ING

Sustainable Finance Pulse

Issue 7, 2025

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Welcome to ING's Sustainable Finance Pulse
a quarterly glimpse into the world of
sustainable finance and ING's take on it.

In this issue

In Q2 2025, global sustainable finance issuance increased slightly in Q2, a bit higher than the previous two years' second quarters. The market saw healthy supply levels, remarkable given the turbulent market conditions and political uncertainty.

ING sees a strong second quarter in sustainable finance activities.

This SF Pulse also highlights the topic of electric vehicles & charging. With more EV's on the road, being able to charge fast is key. ING supports clients in this area through financing, deep sector knowledge, and seeks partnerships with relevant stakeholders.

1.0 Sustainable finance market picks up in Q2 2025

Sustainable finance issuance increased in Q2 of 2025, with global sustainable finance issuance totalling US$432bn in the second quarter of the year. This comes in just higher than the previous two years' second quarters.

On a YTD basis, global sustainable finance issuance amounts to US$852bn. While this figure is slightly lower than the US$909bn seen in H1 last year and despite the lower issuance seen in Q1- this year's H1 figure does come in line with the levels seen in 2023 and 2024.

We feel these supply levels are healthy particularly given the turbulent and uncertain year for sustainable finance. The US retreats from sustainability policy support, while the EU shifts its focus toward competitiveness, and other jurisdictions slow down their ESG policy development. However, APAC is on track to see a record-breaking year.

It is very important to note that we are seeing very mixed results when we look at regional differences.

EMEA sees stable to slightly lower issuance in government bonds, SSA and financial issuance. But corporates have seen a notable dip in issuance. This can at least partially be explained by the ease of non-ESG debt issuance given the very strong demand from investors, meaning there is little economic incentive for going ESG. Additionally, there is already a very well-established market of corporates with ESG frameworks. On the other hand, sustainable issuance in the CEE region is booming.

The largest dip in supply is evident in the US market, as policy swings have constrained issuance given the heightened challenges. The cut tax incentives and funding, regulations being rolled back, abandoned efforts to mandate climate reporting and federal action regarding DEI, has led to significant caution amongst investors.

On the other hand, APAC has seen a strong level of growth in sustainable issuance and is on track to see a record-breaking year. Corporates and financials are the main drivers of this growth.

It's important to note that these global sustainable finance numbers do not consider the very significant jump in social bond issuance from asset backed securities.

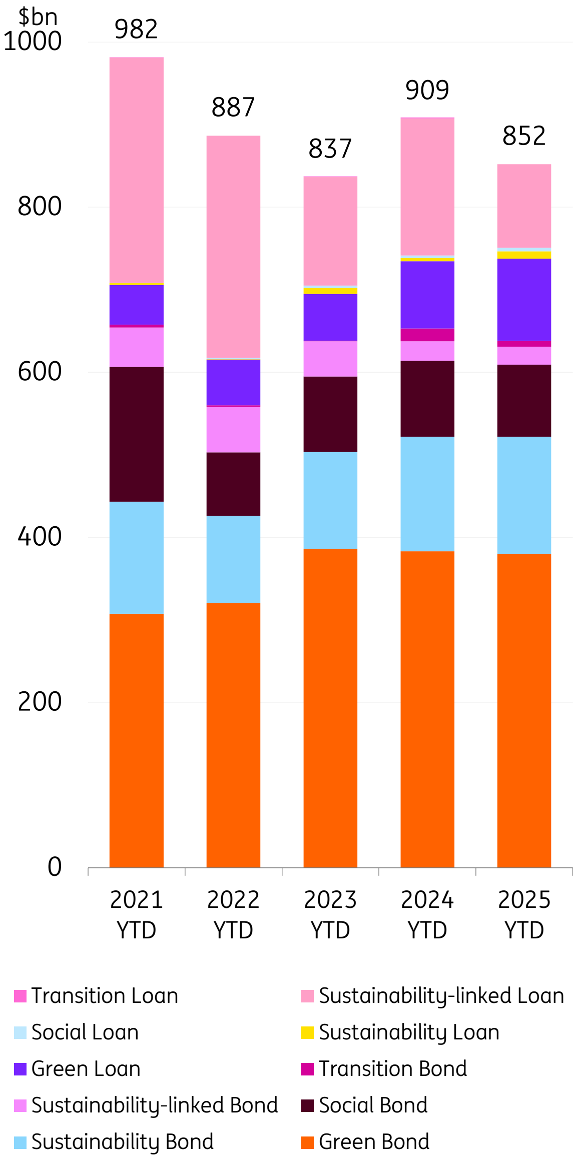
The bulk of the sustainable ABS in the US was securitized social bonds from the mortgage-backed securities pools from Fannie Mae, Freddie Mac, and Ginnie Mae. Positively, these social ABS pools allow investors to make distinguishable investments in positive social outcomes.

