Beyond uncertainty:

What senior European business leaders need from the EU to deliver a competitive, resilient and sustainable economy

September 2026

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About this report

This report was commissioned by WWF European Policy Office. The survey was designed, conducted, and analysed independently by GlobeScan.

About WWF

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The European Policy Office contributes to the achievement of WWF's global mission by leading the WWF network to shape EU policies impacting the European and global environment. www.wwf.eu

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Introduction

The current EU debate on competitiveness* and sustainability is rooted in the European Green Deal, launched in 2019 as the EU's flagship strategy to achieve climate neutrality by 2050 while transforming the economy through investments in clean energy, industry, transport and biodiversity. As its implementation progressed, concerns have been raised about its impact on the EU's economic development, in light of economic headwinds, including high energy prices following the energy crisis, intense global competition and pressures on European industry.

Since the 2024 European elections, the competitiveness of European industry has moved to the centre of the EU's political agenda, resulting in discussions about the relationship between competitiveness and sustainability.

Under the banner of "simplification," the EU has launched a wave of legislative revisions aimed at reducing burdens on businesses and supporting economic growth. What began as a review of Green Deal legislation has increasingly expanded to encompass long-standing environmental legal safeguards, signalling a broader reconsideration of the role of sustainability regulation in Europe's economic model.

Businesses have long called for smarter regulation, including fewer duplicative reporting requirements, more harmonised standards, digitalised processes, realistic implementation timelines, and proportionate compliance obligations. These requests are legitimate. But addressing these concerns does not, in principle, require lowering environmental ambition or reopening the substance of agreed legislation.

Yet this has often been the outcome. Across several sustainability laws that have been or are currently being revised, the scope has been reduced, exemptions expanded, targets weakened and implementation delayed. In some cases, legislative initiatives have even been withdrawn. This meant that the rules that companies had already begun implementing have been changed after the fact, creating uncertainty and often rewarding laggards over first movers.

This disconnect between what businesses asked for and what they received raises a question: do Europe's business leaders see sustainability legislation as a barrier to competitiveness, or as a source of long-term economic strength and resilience?

So far, the debate has largely been shaped by a relatively small number of vocal companies and trade associations whose positions are frequently presented as reflecting the views of European businesses as a whole.

To bring a broader range of perspectives into the debate, WWF commissioned independent insights and advisory firm GlobeScan to survey 350 senior business leaders across Europe, spanning a wide range of sectors, markets, and company sizes. The research explores how senior business leaders view the relationship between competitiveness and the transition to a low-carbon, environmentally sustainable economy; how they assess recent policy developments; and what they see as the EU's top priorities for delivering a competitive, resilient and sustainable economy.

The survey findings point to a clear conclusion. Europe's business leaders overwhelmingly view sustainability and competitiveness as mutually reinforcing. While they recognise that the transition entails short-term challenges, many report that the recent wave of sustainability-related legislative revisions, presented as simplification, has had negative or mixed effects on their companies, largely because it has increased policy uncertainty. This report presents business leaders' views, outlines the conditions they need to succeed, and explores what these imply for Europe's competitiveness agenda, sustainability ambitions and future policy direction.

**In this report, "EU competitiveness" is used as a shorthand for the competitiveness of European companies.*

Why sustainability matters for our economy: the cost of inaction

Environmental sustainability is not simply a backdrop to Europe's economy. Nature and a stable climate are part of the infrastructure on which economic activity depends. Healthy ecosystems supply businesses with water, fertile soils, raw materials and resilient supply chains. The European Central Bank (ECB) estimates that around 72% of euro non-financial firms, accounting for 75% of corporate bank lending, depend heavily on at least one ecosystem service. The degradation of these systems is therefore not an externality sitting outside the economy, but a material business and financial risk within it.

The summer of 2026 illustrated these risks in real time. Across Spain, France, Belgium and Greece, climate-fuelled wildfires intensified by ecosystem degradation destroyed hundreds of homes, disrupted tourism and agricultural production, and caused more than €3 billion in damages. The June and July heatwaves placed severe stress on public health and contributed to rising death rates across the continent, while destroying an estimated nine million tonnes of crops worth close to €2 billion. On the Rhine, Europe's central artery for industrial freight, water levels fell so low that barges could carry only a fifth of their normal load, raising costs for manufacturers hundreds of kilometres from any fire or flood.

Ultimately these impacts largely show up on company balance sheets. They translate into lost productivity, damaged assets, disrupted logistics, higher input costs, rising insurance premiums, and increased investment risk. As climate and nature-related disruptions become more frequent and severe, these costs will continue to grow.

The economic case for action is therefore clear. The European Commission estimates that failing to fully implement existing EU environmental legislation costs the EU around €180 billion every year, equivalent to around 1% of GDP: this is the same order of magnitude as the EU economic growth in 2025 (+1,1%). This figure dwarfs the savings made by the simplification efforts thus far, which are ten times smaller. By comparison, closing Europe's biodiversity investment gap would require approximately €120 billion annually until 2030.

The choice is not between economic competitiveness and sustainability. It is between investing in resilience today or paying a far larger bill tomorrow.

WWF Spain

Executive summary

In recent years, a growing narrative in the EU policy debate has suggested that strengthening Europe's competitiveness requires rolling back environmental and sustainability regulations, and that businesses support this approach. This claim comes mostly from a vocal few. Ask business leaders directly, and a very different picture emerges.

This report presents the views of 350 senior business leaders across Europe, spanning sectors, company sizes and markets, collected through an online survey conducted in June and July 2026.

Four key findings emerge from the research:

1

Sustainability is seen as a competitive advantage

Nine in ten business leaders (91%) believe that the transition to a low-carbon, environmentally sustainable economy strengthens long-term business competitiveness, even if this implies short-term challenges.

Business leaders most often point to reduced exposure to climate- and nature-related risks, more secure access to energy, resources, and raw materials, and improved cost stability over time as key benefits.

2

Reopening EU rules increases uncertainty

Only 29% of business leaders report positive business impacts from recent EU efforts to simplify environmental and sustainability legislation.

Among those experiencing negative or mixed impacts, the most frequently cited consequence is increased uncertainty about the future direction of EU policy (57%), followed by wasted compliance-preparation investments and a weakened business case for sustainability. Three in ten also report delayed or paused investment decisions, and a similar number report losing first-mover advantage to less ambitious competitors.

3

Wanted: Smart implementation, public investment and access to clean energy

Asked what the EU should prioritise to strengthen long-term competitiveness in Europe, business leaders point to predictable and coherent EU policy and legislation more often than to any other option (43%), followed by public investment and incentives for the green transition (31%) and affordable, reliable, and clean energy (29%).

