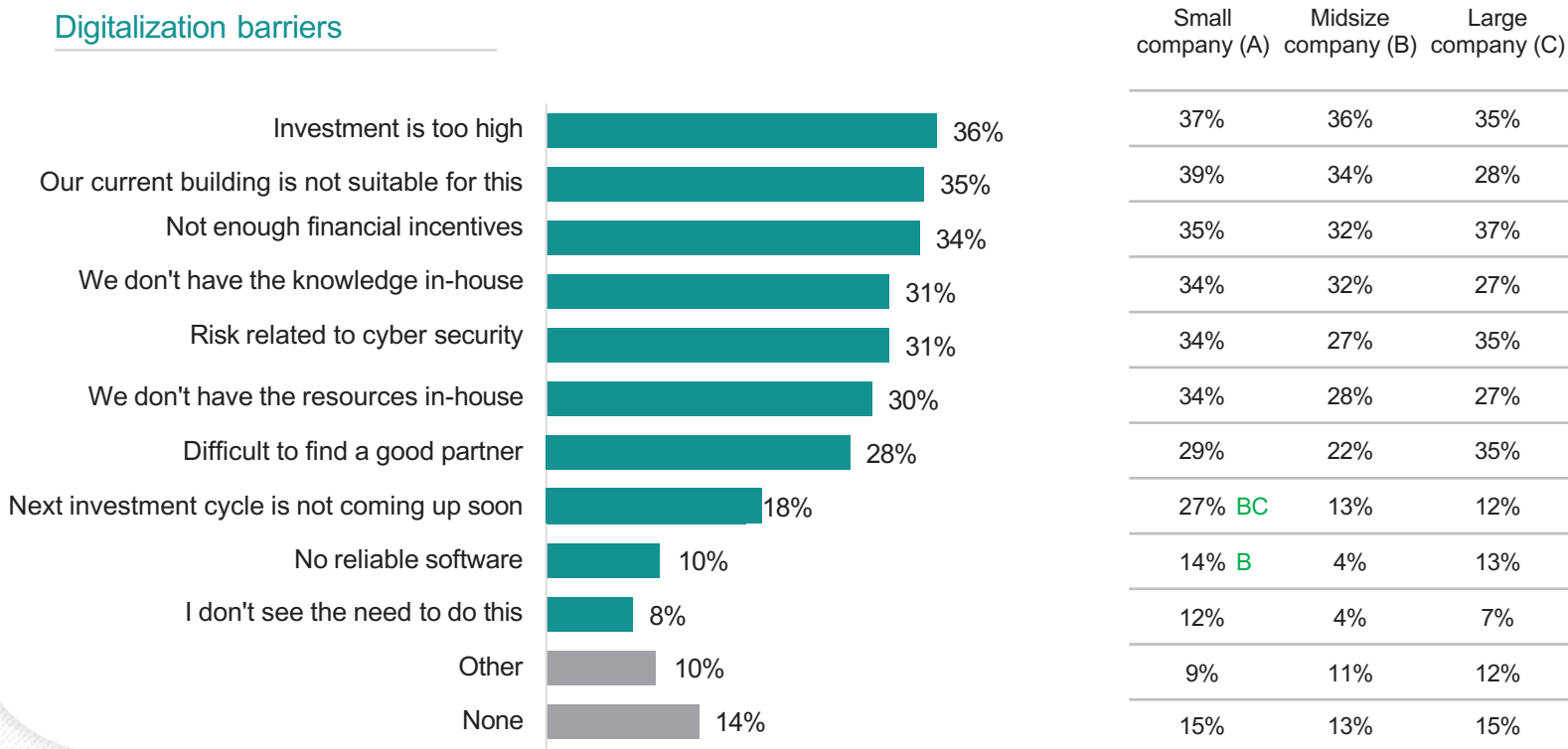
Q16: You mentioned that you actively monitor your energy usage, what do you do with this data? Base: (n=148)

General



High investment costs are a barrier. Together with the suitability of the building and the need of financial incentives

Digitalization barriers



“People are resistance to change.”

“Age of customers; we have many older customers who lack digitalization knowledge.”

Base: all respondents (n=251); small <50; (n=101); midsize 50-249 (n=90); large 250+ (n=60)

Q17: What are the main barriers to digitalize your business to become more sustainable?

