

Business and Investor Sign on Letter Calling on the EU to Set a Greenhouse Gas Emissions Reduction Target of at least 90% by 2040

Dear EU Heads of States and Government,

CC: European Council, European Commission, Members of the European Parliament,

We write to you as business leaders and investors, who have been long-term proponents of the EU setting robust climate targets. These targets provide us with a clear course to step up action and investments to transition towards more sustainable business models and rapidly lower our emissions. Ultimately, climate risk is an economic and financial risk.

The endorsement by the European Commission of a 90 per cent greenhouse gas emissions reduction in its Communication is a step in the right direction.¹ A robust target that is backed by a smart, ambitious and coherent package of supporting policies will decarbonise our economies, drive innovation and economic opportunity for companies in all sectors. It will enable the creation of quality jobs and cost savings that citizens rightly expect, while improving the health and well-being of its people. A well-designed target should also be consistent with the just transition where costs and benefits are equitably distributed and the most vulnerable are protected.

We call on the EU to build on the recommendations of the European Scientific Advisory Board on Climate Change (ESABCC)² and the Commission's Communication, to set a target of at least 90 per cent net reduction in greenhouse gas emissions by 2040 compared to 1990 levels. This science-based target reflects the urgency and benefits of near-term action, enabling steep emission reductions before 2040. 90% should be considered as the floor rather than the ceiling for ambition. Mitigation should be considered the absolute priority with actions to step up the decarbonisation of all economic sectors, accelerate the clean energy transition and increase energy efficiency. Coherently with the prioritisation of mitigation, the maximum share of emissions expected to be eliminated through nature-based carbon removals and technological removals should be assessed. Having clarity on the role these solutions are expected to play would improve transparency and accountability by making the assumed maximum carbon removal reliance explicit.

The debate on the target comes in a period of reflection on the EU's future strategic agenda. **A robust climate target and decarbonisation of our economies will improve the EU's resilience to shocks, energy security and competitiveness. The target, and climate more broadly, should be considered as a central element of the overall strategy to achieve these objectives.**

Increasing the EU's Competitive Sustainability

The evidence shows that the global economic opportunity from the development of clean technologies alone is enormous.³ **Integrating the target into a comprehensive industrial strategy, guided by a**

‘competitive sustainability’ approach, will allow the EU to lead the global race of development of sustainable industrial ecosystems and industries.⁴ This should first be done with a focus on the most cost- and energy-efficient options and an integrated approach, bringing together innovation, infrastructure, interconnected value chains and initial deployment of climate neutral technologies on the single market. Such an approach will also enable the EU to unlock the wall of private capital needed to meet its investment needs. At the same time, policies should support an increased supply and demand for low carbon materials.

Enhancing Energy Security with the Clean Energy Transition

The target will support the EU’s overall strategy to deeply enhance energy security for citizens and businesses by accelerating the clean energy transition and energy efficiency. The Commission’s Communication demonstrates that a target of 90% would correspond to a full decarbonisation of electricity in the second half of the 2031-2040 decade. We call for the EU to set a policy environment that will phase out fossil fuels, accelerate electrification and the decarbonisation of the power sector with renewables and low-carbon electricity, ensure access to flexible energy infrastructure, and large scale roll out of energy efficiency measures in industry and buildings. In this context, robust carbon pricing should continue to incentivise investments in decarbonised energy and solutions. Fossil fuels subsidies should be eliminated, freeing up finance to be reallocated for the development of clean technologies.

Stepping up Implementation

As we enter two decisive decades to achieve climate neutrality by 2050, the **EU needs to build on the legacy of the Green Deal and an effective implementation of the Fit for 55 Package.** Businesses are ready to play a key role in translating climate targets into concrete action with the support of enabling measures and policies. They are taking action to decarbonise their operations and value chains by increasing efficient use of energy, switching to low-carbon energy, transitioning to electric vehicles and developing low-carbon materials. Meanwhile, many investors are setting net zero strategies and working to integrate climate risks and opportunities into their individual investment decisions and processes *(Please refer to the Annex below for more information)*

Harnessing the Decarbonisation Potential of the Circular Economy

The EU should **harness the opportunities presented by the circular economy and eco-design to tackle emissions stemming from the production of materials.** Developing and rapidly scaling up circular economy solutions through systemic circular designs, repair, reuse and recycling can reduce the demand for raw material extraction and emissions from energy-intensive production processes. The European Commission’s report on critical raw materials and the circular economy highlights the important role that circularity can play in ensuring security of supply, whilst also greatly reducing energy use.⁵

Building Synergies between Climate and Nature

Businesses recognise that nature restoration and sustainable land use will play a key role in increasing the EU's ability to mitigate and adapt to climate change. We cannot reach our climate targets without nature or indeed our nature targets without tackling climate. **The 2040 climate target should create a clear signal to businesses and national governments of the importance in investing in nature-based solutions and the transition to a nature positive economy.**

Strengthening the EU's International Leadership

Agreements from the first Global Stocktake concluded at COP28 have underlined the importance of accelerating emissions reductions. **A strong target will allow the EU to maintain its climate commitments and play a leading role to phase out fossil fuels, triple the rate of deployment of renewables and double energy efficiency rates globally.**⁶ The EU should also deploy trade policies in line with climate objectives to create larger markets for more sustainable products and materials.