When digging deeper into what an effective implementation of environmental and sustainability legislation should look like in practice, business leaders describe its three main ingredients: greater legislative clarity, consistency and certainty; requirements that are practical and proportionate to apply; and stronger capacity and support for implementation.

4

Mind the gap: Low confidence in the EU's ability to deliver

Business leaders are not confident that the EU is on track to deliver key competitiveness priorities such as predictable policy, effective enforcement, and public investment and incentives. This suggests a gap between the conditions businesses identify as most important for long-term competitiveness and their confidence in Europe's ability to put them in place.

This lack of confidence also extends to Europe's wider sustainability ambitions: more than half (56%) believe the EU is unlikely to achieve its key sustainability goals under current conditions. Read alongside businesses' strong belief that the sustainability transition supports long-term competitiveness, these results suggest that concern relates less to the direction of travel than to the conditions needed to deliver it successfully.

What this means

These survey findings send a clear message: sustainability and competitiveness are not competing objectives. Instead, business leaders see the transition to a low-carbon, environmentally sustainable economy as an important source of long-term competitiveness, resilience and economic strength.

But there is a tension. Many business leaders report that recent revisions to sustainability legislation have increased policy uncertainty, while confidence in Europe's ability to deliver the conditions they believe are needed for long-term competitiveness – policy certainty coupled with smart implementation, public investment that supports the transition at scale, and access to affordable, reliable and clean energy – remains limited.

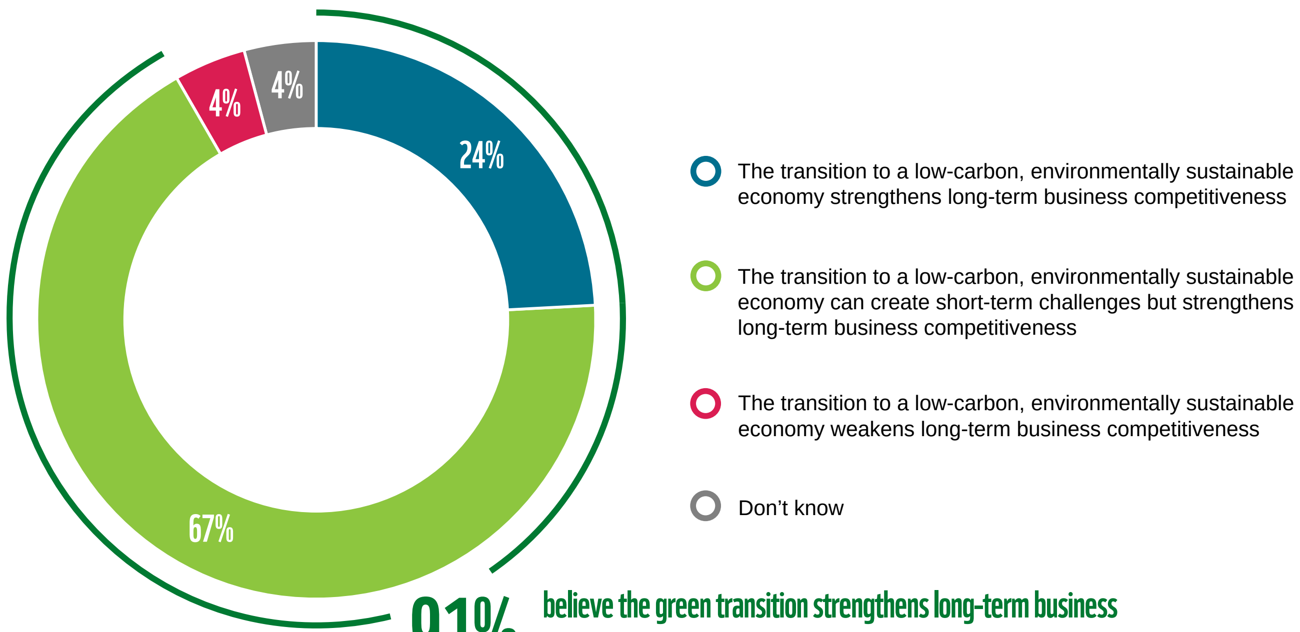
Restoring confidence in Europe's ability to deliver these conditions, rather than lowering ambition, is the aim of this report's recommendations.

Finding 1:
Sustainability is seen as a competitive advantage

An overwhelming majority of senior European business leaders view the transition to a low-carbon, environmentally sustainable economy as strengthening long-term business competitiveness **(91%)**, either directly **(24%)** or despite short-term challenges **(67%)**. This stands in sharp contrast to the 4% of business leaders who view the transition as weakening long-term competitiveness, highlighting the broad consensus that sustainability and competitiveness can go hand in hand.

The benefits leaders identify are concrete and business-critical. Respondents who see the transition as strengthening long-term competitiveness most frequently associate it with reduced exposure to climate- and nature-related business risks **(59%)**, more secure long-term access to energy, resources and raw materials **(57%)**, and improved cost stability and predictability over time **(51%)**.

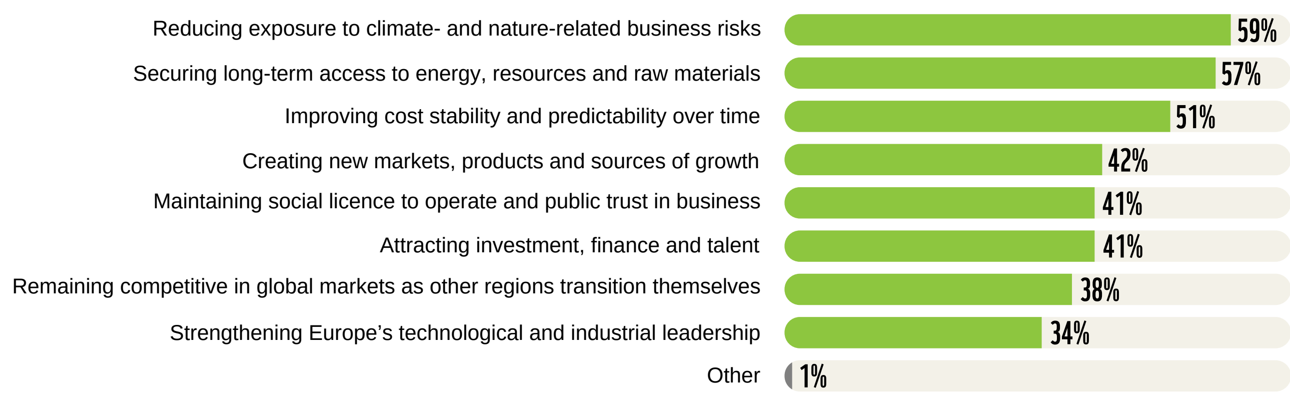
Views on the link between the transition to a low-carbon, environmentally sustainable economy and long-term business competitiveness



91% believe the green transition strengthens long-term business competitiveness, either directly or despite short-term challenges

Question. **Which best reflects your view on the link between the green transition and long-term business competitiveness? Sample size: n=350**

How the transition to a low-carbon, environmentally sustainable economy strengthens business competitiveness



Question. **In which ways does the transition strengthen long-term business competitiveness? Please select all that apply. Sample size: n=320**

These benefits are closely linked to the risks that senior leaders see as currently top of mind for their C-suite and management teams in Europe. While cost pressures **(32%)**, AI **(31%)**, geopolitical instability **(29%)** and weak consumer spending **(28%)** dominate the boardroom agenda, energy costs and supply **(23%)**, and environmental and climate-related risks **(21%)** also feature prominently. In other words, business leaders are assessing the sustainability transition against the backdrop of a broader operating environment in which risk, resilience and predictability are already central concerns.