However, sustainable ABS is such a unique segment almost exclusively transacted in the US in massive volumes that we have separated it from the rest of the sustainable finance market for a more global comparison.

Talking in terms of the future of sustainable finance we do see some bright spots:

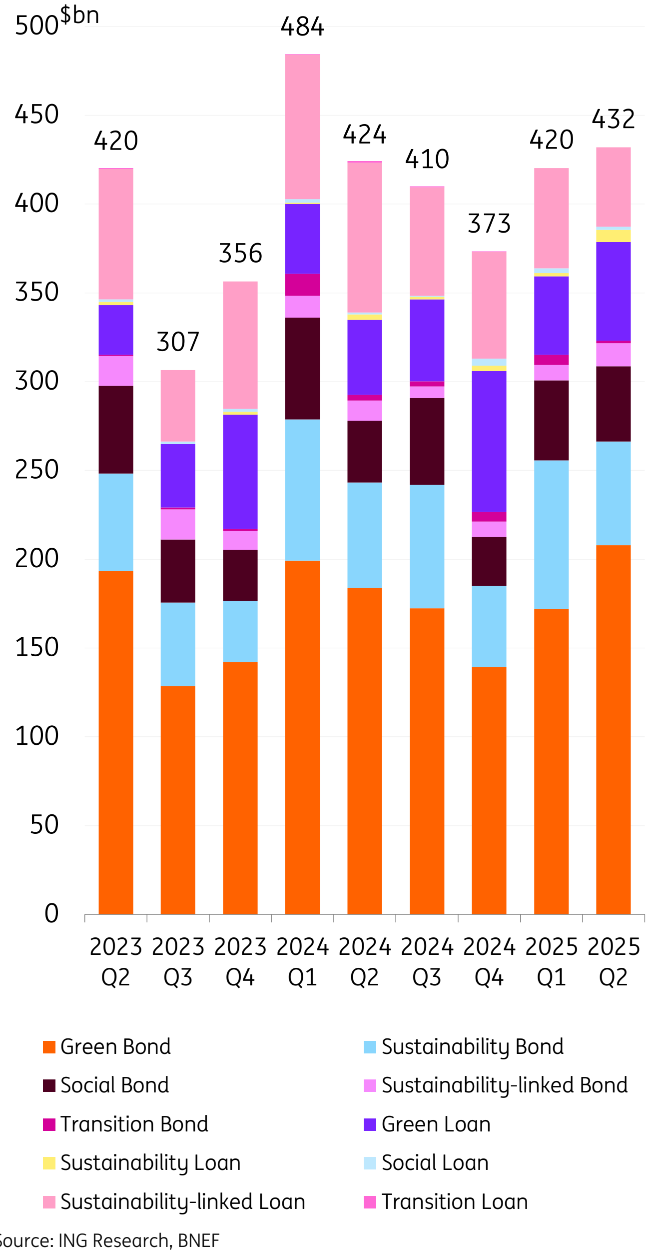
- Many corporates remain committed to decarbonisation and managing climate risk.
- 2030 targets are still on the cards.
- Governments are leveraging sustainable finance as a tool to fund decarbonization efforts (despite the slight slowdown this year).
- Transition debt activities can rise as policy develops.
- The global journey towards sustainability is not linear but continues to advance.
- Regulation and standardisation provides clarity and ease.

Global issuance of sustainable finance YTD (excluding ABS)



Source: ING Research, BNEF

Global issuance of sustainable finance per Quarter (excluding ABS)



Source: ING Research, BNEF

Global head of Sustainable Solutions Group, Jacomijn Vels, says "We aim to accelerate the flow of capital towards the energy transition by offering strategic support to our clients - and the sectors they operate in. The resilient performance on volume mobilised over the years - despite volatile markets - underpins the strong track record we have built."

