



SUSTAINABILITY DEBATE  
**How much chemistry is there  
between cities and companies?**

# Sustainability debate



From left to right: **Filip Ceulemans**, Client partner, CFO Services TriFinance, **Nils Vanantwerpen**, Directeur Ruimte at the City and OCMW of Roeselare and **Davy De Clercq**, Head of Sustainability, allnex

## How much chemistry is there between cities & companies?

*Sustainability has become an essential factor in the strategies of both city authorities and private companies.*

However, one works for its citizens and the other for its customers. Does this lead to significant differences, or is it possible for them to work together? We invited the City of Roeselare and chemical company allnex to compare their views on sustainability through five statements, in conversation with TriFinance Client Partner **Filip Ceulemans**.



**Davy De Clercq**  
Head of Sustainability, allnex

STATEMENT 1.

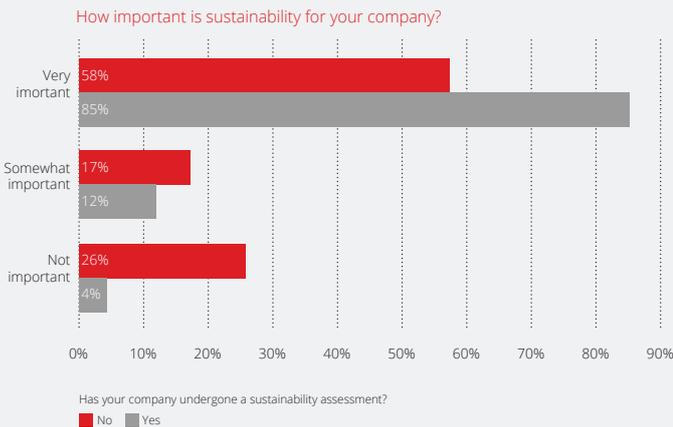
## Sustainability is all too often about checking the boxes

**Davy De Clercq:** 'Although allnex had already been focusing on sustainability for some time, we immediately defined some clear targets when we decided to introduce a sustainability framework in 2019. They were hard figures, the kind of data that engineers like to see, and we used them to measure our performance compared to 2018. We also wanted to involve as many people as possible in our program.'

'We immediately started setting targets for carbon emission reductions. We created a clear roadmap for decarbonization in our operations, to fulfill our promise to be carbon-neutral by 2050. allnex wants to reduce its absolute carbon emissions by 30 percent by 2030, even though volume is growing. These are our **Scope 1 and Scope 2** areas of application.'

'We also take specific initiatives to do with sustainability. One example is the **Primavera Program**. With this program, we aim to work with our staff on particular topics throughout the year. Water conservation might be one possibility, with advice on saving water at home, organization sessions, sending emails, publishing information on our sustainability page, and so on.'

**Filip Ceulemans:** 'allnex has also genuinely debated whether opting for sustainability is a strategic policy or simply a question of checking the boxes. If you start from the will to do the right things and genuinely achieve the desired growth, it really is a strategic choice. Sustainability's strategic importance is increasing tangibly: we are well aware that if we do not commit to sustainability, we will fall behind our competitors. Take financing, for instance: companies will no longer be able to grow because, for banks, sustainability as a business strategy is becoming the new standard for financing and an essential prerequisite.'





From left to right: **Filip Ceulemans**, Client partner, CFO Services TriFinance, **Nils Vanantwerpen**, Directeur Ruimte at the City and OCMW of Roeselare and **Davy De Clercq**, Head of Sustainability, allnex

*'I can appreciate the temptation to view sustainability as a simple compliance exercise but, fundamentally, it's about setting up processes and using standards. Simply checking off the regulations to be compliant seems like the bare minimum to me. We believe it is more important for companies to state clearly what they want to achieve in the long run. That is strategy. Companies' willingness to commit in terms of sustainability interventions may vary, though.'*

*'This is very clear from a survey that TriFinance recently conducted among over a hundred Belgian C-level executives. Eight out of ten participants understood the meaning of sustainability, and 85 percent of executives said sustainability was a vital issue for their organizations. At the same time, only 24 percent had done a **sustainability assessment**, which is very few. However, those who do engage with it also understand the significance of the strategic exercise.'*

