

# What drives firms' investment in climate action?

**Economics Department – Studies Division**

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**What drives firms' investment  
in climate action?**

Evidence from the 2022-2023  
EIB Investment Survey

# EIBIS background information

13,300 firms surveyed across EU27, plus the US and the UK (until 2021)

Firms of 5+ employees in Manufacturing, Services, Construction & Infrastructure sectors

Representative of the economy (firms weighted by value-added)

## Information on:

- Firm characteristics and performance
- Past investment activities and future focus
- Investment finance
- Investment needs and constraints

More information at EIBIS Data Portal and this link: [EIB Investment Survey \(EIBIS\)](#)

# Outline

- Key findings
- Country scoreboards
- Country dashboards



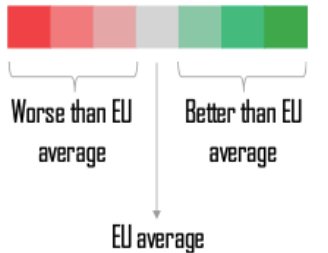
# Country scoreboards I

## firms

Firms		EU	Northern and Western Europe										Southern Europe							Central and Eastern Europe										US			
			AT	BE	DE	DK	FI	FR	IE	LU	NL	SE		CY	EL	ES	IT	MT	PT		BG	CZ	EE	HR	HU	LT	LV	PL	RO	SI	SK		
Firms facing <b>physical risks</b> (in %)	57		64	53	61	36	52	52	67	50	53	53		52	55	60	59	49	64		44	47	51	59	51	55	41	48	69	55	46		59
Firms facing <b>energy cost concerns</b> (in %)	82		84	83	83	67	63	78	93	81	66	74		88	96	88	88	67	89		87	90	71	90	69	71	92	91	90	84	93		85
Firms perceiving <b>transition as a risk</b> (in %)	32		31	37	37	22	25	34	33	41	29	29		28	20	28	24	24	30		37	38	40	23	23	43	35	40	29	31	38		32
Firms perceiving <b>transition as an opportunity</b> (in %)	29		36	30	29	47	37	28	29	22	37	43		21	18	26	28	27	26		15	18	20	18	15	19	13	17	28	19	13		21
Firms that have set a <b>climate target</b> (in %)	41		43	48	36	46	54	42	22	29	40	67		24	30	53	36	41	42		26	33	40	39	44	28	43	40	46	36	32		12
Firms <b>investing in climate</b> (in %)	53		66	46	65	63	77	39	26	22	75	56		13	27	53	36	48	46		34	55	54	33	43	61	43	51	55	55	54		43
Firms <b>planning to invest in climate</b> (in %)	51		64	51	50	68	75	49	46	47	52	60		30	24	54	39	56	67		43	59	46	51	40	70	35	54	67	67	43		41
Firms <b>investing in energy efficiency (EE)</b> (in %)	40		51	42	48	47	54	24	45	35	45	51		24	25	43	34	38	40		31	34	37	36	49	20	42	41	35	49	33		36
Average <b>share of investments devoted to EE</b> (in %)	10		11	8	11	11	9	11	9	9	9	12		5	7	9	8	16	10		12	8	12	10	13	3	11	10	8	12	12		6
Firms investing in <b>any adaptation</b> (in %)	33		47	35	37	32	37	32	22	30	28	34		51	31	32	26	32	40		29	35	40	33	21	38	35	27	49	30	27		29
Firms with an <b>adaptation strategy</b> (in %)	14		30	19	16	21	16	11	10	11	11	15		13	13	11	8	12	20		9	14	10	10	4	11	9	6	36	14	7		21
Firms with an <b>adaptation measure</b> (in %)	20		37	26	24	22	31	22	11	15	18	19		18	15	15	13	16	21		9	10	25	13	16	25	18	17	31	6	12		19
Firms investing in <b>insurance</b> (in %)	10		11	9	10	7	7	5	6	13	7	7		39	20	13	15	16	17		15	15	15	12	5	12	19	13	17	14	13		7
Firms investing in <b>any mitigation</b> (in %)	88		94	95	93	90	97	84	92	89	92	92		78	59	84	75	85	92		70	82	86	85	88	88	82	90	93	89	83		75
Firms investing in <b>green technologies/products</b> (in %)	32		47	56	30	51	59	22	39	21	53	44		27	28	21	22	47	36		13	24	40	24	27	46	39	42	59	39	24		40
Firms that have invested in <b>energy efficiency</b> (in %)	57		76	74	72	63	68	34	65	44	64	66		32	32	50	40	48	54		28	56	55	44	67	41	59	56	67	58	38		50
Firms engaging in <b>renewable energy generation</b> (in %)	37		61	60	39	33	42	17	31	20	50	42		30	19	38	35	41	44		24	32	27	31	57	27	23	46	43	23	19		11
Firms engaging in <b>waste recycling</b> (in %)	64		77	82	61	72	89	64	76	77	70	77		65	43	61	47	73	74		34	52	63	67	52	64	44	78	87	74	64		53
Firms with <b>green transportation systems</b> (in %)	43		54	66	53	59	60	35	33	47	59	65		23	25	30	21	39	49		20	20	31	26	35	50	30	31	52	34	24		30

## How to read

For a given variable, a cell's color shows how the corresponding country performs compared to the average EU value for the same variable.