The perceived benefits of the transition to a low-carbon, environmentally sustainable economy also extend beyond individual businesses. If the EU were to meet its key sustainability goals, leaders anticipate broader economic and societal gains: greater energy security and reduced supply risks **(46%)**, restored environment and biodiversity **(42%)**, reduced exposure to climate, nature, and resource shocks **(42%)**, growth in clean-technology industries and green jobs, and long-term economic growth and prosperity **(both 36%)**.

> Competitiveness is not in conflict with an ambitious environmental framework; it is quite the opposite. Weakening water protection and decarbonisation efforts is against the interests of most industries and all EU citizens.

> Look at all benefits and calculate gains in job creation, public health, and optimism about the future. Do not focus only on costs because they are far lower than the benefits.

Data show that for the great majority of senior European business leaders, sustainability and competitiveness are mutually reinforcing. The transition to a low-carbon, environmentally sustainable economy is seen not primarily as a cost but as a competitive advantage that helps bring resilience, security and long-term growth for businesses and societies.

Editor's note: Respondents were given an opportunity to provide a recommendation to the EU Commission on how to achieve the transition to a low-carbon, environmentally sustainable economy and long-term business competitiveness in Europe. The anonymous answers were extracted as quotes, lightly edited for clarity without altering their meaning, and inserted throughout the report in green colour.

Finding 2:
Reopening EU rules increases uncertainty

Over the past two years and as part of its broader competitiveness agenda, the EU has introduced a series of legislative revisions billed as simplification. While some businesses report positive effects, the survey suggests that many do not see the current approach as delivering its intended benefits.

Fewer than a third of senior European business leaders **(29%)** describe the impact of legislative simplification on their company as positive. More than half **(55%)** describe it as negative or mixed, while the remainder say it is too early to assess or do not know.

Among those reporting negative or mixed impacts, the most frequently cited consequence is increased uncertainty about the future direction of EU policy **(57%)**.

Legislative simplification seen by senior European business leaders

29%

describe its impact as positive

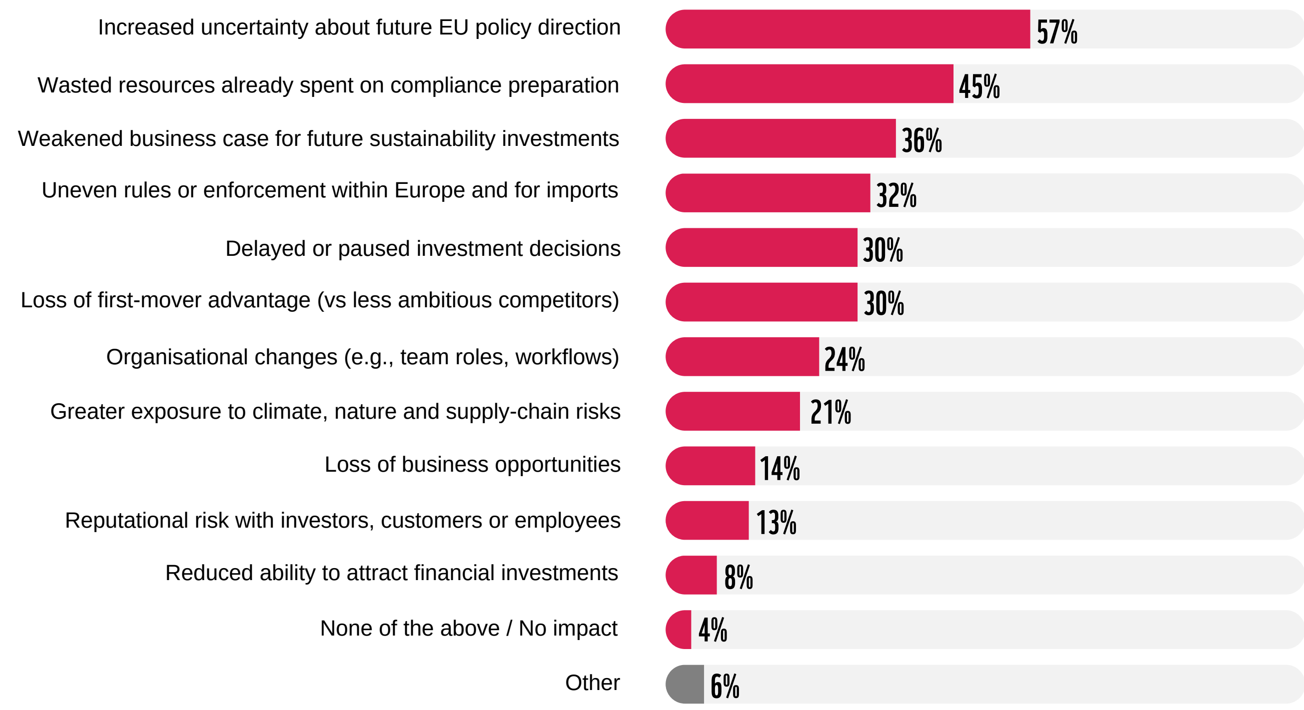
55%

describe its impact as negative or mixed

> It is important to remain consistent and follow a clear course instead of creating continuous uncertainty.

> Stable and long-term policy with clear financial incentives is needed for the transition. If climate policy retreats, it is devastating for companies that have already taken the lead.

Negative or mixed impacts from reopening EU rules



Question. **Which of the following has your business experienced as a result of these recent changes? Ask if negative or mixed impacts felt at "How would you characterise the overall impact of the recent EU efforts to "simplify" environmental and sustainability legislation on your company so far?". Please select all that apply. Sample size: n=194**

Companies that invested in preparing for EU sustainability requirements did so on the assumption that agreed rules would remain broadly stable. They hired staff, adapted internal systems, revised business processes and made investment decisions based on those expectations. When those rules are reopened, the costs are not limited to uncertainty alone.