**Davy De Clercq:** *The difference is not so much in a company's size, but in how much attention a CEO or CFO is prepared to give to it. CEOs and CFOs of large companies receive many more external nudges that drive them toward sustainability strategies. At the same time, I have seen smaller companies whose directors are passionate about sustainability. Some small companies are doing incredible things. Conversely, I've seen some large companies pretending to do a lot, but when you start scratching the surface, there's not much there. Greenwashing may be a strong term, but sometimes they make a lot of noise about the relatively limited things they actually do.'*

**Our research shows that only 24 percent of companies in Belgium have done a sustainability assessment, whereas 85 percent of executives say sustainability is a vital issue for their organizations.**



*Today there is a shift. The framework of the Sustainable Development Goals of the United Nations Global Compact plays an important role in this.*

**Davy De Clercq**  
Head of Sustainability, allnex

**Filip Ceulemans:** *This is precisely why the reporting regulations are so good. They force us to report all the way, even on things that are not going very well. This is what keeps us all going in the right direction. It also ensures that we are all on the same page when it comes to KPIs, etc. Moreover, having a clear set of uniform standards ensures a 'common ground' to which everyone must adhere and by which we can be benchmarked against peers and other organizations. However, there are still no global uniform standards. CSRD, EU Taxonomy, and CSDD regulations will become obligatory in Europe, but these rules are not mandatory in the rest of the world, which will not help comparisons between countries. I hope the various regulators will agree on a single set of obligations, but as with accounting standards, we see that this is not entirely successful; just look at IFRS and US GAAP in this regard.'*

**Davy De Clercq:** *'Companies used to be able to commit to sustainability, but they could just as easily choose to do nothing. Companies could obtain certain certificates but were not required to do so. This is changing. The United Nations Global Compact and the Sustainable Development Goals play key roles. Companies have to complete questionnaires and submit certain indicators. A CEO statement no longer suffices. That tightening of the rules will ensure that companies can be measured on equal terms.'*



**Nils Vanantwerpen**

*Directeur Ruimte at the City and OCMW of Roeselare*

## STATEMENT 2.

### Governments target citizens, so they approach sustainability differently from private companies

*Nils Vanantwerpen: 'As regards methodology, I think there are some rather similar practices between companies and cities like Roeselare. We have benefited from a formal framework. In 2017, the EU Covenant of Mayors was the trigger to turn our ambitions into a proper framework.'*

*'At that time, we were aiming for a 40 percent reduction in carbon emissions by 2030. Roeselare developed a set of measures to make the city climate-proof and linked it to an action plan with various pillars and indicators. At the time, that initiative was merely a commitment, but it did force us to write our first climate plan in 2018.'*

*'We worked with citizens, companies, and civil society to develop the climate plan. We used the analysis to define the objective of becoming climate neutral by 2050. When we turned that into an action package, we found that the 40 percent reduction in carbon emissions by 2030 from the Covenant of Mayors was insufficient, and we needed to raise the bar higher toward 2030 to meet the 2050 target.'*

*'We started working and reporting in more practical and actionable ways. Soon after, Europe also realized that it needed to raise the bar and increased the Covenant of Mayors' goal to a 55% carbon emissions reduction (Fit for 55). Current legislation is considerably more stringent than before, and Flanders issued an energy and climate pact with realistic targets for cities and towns for the first time. It contains a framework that is very similar to that found in companies. Stronger requirements will follow from the commitment, and more funding will also be available to facilitate those steps. As a city, we currently receive 240,000 EUR from Flanders, but we invest several million euros annually in this area. These government measures show a positive trend but remain symbolic support.'*



*The city approaches people by tackling topics in which they have interests, such as public green spaces, flooding, or their energy bills.*



**Davy De Clercq:** *'Sustainability is a long-term process that requires long-term goals. Until the beginning of this year, allnex was owned by a private equity fund, which automatically involves short-term reflexes. Even something like that needs frequent adjustment. It will be necessary to balance short-term thinking with longer-term sustainability goals. My job is to convince the organization of that, with the CEO's and CFO's support.'*

