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Open letter from Investor Agenda CEOs on securing climate ambition at the December EU Council Summit

Climate change is the most pressing environmental issue facing the European economy. It is regularly recognised as a significant priority by European investors as it is a financially material issue for investors. Many corporates and investors have publicly stated their commitment to the Paris Agreement and called for more ambitious climate policies. As the CEOs of the Investor Agenda, organisations that represent leading European pension funds and insurers with trillions of euros in assets, we are concerned that a delay in implementing the policies necessary to transitioning our economy would increase the likelihood of a disorderly and uncoordinated transition, risking undermining the value of investments and potentially challenging the stability of the financial system.

The Commission's impact assessment - Stepping up Europe's 2030 climate ambition Investing in a climate-neutral future for the benefit of our people - shows that acting decisively now helps not only to reduce the chance of greater temperature increases and more damaging climate change impacts, but will also deliver significant benefits in terms of equitable economic growth, alongside health and environmental co-benefits for EU citizens. It also highlights the fact that accelerating 2030 climate ambition will reduce the risk of carbon lock-in and increase certainty for investors, supporting them to deliver private investment in the low-carbon economy.

As signatories of this letter, we urge you to call on member states to agree on the implementation of the **EU Climate Law committing member states to net zero GHG emissions by 2050 and a 2030 target for GHG reductions of at least 55%**.

These climate targets must also guide financing the recovery from the COVID-19 pandemic. We welcome the general principle agreed at the Special European Council in July that the overall climate target of 30% should be applied to the multiannual financial framework (MFF) and Next Generation EU. It is critical that this high-level commitment is translated into tangible action that can be measured and lays the foundation to 'build back better'. Investors will use the EU Sustainable Finance taxonomy to understand the environmental sustainability of activities and investments. We recommend Governments **utilise the EU Sustainable Finance taxonomy for all EU expenditure, to screen and track public climate and environmental spending**. The EU Sustainable Finance taxonomy reflects six key European environmental objectives, including climate change, mitigation, adaptation and biodiversity. It has been recognised as a central component of the European Green Deal, responds directly to the EU's environmental challenges and is instrumental to direct finance to the green transition.

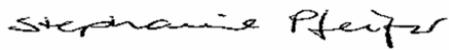
Finally, as we approach COP26 in 2021, the EU is aiming to submit a new Nationally Determined Contribution (NDC) under the Paris Agreement to the UNFCCC by the end of 2020, incorporating the new targets. The EU and China have stepped up co-operation on addressing climate change, and together with the incoming Biden administration this represents an opportunity to restore global leadership in the build up to COP 26 next November.

Yet to be strong abroad, the EU needs to be strong at home. The EU Climate Law and Next Generation EU recovery plans will lay the foundations for a decisive shift to a resilient, net-zero and inclusive economy. Our organisations that work with investors, stand ready to work with your government and other member states, European agencies and stakeholders to realise this goal.

Yours sincerely,



Paul Simpson
CEO, CDP



Stephanie Pfeifer
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