

Heatwaves in Europe, their multiple impacts and the role of fossil fuel exit plan and fossil fuel profits taxation

Key messages, July 2026

Inaction is extremely costly. In 2025 alone, heatwaves, droughts and floods caused [estimated losses of 43 billion euros in Europe](#). **We urgently need both adaptation and emissions reduction.** It is key to strengthen the resilience of cities, villages, and rural areas through adaptation measures with equity at the core, including climate-resilient infrastructure and early warning systems. The EU also needs to drastically cut its domestic greenhouse gas emissions and to support the decarbonisation of Global South countries.

Fossil fuels are the main driver of climate impacts. Rapidly phasing out fossil fuels and accelerating the transition to renewable energy is therefore essential to protect people, ecosystems and economies. **The Commission should announce as soon as possible a Fossil Fuel Exit Roadmap** to end our structural dependence on fossil fuels. Transitions to resource-efficient and sustainable consumption and production also have a crucial role to play.

The biggest polluters must pay their fair share. The fossil fuel industry is making record profits. Six leading European oil majors' (Shell, bp, Repsol, TotalEnergies, Eni and Equinor) made a combined [\\$22 billion](#) in the first quarter of 2026 – the highest quarterly profits since 2022. The combined Q1 2026 profits of these six oil majors is 43% higher than the same period in 2025, reflecting a significant windfall from the war on Iran. [According to Global Witness](#), the climate damages cost of emissions from EU-headquartered oil companies' production reached **€1.5 trillion since the Paris Agreement**. And this year's heatwaves are adding to this bill.

The EU should therefore introduce a differentiated corporate tax framework for fossil fuel companies, building on the experience of the 2022 EU solidarity contribution. It is crucial to move beyond one-off or temporary measures towards a more stable and predictable fiscal approach. An EU Regulation would ideally be needed to ensure the coordinated introduction of such a tax in all Member States. This would reduce the scope for aggressive tax planning and tax avoidance (profit shifting) within the EU. To avoid profit shifting and tax abuses, there should be an obligation on fossil fuel companies to report their taxes on a public country-by-country reporting basis. The threshold for fossil fuel companies to report on their tax payments should be lower than the current €750 million consolidated group revenue, and made public to all jurisdictions (as opposed to only EU jurisdictions and named harmful tax jurisdictions under the EU country-by-country reporting Directive). Revenues from fossil fuel profit taxes should be used to finance equitable and inclusive adaptation measures, targeted consumer protection measures, renewable energy deployment and energy efficiency improvements, and for international climate finance. Such a tax would also send a structural signal to investors, discouraging continued investment in fossil fuel activities while allowing space for incentives that support genuine investments in renewable energy and related storage capacity.

Background: Social, environmental and economic impacts of heatwaves

1. Health impacts

Extreme heat is often called the “silent killer”, and in many countries it is underreported. While data about the number of heat-related deaths of the 2026 heatwaves has not yet been reported, we already know that several thousands people may have died (see <https://www.newscientist.com/article/2532825-june-heatwave-may-have-killed-around-20000-people-in-europe/>, <https://www.worldweatherattribution.org/fossil-fuel-emissions-have-rapidly-worsened-europe-an-heatwaves-in-just-a-few-decades/>, <https://wmo.int/media/news/record-breaking-heat-spreads-through-europe>).

Heatwaves deepen inequalities. Uneven access to cooling and heat-resilient housing is increasing vulnerability - about [75% of housing is not equipped to protect people from high external temperatures](#). Older adults, young children, pregnant women, outdoor workers and people unhoused or living with chronic illness are among those [most at risk](#).

2. Disruptions on infrastructure: healthcare, public transport and schools

“Hospitals are under enormous pressure – not just from the surge in patients, but from the heat itself: cooling systems failing, medical equipment malfunctioning, staff who are sleep-deprived because night-time temperatures are not dropping, and wards described as unfit for purpose” (<https://www.who.int/europe/news/item/30-06-2026-statement---get-prepared--current-european-region-heatwaves-are-a-dress-rehearsal>).

Transport systems also experienced heightened service disruptions. “Heat-related train delays or cancellations in many countries (...) stem from buckling asphalt, rail deformation, onboard air conditioning failure, malfunctioning traffic lights, river navigation bottlenecks, traffic slowdowns to reduce the kinetic stress on expanded tracks alongside cable and signaling overheating and melting” (<https://news.un.org/en/story/2026/06/1167839>).