**Filip Ceulemans:** *'Again, sustainability reporting can play an essential role in this. We know that sustainability reporting will be subject to external certifications and audits. This should help ensure that the information reported is accurate and reliable, and that it addresses the concerns of investors and other stakeholders. Its purpose is to establish the same level of trust in sustainability reporting as in the current financial reporting. Consistency regarding the metrics to be reported and how they are reported will be crucial to convincing investors.'*

**Nils Vanantwerpen:** *'When we try to convince investors, we increasingly move away from terminology such as 'climate' and 'sustainability.' Why? The believers are already on board; they come to us for information and are already applying to the city for support. On the other hand, some citizens think with their wallets, rather than based on climate ambitions. This is more crucial than ever. We approach these people in different ways, for example, by tackling topics in which they have interests, such as public green spaces, flooding, or their energy bills. These are specific points of view, but they will help get people on board.'*



**Davy De Clercq:** *'For us, the believers are essential to bringing more people on board sustainability. They can be engaged to increase the relevance of sustainability. I have various people I can rely on throughout the organization. They can convince their colleagues and provide answers when someone asks about what allnex is doing in terms of sustainability.'*

*'They know that we produce protective coatings to make a table or a car more durable, for example. allnex is also working on technologies that will make it possible to dissolve inks on plastics in a bath to recycle plastics with minimal loss. By talking about those innovations, these people assume a kind of ambassadorial role. Of course, it's not just about our products but also the solar panels on our roofs. Even if solar panels only cover a fraction of the actual energy consumption, people want to see you put your money where your mouth is.'*

**Carbon emissions from transportation are negligible compared to energy consumption and raw materials consumption. Still, we want our supply chain to think about making improvements in terms of emissions from transportation.**

**Nils Vanantwerpen:** *'The climate issue sometimes runs the risk of shooting itself in the foot. The same applies to poverty and world peace. After a while, they become very holistic concepts, which people perceive as remote and things they cannot change. The trick is to make them very tangible and practical. Sustainability has to be data-driven and not just driven by emotions or perceptions.'*

**Davy De Clercq:** *'Of course, data are essential. Hearing that, I would immediately move to Roeselare (laughs). Data provide guidance and quantifiable and logical targets. Nobody wants their basement flooded, everyone wants a better climate, and everyone wants to plant trees.'*

*'It is essential to make it clear to a company's departments that sustainability will have to be on the agenda from now on. We are setting a good example with the carbon emissions from transportation. They are negligible compared to our energy consumption and certainly compared to our raw materials consumption. However, we want our supply chain to think about making improvements in terms of emissions from transportation. These are the kind of issues where we need to get everyone on board. Everyone needs to feel part of the process, but they also need to take on some of the work.'*



**Nils Vanantwerpen**  
Directeur Ruimte bij Stad and OCMW Roeselare

Thinking about a perspective until 2050 is inherently illogical in local politics because there are end points every six years.

### STATEMENT 3.

## Sustainability will only happen at customers' or citizens' pace

**Davy De Clercq:** *'If a salesperson tells me their client is not open to sustainability, I don't believe them. I appreciate that a customer doesn't want to pay more for it, but that they are not open to it? That's almost unimaginable. People do want to work on sustainability, a better climate, and more rights for everyone within the value chain. You might have been able to look the other way in the past; these days, we don't want to. We cannot allow modern slavery or child labor. A company can decide to buy from certain other companies. It's your choice, even if it is expensive, and your customers have the same choice. Every day they choose, that is a clear vote. They vote for allnex, or they don't.'*

**Nils Vanantwerpen:** *'We are not a company. As a city, we are constantly trying to get a feel for what is happening in society. This is absolutely not easy, because how can local authorities learn about the views of their 'customers'? We have elections every six years; what can you learn from that? Then there are various participatory occasions between elections when you get to see fragments of your society. However, it is nearly impossible to get the views of those 63,000 residents and all the civil society organizations.'*

