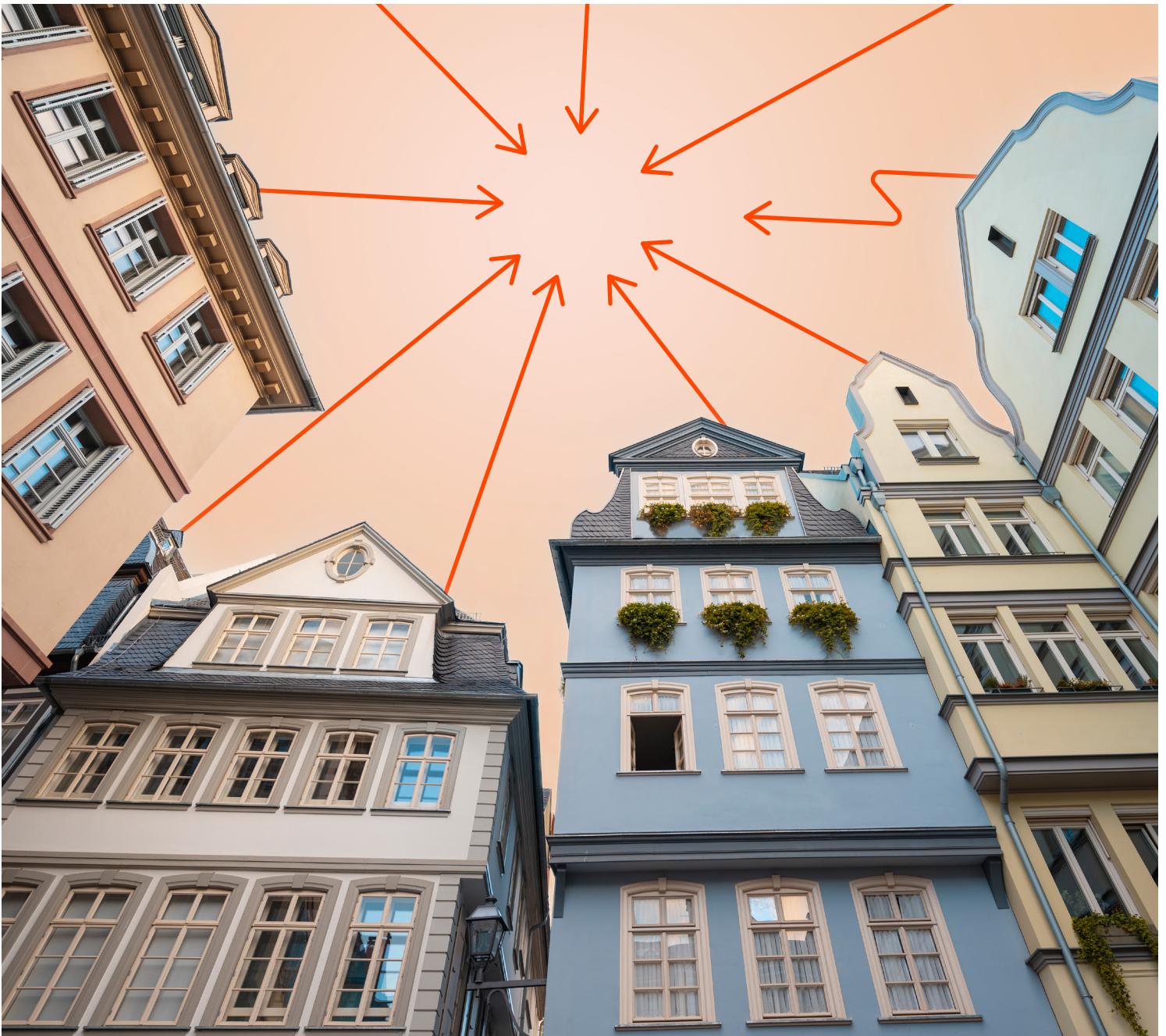


# State of Risk & Compliance for European SMBs

2026



# Europe's small-to-medium-sized businesses – spotlight on 'State of Risk & Compliance' survey findings

## Summary

Small-to-medium-sized businesses (SMBs) are a hallmark of many global economies, and Europe is no exception. Yet compared to similar-sized global peers, European SMBs face some unique challenges. Europe's language differences, cultural norms, regulatory burdens and international operating outlook can make compliance for even the smallest of the region's organizations a distinct endeavor.

