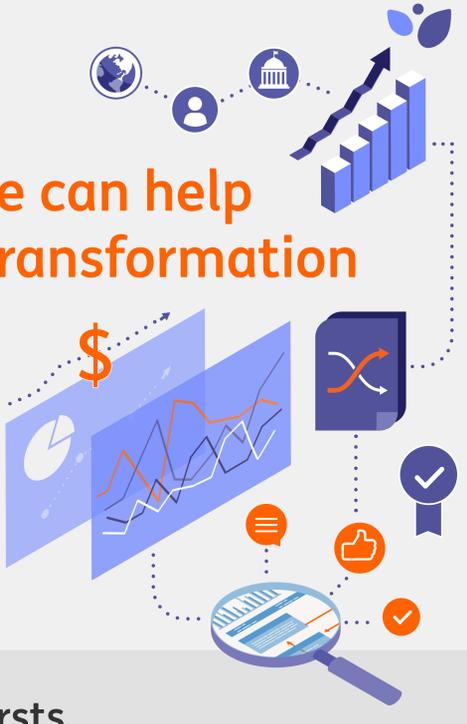


Powering progress: How sustainable finance can help companies accelerate transformation

Sustainable finance is evolving to play a bigger role as companies raise the bar on the ambition of their sustainability targets, and strengthen accountability for progress.

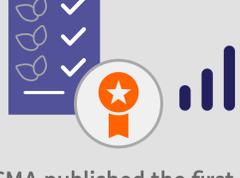
New research from ING, surveying a global audience of 450 companies and 100 institutional investors, assesses its growing impact.



2020 was a year of significant firsts in sustainable finance



The EU committed to its first-ever green bond issuance, to fund nearly a third of its €750 billion pandemic recovery fund¹



The ICMA published the first Sustainability-Linked Bond (SLB) Principles in June²

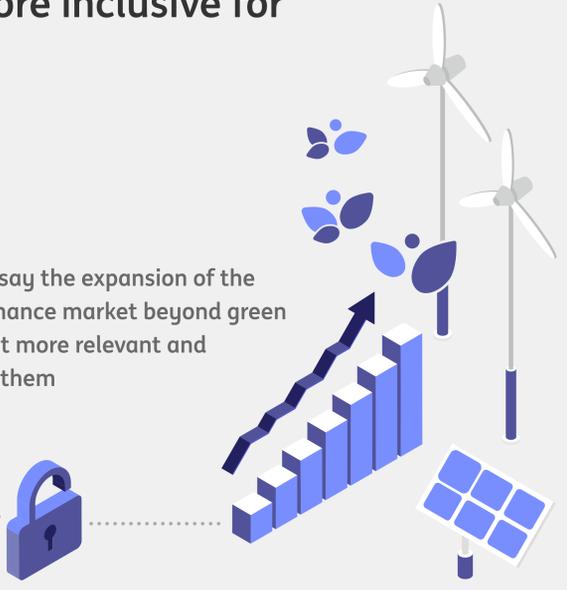
\$147.7 billion
Social bond issuance in 2020

That is a **7X** increase³

The market has become more inclusive for issuers across sectors



66% of companies say the expansion of the sustainable finance market beyond green bonds makes it more relevant and accessible for them



Issuers say sustainable debt is improving internal and external accountability

Of the companies that have used sustainable finance:



70% say it has improved data collection to monitor sustainability progress



73% say it has helped them put more robust accountability metrics in place for performance on environmental and social issues

The fast-developing SLB market is helping companies demonstrate their credibility



\$100 billion+ Forecasted SLB issuances in 2021, as linking progress to financial incentives becomes more attractive⁴

Strong momentum behind social bonds will carry into 2021



50% of companies say they are most likely to issue social bonds in 2021 – ahead of even green bonds (42%)



46% of investors have a strong appetite for social bonds over the next 12 months

How to link sustainability and finance

One way to get started is by creating a sustainable finance framework

Sustainable finance frameworks



Show how a company incorporates ESG criteria into its financing decisions



Outline which company initiatives may be suitable for funding by sustainable finance instruments



Are subject to external review and validation



31% of companies have created a sustainable finance framework today



40% of companies are in the process of putting one in place



Find out more about how Covid-19 has affected businesses' approach to sustainability at: <https://new-ingwb.com/en/insights/sustainability/rethinking-sustainability-in-the-post-pandemic-landscape>



Sources: ¹ EU to Sell 225 Billion Euros of Green Bonds to Fund Recovery, Bloomberg, September 2020; ² Sustainability-Linked Bond Principles, ICMA, June 2020; ³ Sustainable Debt Defies Gloom To Record Spectacular 2020 Growth, Forbes, January 2021; ⁴ <https://www.ifre.com/story/2743025/dollar-slbs-boost-issuance-forecasts-rphwmqdxn4>