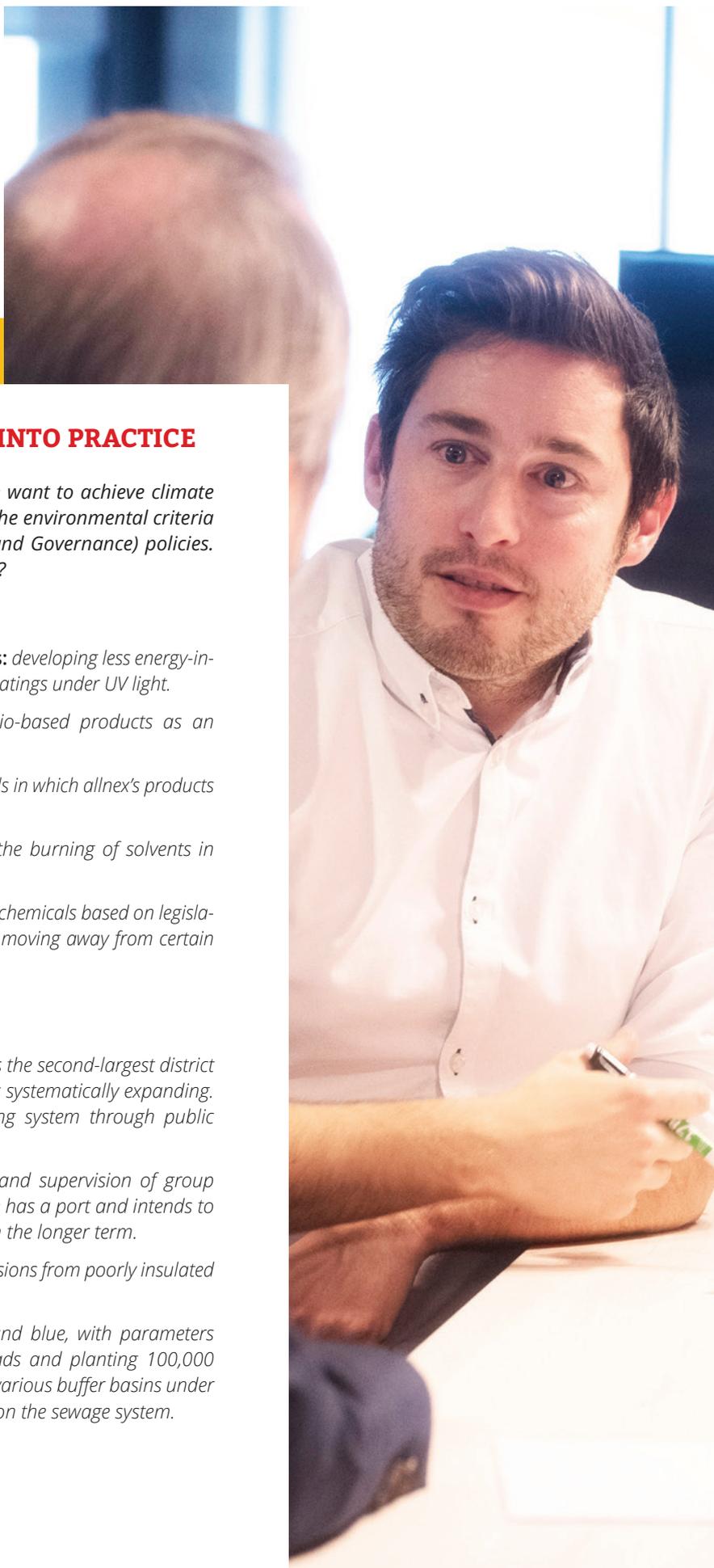
*'Still, objectivity is essential to ensure you don't just leap at every wild idea. A local authority's time perspective is a specific one. Thinking about a perspective until 2050 is inherently illogical in local politics because there are end points every six years. We aim to complete most of the projects by the next election. Creating the mental space to think about ambitions that will not bring immediate results is challenging. You work for them now but won't reap the benefits for another ten years.'*

**Davy De Clercq:** *'A manufacturing company has even more challenges. Our products have a high level of complexity, involving a combination of many different raw materials for which we often have different suppliers. Our main challenge is calculating a product's footprint. We ask our suppliers about a product's footprint, and our customers ask us the same question, and rightly so. The problem is that allnex operates from 33 sites. We decided it makes no sense to calculate one product and then say it has the same footprint worldwide.'*