# Country scoreboards II

Firms facing <b>physical risks</b>	↓	↑	↑	↑	↓	↓	↓	↑	↑	↑	↑	↓	↓	↓	↓	↑	↓	↓	↑	↓	↓	↓	↓	↓	↓	↓	↑	↓	↓
Firms facing <b>energy cost concerns</b>	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Firms perceiving <b>transition as a risk</b>	↑	↑	↑	↓	↓	↑	↑	↑	↑	↑	↑	↑	↑	↑	↓	↑	↑	↑	↑	↓	↓	↓	↑	↓	↑	↑	↑	↓	↓
Firms perceiving <b>transition as an opportunity</b>	↑	↑	↓	↑	↑	↑	↑	↓	↓	↓	↑	↓	↓	↑	↓	↓	↑	↑	↓	↓	↓	↓	↓	↓	↑	↑	↓	↑	↑
Firms that have set a <b>climate target</b>	↓	↑	↓	↓	↓	↑	↑	↑	↓	↓	↑	↓	↓	↓	↓	↓	↓	↓	↓	↓	↓	↑	↓	↑	↓	↓	↓	↓	↓
Firms <b>investing in climate</b>	↑	↑	↓	↑	↑	↑	↑	↑	↓	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Firms <b>planning to invest in climate</b>	↑	↑	↓	↑	↑	↑	↑	↑	↓	↓	↑	↓	↑	↑	↑	↑	↑	↑	↑	↓	↑	↓	↑	↑	↑	↑	↑	↑	↑
Firms <b>investing in energy efficiency (EE)</b>	↑	↑	↑	↑	↑	↑	↓	↑	↓	↑	↑	↓	↑	↑	↑	↑	↑	↓	↓	↑	↓	↑	↑	↑	↑	↓	↓	↑	↑
Average <b>share of investments devoted to EE</b>	↑	↑	↑	↑	↑	↓	↑	↑	↑	↑	↑	↓	↓	↑	↑	↓	↑	↓	↓	↑	↑	↓	↑	↓	↑	↑	↑	↓	↓
	EU	AT	BE	DE	DK	FI	FR	IE	LU	NL	SE	CY	EL	ES	IT	MT	PT	BG	CZ	EE	HR	HU	LT	LV	PL	RO	SI	SK	US

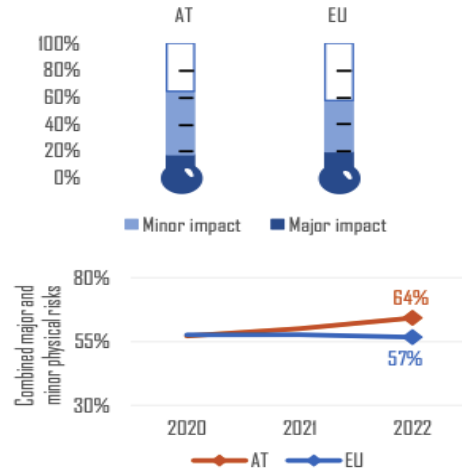
The graph shows the variation between 2022 and 2021.

↑ Increase from EIBIS 2021  
↓ Decrease from EIBIS 2021

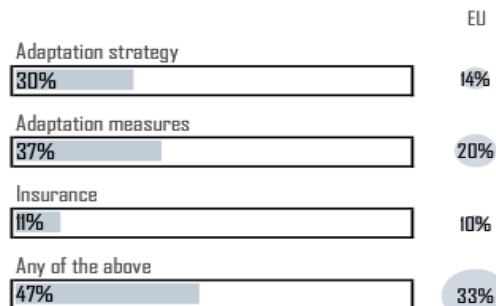
Except for the first three lines of arrows, for which colors are reversed.

# Country dashboards

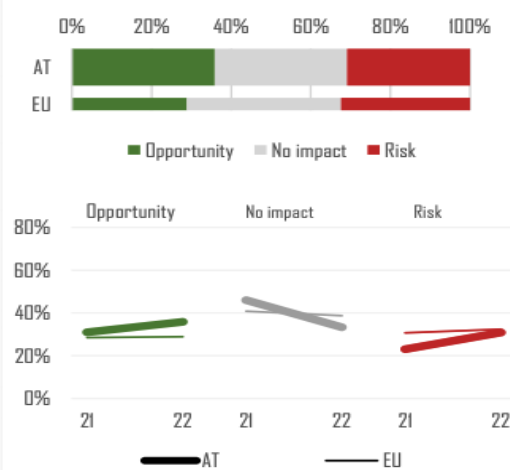
How many firms feel exposed to physical risks?



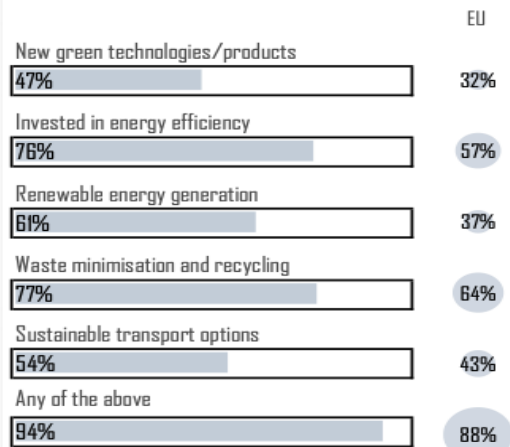
What adaptation measures are firms implementing?



