

EU's global climate and energy strategy for 2025-2029

Call for evidence - Fortum's feedback – September 10, 2025

Fortum supports the Commission's initiative to set out the EU's global climate and energy strategy^(*) for 2025-2029, in view of the upcoming UN Climate Change Conference (COP30) and beyond. This is a timely opportunity to strengthen international cooperation and position the EU as a global leader in climate diplomacy.

There is a growing urgency to boost the global climate and energy transition. Global energy transition is proceeding, but not fast enough. The world is not yet on track to keep the temperature increase below 1.5 C as specified in the Paris Agreement. The EU which represents only 6% of global GHG emissions, cannot meet climate goals alone. Greater ambition and implementation are urgently needed from other major economies, including those where emissions are still rising.

At the COP28 summit in 2023, the global community agreed to transition away from fossil fuels for the first time, and set global targets to triple renewables and double energy efficiency by 2030. The clean energy transition is not only necessary for meeting climate goals — it is also a major opportunity for economic growth and industrial renewal. International cooperation is essential to enable industrial decarbonisation and clean growth.

Europe will benefit from increased global climate efforts in two ways. Firstly, the increase of climate ambition and extended use of carbon pricing outside the EU could level the playing field and help European industries to be more competitive in global markets. Secondly, increased foreign climate ambition could give export opportunities for climate solutions globally and increase the European carbon handprint.

Currently there is a vacuum in international climate policy and leadership is missing. In light of the current turbulent geopolitical situation, the EU needs to maintain its ambitious domestic climate policy, but also take back its leadership in international climate negotiations and enforce climate diplomacy. However, in line with EU's domestic efforts to balance climate ambition with competitiveness and security of supply, also the global climate policy should have a broad approach and reflect the new geopolitical reality. This could mean a close integration of climate policy with trade and investment partnerships etc.

The Green Industrial Deal could be a competitive advantage for the EU. Investors are already showing growing interest in Europe. In the first half of 2025, renewable energy investments in Europe grew by 63% (compared to H1/2024), while in the US they decreased by 30%^(**). Achieving the objectives of the Clean Industrial Deal is however closely linked to the EU's ability to act internationally. Currently geopolitics is driving the markets and international cooperation is being tested. There is competition between countries for clean technologies and resources (e.g. rare earth metals). In this situation, the EU cannot achieve its clean industrialisation objectives without economic partnerships on the global stage. Many of the critical raw materials that are essential for the clean transition and for EU resilience and security need to be sourced from outside the EU.

We support the EU's efforts to develop a global approach to carbon pricing and carbon markets. This could contribute to replicating the success of the EU ETS. We have urged the EU to link its emissions trading system with similar systems globally. We also welcome the proposal to integrate international carbon credits into the 2040 target framework as a new element in global mitigation efforts.

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(* The aim of the initiative is to advance the global climate action by engaging with EU's partner countries on climate and energy policies. The strategy is expected to propose actions and new forms of engagement and partnerships in bilateral or multilateral cooperation.

(** Source: Nordea 2025