**Nils Vanantwerpen:** *'Right, it also has to do with risk-taking. Cities work with taxpayers' money, which means they tend to make safe choices, but they must also dare to be pioneers. New technologies for sustainable solutions emerge nearly every month, and it is not always clear what has potential and what doesn't. Should they wait and observe, or let someone take the lead? Making these trade-offs is not easy for a local authority, but making the right choices for the next 30 years is crucial.'*

**Davy De Clercq:** *'In a way, it is the same in companies. Nobody wants to lose their well-paid or powerful position, and nobody wants to make poor or unpopular decisions. This makes everyone careful, just out of fear of doing something wrong. It is crucial to find the right balance.'*

**Filip Ceulemans:** *'If sustainability is to make a real breakthrough, there must be ground-level 'awareness' among all the stakeholders involved. There are still huge differences today between the early adopters, the followers, and those just taking their first steps. All parties involved must be convinced of the value of sustainability to make the necessary progress in this respect.'*



## PUTTING THE 'E' OF ESG INTO PRACTICE

*Both allnex and the City of Roeselare want to achieve climate neutrality by 2050 and have defined the environmental criteria in their ESG (Environmental, Social, and Governance) policies. What are their program's focal points?*

### ALLNEX

- » **Energy efficiency of coating resins:** *developing less energy-intensive applications, such as curing coatings under UV light.*
- » **Use of renewable resources:** *bio-based products as an alternative to fossil-based chemicals.*
- » **Circular economy:** *developing models in which allnex's products contribute to avoiding waste.*
- » **Reducing emissions** *by reducing the burning of solvents in allnex's products.*
- » **Chemicals of concern:** *phasing out chemicals based on legislation or internal processes, with allnex moving away from certain chemicals on its own initiative.*

### CITY OF ROESELARE

- » **Sustainable heating:** *Roeselare has the second-largest district heating system in Flanders, which it is systematically expanding. The city facilitates the district heating system through public works.*
- » **Renewable energy:** *organization and supervision of group purchases for solar panels. Roeselare has a port and intends to introduce hydrogen experimentally in the longer term.*
- » **Housing renovation:** *reducing emissions from poorly insulated homes.*
- » **Climate adaptation:** *both green and blue, with parameters such as 100 km of bike-friendly roads and planting 100,000 trees, but also adapting by means of various buffer basins under construction and remediation works on the sewage system.*

93percent of companies that consider sustainability essential have little difficulty recruiting people.

#### STATEMENT 4.

## The social element, or the 'S' in ESG, is in danger of being overlooked

**Davy De Clercq:** *'We have also defined the social targets. These include getting more women into managerial positions and industrial production environments, but I think we could be more ambitious. At the very least, I am glad that targets have been set. Of course, the proper treatment of people within allnex is crucial. The sustainability program's role is significant because the chemical sector has lost its attractiveness as an employer. The chemical sector has a vital role in our society and our economy because all the products we know today are linked to it in one way or another. This means that our chemical sector will also be crucial in transitioning to a more sustainable economy. I'm convinced of it, but I still want to make that clear.'*

*'In a company, you have it under control, but you also need a clear approach towards your suppliers. Labels such as EcoVadis and UN Global Compact factor that in: do you have a systematic approach to assessing your suppliers? What does it involve? Do you conduct audits? This covers child labor, working conditions, and proper action plans. Our suppliers have to sign a supplier code of conduct.'*



**Filip Ceulemans**, Client partner, CFO Services TriFinance

**Nils Vanantwerpen:** *'We look at our multi-year plan in the same way. The City of Roeselare's internal staff policy is very much governed from the perspective of welfare at work and is monitored by various internal and external control bodies. Upon completion of a welfare report, an action plan should follow from that, which should be monitored. That side is well-covered.'*

*'Of course, there are also the societal elements, including poverty, integration, inclusion, etc. These are the main topics that we are concerned with as a local authority. We do this through the Public Centre for Social Welfare, to which we provide direct support, and through various societal instruments that we use to keep our society as inclusive and as high in quality as possible for everyone involved.'*



