NORD/LB

Press Release

Hanover, November 14th, 2025

NORD/LB Study Shows: SMEs Call for a Policy Shift in Energy Transition

- **Energy and raw material prices remain the greatest challenge for SMEs**
- **Nearly every second company wants direct relief on energy prices**
- **Political uncertainty slows investment: planning security and fair cost distribution are the main focus for medium-sized enterprises**

High energy and raw material costs currently pose the biggest burden on Germany's small and medium-sized enterprises (SMEs). This is shown by the "Energy Transition Compass 2025" by NORD/LB Norddeutsche Landesbank. Almost four out of ten companies see costs as their greatest strain – followed by artificial intelligence (29%) and regulatory requirements (25%). At the same time, political uncertainty is holding back investments: two-thirds of the surveyed companies report that they are investing specifically in predictable cost structures. However, almost all (94%) call for a more pragmatic energy policy.

"The SME sector plays a decisive role in the energy transition, often under challenging conditions such as high energy prices," says Ingrid Spletter-Weiß, Member of the Managing Board of NORD/LB responsible for corporate clients. "Many companies are investing even though clear framework conditions are still missing. Without planning certainty, however, these initiatives risk coming to nothing. What matters now is reliability."

Cost Pressure Hits Listed Companies Hardest

Listed mid-sized companies feel more strongly affected by high energy and raw material prices (41%) than non-listed ones (32%). To counteract this, almost 70% of all companies rely on predictable costs — most frequently through the expansion of renewable energies (43%, +20 percentage points compared to the previous year) and green building technologies (39%, +7 percentage points compared to the previous year).

Policy Focused Too Heavily on Large Corporations

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83% of respondents criticize that current energy policy primarily benefits large corporations. Unlike big businesses and the agricultural sector, SMEs outside energy-intensive industries will not benefit from the planned electricity tax relief starting in 2026. Many also see a cost trap in grid fees: a broader distribution of grid expansion costs could increase their burden even further.

"More requirements combined with rising costs — that's not sustainable in the long term," says Spletter-Weiß. "Especially in areas like renewable energy and energy efficiency, SMEs need economically viable and long-term predictable solutions."

Political Action Needed

The political energy agenda for autumn is extensive — ranging from the implementation of the EU RED III Directive to new legislation on hydrogen and CO_2 storage, as well as debates on grid fees and taxes. Nevertheless, many SMEs still feel insufficiently considered. Almost half of the companies surveyed (44%) expect the current federal government to significantly reduce energy and raw material costs.

About the Study

For the "Energy Transition Compass 2025" by NORD/LB, 300 executives from companies headquartered in Germany were surveyed online. The decision-makers from management, finance, or business development are responsible for investments in sustainable energy and energy efficiency. The surveyed companies employ between 200 and 5,000 people. All figures are rounded to whole numbers. The study was conducted for the second time following 2024.

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About NORD/LB

NORD/LB Norddeutsche Landesbank is one of the leading German commercial banks. The core business segments include business with corporate customers, private and commercial customers including private banking as well structured finance in the energy and infrastructure sector and commercial real estate finance. The bank is headquartered in Hanover, Brunswick and Magdeburg and has branches in Oldenburg, Hamburg, Schwerin, Düsseldorf and Munich. Outside Germany NORD/LB is represented by a Pfandbrief Bank (NORD/LB Covered Bond Bank) in Luxembourg and branches in London and New York.

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