A/B/C: Significantly higher than other size company

3.

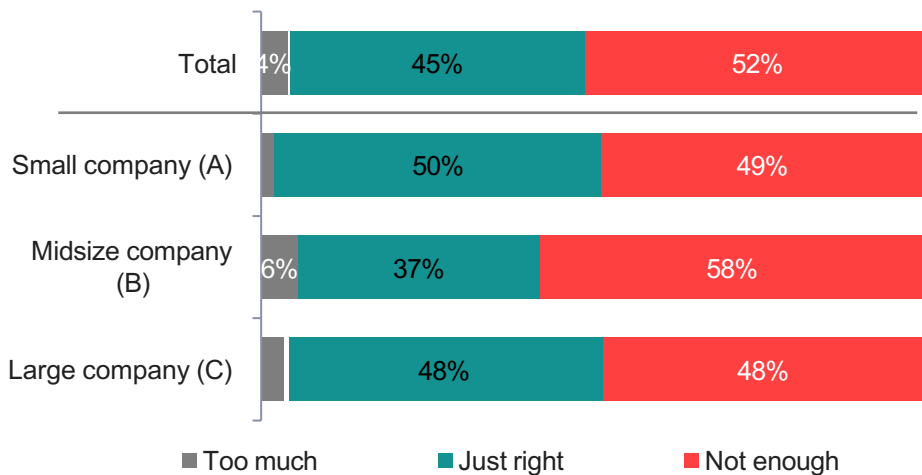
Legislation and the role of the government





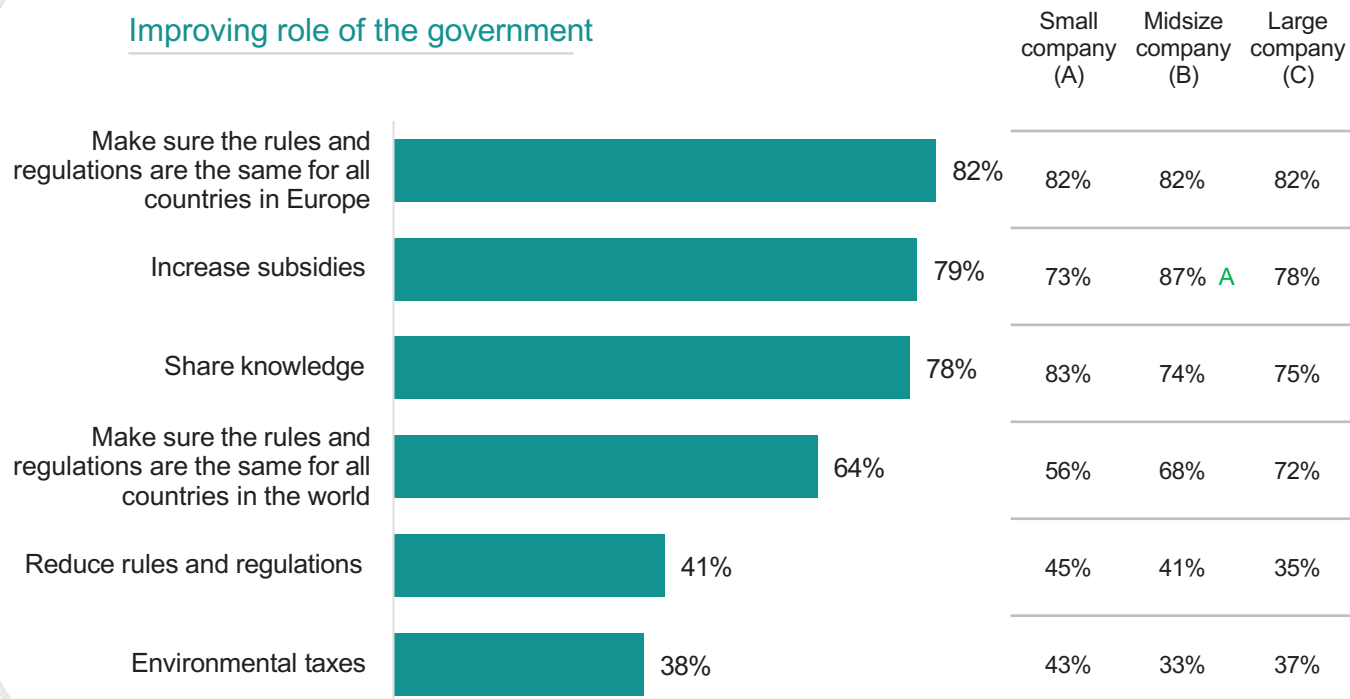
There is room for the government to keep pushing companies to become more sustainable. They can align with the rules with Europe and increase subsidies