From left to right: **Filip Ceulemans**, Client partner, CFO Services TriFinance, **Nils Vanantwerpen**, Directeur Ruimte at the City and OCMW of Roeselare and **Davy De Clercq**, Head of Sustainability, allnex

**Filip Ceulemans:** *'We also observe in consultancy that the younger generations attach great importance to this. It's a topic close to many people's hearts, especially the younger generation. We also saw in our survey that 93 percent of companies that consider sustainability essential have little difficulty recruiting people. By contrast, companies that stated that sustainability has little relevance to them are finding it much more difficult to attract talent. Barely 7 percent say they find it easy to find the right people, and 31 percent say it is downright difficult. These days, everyone has trouble finding the right people. Still, our research shows a strong correlation between the significance of sustainability and the ease with which you can attract talent on a very tight market.'*

**Nils Vanantwerpen:** *'It is much harder for cities to 'brand' themselves with the sustainability theme as an attractive employer. Geography is significant because you may eventually do a similar job in your municipality or community. Besides, it is always something of a societal commitment to choose a local authority rather than another sector. People deliberately choose a local authority for these reasons. However, you can't just move them from one field to another. People often decide to work for local authorities because of a specific topic of interest or an ambition to make a difference in that area. We often find that climate-related vacancies are just a little bit more popular, and they are clearly easier to fill.'*

**Davy De Clercq:** *'At allnex, travel time is also important to our people, along with their work-life balance and job content. Sustainability is a key factor for potential employers to present themselves as attractively as possible. I also find that my department receives noticeably more internal applications than other departments. We have the advantage of being a major player. This means we can give our people particular benefits they might not find at another company or in a city. For example, we have **Employee Assistant Programs** for our people worldwide. They can get advice through this program if they encounter any private or work-related problems. This can be very broad, from legal advice to psychological assistance, and it is entirely anonymous. In fact, we find that many employees use it.'*

