

Dear President of the European Commission von der Leyen, dear Commissioner Hoekstra

First, we want to congratulate you on the 2040 climate agreement. In these challenging geopolitical times, it is crucial to maintain a clear and strategic focus on the European Union's long-term objectives. A predictable business environment is key for European competitiveness and for realizing the significant investment needed to strengthen the EU's resilience and deliver on agreed decarbonization ambitions.

It is appropriate to acknowledge the significant competitive challenges that the EU is facing, as highlighted by several reports and recognized by the European Commission. Initiatives such as the Clean Industrial Deal are timely steps in the right direction. At the same time, it is essential to maintain an open and constructive dialogue concerning the specific obstacles before us.

We would like to take this opportunity to reiterate our strong support for the EU Emissions Trading System (EU ETS). For over two decades, the ETS has played a pivotal role as a market-based and technology-neutral instrument, driving investment, addressing carbon leakage, and supporting innovation and modernization across the energy sector through dedicated funding mechanisms.

Strengthening the EU's energy security, competitiveness, and resilience will depend on decisive investments in clean energy production, critical infrastructure and further electrification and decarbonization of industry. Efficient use of the EU's own resources is central to achieving almost all the Union's major strategic aims, and these efforts require reliable access to both public and private financing.

ETS is vital in this regard, and any weakening of the system would significantly undermine not only future initiatives but also the viability of existing and planned investments. Without a robust carbon price signal at the EU level, there will be increased pressure on national budgets or the broader EU financial framework.

We therefore urge that any post-2030 climate policy architecture continues to be built around a strong and fit-for-purpose Emissions Trading System. ETS is a core strength for the EU and, with carefully considered adjustments, can provide a vital bridge between current policies and future ambitions. We encourage all stakeholders, especially those who may have concerns—to engage in constructive dialogue about both the challenges and the opportunities ahead. It is important to recognize that the challenges faced by some sectors are not caused by the ETS itself.

We acknowledge that there are challenges, and that they impact sectors differently in the current challenging geopolitical landscape. We will also stress that continued innovation and adaptation

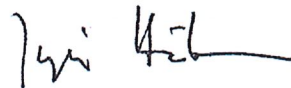
are essential for long-term competitiveness. From our perspective, the EU ETS should remain a cornerstone of the EU's future climate and energy objectives, which we support. Therefore, we would not be able to support steps that would significantly weaken or dismantle this essential instrument. This would jeopardize both already made investments and future investments to benefit climate, competitiveness and EU's resilience.

We will stand ready to engage in further dialogue.

Yours sincerely



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