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 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.

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.

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. **Miguel Stilwell d'Andrade,** CEO, EDP
2. **Markus Rauramo,** President and CEO, Fortum Corporation
3. **Kristian Elgey,** CEO, HH Global
4. **Ignacio S. Galán,** Executive Chairman, Iberdrola
5. **Jesper Brodin,** CEO, Ingka Group (IKEA)
6. **Kasper Fangel,** Group CEO, ISS
7. **Gene Murtagh,** CEO, Kingspan Group
8. **Alexander Birken,** CEO, Otto Group
9. **Alistair Phillips Davies,** CEO, SSE plc
10. **Anna Borg,** CEO**,** Vattenfall
11. **José Entrecanales Carrión,** Chief Financial and Sustainability Officer, ACCIONA
12. **Ramon Arratia,** Global VP & Chief Sustainability Officer, Ball Corporation
13. **Carine de Boissezon**, Chief Impact Officer, EDF
14. **Alessandro Brussi,** Chairman and Group CFO, Danieli C. Officine Meccaniche S.p.A.
15. **Monica Batchelder**, CSO, HPE – *joined the call in May 2025*
16. **Sylvie Nicol**, Board Member and EVP Human Resources, Infrastructure and Sustainability – Henkel AG – *joined the call in May 2025*
17. **Javier Losada,** Chief Sustainability Officer, Inditex
18. **Nigel Standsfield**, Vice President and Chief Innovation & Sustainability Officer, Interface – *joined the call in May 2025*
19. **David Ducarme,** COO and Deputy CEO, Knauf Insulation
20. **Mirella A. Vitale,** Senior Vice-President, ROCKWOOL Group
21. **Matthias Medert,** Global Head of Sustainability, SAP
22. **Gwenaelle Avice Huet**, Executive Vice President Europe Operations and member of the Executive Committee of Schneider Electric – *joined the call in May 2025*
23. **Rebecca Marmot,** Unilever Chief Sustainability and Corporate Affairs Officer, Unilever
24. **Joe Franses,** VP Sustainability , Coca-Cola Europacific Partners

25. **Matt Brittin,** President EMEA, Google
26. **Saverio Tridico,** Group Corporate & External Affairs and ESG Director, Nexi – *joined the call in May 2025*
27. **Tim Christophersen,** VP Climate Action, Salesforce
28. **Alice Steenland,** Chief of Strategy, Sustainability and Marketing, Signify
29. **Viktoria Karsberg,** VP Head of Corporate Identity and Group Communications, SSAB
30. **Fleming Voetmann,** Vice President, External Relations & Sustainability, VELUX
31. **Leyla Ertur,** Head of Sustainability, H&M Group
32. **Linda Skogsberg,** Sustainability Communications Lead, Polestar
33. **Günther Thallinger**, Member of the Board of Management, Investment Management, Sustainability, Allianz SE – *joined the call in May 2025*
34. **Francesc Casajuana Cuscó,** General Counsel, DANONE S.A.
35. **Hans Stegeman**, Group Director Impact & Economics, Triodos Bank – *joined the call in May 2025*
36. **Thomas Van Craen**, Managing Director, Triodos Bank Belgium – *joined the call in May 2025*
37. **Joakim Byström**, CEO, Absolicon Solar Collector AB
38. **Sebastian von Stauffenberg,** CEO, AGI AG für Isolierungen
39. **Jens Munch Holst,** CEO, Akademiker Pension
40. **Angus Whiteley,** CEO, Stafford Capital Partners
41. **Pierre Giai-Levra**, CEO, Anaxis Asset Management – *joined the call in May 2025*
42. **Jesus Llinares, CEO,** ANDREU WORLD
43. **Eva Halvarsson,** CEO, AP2 (Andra AP-fonden)
44. **Fredric Nyström,** Head of Sustainability & Governance, AP3 - Third Swedish National Pension Fund
45. **Johan Florén,** Chief ESG and Communication Officer, AP7 (Sjunde AP-fonden)
46. **Davide Dal Maso,** CEO, Avanzi
47. **Josef Mikl,** CEO, Batimat Isoliertechnik
48. **Frederic Capdeville,** CEO, Bricocenter Italia
49. **Kenneth Van den Bergh,** CEO, Carbon+Alt+Delete
50. **Roland Felder,** Managing Director, Carl Rinke GmbH & Co. KG
51. **Andrei Brumaru,** CEO, Carmistin
52. **Tessa Younger,** Stewardship Lead, CCLA
53. **Suvi Kaksonen,** COO, CEMAsys
54. **Linda Sundberg,** Head of Sustainable Investing, Church of Sweden – *joined the call in May 2025*
55. **Peter Sweatman,** CEO, Climate Strategy
56. **Juan Prieto,** CEO, Corporance Asesores – *joined the call in May 2025*
57. **Lenka Mynářová,** Chairman of the board, Datamar International s.r.o.
58. **Ophélie Mortier,** CSIO, DPAM
59. **Yves Desmet,** CEO, D&D ISoltechnics
60. **Karine Hirn,** Partner, Chief Sustainability Officer, East Capital Group – *joined the call in May 2025*
61. **Cesare Vitali,** Head of ESG Research and SRI Development, Ecofi – *joined the call in May 2025*
62. **Wolfgang Oels**, COO, Ecosia GmbH – *joined the call in May 2025*
63. **Carlota Esguevillas,** Head of Responsible Investment, EdenTree Investment Management
64. **Anna Varpula**, Director of Responsible Investment, Elo Mutual Pension Insurance Company
65. **Philipp Good,** CEO, ESG-AM – *joined the call in May 2025*
66. **Gaëlle Morizot**, ESG Director, EMZ Partners
67. **As Tempelman,** CEO, Eneco
68. **Eduardo Calderon**, CEO, Enerfip España S.L.