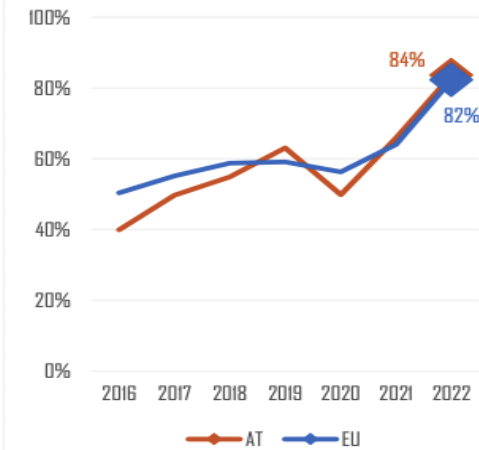
How do firms perceive the climate transition?



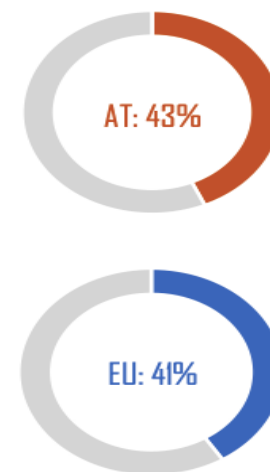
What mitigation measures are firms implementing?



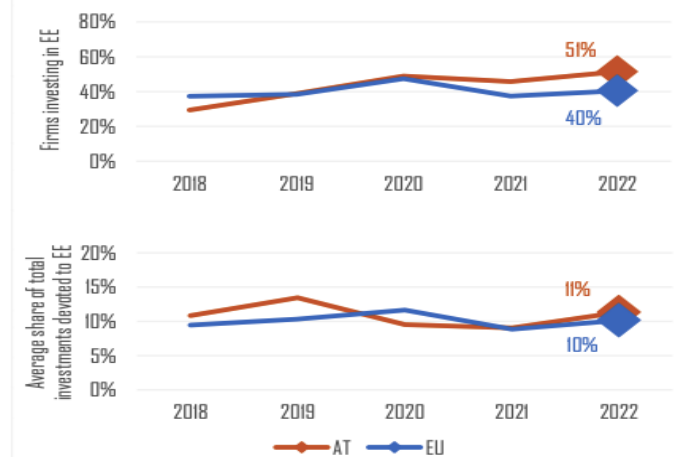
How many firms are concerned about energy costs?



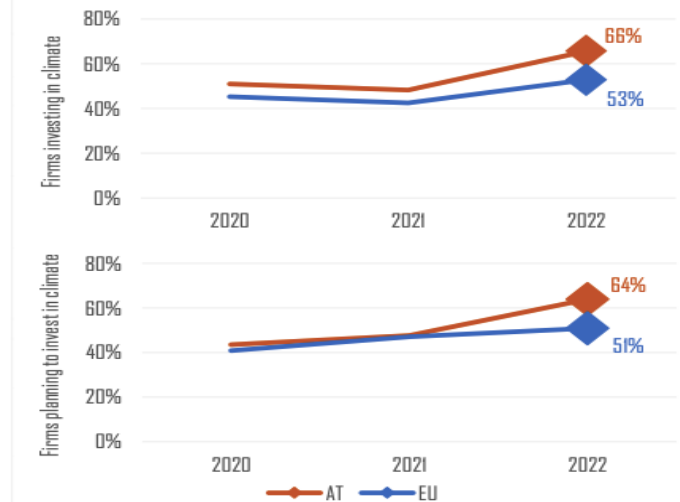
How many firms have set climate targets?