Nearly half of affected business leaders **(45%)** report that resources already committed to compliance preparation have been wasted due to recent simplification efforts. More than a third **(36%)** say the business case for future sustainability investment has been weakened. Three in ten **(30%)** report delaying or pausing investment decisions, while an equal share **(30%)** say they have lost first-mover advantage to less ambitious competitors.

> The Green Deal was an inspiring vision that provided direction. It is currently being diluted and weakened in too many areas and should be defended. Companies need stability to carry out the transformation. In this respect, the Omnibus has been disastrous because clear direction was abandoned in favour of minor simplifications.

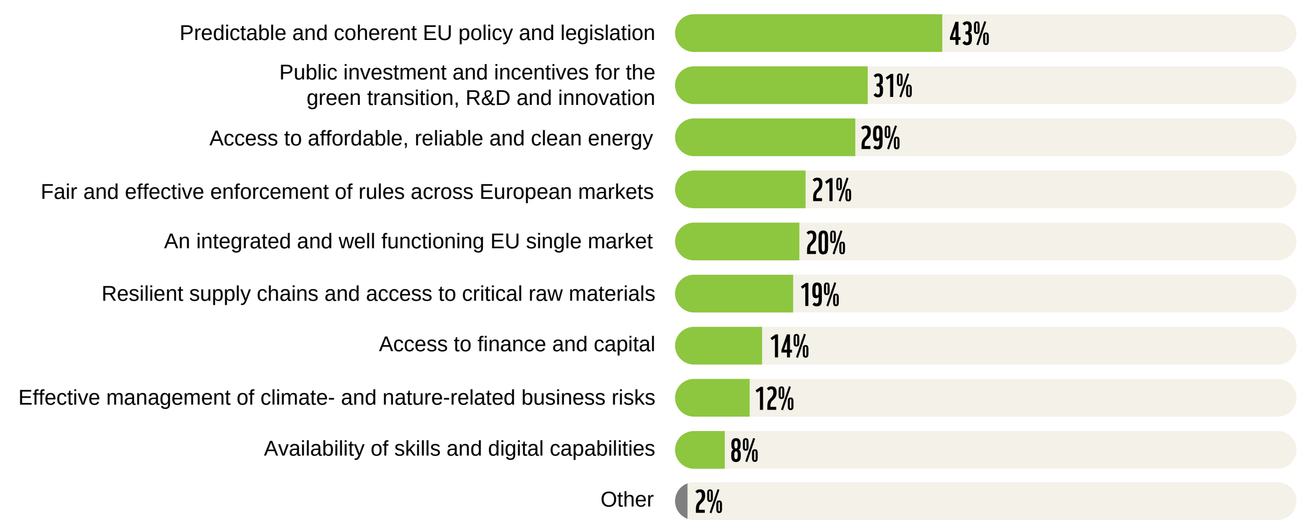
These results indicate that the recent reopening of EU sustainability legislation did not necessarily deliver its intended benefits. Instead, many businesses report being left grappling with greater policy uncertainty, which in turn can weaken investment confidence, delay business decisions and reduce incentives to lead on the transition.

Finding 3:

Wanted: Smart implementation, public investment and access to clean energy

Asked what the EU should prioritise to best support long-term competitiveness, senior business leaders point to predictable and coherent EU policy and legislation more often than to any other option **(43%)**, followed by public investment and incentives for the green transition, R&D and innovation **(31%)**, and access to affordable, reliable, and clean energy **(29%)**. These factors define the operating environment in which companies can decide whether to invest in transition-related technologies, adapt supply chains and build lasting capabilities in Europe, at a time when climate and environmental risks are growing.

Priorities to best support long-term competitiveness in Europe



Question. **Which two of the following should the EU prioritise to best support long-term competitiveness in Europe? Please select two responses. Sample size: n=350**

> Businesses need stable rules, simpler reporting, access to green finance, affordable clean energy, and incentives for innovation and decarbonisation.

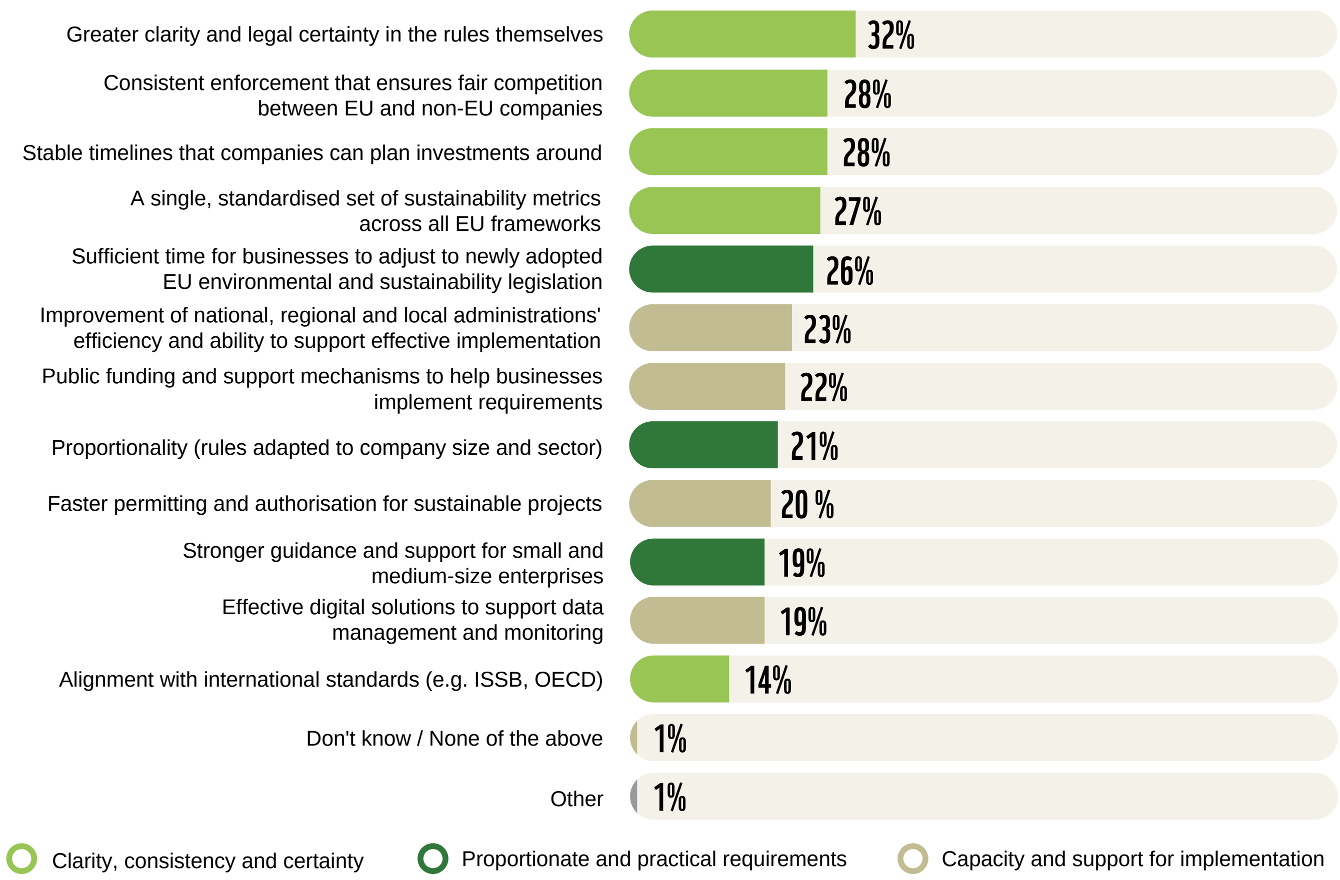
For senior European business leaders, these conditions are the foundations for a more competitive and resilient Europe, well ahead of access to resources, capital, skills or digital capabilities. This is the finding that most directly contradicts the premise of the current simplification agenda. The highly influential report "The Future of European Competitiveness", presented by Mario Draghi in 2024, identified regulatory fragmentation and uncertainty as a structural drag on European competitiveness, but the EU's response has been to reopen a large body of settled legislation. Instead, business leaders are asking for rules to be predictable and coherent enough to invest against.