69. **Philipp Good**, CEO, ESG-AM
70. **Vincent Kaufmann**, CEO, Ethos Foundation – *joined the call in May 2025*
71. **Aleksandra Palinska,** Executive Director, Eurosif - the European Sustainable Investment Forum
72. **Germán Granda,** Managing Director, Forética
73. **Marko Guček,** CEO, GoOpti, d.o.o.
74. **David Blood,** Senior Partner, Generation Investment Management LLP
75. **Gerald Cooney,** Chair, Greater Manchester Pension Fund
76. **David Cox,** Head of Greenbank, Greenbank Investments
77. **Joanna Price**, Chief Corporate Affairs Officer, Heineken N.V.
78. **Darius Maikštėnas,** Chair of the Management Board and CEO, Ignitis Group
79. **Ilkay Özkisaoglu,** DER Social CEO, IMBEO Passionate B2B Partnerships
80. **Remco Boerefijn,** CEO, IPCOM
81. **Konrad Maurer,** President, Issol Suisse
82. **Per Lundquist,** SVP Operational Development, JM AB – *joined the call in May 2025*
83. **Sergio Andreis,** Executive Director, Kyoto Club
84. **Aaron Punwani,** CEO, Lane Clark & Peacock LLP – *joined the call in May 2025*
85. **Angel Batalla,** Founder & CEO, Last Mile Team
86. **Emmanuelle Mourey**, CEO, LBP AM – *joined the call in May 2025*
87. **Giannalberto Cancemi,** CEO, Leroy Merlin Italia
88. **Jacek Hutyra,** Chief ESG Officer, Leroy Merlin Polska
89. **Patrick O'Hara,** Director of Responsible Investment and Engagement, LGPS Central
90. **Roy Bedlow,** Chief Executive, Low Carbon
91. **Jeff Moses,** Chief Operating Officer, Lyrical Asset Management – *joined the call in May 2025*
92. **Markus Biland,** General Manager, MABI AG
93. **Carole Zacchéo**, CIO, MAIF – *joined the call in September 2025*
94. **Gert Ysebaert,** CEO, Mediahuis
95. **Ignacio Muñoz de Juan,** CEO, Molecor Tecnología, S.L.
96. **Eric Pedersen,** Head of Responsible Investments, Nordea Asset Management
97. **David Rodés**, Chief Development Officer, Ocean Ecostructures – *joined the call in May 2025*
98. **Roland Nordin**, VD, Övik Energi AB – *joined the call in May 2025*
99. **Kaisa Lipponen,** SVP Sustainability, Communications, HSE, Paulig Group
100. **Jon Johnsen**, CEO, PKA
101. **Paul Ashton,** Managing Director, Powertherm Contract Services Ltd
102. **Antonio Potenza,** CEO, Proodos Impact Capital
103. **Lars Hugo Linden,** CEO, Ragn-Sells
104. **Gert Linthout**, CMO, Ray & Jules, the sunny kind of coffee – *joined the call in May 2025*
105. **Alberico Tremigliozzi,** CEO, Re2n srl
106. **Arturo Revenga Shanklin,** CEO, Revenga Smart Solutions
107. **Rosario Morretta,** CEO, Riva e Mariani Group SpA
108. **Carola van Lamoen,** Head Sustainable Investing, Robeco Institutional Asset Management
109. **Anne-Louise Thon-Jensen**, Co-founder, SDG Invest – *joined the call in May 2025*
110. **Jonathan Ha**, CEO, Seneca ESG – *joined the call in May 2025*
111. **Jose Luis Madrid**, CEO, Sicasoft Solutions, S.L. – *joined the call in May 2025*
112. **Daniele Battilocchio,** CEO, SICOI Srl Società Benefit
113. **Christian Pho Duc,** CTO, SMARTENERGY Group AG