As business leaders, we are ready to continue the dialogue on the target with policymakers. By working hand in hand, we believe that the EU can set and achieve a robust 2040 target for the benefit of climate, people and the economy.

Yours sincerely,

Signatory businesses and investors:

1. **Caspar Herzberg**, CEO, AVEVA
2. **Luc Rémont**, CEO, EDF
3. **Miguel Stilwell d'Andrade**, CEO, EDP
4. **Markus Rauramo**, President and CEO, Fortum Corporation
5. **Kristian Elgey**, CEO, HH Global
6. **Ignacio S. Galán**, Executive Chairman, Iberdrola
7. **Jesper Brodin**, CEO, Ingka Group (IKEA)
8. **Kasper Fangel**, Group CEO, ISS
9. **Gene Murtagh**, CEO, Kingspan Group
10. **Alexander Birken**, CEO, Otto Group
11. **Alistair Phillips Davies**, CEO, SSE plc
12. **Hein Schumacher**, CEO, Unilever
13. **Anna Borg**, CEO, Vattenfall
14. **Jose Angel Tejero Santos**, Chief Financial & Sustainability Officer, ACCIONA
15. **Ramon Arratia**, Global VP & Chief Sustainability Officer, Ball Corporation
16. **Alessandro Brussi**, CFO, Danieli C. Officine Meccaniche S.p.A.
17. **Javier Losada**, Chief Sustainability Officer, Inditex
18. **David Ducarme**, COO and Deputy CEO, Knauf Insulation
19. **Mirella A. Vitale**, Senior Vice-President, ROCKWOOL Group
20. **Daniel Schmid**, Chief Sustainability Officer, SAP
21. **Joe Franses**, Vice President Sustainability, Coca Cola Europacific Partners
22. **Matt Brittin**, President EMEA, Google
23. **Tim Christophersen**, VP Climate Action, Salesforce
24. **Harry Verhaar**, VP Global Public & Government Affairs, Signify
25. **Viktoria Karsberg**, VP Head of Corporate Identity and Group Communications , SSAB
26. **Fleming Voetmann**, Vice President, External Relations & Sustainability, VELUX
27. **Leyla Ertur**, Head of Sustainability, H&M Group
28. **Linda Skogsberg**, Sustainability Communications Lead, Polestar
29. **Francesc Casajuana Cuscó**, General Counsel, DANONE S.A.
30. **Joakin Bystrom**, CEO, Absolicon
31. **Sebastian von Stauffenberg**, CEO, AGI AG für Isolierungen
32. **Jens Munch Holst**, CEO, Akademiker Pension
33. **Angus Whiteley**, CEO, Stafford Capital Partners
34. **Jesus Llinares**, CEO, ANDREU WORLD
35. **Eva Halvarsson**, CEO, AP2 (Andra AP-fonden)
36. **Fredric Nyström**, Head of Sustainability & Governance, AP3 - Third Swedish National Pension Fund
37. **Johan Florén**, Chief ESG and Communication Officer, AP7 (Sjunde AP-fonden)
38. **Davide Dal Maso**, CEO, Avanzi
39. **Josef Mikl**, CEO, Batimat Isoliertechnik
40. **Frederic Capdeville**, CEO, Bricocenter Italia
41. **Kenneth Van den Bergh**, CEO, Carbon+Alt+Delete
42. **Roland Felder**, Managing Director, Carl Rinke GmbH & Co. KG
43. **Andrei Brumaru**, CEO, Carmistin
44. **Tessa Younger**, Stewardship Lead, CCLA