Delving deeper, the survey also explored what businesses would find most helpful when it comes to implementing environmental and sustainability legislation efficiently.

The responses point to three broad priorities for smarter legislation implementation:

- First, business leaders call for greater clarity, consistency, and certainty in the rules. They want legislation that is predictable, harmonised across frameworks, and enforced consistently across European markets.
- Second, business leaders emphasise the need for requirements that are practical and proportionate. This includes giving companies sufficient time to adapt, ensuring obligations are appropriate to their size and sector, and providing practical guidance to support implementation.
- Third, business leaders highlight the importance of capacity and support. They point to the need for stronger support from public administrations, targeted funding and incentives, more efficient permitting processes, and digital tools that make compliance easier and more effective.

What businesses need most for effective EU sustainability legislation implementation



Question. **When it comes to the EU implementing environmental & sustainability legislation efficiently, what would be most helpful to your business? Please select up to three responses. Sample size: n=350**

These findings provide a clear picture of what businesses want from the EU. Business leaders are calling for certainty and practical rules with effective implementation, public investment and incentives to support the transition, and access to affordable and reliable clean energy.

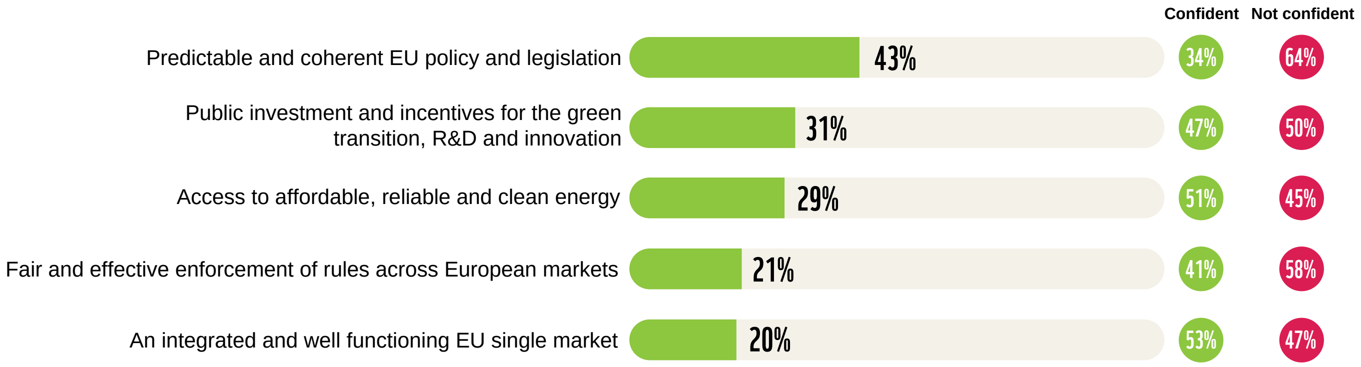
Finding 4:
Mind the gap: Low confidence in the EU's ability to deliver

Business leaders overwhelmingly see sustainability and competitiveness as mutually reinforcing and identify a set of conditions needed to support long-term competitiveness. Yet many express limited confidence that the EU is currently on track to deliver these conditions.

This limited confidence is evident when it comes to the priorities business leaders identify as most important for competitiveness. Among those who prioritise predictable and coherent EU policy and legislation, only **34%** are confident the EU is currently on track to deliver it (compared with **64%** who are not). Confidence is similarly low when it comes to fair and effective enforcement of rules across European markets, where only **41%** are confident in the EU's ability to deliver, compared with **58%** who are not. Among those who prioritise public investment and incentives for the green transition, confidence is also limited, with **47%** believing the EU is on track to deliver, compared with **50%** who do not. Only access to affordable, reliable and clean energy and stronger integration of the EU single market attract slim majorities expressing confidence in the EU's ability to deliver.

In other words, many business leaders lack confidence in Europe's ability to deliver the very conditions they see as most important for long-term competitiveness.