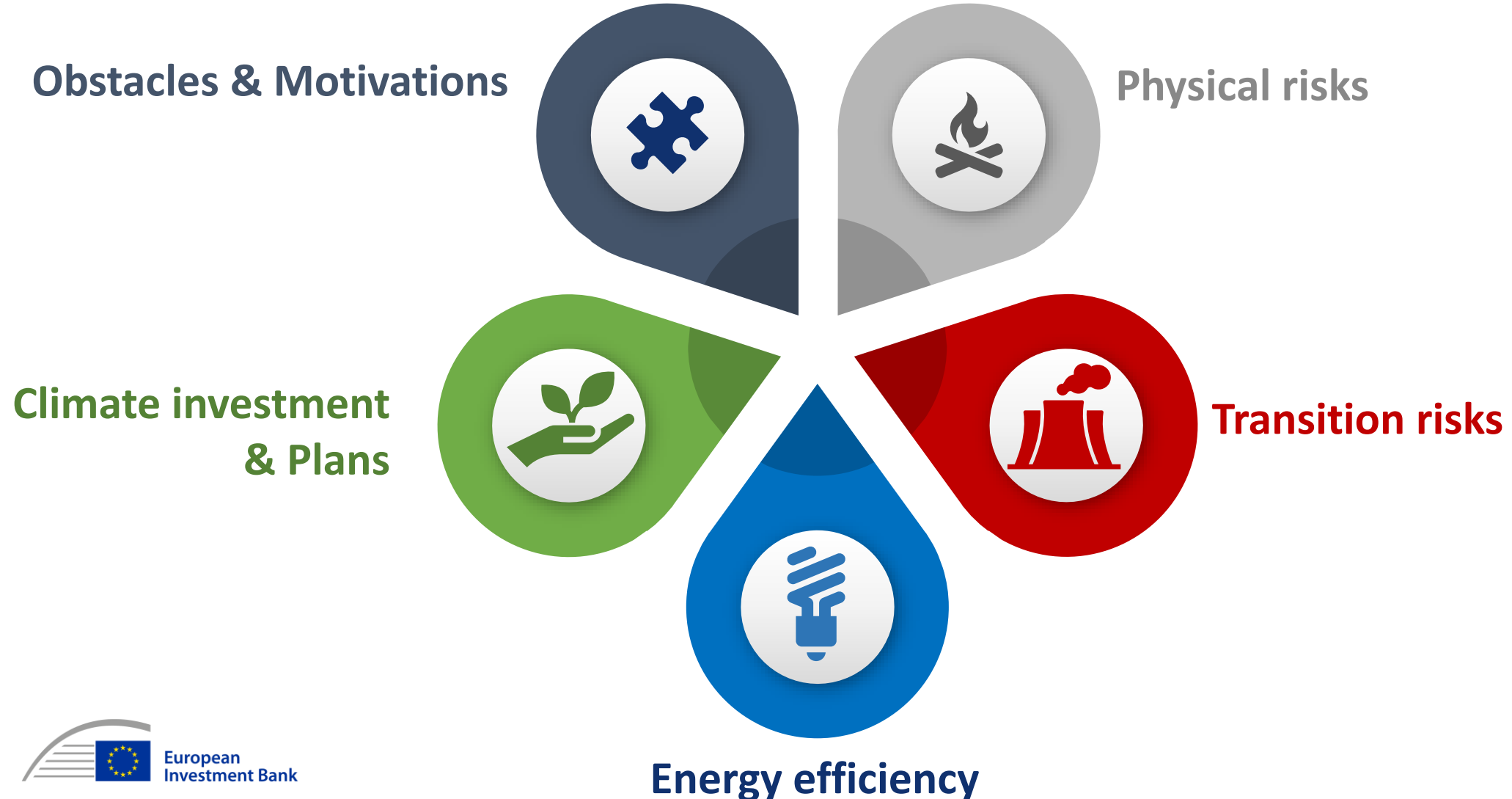
How important are energy efficiency (EE) measures to firms?



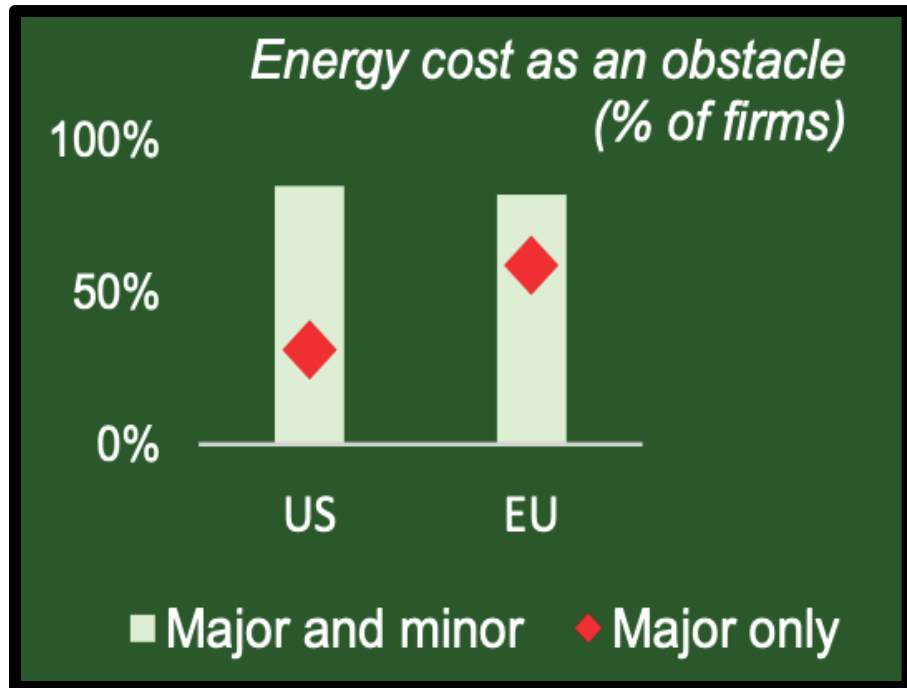
How many firms are investing or planning to invest in climate action?



