



Call for the EU to Commit to a 90% Greenhouse Gas Reduction Target by 2040

September 2025

Dear European Commission, Members of the European Parliament, Member State representatives,

We are writing to you as the Nordic business leaders and investors in the energy transition across Europe. We stand firm in our commitment to decarbonise, both our sector and other sectors of the society through electrification. Decarbonising energy supply is a crucial back-bone to the EU's competitiveness and security. In order for the EU to deliver these objectives, **a greenhouse gas emissions net reduction target of at least 90% by 2040 is imperative to reach climate neutrality in 2050. We call on the EU policy makers to put in place the necessary enablers for reaching this target.**

It is time for the EU to **ensure long-term regulatory stability for businesses**, by agreeing on an EU 2040 climate target of at least 90 %, as a basis for the Nationally Determined Contribution (NDC) that shall be submitted to the UNFCCC ahead of the COP30 summit in November 2025. As we, the Nordic business leaders, are considering **how to invest in our future businesses**, backtracking on targets can directly impact our investments decisions, delaying further the transition. To secure business investment decisions, **it is critical to have full clarity on the long-term policy framework.**

A decarbonised energy system is the only viable path to affordable, secure, and competitive energy for European industry. Visibility on targets, creates trust for investors and industries to sign Power Purchase Agreements (PPAs) by providing long term policy certainty. This certainty is critical to allow demand and supply to grow at the same pace and thereby enable a competitive future for Europe.

To avoid the **“too little, too late scenario”**, an ambitious 2040 frame is needed to make the transition to climate neutrality happen now and to avoid postponing a large part of the mitigation effort to the last 10 years up to 2050. As shown in the Draghi report, **early action is the most cost-efficient for the transition**, thereby supporting Europe's competitiveness.

The 2040 target is a critical component providing long-term investment certainty for the

phase-out of fossil fuels from the energy system and industry. **But it is just one piece of the decarbonisation puzzle.** To ensure that climate targets are met, the EU needs to create a stronger policy framework to unlock the right investment signals for electrification and decarbonisation of its industry and by that create more demand for fossil-free energy.

It is also critical that we do not backpedal on existing climate policy and instead focus **on implementation of existing EU rules.**

Policymakers should provide a stable and coherent policy framework, which allows industry and the energy sector to take concrete steps, so that the EU reaches its 90 % target by 2040. The EU's carbon market (EU ETS) should be the key driver for creating a favourable investment climate, as it remains the most long-term, internationally harmonised, market-based, technology neutral and cost-effective climate policy available. The upcoming revision must ensure its effectiveness beyond 2030 and align with the EU's 2040 climate ambition - particularly by incorporating technology-based and permanent carbon removals (CDR) into the EU ETS.

We trust that the EU co-legislators recognise the importance of reaching **a timely agreement in support of the 90% emissions reduction target**, enabling the EU to meet the global deadline and speak with a united voice, which will be essential for credibly persuading other major economies to follow suit at COP30 this November 2025, so that the climate targets can be reached by 2050.

This is not only about meeting our climate targets - it is about safeguarding Europe's long-term competitiveness, sovereignty, and prosperity.

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