Confidence in the EU to deliver top competitiveness priorities

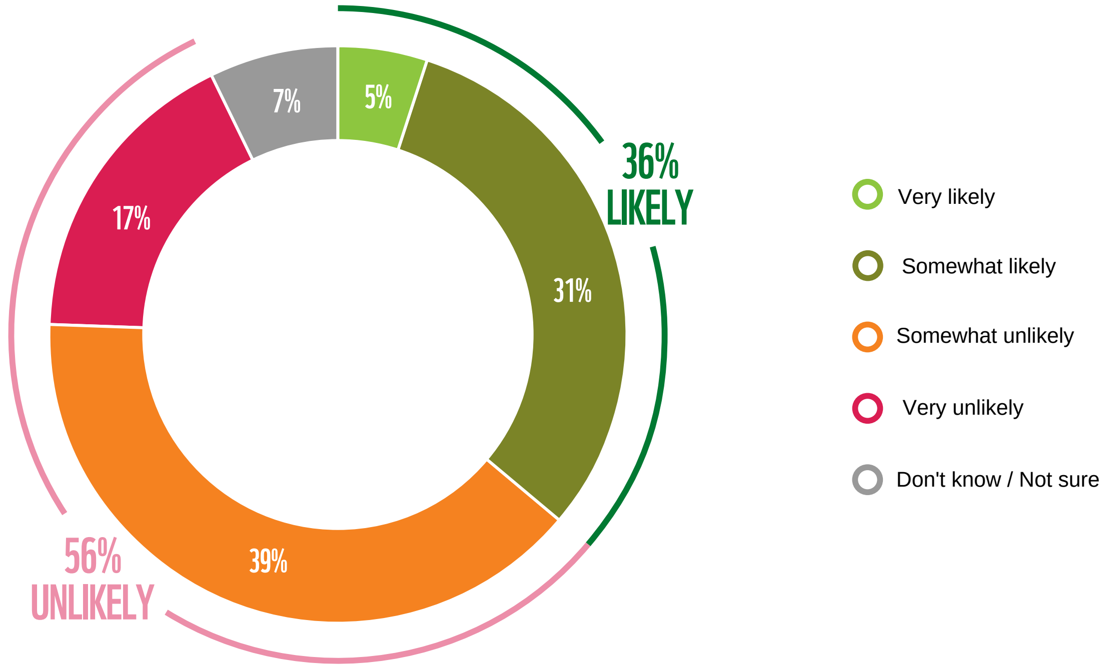


Question. **Which two of the following should the EU prioritise to best support long-term competitiveness in Europe? Please select two responses. Sample size: n=350**

Question. **How confident are you that the EU is currently on track to deliver [PRIORITY] in a way that supports long-term competitiveness? Sample size: n=28-149**

Business leaders express similar doubts about Europe's ability to deliver on its sustainability ambitions. Only 36% of business leaders believe the EU is likely to achieve its key sustainability goals, including climate neutrality by 2050 and reversing biodiversity loss, while 56% consider this unlikely under the current regulatory framework.

Likelihood of the EU reaching its key sustainability goals



Question. **In your opinion, how likely is the EU to meet its key sustainability goals based on the current regulatory framework, including climate neutrality by 2050 and reversing biodiversity loss? Sample size: n=350**

> Preaching wine and then watering it down is not the solution. The EU must remain predictable and reliable in its regulations, and at the moment it is not.

> The promises made must be translated from theory into practice.

Read alongside business leaders' strong belief that the sustainability transition supports long-term competitiveness, these findings suggest that concerns relate less to the goals themselves than to the EU's ability to create the conditions needed to achieve them. A clear delivery gap emerges from the results. Closing that gap, rather than lowering ambition, is what the recommendations that follow seek to address.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WWF EU policy recommendations

Since 2024, much of the political debate on Europe's competitiveness has focused on delaying, revising, and often weakening environmental sustainability rules. Yet senior business leaders increasingly reject this as a false choice. Our survey shows that 91% of respondents believe the sustainability transition strengthens their companies' long-term competitiveness, while over half say recent simplification efforts have made it harder, not easier, to do business.

The findings send a clear message: Europe's competitiveness and sustainability objectives go hand in hand. Rather than defaulting to reopen agreed legislation, policy-makers should focus on creating the conditions needed for a successful transition to a low-carbon, environmentally sustainable economy. This can be achieved with:

- stable and predictable rules, practical support for implementation and effective enforcement;
- a credible pathway to end Europe's exposure to volatile fossil fuel markets that make doing business more costly; and
- public investment that accelerates the sustainability transition crowds in private capital at scale.

© Getty Images

Recommendation 1: Put the cost of environmental inaction at the centre of the simplification agenda

As Europe has endured another terrible summer of record heatwaves, droughts and wildfires, simplification initiatives should be assessed not only against businesses' compliance costs but also against the current and future economic costs of climate change, nature loss and environmental degradation. The Commission and co-legislators must ensure that all simplification proposals, stress tests and legislative reviews fully assess their long-term impacts on climate, nature, water security – which are all fundamental to the competitiveness of many European companies. This is particularly important given that failures in implementing existing environmental legislation already impose an estimated annual cost of around €180 billion on the EU.

Recommendation 2: Refocus the simplification agenda on implementation rather than legislative revision

In many cases, the economic benefits of effective implementation far exceed any short-term gains from revising or weakening existing rules. The EU should improve the delivery of existing legislation rather than repeatedly reopening agreed rules and creating uncertainty for businesses, investors, and public authorities. This means providing businesses and public authorities with clear guidance, implementation support, stronger national and local administrative capacity, and more consistent application across Member States. Success should be measured by improved implementation and better outcomes, not by the number of omnibuses proposed or compliance costs removed.

Recommendation 3: Deliver a level playing field through consistent and cross-sectoral enforcement

Businesses that invest in compliance should not be undercut by competitors or other sectors that do not. They should also not be disadvantaged by repeated delays or changes to legislation, as it will reward laggards and lead to economic losses of first movers. The Commission and Member States should prioritise consistent and cross-sectoral enforcement across the Single Market, ensure effective implementation of laws such as the EU Deforestation Regulation, Water Framework Directive, Corporate Sustainability Due Diligence Directive and Corporate Sustainability Reporting Directive, and apply equivalent environmental and climate obligations to foreign companies selling into the EU market regardless of where they are based. Strong enforcement is essential for both competitiveness and public trust.

Recommendation 4: Align the EU budget with Europe's climate and nature targets

The 2028-2034 EU budget should support the transition Europe has already committed to. At least 50% of EU spending should contribute to climate and environmental objectives, including a dedicated 10% target for biodiversity. Businesses increasingly recognise that healthy ecosystems, water security and climate resilience are economic assets that underpin productive industries, stable supply chains and mid-term competitiveness. LIFE, the EU's only fund dedicated specifically to the environment and climate action, should therefore remain a standalone programme, ensuring dedicated investment in nature restoration and environmental resilience rather than competing with broader spending priorities.

Recommendation 5: Strengthen the implementation of DNSH in the EU budget through clarity and consistency

The next EU budget should apply the Do No Significant Harm (DNSH) principle consistently across all funding instruments. Co-legislators should preserve the Commission's move towards a single, harmonised framework that reduces administrative burden and legal uncertainty for businesses and investors. Exemptions from the principle that would allow continued investments in fossil fuels or activities that undermine biodiversity and freshwater protection should be rejected. Clear funding criteria and greater transparency over what sectors can and cannot receive EU funding are essential to ensure public money supports Europe's long-term competitiveness, resilience and sustainability objectives.

Recommendation 6: Ensure private finance fills the investment gap for the transition

The EU is not short of capital. European retail investors hold around €35 trillion in assets, while the annual investment gap for the Clean Industrial Deal and the green transition is estimated at €0.4-0.8 trillion. The challenge is not the availability of money, but the EU's ability to channel private capital towards sustainable investments.

A major opportunity already exists: most European retail investors want to invest their money sustainably. The EU should help translate this demand into action by providing clear and credible sustainable investment categories, underpinned by robust criteria, and by making sustainable investment options the default choice.

