Chapter 6
Living up to Europe’s green ambitions

Firms are waking up to the reality of climate change
Physical risks top their list of concerns (% of firms)

Risks abound, as do opportunities (% of firms)

Climate investment is stalling, but the future looks brighter
More firms plan to invest, with firms in low-carbon sectors taking the lead

Information is key for climate investments
Better management practices and climate awareness could catalyse investment (firms in %)

EU firms are more engaged in climate action than their US peers
Firms in Western and Northern Europe are at the forefront (% of firms)

As green bonds gain momentum, a green premium is emerging
Some evidence of a “greenium” (2020=100)

For small businesses, policy support needs to be multifaceted
EU firms to benefit from clarity on the pathway to carbon neutrality (%)

Small firms’ support for decarbonisation picks up
Firms in Eastern and Central Europe, as well as in Southern Europe, have benefitted from public policies (% of firms)

Paving the way to a net-zero economy in Europe
- The European Union could leverage its green leadership, as proposed in initiatives such as the European Green Deal or the Fit for S5.
- Enacting legislation would address uncertainties about the transition to a green economy, allowing firms and local governments to embed climate action into their decision-making.
- To promote climate action, governments need to push for more awareness and better green management practices, especially at small businesses.
- Increased disclosure of climate-related information could encourage investment compatible with a net-zero economy.
- Increased support for sectors and EU regions that are lagging on climate change could speed up the green transition.
- Leveraging the European Union’s leadership on green innovation could help create the technologies needed for a net-zero economy.
- Mobilising private investment and coordinating climate change action with development plans could facilitate a just transition that leaves no one behind.

Source: EIBIS 2021 and EIBIS add-on module (AOM) – sample of EU SMEs in manufacturing and services.

Questions:  Have you received in past three years public support (e.g. government grants, subsidies, subsidised finance from the public sector) to accelerate investments in order to comply with stricter climate standards and regulations? 
Base:  All firms (data not shown for those who said don’t know/refused to answer).
Source: EIBIS 2021 AOM – sample of EU SMEs in manufacturing and services.

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