45. **Suvi Kaksonen**, COO, CEMAsys
46. **Peter Sweatman**, CEO, Climate Strategy
47. **Lenka Mynářová**, Chairman of the board, Datamar International s.r.o.
48. **Karine Hirn**, Partner, Chief Sustainability Officer, East Capital Group
49. **Carlota Esguevillas**, Head of Responsible Investment, EdenTree Investment Management
50. **Ophélie Mortier**, CSIO, DPAM
51. **Gaëlle Morizot**, ESG Director, EMZ Partners
52. **Yves Desmet**, CEO, D&D Isoltechnics
53. **Anna Varpula**, Director of Responsible Investment, Elo Mutual Pension Insurance Company
54. **As Tempelman**, CEO, Eneco
55. **Eduardo Calderon**, CEO, Enerfip España S.L.
56. **Aleksandra Palinska**, Executive Director, Eurosif - the European Sustainable Investment Forum
57. **Germán Granda**, Managing Director, Forética
58. **Marko Guček**, CEO, GoOpti, d.o.o.
59. **David Blood**, Senior Partner, Generation Investment Management LLP
60. **Gerald Cooney**, Chair, Greater Manchester Pension Fund
61. **John David**, Head of Greenbank, Greenbank
62. **Joanna Price**, Chief Corporate Affairs Officer, Heineken N.V.
63. **Darius Maikštėnas**, Chair of the Management Board and CEO, Ignitis Group
64. **Ilkay Özkisaoglu**, DER Social CEO, IMBEO Passionate B2B Partnerships
65. **Remco Boerefijn**, CEO, IPCOM
66. **Konrad Maurer**, President, Issol Suisse
67. **Sergio Andreis**, Executive Director, Kyoto Club
68. **Angel Batalla**, Founder & CEO, Last Mile Team
69. **Giannalberto Cancemi**, CEO, Leroy Merlin Italia
70. **Jacek Hutyra**, Chief ESG Officer, Leroy Merlin Polska
71. **Patrick O'Hara**, Director of Responsible Investment and Engagement, LGPS Central
72. **Roy Bedlow**, Chief Executive, Low Carbon
73. **Markus Biland**, General Manager, MABI AG
74. **Gert Ysebaert**, CEO, Mediahuis
75. **Ignacio Muñoz de Juan**, CEO, Molecor Tecnología, S.L.
76. **Eric Pedersen**, Head of Responsible Investments, Nordea Asset Management
77. **Kaisa Lipponen**, SVP Sustainability, Communications, HSE, Paulig Group
78. **Jon Johnsen**, CEO, PKA
79. **Paul Ashton**, Managing Director, Powertherm Contract Services Ltd
80. **Antonio Potenza**, CEO, Proodos Impact Capital
81. **Lars Hugo Linden**, CEO, Ragn-Sells
82. **Alberico Tremigliozi**, CEO, Re2n srl
83. **Arturo Revenga Shanklin**, CEO, Revenga Smart Solutions
84. **Andrea Bori**, CEO, Riva e Mariani Group SpA
85. **Carola van Lamoen**, Head Sustainable Investing, Robeco Institutional Asset Management
86. **Daniele Battilocchio**, CEO, SICOI Srl Società Benefit
87. **Christian Pho Duc**, CTO, SMARTENERGY Group AG
88. **Leonardo Moreno**, CEO, SOLARPACK
89. **Emine Isciel**, Head of Climate and Environment, Storebrand Asset Management
90. **Maurizio Fieschi**, CEO, Studio Fieschi & soci Srl
91. **Enrique Tombas**, CEO and President, Suma Capital SGEIC

92. **Joana Borges Coutinho**, Managing Partner, Sustain Azores Lda
93. **Sandra Metoyer**, Head of Sustainable Investments, Velliv
94. **George Latham**, Managing Partner, WHEB Asset Management

Business and investor networks and associations:

95. **Rachel Solomon Williams**, Executive Director, Aldersgate Group
96. **Aron Cramer**, President and CEO, BSR
97. **Tomas Sercovich**, CEO, Business in the Community Ireland
98. **Sherry Madera**, CEO, CDP
99. **Ana Struna Bregar**, CEO, CER Sustainability Business Network
100. **Helen Clarkson**, CEO, Climate group
101. **Tuuli Kaskinen**, CEO, Climate Leadership Coalition
102. **Ursula Woodburn**, Director, Corporate Leaders Group Europe
103. **Andreas Guertler**, Foundation Director, EiiF
104. **Adrian Joyce**, Secretary General, EuroACE - Energy Efficient Buildings
105. **Aurélie Beauvais**, Managing Director, Euroheat & Power
106. **Monica Frassoni**, President, European Alliance to Save Energy (EU-ASE)
107. **Nina Ekelund**, Executive Director (CEO), Hagainitativet
108. **Stephanie Pfeifer**, CEO, Institutional Investors Group on Climate Change (IIGCC)
109. **Bjørn K. Haugland**, CEO, Skift
110. **David Atkin**, CEO, Principles for Responsible Investment (UNPRI)
111. **Valérie Séjourné**, Managing Director, Solar Heat Europe
112. **Gonzalo Sáenz de Miera**, President, Spanish Green Growth Group
113. **Sabine Nallinger**, Managing Director, Stiftung KlimaWirtschaft
114. **Dragos Tuta**, Founder & President, Sustainability Embassy Romania
115. **Magali Frankl**, Director, The Shift
116. **María Mendiluce**, CEO, We Mean Business Coalition
117. **Peter Bakker**, CEO, World Business Council for Sustainable Development
118. **Lukáš Rolf**, Director, Změna k lepšímu z.s. (Change for the Better)