114. **David Redoli Morchón**, Solaria's Institutional Relations Director, Solaria, Energía y Medio Ambiente – *joined the call in May 2025*
115. **Bertrand Piccard,** CEO, Solar Impulse Foundation – *joined the call in May 2025*
116. **Leonardo Moreno,** CEO, SOLARPACK
117. **Emine Isciel,** Head of Climate and Environment, Storebrand Asset Management
118. **Roberto Davico,** CEO, Studio Fieschi & soci (Tinexta Group)
119. **Enrique Tombas,** CEO and President, Suma Capital SGEIC
120. **Dr. Wilhelm Stein**, CEO, Sunmaxx PVT GmbH – *joined the call in May 2025*
121. **Joana Borges Coutinho,** Managing Partner, Sustain Azores Lda
122. **Sybille Wyss**, CEO, Tareno AG – *joined the call in December 2025*
123. **Claire Berthier**, CEO, Trusteam Finance – *joined the call in May 2025*
124. **Ellen Pedersen,** Senior Active Ownership Specialist, Velliv
125. **George Latham,** Managing Partner, WHEB Asset Management

Business and investor networks and associations:

126. **Rachel Solomon Williams**, Executive Director, Aldersgate Group
127. **Nigel Topping**, Founder Ambition Loop and UN Climate Change High Level Champion for COP26; **Gonzalo Muñoz Abogabir**, Founder Ambition Loop and UN Climate Change High Level Champion for COP25, Ambition Loop – *joined the call in May 2025*
128. **Aron Cramer,** President and CEO, BSR
129. **Tomas Sercovich,** CEO, Business in the Community Ireland
130. **Sherry Madera,** CEO, CDP
131. **Ana Struna Bregar**, CEO, CER Sustainability Business Network
132. **Helen Clarkson,** CEO, Climate group
133. **Tuuli Kaskinen,** CEO, Climate Leadership Coalition
134. **Ursula Woodburn,** Director, Corporate Leaders Group Europe
135. **Brian Mikkelsen**, CEO, Danish Chamber of Commerce – *joined the call in May 2025*
136. **Andreas Guertler,** Foundation Director, EiiF
137. **Adrian Joyce**, Secretary General, EuroACE - Energy Efficient Buildings
138. **Aurélie Beauvais**, Managing Director, Euroheat & Power
139. **Monica Frassoni**, President, European Alliance to Save Energy (EU-ASE)
140. **Philippe Dumas**, Secretary General, European Geothermal Energy Council (EGEC) – *joined the call in May 2025*
141. **Paul Kenny**, Director General, European Heat Pump Association – *joined the call in May 2025*
142. **Johan Falk**, Co-founder and Head, Exponential Roadmap Initiative – *joined the call in May 2025*
143. **Nina Ekelund,** Executive Director (CEO), Hagainitiativet
144. **Stephanie Pfeifer,** CEO, Institutional Investors Group on Climate Change (IIGCC)
145. **Piotr Drozd**, Chief Climate Officer, Leaders for Climate Action – *joined the call in May 2025*
146. **Bjørn K. Haugland,** CEO, Skift
147. **David Atkin**, CEO, Principles for Responsible Investment (UNPRI)
148. **Valérie Séjourné,** Managing Director, Solar Heat Europe
149. **Gonzalo Sáenz de Miera,** President, Spanish Green Growth Group
150. **Sabine Nallinger,** Managing Director, Stiftung KlimaWirtschaft
151. **Dragos Tuta,** Founder & President, Sustainability Embassy Romania