Drawing on survey data from [NAVEX's 2026 State of Risk & Compliance Report](#), this spotlight provides a unique view of compliance for SMBs in some of Europe's largest economies. To maintain statistical rigor, our reporting includes organizations between 100 and 5,999 employees that are large enough to muster compliance resources in some cases, but far smaller than the major enterprises known across the globe. We include survey data from risk and compliance leaders in three of the region's largest economies – the United Kingdom, France and Germany.

This data should give a sense of what makes compliance unique for European SMBs – and shed light on opportunities to build stronger ethical and compliant cultures.

## State of Risk & Compliance Report survey methodology

NAVEX and alan. agency, a leading London-based B2B marketing agency, surveyed 1,179 senior executives at businesses across a range of industries globally, including healthcare and social assistance, manufacturing, professional, scientific and technical services, retail trade, utilities and more. The fieldwork by iResearch Consulting Group took place between January 5 and February 5, 2026.

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## Findings

### **Compliance holds sway in Europe, but regulations are one clear challenge**

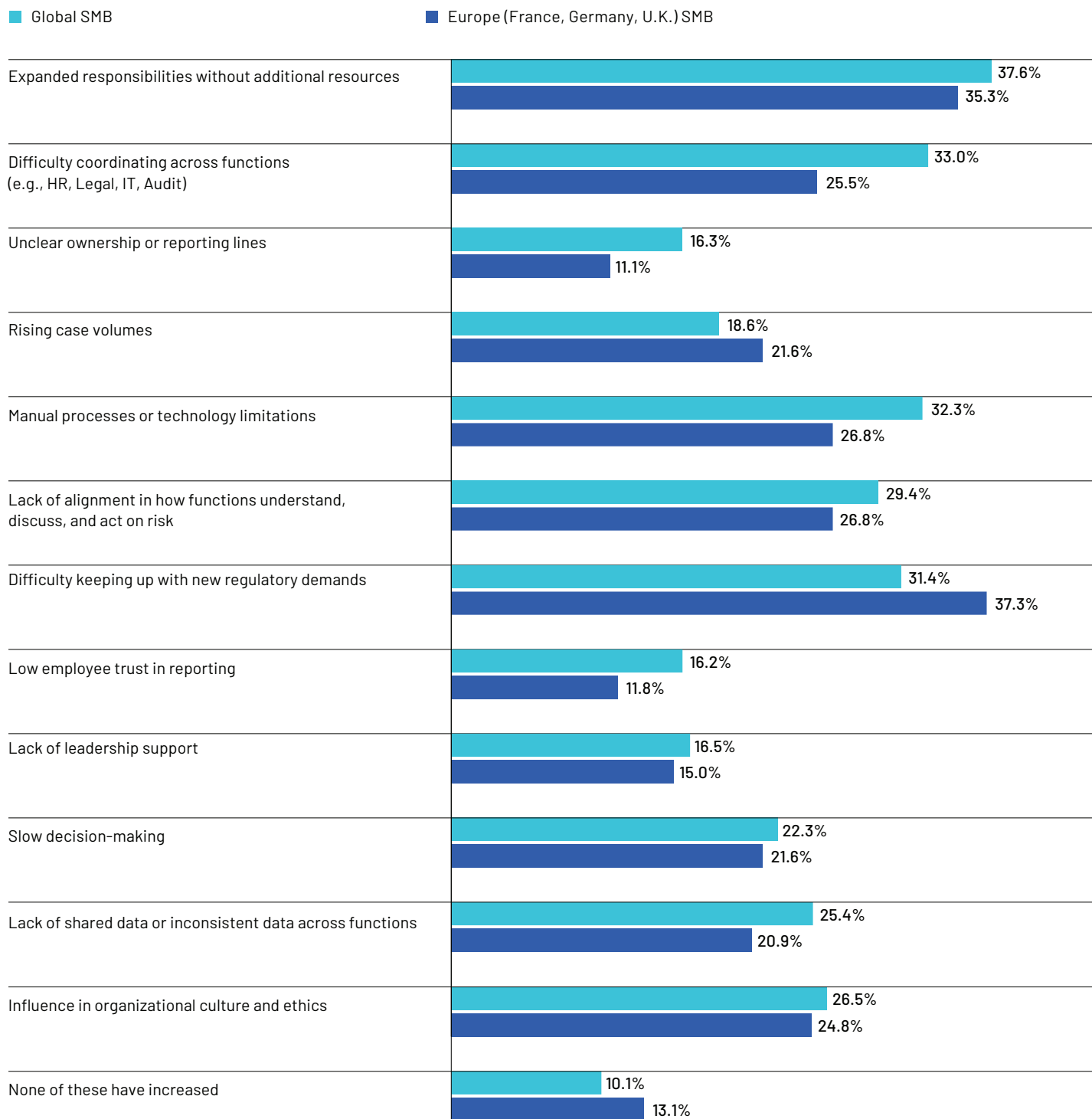
When asked what internal challenges have increased in compliance over the past year, leaders at European SMB organizations indicated significant differences from global averages in several measures.