Signatory businesses and investors

AVEVA



Coca-Cola EURO-PACIFIC PARTNERS

DANIELI

DANONE
ONE PLANET. ONE HEALTH

edf



fortum
Powering a thriving world

Google H&M Group

hh global

Iberdrola

INDITEX



INGKA GROUP
An IKEA retailer



Kingspan

KNAUF INSULATION

otto group



ROCKWOOL



signify

SSAB

sse



VATTENFALL

VELUX

ABSOLICON



Akademiker Pension

Andreu World

AP2 Andra AP-fonden

AP3



BATIMAT
Isoliertechnik

BRICO
Vicini di fare

Carbon
Alt+Delete

rinke
quality since 1919

CARMISTIN

CEMA_{sys}



datamar
marketing research & consulting



% DPAM
DEGROEF PETERCAM ASSET MANAGEMENT



forética



generation



Greenbank



IPCOM
insulation solutions

ISOL
SUISSE



LastMile^{TEAM}



RAGN^{SELLS}



riva&mariani



storebrand

STUDIO FIESCHI
& SOCI
sostenibilità su misura



Velliv





Business and investor networks and associations:



ANNEX: Businesses and Investors are Taking Action

Over 400 companies globally have committed to reach net-zero emissions by 2040 under the Climate Pledge;⁷ likewise, over 300 investors have committed to transitioning their investments to achieve net zero portfolio emissions by 2050 or sooner under the Paris Aligned Asset Owners and Net Zero Asset Managers initiatives.⁸ In the EU, RE100 member companies reported 67 TWh of electricity consumption in the 2022-2023 reporting cycle, 84% of which was recognised as renewable electricity consumption. More than 130 companies are part of the EV100 and EV100+ initiatives, with companies acting towards transitioning their fleets to electric vehicles by 2030 for light commercial vehicles and by 2040 for heavy duty vehicles.⁹ Investors, asset managers and financial institutions are also calling for an enabling policy environment to raise transition finance for net zero investments, by providing policy priorities for the EU until 2030 and for the EU 2040 climate targets.^{10 11} These are just some of the many examples of how the private sector is ready to continue working towards a transition to a sustainable and resilient economy.

¹ European Commission, February, 2024. “2040 climate target”. https://climate.ec.europa.eu/eu-action/climate-strategies-targets/2040-climate-target_en

² European Scientific Advisory Board on Climate Change, July 15, 2023. “Scientific Advice for the Determination of an EU-Wide 2040 Climate Target and a Greenhouse Gas Budget for 2030–2050.” <https://climate-advisory-board.europa.eu/reports-and-publications/scientific-advice-for-the-determination-of-an-eu-wide-2040>.

³ IEA, January 12, 2023. “The World Is Entering a New Age of Clean Technology Manufacturing, and Countries’ Industrial Strategies Will Be Key to Success - News.” <https://www.iea.org/news/the-world-is-entering-a-new-age-of-clean-technology-manufacturing-and-countries-industrial-strategies-will-be-key-to-success>.

⁴ University of Cambridge Institute for Sustainability Leadership (CISL). (2022). *The Competitive Sustainability Index: New Metrics for EU Competitiveness for an Economy in Transition*. Cambridge, UK: Cambridge Institute for Sustainability Leadership. Retrieved from: <https://www.cisl.cam.ac.uk/competitive-sustainability-index>

⁵ European Commission, Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, Bobba, S., Claudiu, P., Huygens, D. et al. (2018), *Report on critical raw materials and the circular economy*, Publications Office, <https://data.europa.eu/doi/10.2873/167813>

⁶ We Mean Business Coalition, January 16, 2024. “Fossil to Clean: Scaling Clean Energy Solutions.” <https://www.wemeanbusinesscoalition.org/fossil-to-clean/>.

⁷ The Climate Pledge “Be the Planet’s Turning Point.” <https://www.theclimatepledge.com/>

⁸ The Net Zero Asset Managers Initiative. <https://www.netzeroassetmanagers.org/>

⁹ Climate Group. “About EV100.” <https://www.theclimategroup.org/about-ev100%2010>

¹⁰ Principles for Responsible Investment (UNPRI). EU 2030 Policy Roadmap: <https://www.unpri.org/eu-policy/pris-2030-eu-policy-roadmap/12165.article>

¹¹ Principles for Responsible Investment (UNPRI). Policy brief on EU 2040 climate targets. <https://www.unpri.org/policy/eu-policy>