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# NET-ZERO BY 2050: LONG-TERM CERTAINTY FOR ECONOMIC PROSPERITY

The Paris Agreement is a historic landmark for both international diplomacy and action on climate change. The Agreement sets out an ambition, and a framework, to limit climate change and global temperature rise to *well below* 2°C, with efforts to limit this to 1.5 °C. Business remains firmly committed to the Paris Agreement recognizing that achieving its aims is critical to a prosperous future for their businesses, employees and customers. Further clarity on the path governments intend to take to achieve its goals will provide the certainty they need to accelerate their actions and investments.

To be Paris compliant, and to have any hope of limiting temperature rise to 1.5 °C, it is clear from the latest science that global emissions must now fall to net-zero as early as possible. For the EU and other leading economies, whose vision and direction is essential, the achievement of net-zero emissions must therefore be by 2050 *at the latest*. Forward-looking businesses are taking this ambition on board by committing to 100% renewable electricity, electric vehicles and setting science-based emissions reduction targets in line with the Paris Agreement, with many already going further by setting their own net-zero by 2050 strategies. These businesses are harnessing climate action as a driver of innovation, competitiveness, risk management and growth.

The transition to a climate-safe world with net-zero emissions is unstoppable and has already begun. Examining operations, supply chains and business models highlights the opportunities for innovation and efficiency that can make business more competitive and resilient in the 21st century. Businesses that are reinventing their operations to be fit for the future are positioning to be leaders for the markets of tomorrow, ensuring they are competitive, relevant and profitable.

While many businesses recognize the strategic imperative to act on climate, not all are acting and those who are could go further faster. Often they are slowed down or disincentivized by a lack of clear, long-term signals and supporting policies from Governments and policy makers to drive the transition to a zero-emissions economy at the required pace and scale. European leaders should now seize the opportunity to demonstrate their climate commitment and leadership, and provide that clarity, through the EU long-term strategy.

Ambitious long-term strategies that inform shorter-term government policy play a critical role in informing business decisions, encouraging the investment and creativity that will help build a zero emissions and climate-resilient future, and avoiding stranded assets and mis-investments.

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## RECOGNIZING THIS, WE CALL ON THE EUROPEAN COMMISSION TO DEVELOP A STRONG, CREDIBLE AND APPROPRIATE 2050 STRATEGY THAT:

1. Is consistent with the Paris Agreement's goals and the UN Sustainable Development Goals and aim for net-zero emissions as early as possible. The EU and other leading economies should aim to achieve this by 2050 at the latest.
2. Maximize certainty for business, investors and society as a whole, through taking a comprehensive and credible approach, including sector and industry specific pathways, covering the entire economy and society.
3. Is developed and implemented in an open, transparent and consultative way, with governments working in partnership with all stakeholders including businesses, civil society, employers, investors, trade unions, sub-national, regional and local authorities.
4. Plans for a just transition by aligning climate policies with social and employment planning so that impacts on workers in high emitting sectors are managed, and the building of new decent jobs in green industries is prioritized.
5. Will be regularly reviewed, in line with the Paris Agreement cycle, to ensure they are kept up to date, reflect the latest economic, scientific and technological developments and system transformations, and are on track to achieve the agreed goals.

Businesses that have placed climate action and sustainable business models at the heart of what they do are actively building the economy of the future. They believe that climate risk can be successfully managed, and that the transition to a net-zero emission economy will create new economic opportunities. To harness these opportunities, governments and businesses must work together to ensure that good quality plans aligned with the ambition of the Paris Agreement are created and implemented making clear how the goals of Paris Agreement will be pursued and achieved.

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**We Mean Business** (WMB) is a coalition of nonprofit organizations working with the world's most influential businesses to take action on climate change. WMB has seven founding partners: [BSR](#), [The B Team](#), [CDP](#), [Ceres](#), [The Climate Group](#), [The Prince of Wales's Corporate Leaders Group](#), and the [World Business Council for Sustainable Development](#). Together we catalyse business leadership to drive policy ambition and accelerate the transition to a low-carbon economy. Over 820 leading businesses are committed to bold climate action through our [Take Action](#) campaign, accounting collectively for emissions equal to that of India and combined market capitalization equal to 20% of global GDP.