Overall, Europe's businesses appeared less likely to be facing increasing challenges related to Compliance's role and influence. While about one-third of respondents globally cited increased challenges coordinating across functions, only about one-quarter of the SMB cohort in Europe said the same. This difference continued in areas like employee trust in reporting, lack of alignment in understanding risk and in ownership or reporting lines. Overall, a picture emerges where Compliance's influence within Europe's SMB organizations is facing less disruption than for peers globally.

Still, challenges do exist. A significantly greater share of European SMB respondents said "difficulty keeping up with new regulatory demands" had increased. This may come as no surprise for France and Germany given developments like the implementation of the European Union AI Act. Yet not only do those changes impact many U.K. organizations operating in or doing business within the EU, the U.K. itself is experiencing regulatory shifts, including measures introduced under the [Economic Crime and Corporate Transparency Act](#).



## WHICH OF THE FOLLOWING INTERNAL CHALLENGES HAVE INCREASED IN COMPLIANCE OVER THE PAST 12 MONTHS?



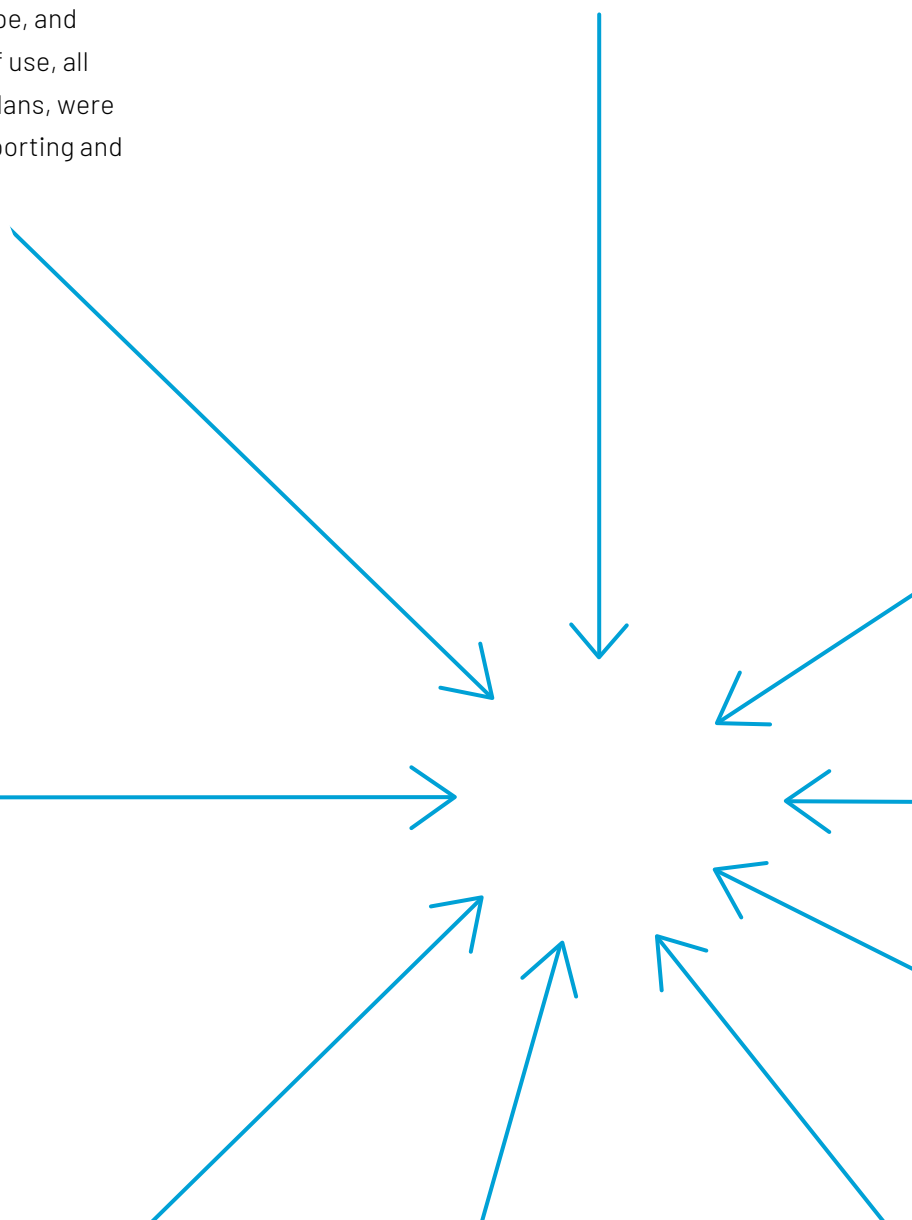
## Compliance AI adoption higher for European SMB cohort