# Deep dive – are EU firms climate friendly?



# High energy prices are taking a toll on EU firms

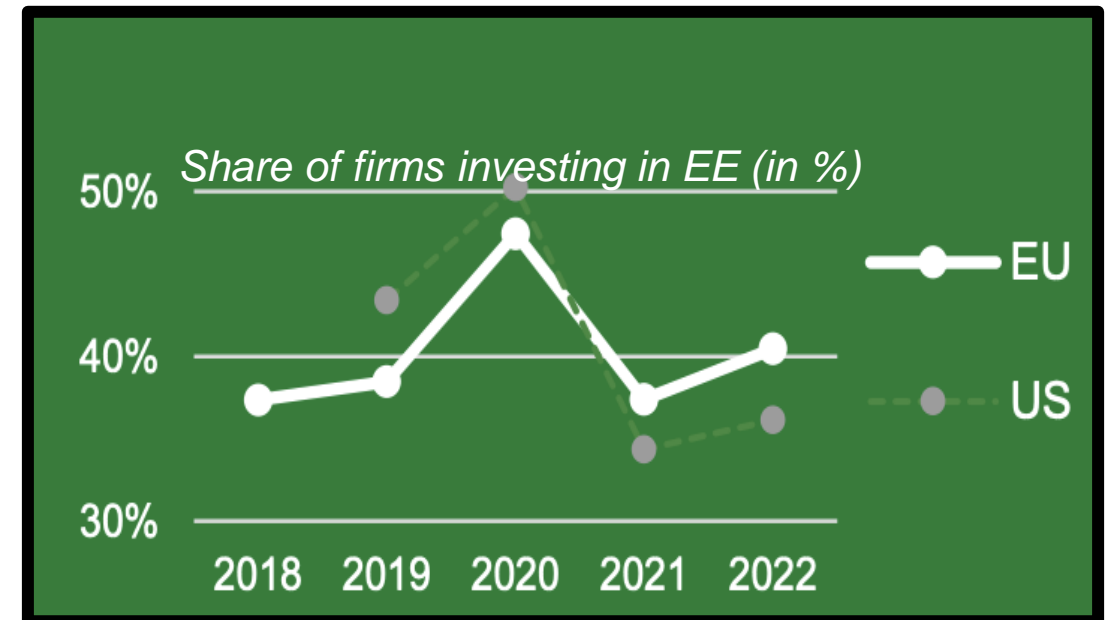


- **82%** of EU firms say energy costs were either a major or minor obstacle to investment in 2022
- **+18 percentage points** is the change from 2021 to 2022 in the share of EU firms that perceive energy costs to be an obstacle to investment
- **Southern Europe** is the region with the highest share of firms that say energy costs limit investments
- **Dispersion** in energy cost concerns among EU countries dropped from 2021 to 2022



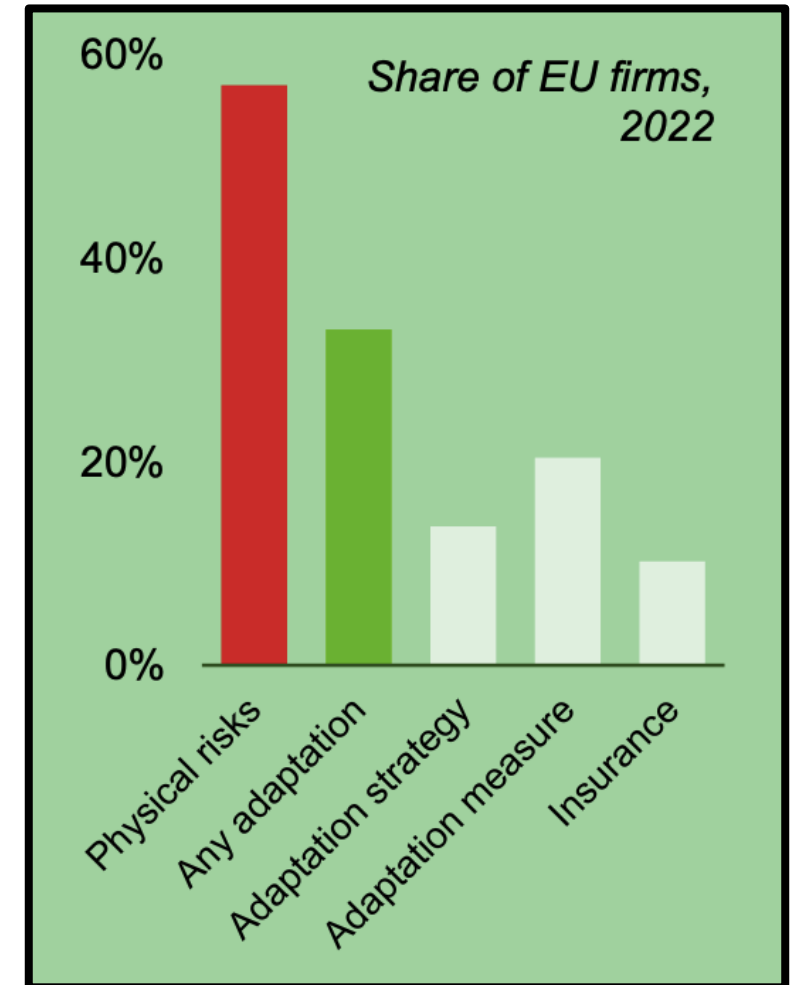
# The energy crisis is pushing firms to invest in energy efficiency

- About **40%** of EU firms invested in energy efficiency in 2022
- **Western and Northern Europe** leads the trend in terms of share of firms investing in energy efficiency, while **Southern Europe** lags behind
- **10%** is the average share of investments that **EU firms** devote to energy efficiency vs. **6%** in the **United States**
- **51%** of large firms invest in energy efficiency, while only **31%** of small firms do