Many schools and kindergartens have been closed, leaving parents with childcare responsibilities in homes that were not necessarily cooler than the schools. When schools are not adapted to extreme temperatures children can struggle to concentrate and fall behind in their studies, impacting their confidence and risking harming their future qualifications and income (See EuroHealthNet [video](#) on heatwaves and schools, spotlighting a school in Spain that received funding for mitigation measures, as well as [one on summer energy poverty](#) in Bulgaria).

3. Stress on energy systems and impact on energy prices

The heatwave is placing stress on European energy systems, on the one hand because high temperatures are pushing cooling demand to its highest level; on the other hand, because of the reduced output from nuclear power plants due to the lower ability of rivers to cool them. (<https://www.worldweatherattribution.org/fossil-fuel-emissions-have-rapidly-worsened-europe-an-heatwaves-in-just-a-few-decades/>). Heat-related infrastructure failures are also more frequent and can cause power cuts.

Moreover, heatwaves and increased cooling load are driving electricity prices upward. An analysis from [350.org](#) shows that the recent heatwave in late June has added more than €700 million to electricity bills in France and Germany in just one week.

4. Impacts on workers and labour productivity

Heatwaves [decrease](#) overall productivity via occupational accidents, reduced productive working hours, a decline in labour availability, and decreased work capacity. The International Labour Organization [explains](#) that labour productivity declines significantly when temperatures exceed 24–26 °C. But even more importantly, heatwaves expose workers to deadly risks. ETUC [indicates](#) that “the EU has seen a 42% increase in heat-related workplace fatalities since 2000, according to [figures](#) provided by the International Labour Organisation – the fastest increase in heat-related deaths at work of any part of the world.”

5. Threats to agriculture, food prices and inflation

A [study](#) for the Agri Committee of the European Parliament has concluded that “losses specific to the agriculture sector account for more than 60% of drought-linked losses, or around €5 billion annually. This is projected to increase in the future.” [Copernicus](#) indicates that “in agriculture, heatwaves can severely damage crops and reduce yields. Higher-than-average temperatures can stress plants, impair their growth, and lead to heat-related diseases. Livestock are also affected, with increased risk of heat stress and reduced productivity. Additionally, marine heatwaves can impact fisheries and aquaculture by increasing water temperatures, which can affect fish health and reduce yields. This results in economic losses for producers and higher food prices for consumers.”

According to the [European Central Bank](#), agricultural annual growth could fall by 1.9 to 7.6 percentage points in most regions in Europe. It recommends identifying sectors and regions most exposed and integrating climate information into short-term economic monitoring tools. Climate change [is expected](#) to generate inflation volatility; a 0.5°C rise in global temperatures [increases](#) five-year-ahead inflation expectations by 0.65 percentage points.

6. Water stress

[According to the EEA](#), “projections show that overall annual rainfall will drop in southern and some western regions of Europe, leading to more water shortages. (...) Longer dry periods and droughts will contribute to lower river flows, reduced groundwater levels and aquifer depletion. This, in turn, can affect water quality, increasing the risk of excessive nutrient accumulation and harmful algae blooms. If water demand is not adjusted to availability, lower rainfall may also affect water supply to households and economic activities like agriculture, industry, energy production and the use of inland waterways”. Copernicus [confirms](#) that analysis and adds that “The reduction in water supply can lead to conflicts over water resources, increased costs for water extraction and distribution, and challenges in maintaining water quality as lower water levels concentrate pollutants (...) Water supply and quality are compromised during heatwaves. (...) higher temperatures can promote the growth of harmful algal blooms in water bodies, which can contaminate drinking water supplies and pose health risks to both humans and wildlife.”

7. Vegetation and wildlife

The extraordinary heatwave in Europe is accompanied by localized violent storms and in some areas by worsening drought and the risk of wildfires” ([World Meteorological Organisation](#)). Extreme warm ocean temperatures can have profound effects on marine ecosystems, weather patterns, and economic activities. Marine heatwaves stress marine life, leading to mass die-offs of fish, marine mammals, and seabirds, and coral bleaching (<https://research.noaa.gov/in-hot-water-exploring-marine-heatwaves/>). The impacts of heatwaves on wildlife and vegetation have reportedly been less researched, but existing studies show devastating consequences (<https://www.sciencedirect.com/science/article/pii/S1462901125000401>).

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