Our surveying showed European SMB organizations (100-5,999 employees) were more likely in every measure but one – policy administration – to expect to use AI in their compliance program in the next 12 months compared to global averages.

Overall, the global SMB cohort was most likely to expect to use AI for training purposes in the next year. This included 48.4% for Europe, and globally, 44.0%. Other common areas of use, all where Europe was more likely to have plans, were investigations support and program reporting and analytics.

The greatest difference was in expectations for board reporting. More than a quarter (25.5%) of Europe SMB group expected to use AI in the area, compared to just 16.5% globally.

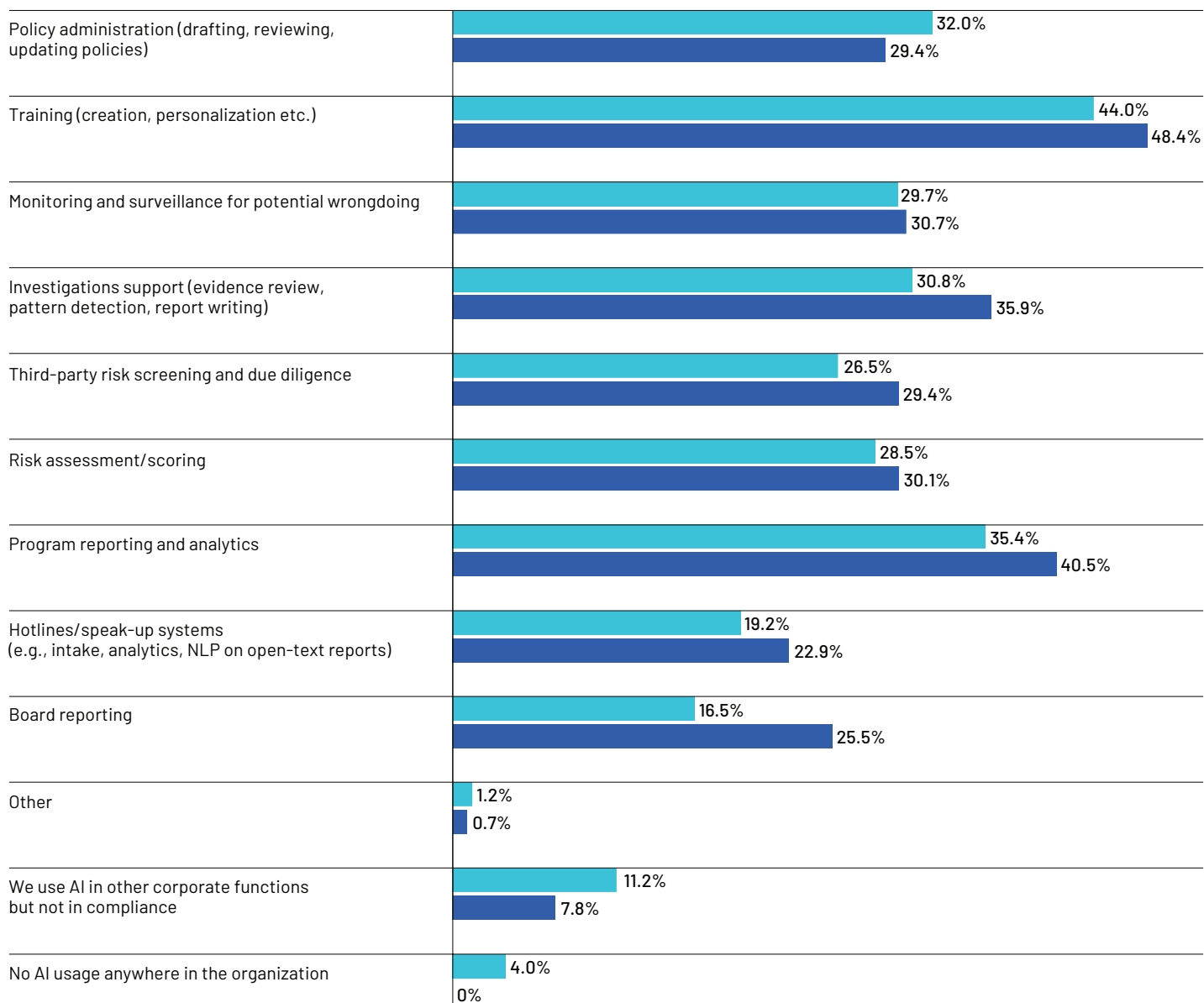
This higher rate of adoption comes interestingly as the EU AI Act continues its phased implementation. Though the U.K. is outside the jurisdiction, many organizations with some portion of business involving the EU are impacted. AI regulations continue to roll out across the globe, yet many remain relatively unsettled compared to the EU's sweeping rules.