ING Sustainable Finance transactions*

	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25
SLL	25	44	37	78	34	50
SLB	3	2	2	1	7	2
Green loans	30	29	37	53	38	43
Green bonds	23	20	14	14	15	21
total	81	95	90	145	94	**116**

* Nr of sustainable finance transactions of 4 key products for ING

2.0 ING continues to deliver strong growth in Q2 2025

ING delivered its strongest first half on record, mobilising €68bn of sustainable finance in H1 2025**, a 19% increase compared to H1 2024. This was driven by solid performance across both quarters, with Q2 2025 contributing €38bn (+16% vs H2 2024).

Sustainability-linked loans remained the leading product category, followed by green bonds and green loans. Green loans continued to show robust growth, a 48% increase in number of transactions and a 17% rise in volumes compared to Q2 2024, reflecting rising demand for transition-focused financing.

The number of sustainable finance transactions increased across all regions. The growth in APAC stands out, showing strong growth across sustainable lending and debt capital markets. Americas held up well, despite geopolitical uncertainties, with activity mostly centered around green loans. The slightly lower volumes in EMEA compared to Q2 2024 are largely due to several large transactions in the prior year.

Nevertheless, EMEA remained the largest contributor to volume mobilised at 61%, followed by the Americas (26%) and APAC (13%).

ING stays focused to helping drive down emissions for net zero by 2050 and to support building up financing for future sustainable technologies. We are continuing the work on the assessment of our clients' transition plans, our client engagement methodology and monitoring of progress.

As we are witnessing many innovative, early-stage sustainable technologies remaining too small scale for mainstream financing, we have established the Transition Accelerator team to identify and support promising new sustainability initiatives toward wider adoption.

Looking ahead, rising uncertainty in the US may slow sustainable finance, especially for European firms with US connections. Increasing regulatory demands could also temper market growth in the short term.

Despite these hurdles, sustainable finance has shown resilience and adaptability. The disruption at the start of 2025 highlighted both challenges and opportunities, and commitment to sustainability remains strong. While the way forward may be complex, there is optimism for continued progress as the market evolves, and new solutions emerge.

** For more information and a full list of products please see: Performance and reporting | ING

3.0 Driving change: financing the future of EV charging

At ING we believe driving electric will be key to driving down emissions and building a sustainable mobility future. That's why we're taking a positive, proactive approach to financing the technologies and solutions that support EV use. We see that same confidence reflected in the increasing number of countries setting EV targets and policies, while the industry continues to grow around the globe, even as adoption rates vary between markets.

Supercharged investments
It might be one thing to get EVs on the road; it's another to keep them there, and charging networks are crucial to achieving that. with a company to find a financing structure that best suits them.

After all, it should be as easy to recharge your EV as it is to fill it up with petrol or diesel. ING's focus is particularly on this public charging landscape. We partner with companies we believe are well positioned to become leading players in the industry. We provide capital, structuring and advisory services.

Tim van Pelt, Co-lead EV Charging at ING says: "There's a level of risk involved in financing EV infrastructure, but it's a risk we'll all have to get comfortable with if we're to successfully scale up low-carbon transportation in society. We might have to come up with more innovative finance structures to make this happen. That's why we have created the Transition Accelerator team. "

ING helped to power ultra-fast charging stations in nine European countries through our green loan for Electra, and enabled the rollout of ~2,100 new high-power fast-charging stalls across major US metropolitan areas with commercial financing for EVgo Inc. By leveraging our global network as well as deep financing and sustainability expertise, we are delivering tailored solutions that empower Electra and EVgo to build reliable, accessible charging networks, making electric mobility more convenient for drivers and fleets.

Evelien Hooijman, Co-lead EV Charging at ING: "Our goal is to accelerate the transition to cleaner, more sustainable transport by investing in EV charging infrastructure. We help our clients build networks that make charging more accessible, reliable, and profitable. With EV adoption growing rapidly, this is not only an environmental necessity but also a compelling business opportunity."
We see the confidence that EVs are here to stay reflected in the increasing number of countries setting EV targets and policies, while the industry continues to grow around the globe, even as adoption rates vary between markets.
Looking ahead, we're committed to playing our part in accelerating this transition. By supporting innovative financing solutions and partnering with key players in the EV charging sector, we're helping to lay the groundwork for a cleaner, more sustainable transport future. Together, we can ensure that electric mobility is accessible, reliable, and here for the long run.