152. **Magali Frankl,** Director, The Shift
153. **María Mendiluce,** CEO, We Mean Business Coalition
154. **Peter Bakker,** CEO, World Business Council for Sustainable Development
155. **Jenda Perla,** Executive Director, Změna k lepšímu z.s. (Change for the Better)
156. **Cleantech for CEE**
157. **Solar Power Europe**

Signatory businesses and investors

ABSOLICON	AGI	Akademiker Pension	anax s asset management	Andreu World
AP2 Andra AP-fonden	AP3	AP7	avanzi SOSTENIBILITÀ PER AZIONI	BATIMAT Isoliertechnik
BRICO CENTER Vicini di fare	Carbon Alt+Delete	rinke quality since 1919	CARMISTIN	CEMAsys
CLIMATE STRATEGY & PARTNERS	CORPORANCE The Spanish Proxy Advisor	datamar marketing research & consulting	EAST CAPITAL GROUP	edentree
DPAM DEGROOF PETERCAM ASSET MANAGEMENT	ISOLTECHNICS	ecofi Actifs pour le futur	ECOSIA	Eneco
ESG-AM	ethos	EXPONENTIAL ROADMAP INITIATIVE	Eurosif	enerfip
GoOpti	generation_	gmpf	Greenbank	forética
ignitis group	IMBEO®	IPCOM insulation solutions	ISOL SUISSE	JM
25 anni Kyoto Club	LBPAM	LCP powering possibility	LastMile TEAM	LEROY MERLIN
LEROY MERLIN Voglia di fare casa.	LYRICAL ASSET MANAGEMENT	LGPS Central Limited	MaBI®	MAIF

MEDIAHUIS

MOLECOR Smart water

Nordea ASSET MANAGEMENT

Ocean Ecostructures

övik energi

RCS POWERTHERM CONTRACT SERVICES LTD

PROODOS CAPITAL

RAGN-SELLS

RAY&JULES THE SUNNY KIND OF COFFEE

RE2N

riva&mariani

SDG Invest

seneca ESG

SicaSoft

SICOI

SMARTENERGY

SOLARIMPULSE FOUNDATION

Solaria

storebrand

STUDIO FIESCHI & SOCI sostenibilità su misura

sunmaxx.

TARENO INDEPENDENT WEALTH & ASSET MANAGER

trusteam Finance

Velliv

elo

Suma Capital GROWING TOGETHER

sustainazores

SOLAR PACK

low carbon powering tomorrow

emz

HEINEKEN

WHEB

REVENGA Smart Solutions

EC EAST CAPITAL GROUP

ROBECO The Investment Engineers

pka

PAULIG

STAFFORD CAPITAL PARTNERS

CCLA GOOD INVESTMENT

Business and investor networks and associations:

ALDERSGATE GROUP LEADERS FOR A SUSTAINABLE ECONOMY
AMBITION LOOP
BSR
BUSINESS IN THE COMMUNITY IRELAND
CDP DISCLOSURE INSIGHT ACTION
CER SUSTAINABLE BUSINESS NETWORK
°C
CKC
CleanTechforCEE
CLG Europe
DANSK ERHVERV
eiif
EuroACE Energy Efficient Buildings
Euroheat & Power
EGEC GEOTHERMAL
ehpa
EUROPEAN ALLIANCE TO SAVE ENERGY Creating an Energy-Efficient Europe
Hagainitiativet Klimatledarskap i näringslivet
IIGCC
leaders for climate action
PRI Principles for Responsible Investment
Skift Business Climate Leaders
Solar Heat Europe ESTIF
SolarPower Europe
Spanish Green Growth Group
Stiftung KlimaWirtschaft
AMBASADA SUSTENABILITĂȚII ÎN ROMÂNIA SUSTAINABILITY EMBASSY IN ROMANIA
THE SHIFT
WE MEAN BUSINESS COALITION
WBCSD World Business Council for Sustainable Development
ZMENA KLEPSIMU

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[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.

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[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