## WHICH OF THE FOLLOWING AREAS OF YOUR COMPLIANCE PROGRAM WILL USE AI IN THE NEXT 12 MONTHS?

■ Global SMB

■ Europe (France, Germany, U.K.) SMB

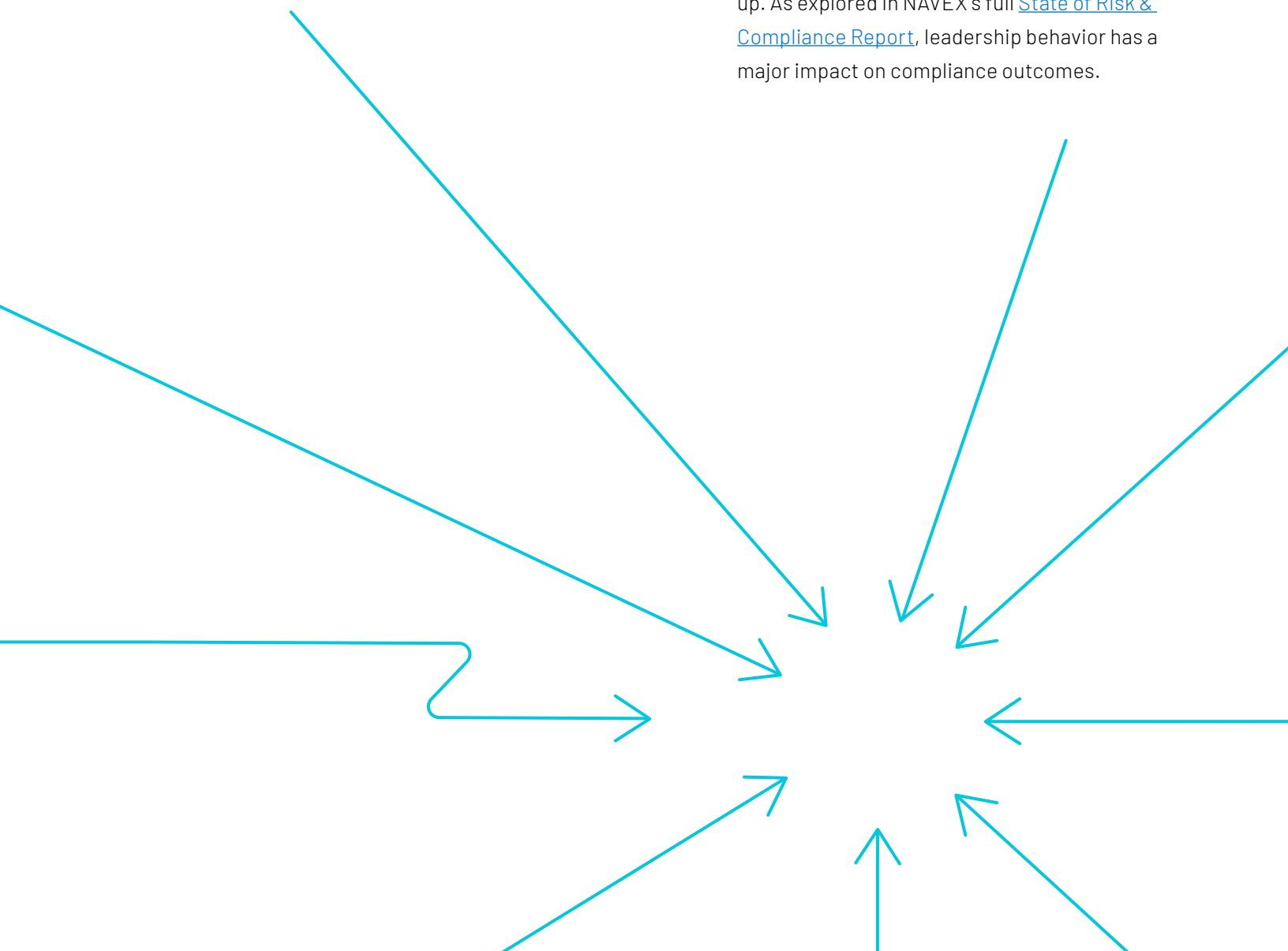


## Many European businesses lack anonymous reporting channels

European SMB organizations are mixed in their relative likelihood to have certain elements in place to promote a strong speak-up culture. Yet they share one notable similarity to global peers – many firms lack reporting channels with anonymous features, an important component of many effective speak-up and compliance programs.