# More firms acknowledge physical risks, but few invest in resilience

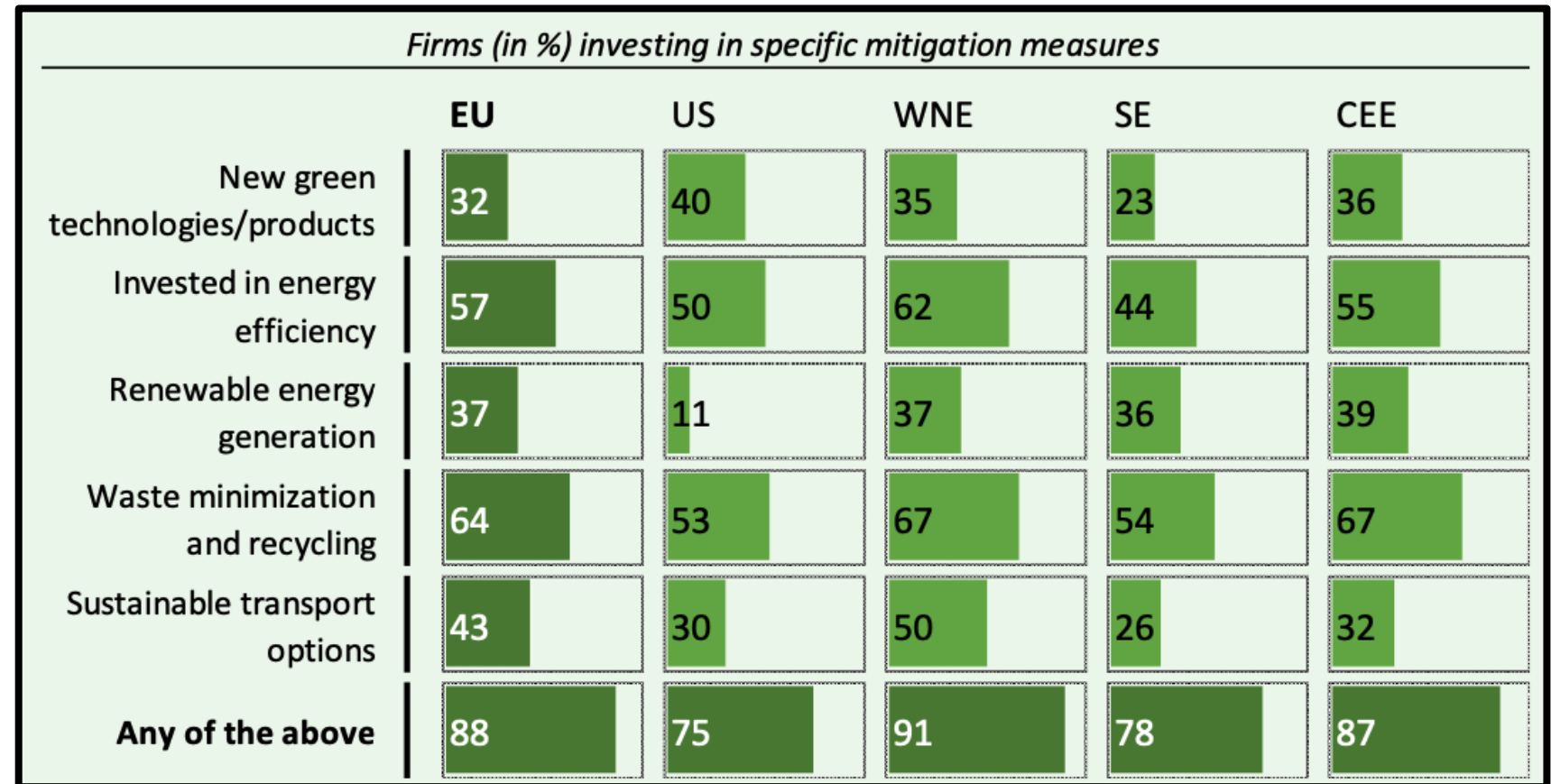
- **24 percentage points** is the gap between the share of EU firms facing physical risks and the share of firms engaging in adaptation
- The share of firms facing physical risks is **similar** in the **EU** and in the **US** (57% and 59%, respectively)
- **Southern Europe** is the region in which firms feel more exposed to physical risks, but also in which fewer firms invest in adaptation.