5.0 Deal highlight:

ING supported the scaling of **Electra**, a leading French EV charging infrastructure provider, to expand its network across Europe, installing 15,000 high-power charging points by 2030. It will also allow Electra to evolve its stations into intelligent energy hubs, optimising grid integration and renewable energy usage. ING was the lead bank and debt advisor for this €433 million green financing deal, one of the largest in the sector.

4.0 ING Research: Charging Forward: Europe's EV Revolution and the Race to Build Infrastructure

The global shift to electric driving is underway.
Significant differences in the pace of EV-adoption persist across global regions, within the European bloc, and among consumer groups. However, the overall direction is clear, and it must be supported by adequate infrastructure.

Public transport buses are leading the way across Europe, with new urban transport concessions often requiring the deployment of electric buses. Commercial vehicles, on the other hand, are progressing more slowly due to greater challenges.

Still, European CO_2 targets for manufacturers, national ambitions, and the introduction of zero-emission zones are helping to drive progress.

China leads the EV transition but Europe pushes ahead as well
The passenger car market is the most critical, as it accounts for the majority of CO_2 emissions. China is far ahead in electrifying its car sales, with the share of new EVs (Plug in hybrid EVs + battery BEVs) expected to reach nearly 50% in 2025.

Meanwhile, the US is currently experiencing delays. Europe finds itself in the middle, though catching up again after a slowdown and a relaxation of its targets. The EV share in Europe (including the UK) is projected to reach 27% in 2025, with BEVs accounting for 18%.

These vehicles rely entirely on charging infrastructure. Fleet penetration remains modest, with EVs making up 5% of the total fleet, including 3% BEVs.

Northwestern European countries, including the Nordics and the UK, are ahead, while Southern and Eastern European countries lag behind. Nevertheless, the EU remains committed to phasing out internal combustion engine (ICE) vehicles by 2035.

Infrastructure: a critical condition in further EV adoption
As EVs become more widespread, especially among the middle class, the availability of public charging infrastructure, particularly fast chargers (>100–150 kW), is becoming increasingly important for continued adoption and expansion across transport modes.

Development doesn't keep pace in many regions. In several countries, the number of EVs per charger (charging pressure) is relatively high (such as in Germany: 23), highlighting the urgency of accelerating infrastructure development. In other European countries, charging networks remain underdeveloped.

To support the transition and prepare for the tipping point when EVs become economically attractive, substantial efforts are still needed to ensure infrastructure is ready and aligned to stay on track toward the 2035 goals.

Click here for sector updates from ING Research or reach out to Rico Luman via rico.luman@ing.com.

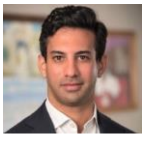
Comments? Questions? Please contact us at...

Jacomijn Vels
Global Head Sustainable Solutions Group
E: Jacomijn.Vels@ing.com

Evelien Hooijman
Director Transition Accelerator team
E: Evelien.Hooijman@ing.com

Rico Luman
Sector economist Transport & Logistics, ING Research
E: Rico.Luman@ing.com

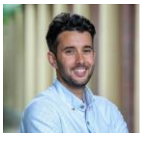
Astrid Overeem
Editor, Global PR Manager Wholesale Banking
E: Astrid.Overeem@ing.com



Arash Mojabi
UK Head Sustainable Solutions Group
E: Arash.Mojabi@ing.com

Tim van Pelt
Director Transition Accelerator team
E: Tim.van.Pelt@ing.com

Timothy Rahill
Credit Strategist (SF Markets)
ING Research
E: Timothy.Rahill@ing.com



Riccardo Papa
NL Head Sustainable Solutions Group
E: Riccardo.Papa@ing.com

ING & Climate
Society is transitioning to a low-carbon economy. So are our clients, and so is ING. We finance a lot of sustainable activities, but we still finance more that's not. See how we're progressing on our climate approach.

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