Fewer than half of European SMB respondents – 47.7% – said their organization has such channels in place, which was even lower than the global SMB rate of 54.0%. Even for the very smallest of organizations, a trusted mechanism through which individuals can raise concerns and report misconduct is critical due diligence. It is also often mandated under various regulatory schemes, making this low rate quite surprising.

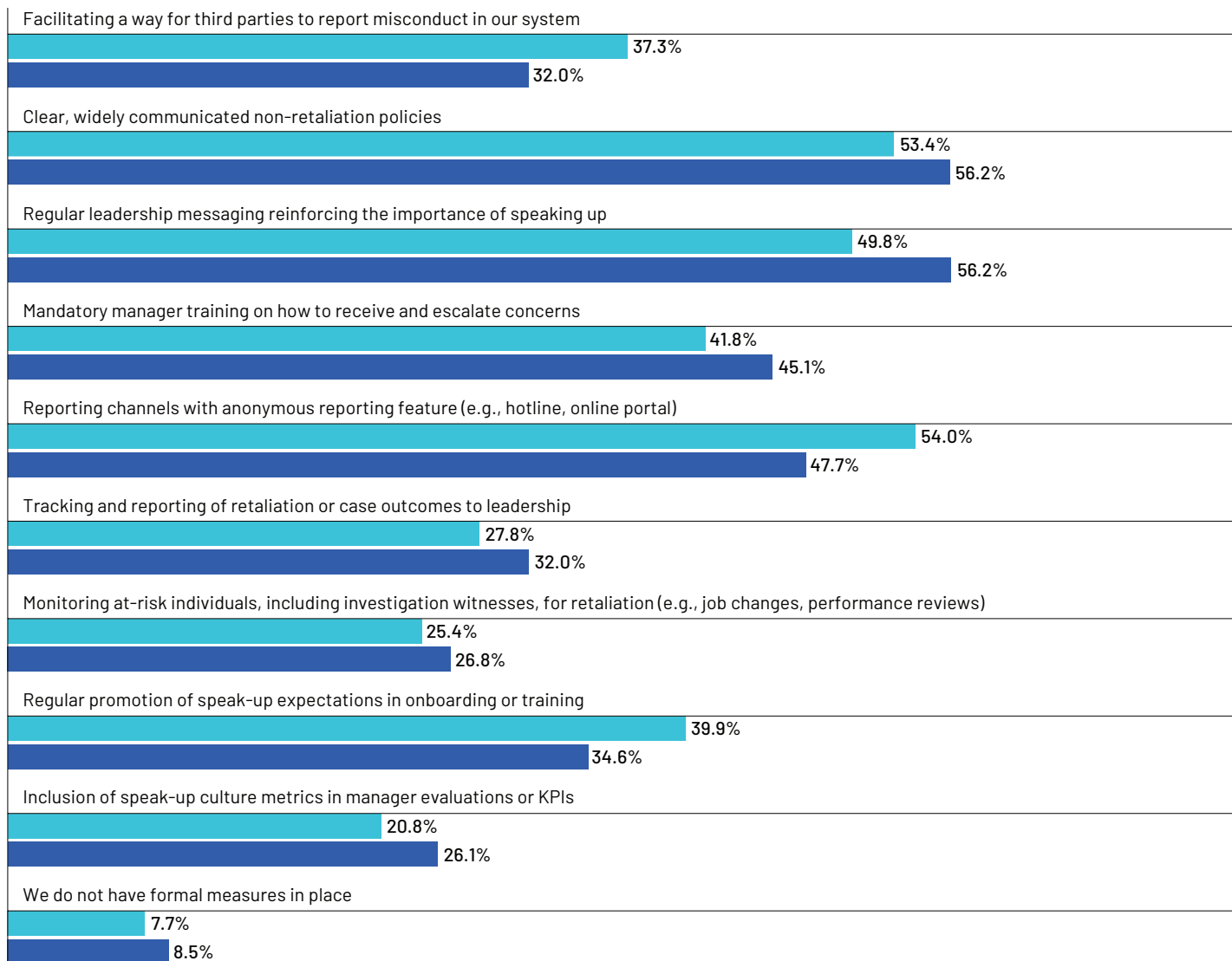
Among the brighter signs for European businesses was the greater likelihood of regular leadership messaging reinforcing the importance of speaking up. As explored in NAVEX's full [State of Risk & Compliance Report](#), leadership behavior has a major impact on compliance outcomes.



