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Sustainable Business Group Urges EU to Cut GHG Emissions 90% by 2040

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On September 5, 2023, the Corporate Leaders Group Europe (CLG Europe) published a [position paper](#) urging the European Union to cut its greenhouse gas (GHG) emissions by at least 90% by 2040, and asked EU member states to commit to a list of specific actions and strategies to achieve this goal. In [“Raising European Climate Ambition for 2040,”](#) the organization [appealed to the EU](#) to set a net reduction target of at least 90%, compared to 1990 levels, to avoid passing irreversible tipping points, stipulating that no more than 8-10% should come from carbon removal. [CLG Europe](#) is a cross-sector group of Europe-based businesses collaborating to accelerate climate action. Its members include Amazon, French energy company EDF, Microsoft and Unilever, among others.

The position paper outlines ten actions the EU should take to take to reduce GHG emissions by 90% by 2040:

1. Accelerate electrification, promote energy efficiency and phase out fossil fuels.
2. Ensure that the costs and benefits of a green transition are equitably distributed.
3. Embed the principle of competitive sustainability into the EU’s industrial strategy and climate policies.
4. Deploy all available levers to rapidly reduce emissions from the buildings sector.
5. Harness circular economy and eco-design solutions for environmental and climate benefits.
6. Harness synergies between climate and nature objectives.
7. Adopt a realistic and evidence-based approach to carbon removals.
8. Significantly increase EU and national budgetary allocations for climate and nature.
9. Develop a post-2030 climate and energy political framework building on the successful implementation of the Fit for 55 package.
10. Lead decarbonization efforts globally.

Under the Paris Agreement, parties are required to periodically set emissions reductions targets. In 2021, the EU introduced the [European Climate Law](#) and became legally bound to reach net-zero by 2050. By 2030, the EU's ambition is to reduce greenhouse gas emissions to at least 55% below 1990 levels – the [“Fit for 55”](#) package of measures sets out how the bloc aims to achieve its goal. The next interim target to be set is for 2040, and under the European Climate Law the EU must set it by June 2024. In April 2023, stakeholders were [invited to comment](#) on the 2024 target-setting process.

Taking the Temperature: The 90% target put forward by CLG Europe originates from a [recommendation by the European Scientific Advisory Board on Climate Change \(ESABC\)](#), which claimed that a 90-95% reduction target was both feasible and fair, although the ESABC recommendation was not accompanied by any estimate of the costs to achieve this target. Whether this is the case or not, many regions are reportedly not on track to meet Paris Agreement-aligned goals according to the United Nations' [first global stocktake](#) of Paris Agreement ambitions. In order to achieve 90% by 2040, the EU's advisory board on climate change stated that Europe would have to produce almost no carbon emissions from power generation. This would mean no coal burning from 2030, and almost no gas-fired power without carbon capture equipment installed by 2040; renewables would need to be producing 70-90% of electricity; and oil imports would need to decrease between 50-100%.