CLG Breakfast Roundtable:
EU ETS for business and climate

30 September 2026, Brussels – Corporate Leaders Group (CLG) Europe hosted a breakfast roundtable in Brussels on an EU ETS that works for business and climate. With the Commission's proposal to review the EU Emissions Trading System (EU ETS) now on the table, policymakers face a pivotal choice for Europe's industrial future. The roundtable brought together Members of the European Parliament, policymakers, business leaders, investors and experts to discuss the links between the ETS review and Europe's competitiveness, energy security and clean technology leadership.

CLG Europe's Director Ursula Woodburn opened the roundtable by presenting the EU ETS as a key to driving investment in decarbonisation, but one that should be flanked by enabling policies across industry, energy and climate. She stressed that frontrunners had already invested billions based on ETS policy and should not be left "high and dry". **Senior Programme Manager Joop Hazenberg** then set out CLG Europe's view on the proposed revision, calling on policymakers to: keep the carbon price signal strong and stable, protect the integrity of the ETS, use ETS revenues to accelerate industrial transformation, and ensure Europe remains an attractive place to invest in clean industrial production.

Key messages

- **The carbon price is key to making major investments possible.** MEPs and businesses agreed that only a high enough price rewards those who invest, and that the proposal risks weakening it.
- **Frontrunners must not lose out.** Companies that have already invested need certainty and a reward, not a weaker market that protects those without a plan.
- **Revenues should go to decarbonisation.** Businesses broadly support earmarking, but finance ministers remain reluctant.
- **The ETS cannot work alone.** Flanking policies on clean energy, grids, infrastructure, lead markets and the Industrial Accelerator Act (IAA) must support it.

The view from the European Parliament



Gerben-Jan Gerbrandy, MEP (Renew Europe, Netherlands) argued that Europe's real problem is high energy prices caused by its dependency on imported fossil fuels, not the ETS. In his view the ETS is "our most effective instrument" for reducing that dependency. He felt the Commission tried to balance those attacking the ETS and those defending it, but "overshot a little". The proposal is "a bit too much of everything", with a lower LRF, a slower phase-in of CBAM, more free

allowances and international credits. He called credits a way of investing in other economies rather than Europe's. Frontrunners, he said, "are recognised, but they are not rewarded". He backed conditionalities on free allocation to drive innovation, and linked the ETS to Made in Europe provisions with sustainability criteria in the IAA.



Marta Temido, MEP (S&D, Portugal) said the diagnosis presented by CLG Europe is shared across the room. The ETS must remain above all an ambitious climate instrument, and carbon pricing should make production progressively more expensive. It must also reward early movers and investors. "If we weaken it or fail to support it, we risk losing everything." Drawing on her work as shadow rapporteur on the MSR for ETS2, she stressed that revenue-funded investment must complement public and private investment and serve the goal of cutting fossil fuel dependency. Europe needs to "move faster, not slower" while keeping energy affordable and citizens on board.



Michael Bloss, MEP (Greens/EFA, Germany) observed that the Commission proposal was close to the EPP position on the ETS. He noted there is no liquidity problem in the market until 2035 and that both the Dutch and German governments had said 4.4% until 2035 is good. Together with the new reserves, carbon removals and Article 6 credits, a lower LRF creates market uncertainty, "the last thing we need" for investment. He argued that the problem for companies are fossil fuel prices, not carbon pricing. As a result, he stated that the Greens/EFA group will not accept an ETS that weakens the position of those who have invested. He therefore urged companies to make their voice heard, because "the other voices are very loud".

Main takeaways from business and investors

A strong cap and a credible price signal are needed.

Agnes Borg (SSAB) said the ETS is one of the drivers of the company's €5 billion transformation, and that SSAB does not support measures that weaken the carbon price signal. **Andrew Prag (WMBC)** backed an LRF of 4.4% until 2035 and 2.7% after, and an MSR able to absorb surplus. **IIGCC**, whose June letter gathered over 50 investors with €13 trillion in assets, found the proposal "barely maintains the ETS" and warned that weakening it further would undermine Europe's appeal to investors. **Iberdrola** said the flexibility in the proposal "should be the ceiling, not the starting point". **Claire Sandevoir (Vattenfall)** explained that Vattenfall took its 1.6 GW offshore wind investment without subsidies because it trusted the ETS. A slower pace of electrification would push such projects towards contracts for difference, with the cost falling on the state.

First movers must be rewarded with workable conditions

SSAB argued that first movers should not be excluded from funding because they invested early, and that conditions on free allocation must be proportionate. **Cédric Demeeus (Holcim)** supported

mandatory decarbonisation plans but said splitting free allocation 80/20 does not fit annual cost cycles or CBAM. **IIGCC** asked that plans keep a financial link to allocation so investors trust they will be delivered. **Heidelberg Materials** operates the world's only CCS facility in cement and has a final investment decision in the UK, but none yet in the EU because the certainty is not there.

Revenues should finance European industrial decarbonisation

SSAB said the priority should be emission cuts within the EU rather than international credits. **Enrico Cipelli Alves (Bellona Europe)** warned that a weaker ETS could leave very little space for other sectors under the 2040 target and create a large dependency on credits with no quality safeguards. On revenues, **Tapio Laakso (Climate Leadership Coalition)** noted that even businesses critical of the ETS support returning revenues to decarbonisation. **Stefano Miriello (CCSA)** noted that an average of 5% spent on decarbonisation is nowhere near enough and endorsed the 75% proposed by the rapporteur. **Andrew Prag (WMBC)** stressed the need to show citizens where revenues go.

ETS needs enabling conditions to work

Winston Beck (Heidelberg Materials) said "deployment is king" and called for the same energy on lead markets in the IAA as on the ETS. **Stefano Miriello (CCSA)** noted that the proposed industrial acceleration areas leave out CO2 infrastructure. **Peter Handley (CISL)** linked the ETS to Chinese overcapacity and called for strong Made in Europe rules, public procurement and lead markets. **Andrew Prag (WMBC)** summed up that the ETS is the cornerstone of EU policy, "but it cannot hold the house up by itself".

Final conclusions and next steps

Finally, the window to shape the outcome of ETS negotiations is now very short. In Council, there is pressure to reach an agreement before April, and ministers beyond the Environment Council also want a say. Participants highlighted the need to come together on a compromise. As noted by Claudia Gibis, Environmental Counsellor at the Permanent Representation of Germany to the EU, it will be important that stakeholders communicate what their top priorities are, between trajectory, free allocations, or the difficulties in putting in place the right infrastructure. **Joop Hazenberg (CLG Europe)** estimated that we have around two months to agree our political approach. Participants therefore called for joint action to underline that key stakeholders, investors, and energy intensive industries across Europe support a robust ETS. **CLG Europe** will keep working with participants to bring these voices into the negotiations.

CLG Europe is convened by the University of Cambridge Institute for Sustainability Leadership (CISL). CLG Europe develops credible, ambitious positions amongst its membership and deploys effective strategic communications to engage with the highest levels of policy audiences. CLG Europe is diverse in its membership and representative of Europe in both geography and sector, welcoming the innovative talent of SMEs as well as leading established companies. The group works closely with policymakers and maintains a network of sister groups across the EU and works in partnership with some of the largest business-focused organisations in support of climate action as one of the founders of the We Mean Business Coalition, for which it provides the EU policy lead.