## WHICH OF THE FOLLOWING MEASURES (IF ANY) DOES YOUR ORGANIZATION HAVE IN PLACE TO PROMOTE A STRONG SPEAK-UP CULTURE?

■ Global SMB

■ Europe (France, Germany, U.K.) SMB



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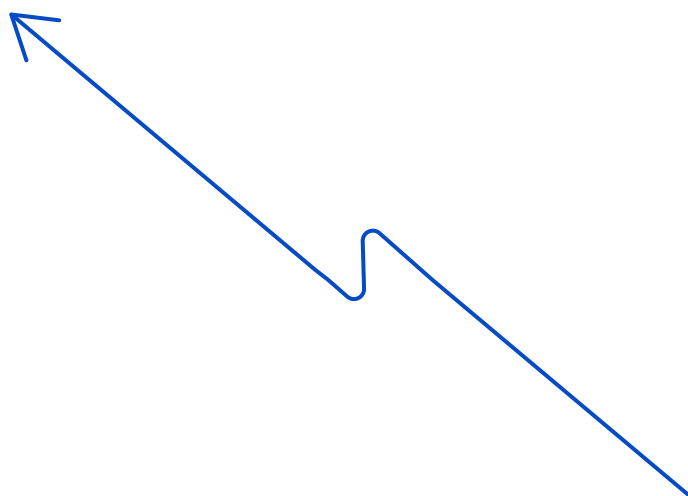
## Conclusion

Europe's SMB organizations face a distinctive compliance environment. Significant regulatory burden is one factor, but the simple realities of operating in a multicultural, multi-lingual, global market makes compliance unique for these firms that play a huge role in the region's economic activity.

Not surprisingly, European SMB organizations are also special compared to global norms. Our spotlight shows fewer emerging challenges with issues around Compliance's role and influence. Challenges remain, however, including in rising to meet regulatory headwinds in the EU and in broader Europe.

Meanwhile, SMB organizations in Europe are leaning more heavily into AI in their compliance programs. This innovation may help the group establish best practices that influence those around the globe. Yet the fundamentals may need attention – even more so than the rest of the world, the presence of anonymous reporting channels is lacking.

Taken together, the findings depict European SMBs as navigating a complex period of change from a position of relative confidence – but with important work to come. The organizations best prepared for what comes next will be those that can balance technology adoption with trusted speak-up mechanisms, strong compliance fundamentals and the ability to adapt to Europe's evolving regulatory landscape.



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