Role of the government



In Wallonia, they think the government has not enough involvement (60%) compared to Flanders (44%). In Flanders, the involvement is more often found just right (53%) compared to Wallonia's (35%)

Improving role of the government



Base: all respondents (n=251); small <50; (n=101); midsize 50-249 (n=90); large 250+ (n=60)

Q19: Do you feel the government stimulates you enough, too little or too much to become more sustainable?

Q20: What can the government do to (further) improve your sustainability?

A/B/C: Significantly higher than other size company

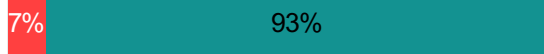


Although the government can give more guidance, they need to be mindful that they don't overcomplicate the process towards sustainability

Mindset about sustainability

Mostly agree

The government must invest more quickly in increasing the capacity of the electricity network



Companies should use as much power as possible when there is a peak in renewable energy (e.g. wind/solar)



Additional laws and regulations from the government will only make the process towards sustainability more complex



It takes too long to get a return on investment when implementing sustainable alternatives



I know if I'm entitled to certain sustainability subsidies from the government



I'm not really up to date on the latest sustainability legislation



Mostly disagree

I am hesitant to make my car fleet more sustainable because the charging infrastructure is not yet in place



The ultimate responsibility for sustainability lies largely with the government



Without (more) subsidies, becoming more sustainable is not feasible



Disagree Agree

Those who have a plan to manage their energy costs have better insight in entitled subsidies (62%) than those who don't (45%)

Wallonia's are more hesitant to make their car fleet sustainable (57%) than Flanders (44%)

Wallonia's are less up to date with the sustainability legislation (41%) than Flanders (57%)

Base: all respondents (n=251)

Q21: Do you agree or disagree with the following statements:



Most of the larger companies started preparing for the CSRD regulations, but are not there yet

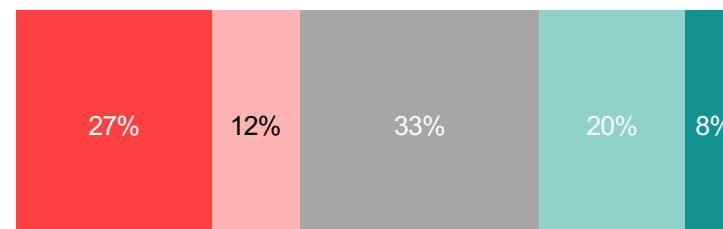


In accordance with the new CSRD legislation, it will be mandatory for large companies to publish regular reports on their environmental and social impact activities.

Companies meeting at least two of the following three conditions will have to comply with the CSRD:

- €40 million in net turnover
- €20 million in assets
- 250 or more employees

Ready for CSRD legislation



- It's not mandatory for my business to comply with CSRD regulation
- We have not started preparing
- We have started preparing
- Almost ready
- Fully ready

Base: all respondents with companies >250 employees (n=60)

Q18: To what extent is your business ready to meet the standard of the CSRD regulations?

Conclusion





Conclusion

To address the energy crisis of today and the climate (energy) crisis of tomorrow, similar measures are needed:

Step 1: collect data and measure, using digital tools

Step 2: invest in energy efficiency

Step 3: electrify to reduce fossil fuel dependency

Step 4: Install more on-premises digital energy

Our survey illustrates that:

The sense of urgency has never been higher

The potential of electrification and digitalization is not yet fully realized

Concerns of businesses on investment costs need to be addressed

Companies need support on complex sustainability reporting

Thank you!

Let's pave the way for generations to come.

Are you curious about how we can help your company become more sustainable?
Please contact **Schneider Electric** by visiting www.se.com

Contact

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