## STATEMENT 5.

## Cities and companies too often disregard interesting sustainability collaborations

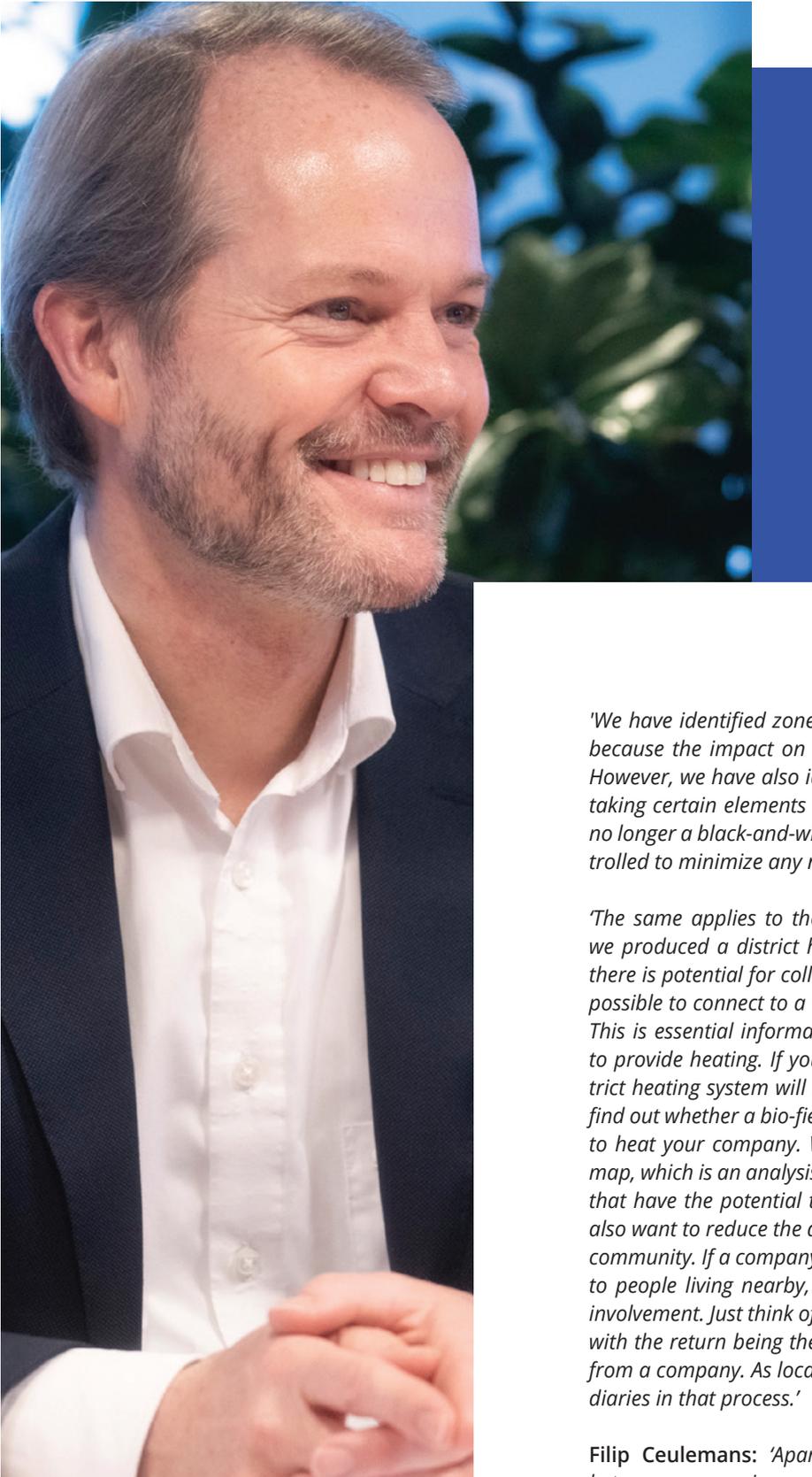


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**Davy De Clercq:** 'Companies must integrate into their environment and maintain positive relationships with their neighborhood. This is especially crucial in the chemical industry. Our approach is proactive, and as a result, we receive virtually no complaints. In the context of sustainability, we could explore what else we can do. This could be things like including wastewater treatment plants or residual streams. Perhaps we should add certain nutrients that are already abundant in the domestic water supply. This could be a clear win-win. However, the legislation does not always allow such things. One thing allnex is doing already is processing the wastewater from one site at another site. We have the authorities' permission to have it transported to us. But allnex is not a waste management company. We cannot bring in wastewater from everywhere to achieve the best possible flow and obtain nutrients for our biology.'

**Niels Vanantwerpen:** 'An authority's primary role in relation to the corporate sector is **regulatory**. This means we can challenge and trigger companies to make efforts as soon as they set up in Roeselare. We are also working on new building regulations. The second role is **sensitization**, where we try to provide information and create predictability. For example, when it comes to energy, we have created a context that required analysis of our territory.'

An authority's primary role in relation to the corporate sector is regulatory. Its second role is sensitization.



*'We have identified zones with no potential for wind energy because the impact on local residents would be too great. However, we have also identified some areas with potential, taking certain elements into account. Today, wind energy is no longer a black-and-white issue; it can be very smartly controlled to minimize any nuisance from the wind turbines.'*

*'The same applies to the district heating system. Last year, we produced a district heating zoning map, showing where there is potential for collective heating in Roeselare. Will it be possible to connect to a district heating system in the future? This is essential information for a company that is deciding to provide heating. If you already know that Roeselare's district heating system will never reach your company, you can find out whether a bio-field or other technologies can be used to heat your company. We will also produce a solar zoning map, which is an analysis of the unused rooftops in Roeselare that have the potential to generate solar energy. Finally, we also want to reduce the distance between companies and the community. If a company can add value, preferably financial, to people living nearby, it will be possible to increase their involvement. Just think of an investment such as a solar farm, with the return being the energy that can be bought cheaply from a company. As local authorities, we can be the intermediaries in that process.'*

**Filip Ceulemans:** *'Apart from encouraging collaborations between companies and authorities, there are numerous opportunities for companies to benefit from grants. However, many companies still struggle to submit their grant applications properly, and, furthermore, they are not always aware of their entitlements to grants or support. We can help connect the companies to the authorities so that they can obtain the necessary resources for their sustainability investments.'*



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