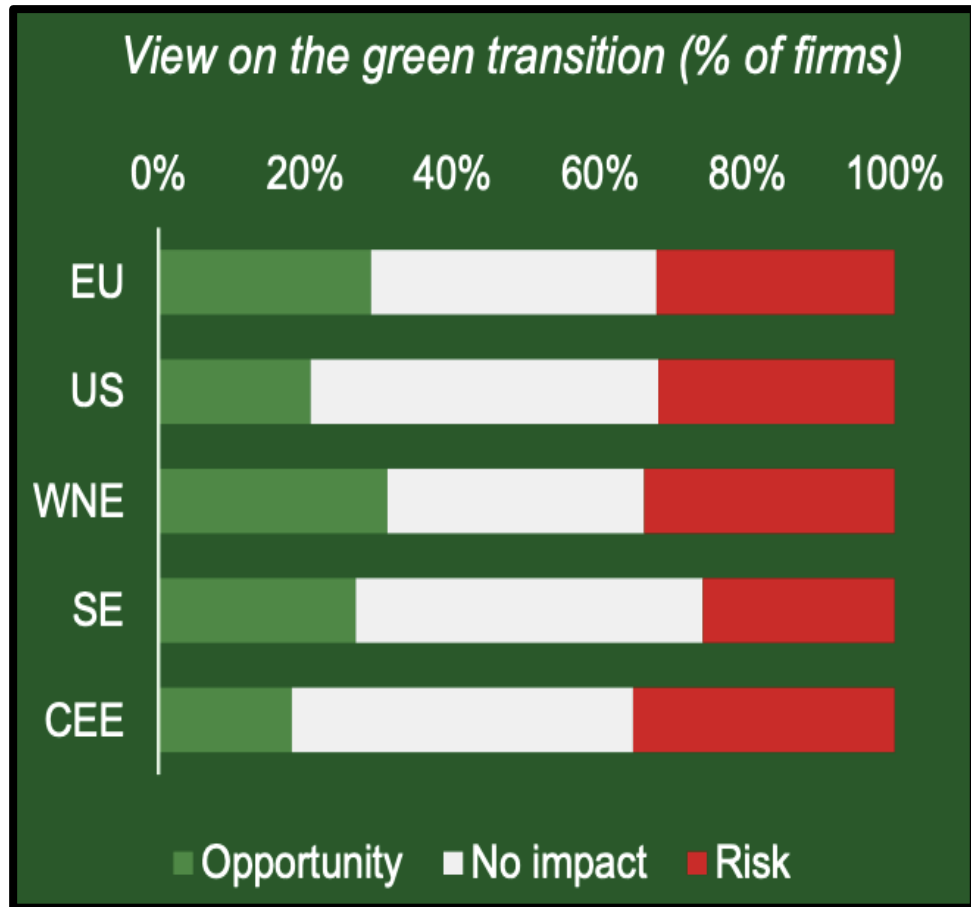
# Firms focus more strongly on mitigation measures

**88%** of European firms adopted at least one mitigation measure.

**Recycling and energy efficiency** were the measures most frequently implemented

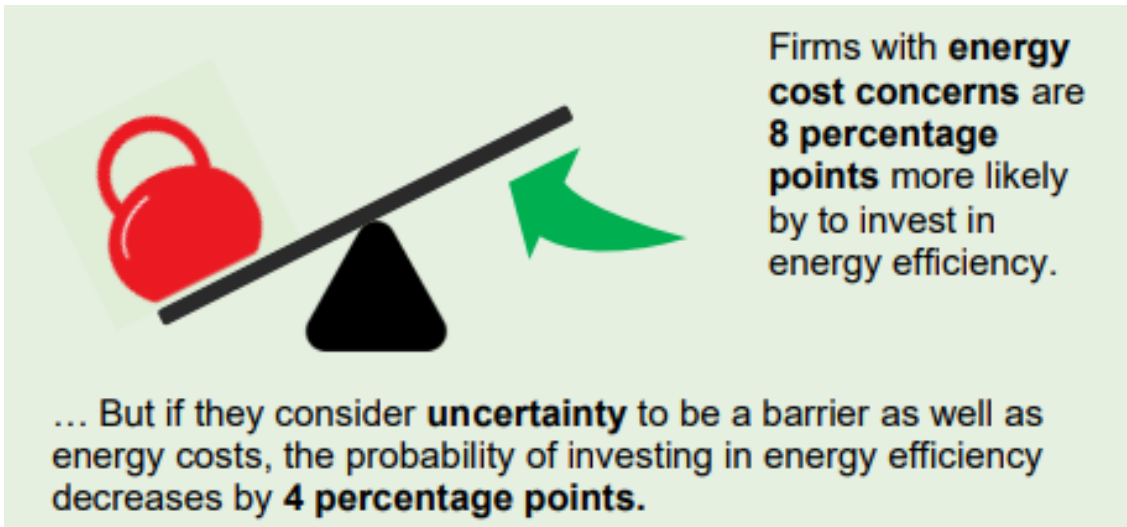


# As firms address the transition, they have mixed views about the prospects it brings



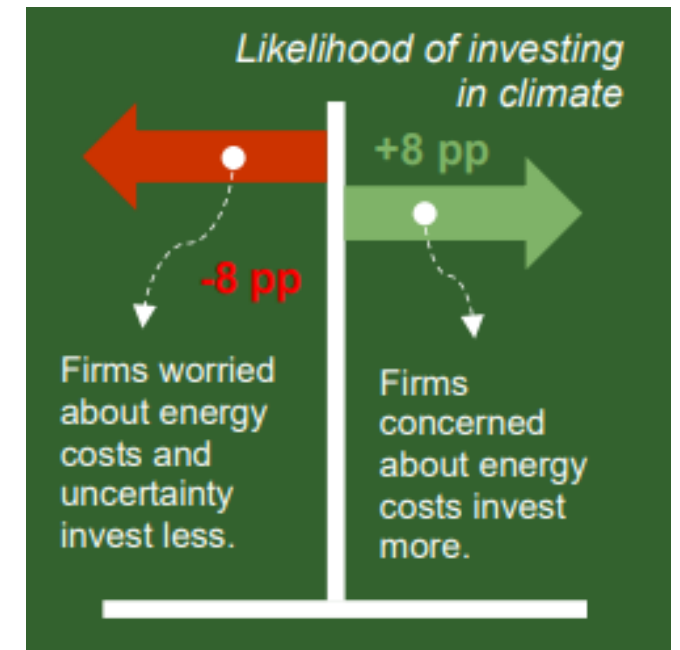
- **28%** of EU firms see the climate transition as an opportunity, while **32%** see it as a risk
- **Western and Northern Europe** is the most optimistic region about the transition, while **Central and Eastern Europe** is the most pessimistic
- **Energy-intensive manufacturers** are more pessimistic about the transition than non-energy intensive firms
- **41%** of EU firms set climate emissions targets vs. **12%** in the United States