This framework must be built on reliable and comparable corporate sustainability data, transparent and traceable supply chains, sector-specific climate transition pathways, and credible national climate plans. Large companies should also implement sustainability due diligence processes to identify and address negative impacts, while setting science-based climate and nature targets and transition plans that give investors a clearer picture of their direction of travel. At the same time, banks should strengthen their assessment of sustainability-related risks to better understand and manage their exposure.

Recommendation 7: Use the 2040 Climate Framework to end Europe's dependence on fossil fuels

Europe has now experienced two fossil fuel-driven economic crises in four years only. Reducing dependence on imported fossil fuels is no longer only a climate imperative, but a competitiveness, economic security and resilience imperative. The 2040 climate and energy framework should provide businesses and investors with a clear pathway towards a more electrified, efficient, and renewable-powered economy.

The revisions of the Emissions Trading System (ETS) and post-2030 climate and energy framework should provide a clear pathway to reduce Europe's dependence on imported fossil fuels through domestic emissions reductions, electrification, accelerated renewable energy deployment and energy efficiency. The framework should identify where fossil fuel vulnerabilities are greatest across industry, buildings and transport, establish EU and national sector-specific transition pathways, and provide businesses with the long-term investment certainty needed to accelerate the shift to clean energy. The EU should avoid relying on international carbon credits or excessive offsets and instead anchor the 2040 target in real and domestic emissions reductions across the European economy.

Recommendation 8: Translate the Electrification Action Plan into binding EU action

The Electrification Action Plan should be followed by concrete legislative and financial measures that accelerate electrification in industry, transport, and buildings. This should include stronger incentives for industrial electrification, faster deployment of heat pumps and electric mobility, and accelerated investment in grids, storage and flexibility enablers. This would reduce businesses' exposure to fossil fuel price volatility, lower operating costs, and strengthen the competitiveness of EU industries. Electrification must be paired with renewable energy deployment, energy efficiency, and fossil fuel phase out to deliver Europe's climate, energy security, and affordability objectives.

Recommendation 9: Protect the integrity of the EU ETS as a driver of industrial transformation

A strong carbon price provides certainty for companies investing in decarbonisation and underpins Europe's competitiveness, and a robust EU Emissions Trading System (ETS) is critical to achieve this. To ensure a meaningful carbon price in the future, the co-legislators should, as part of the ongoing legislative review, reject proposals that would weaken the agreed goal of cutting emissions by 62% by 2030. They should also reject proposals to delay the phase-out of free emissions allowances for industry or to use carbon removals, instead of reducing emissions from industry. Businesses that have already invested in decarbonisation should not be penalised by policy overhauls. Maintaining a strong ETS also remains essential to achieving the EU's 2040 climate target, crowding in private investment, and reducing fossil fuel dependence.

Under the current rules, all revenues generated through the ETS for Member States must support climate action. Over the next five years alone, the system is expected to generate €120-150 billion - a major opportunity to invest in measures that accelerate industrial decarbonisation, expand renewable energy, and support households through the transition. These revenues shall especially be reinvested in industrial electrification, energy efficiency (notably in buildings), grid infrastructure, and strategic clean technologies.

At the same time, the Industrial Accelerator Act (IAA) and other demand-side measures should create lead markets for low-carbon materials like green steel, ensuring that companies investing in cleaner production are rewarded rather than undercut.

Conclusion

European business leaders are not asking the EU to choose between competitiveness and sustainability. Throughout this research, the two are seen as mutually reinforcing: the transition to a low-carbon, environmentally sustainable economy is understood as a source of resilience, security, and long-term growth, rather than a threat to competitiveness. The main question senior leaders are now raising is whether the EU can create the conditions for its delivery.

The findings point to an evident tension. Businesses recognise the benefits of a successful transition and identify what competitiveness requires: consistent, predictable and implementable policy, targeted public investment, and access to affordable, reliable, and clean energy. Yet confidence that Europe will deliver these conditions is low, and the recent wave of legislative revisions billed as simplification is experienced by many not as relief but as a new source of uncertainty that stalls investment and weakens the business case for action.

Such findings should be considered in light of an important delivery gap, as it carries a cost Europe is already paying. The EU Commission estimates that failing to implement existing environmental legislation costs the EU around €180 billion pey year, against roughly €122 billion needed to close the gap. The cost of non-implementation is roughly ten times higher compared to the estimated savings of €17 billion from all Omnibus packages, combined. Frequent or unpredictable changes to regulation compound these costs by eroding the very policy certainty on which long-term investment depends.

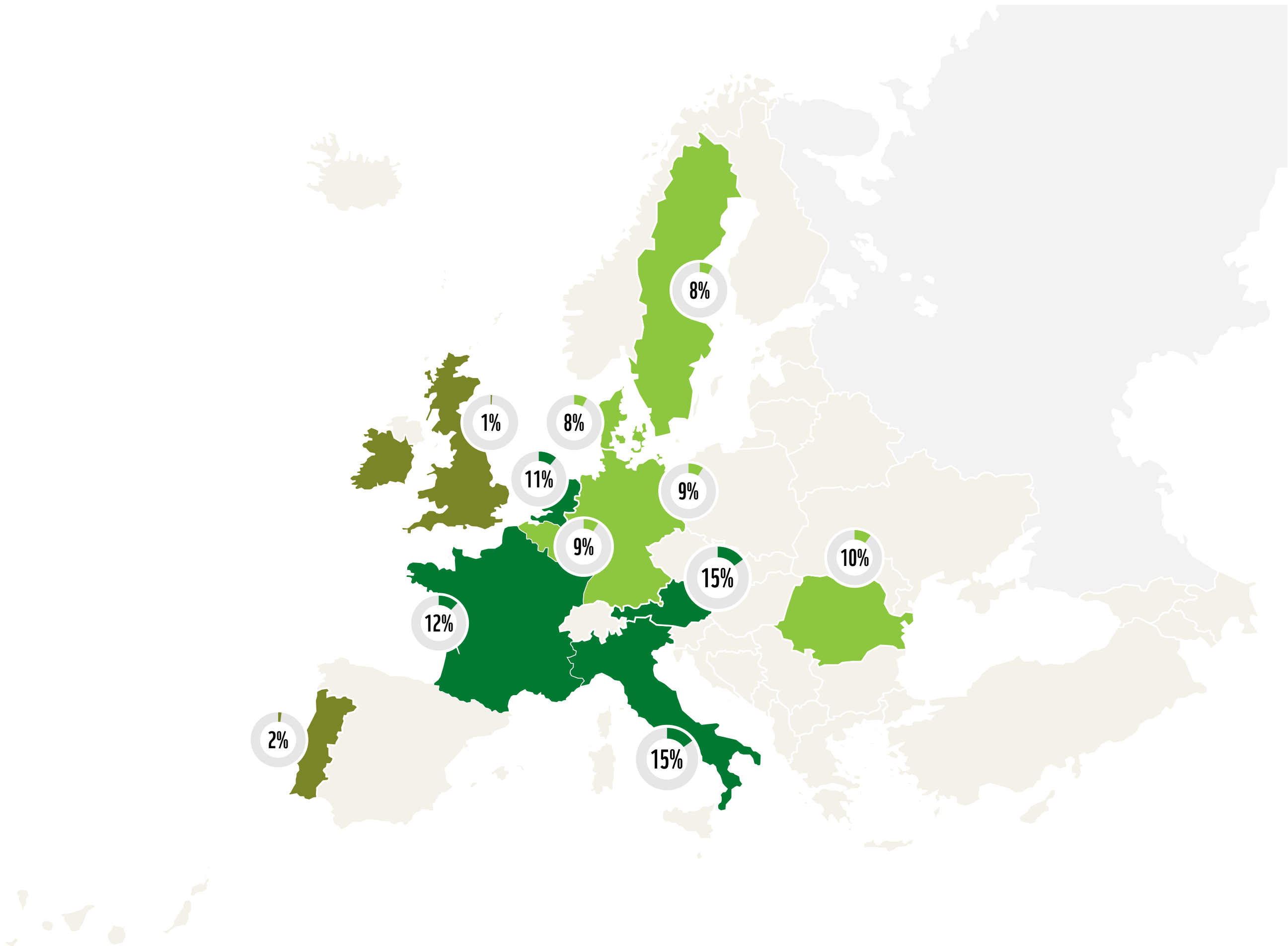
The debate, therefore, is not whether Europe should pursue the transition, but how it can create the conditions for success. The policy recommendations put forward by WWF EPO build on these findings and provide a roadmap for strengthening policy certainty, accelerating investment, and supporting the delivery of a competitive, resilient and sustainable European economy.