# Uncertainty is diluting firms' incentive to invest in climate action

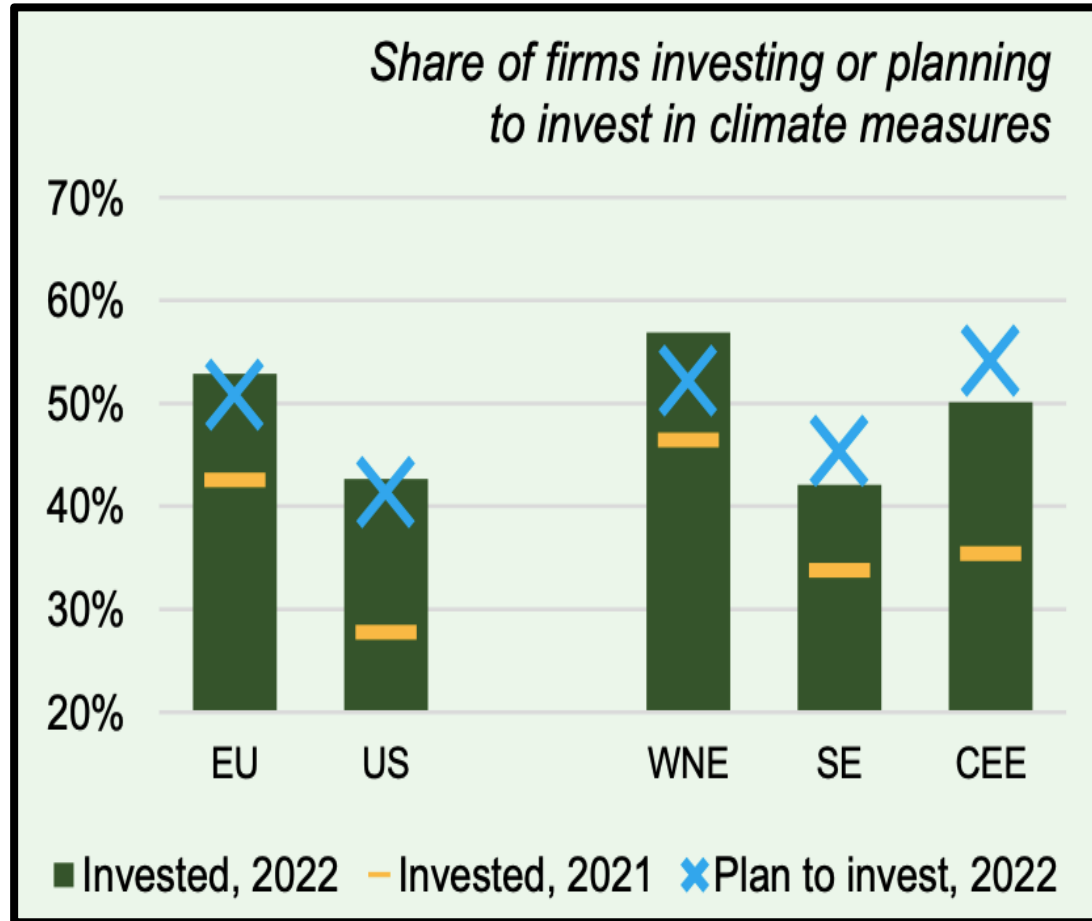


- **54%** of energy-intensive manufacturers invest in energy efficiency vs. **38%** of firms that are not energy-intensive.

- **48%** of energy-intensive manufacturers invest in climate action vs. **43%** of firms that are not energy-intensive.



# Firms are stepping up climate action despite challenges



- **53%** of EU firms invested in climate in 2022 vs. **43%** in the US
- In 2021, figures were **11 pp.** lower, on average. This holds across EU, US and European regions
- In the EU, **63%** of large firms are investing in climate in 2022 vs. **44%** of SMEs
- **Energy-intensive manufacturers** are more likely to invest in climate than **non-energy intensive firms**

# Concluding remarks....



Energy price dynamics appear to be a double-edged sword



EU firms face a twin energy and climate crises



EU firms opt for mitigation measures than adaptation ones



Growing uncertainty could prove to be a trap to investment decisions



Challenges in managing the pitfalls and seizing the green opportunities



This crisis could be a turning point towards a cleaner future

# Going forward – paving the way to a net zero-carbon future

02

## Set up climate strategies

- ✓ Promote green management practices
- ✓ Assess impacts, vulnerability and risks
- ✓ Set targets and decarbonization paths

01

## Increase awareness

- ✓ Raise awareness and ambition
- ✓ Share knowledge and guidance
- ✓ Engage smaller firms

03

## Create an enabling environment

- ✓ Improve access to climate finance
- ✓ Strengthen the technical capacity
- ✓ Remove regulatory uncertainty



# THANK YOU



European  
Investment Bank