Methodology

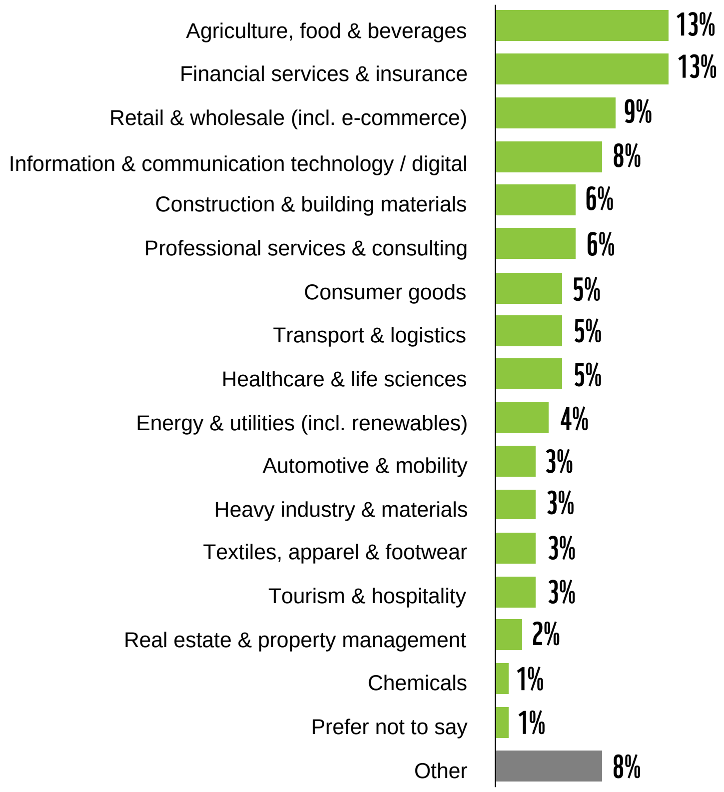
The survey interrogated **350 senior business leaders** based in Europe between **June and July 2026**. The study was designed, conducted and analysed independently by GlobeScan, an insights and advisory firm, in accordance with the ethical and professional standards of ESOMAR.

Find below the survey respondents' location, company sector and size, and seniority level.

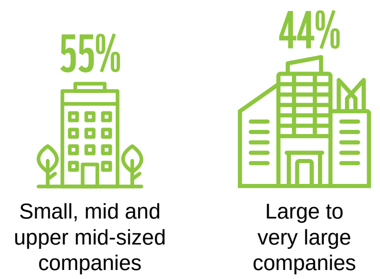
Countries



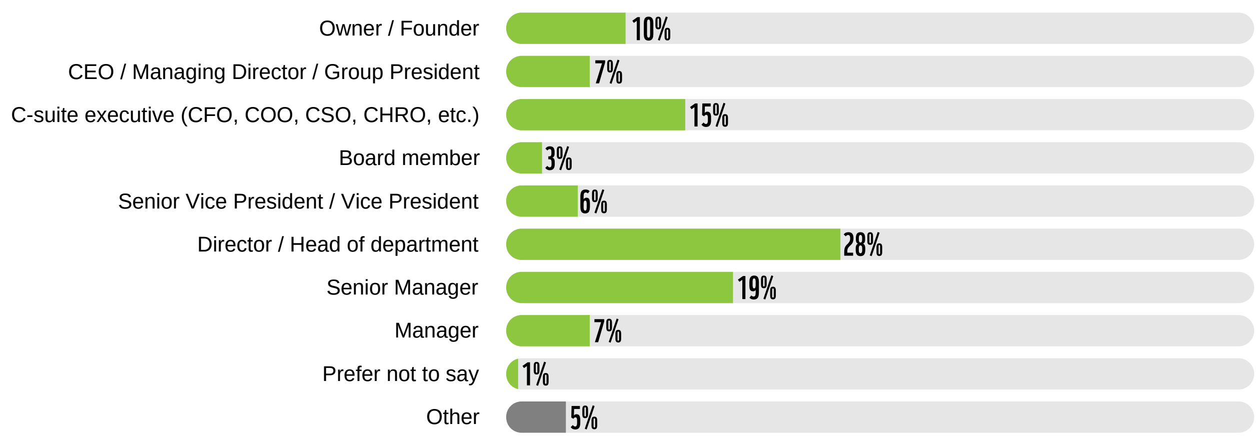
Sectors



Company size



Seniority



Results are reported at the full-sample level.

Quotes from survey respondents:
At the end of the survey, respondents were given an opportunity to provide a recommendation to the EU Commission on how to achieve transition to a low-carbon, environmentally sustainable economy and long-term business competitiveness in Europe*. The anonymous answers were extracted as quotes, lightly edited for clarity without altering their meaning, and inserted throughout the report.

*Open-ended question: If you had the opportunity, what would you recommend to the President of the European Commission, Ursula von der Leyen, regarding the transition to a low-carbon, environmentally sustainable economy and long-term business competitiveness in Europe?

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