

“Financial Support for Energy Efficiency in Buildings” The IIGCC’s Response to the European Commission Consultation

May 2012

Introduction

The Institutional Investors Group on Climate Change (IIGCC), representing 78 investors with EUR7.5trillion in assets, is a forum for collaboration on climate change for European investors. We believe that clear, credible and long-term domestic and international policy frameworks are needed in order to shift the balance in favour of low-carbon investment opportunities, allowing private sector investment at the scale required.

We recognise that climate change will impact the performance of property investments directly through changing weather patterns, ground conditions and sea level changes. Climate change will also impact property investment performance indirectly as a result of legislative or regulatory responses to it. The **IIGCC’s Property Working Group** therefore engages with policy-makers at national and international levels to ensure appropriate policies are put in place which maximise environmental benefits whilst maintaining or protecting investment returns from property.

The IIGCC appreciates the opportunity offered by the European Commission to present our view on the consultation on financial support for energy efficiency in buildings. Our response is based on the IIGCC Property Working Group’s forthcoming policy statement, “Enhancing the Policy Framework for Sustainable Real Estate”. The policy statement defines key principles which, according to the group, are necessary to address the strong market barriers that prevent implementation of cost effective sustainability improvements, and which would unlock capital investments in this area.

Our answers capture the view of institutional investors who have a majority of their assets invested in commercial real estate. Although the focus of our response is on commercial real estate, we also give some consideration to residential properties where applicable.

Consultation questions

(1) Addressing market failures

- a) **Are the barriers identified in this document the most important ones? If not, which barriers are missing and why are they important?**

IIGCC welcomes the focus of the EU consultation paper on the barriers preventing the uptake of cost-effective energy efficiency measures in the built environment. Indeed, there is ample policy research that indicates that the most cost-effective measures for improving energy efficiency are to be found in the building sector, both commercial and residential. However, evidence on the ground

points to serious barriers preventing implementation. Many studies use carbon abatement curves as substantive evidence to support the claim¹ that a large number of energy efficiency initiatives in buildings should be cost negative. The slow uptake of such measures in the sector demonstrates that it is critical to recognise that strong market barriers continue to exist which prevent the implementation of cost-effective energy efficiency measures in the sector.

The barriers identified in the Consultation Paper are important. However, the analysis follows a typical approach seen in a number of studies from the policy and research community. Barriers tend to be analysed by their structural type: technological, organisational, behavioural, economic or political. Solutions are then sought from this perspective. This was approach was recently taken by the EEBE research team (EEBE, 2011)² and in the BPIE study of European buildings (BPIE, 2011)³.

Another approach which sheds a different light on the problem and suggests why these barriers are so difficult to address, consists in understanding where these barriers lie within the complex structure of the real estate market. The heterogeneous characteristics of the building sector, the fragmented management arrangement between numerous practitioners, and the long economic life cycle of buildings all present biases that prevent the implementation of cost-effective energy efficiency improvements.

IIGCC believes that in order to resolve these barriers and improve the effectiveness of the policy framework, it is critical that these crucial characteristics of the Real Estate market are taken into account.

The dynamic, cyclical and fragmented nature of European real estate markets

- The complex management arrangements, fragmented responsibilities and conflicts of interest between number of practitioners with stakes in buildings throughout their full lifecycle (owners, lenders, occupiers and service providers) prevent a clear definition of responsibilities and long term planning. This lead to the fundamental issue of split incentives where the instigator is not necessarily the beneficiary of energy efficiency improvements;
- The limited and time specific moments during the long life cycle and economic cycle of buildings restrain the opportunities when sustainability improvements can be implemented such as maintenance, fitting, end of lease, refurbishment, and developments.

Limited investment terms

- Owners' limited investment horizons prevent the application of whole-life costing to building development and refurbishment, and hinder the implementation of energy efficiency improvements;
- Sustainability is not included in valuation assessments and not reflected in financial performance of assets as yet. This limits the allocation of capital expenditure to energy efficiency improvements.

Constraining lease conditions

¹ Mc Kinsey Quarterly (2007) Volume 1, "A cost curve for greenhouse has reductions".

² Energy Efficiency in the Built Environment, "How can barriers to energy efficiency be overcome", 2011, Cambridge Centre for Sustainable Development and Grosvenor

³ "Europe's buildings under the microscope, a country-by-country review of the energy performance of buildings", 2011, BPIE, Buildings Performance Institute Europe

- The terms of occupier leases restrict the timings when owners are able to carry out extensive refurbishment of existing assets;
- The length of these leases limits the acceptable pay-back on energy-efficiency measures and energy-reduction initiatives that occupiers would consider funding.

Lack of market demand

- Limited sustainability information available to inform market participants prevents energy and carbon being incorporated into market demand for buildings;
- Limited market demand, as yet, from occupiers and buyers, for sustainability beyond prime assets in central business districts, limits the impact of sustainability on financial performance of buildings.

Limited investment scale and ineffective energy economics

- The relatively small size of investments prevents economies of scale on unit costs and limits the acquisition of expertise in the deployment of technologies;
- The low ratio of energy costs to total occupancy outlays in commercial real estate limits the appetite for investment;
- Relative inelasticity of energy demand limits the effectiveness of energy price signals.

Information and skills within numerous practitioners

- Limited awareness among the service providers involved, such as property managers, surveyors, leasing and letting agents, lawyers and valuers, prevents changes in behaviour;
- Lack of a legal framework assigning responsibilities for sustainability impacts between these parties entrenches the status-quo and the shifting of responsibility between practitioners.

b) Which market failures would be most urgent to address? At what level (i.e. EU, national/regional/local) would these failures be best addressed?

Most of the barriers would be best addressed at the Member State Level when developing detailed national legislation. However EU directives should be framed and phrased with a large degree of flexibility to enable a degree of differentiation in national legislation.

Addressing the market barriers which would have the greatest effect on a scaling up investment include:

- Split incentives – who has control over energy management and costs
- Limited skills and knowledge among numerous actors
- Lack of market demand
- Ineffective enforcement of existing regulations

c) How could these failures be best addressed? For example; how could behavioural change needed for quicker uptake of energy efficiency measures by society be triggered at the national level? How could the development of an energy services market for households be further stimulated? What could be done to increase awareness raising and promotion of energy efficiency in buildings? How could the business community (e.g. building sector, ESCOs, local banks, etc.) be better supported in delivering energy efficiency in buildings? How could the split incentive problem be best tackled?

IIGCC has identified key principles that would support unlocking market barriers and improve the regulatory framework.

- **MANAGEMENT CONTROL** - Given the slow uptake of energy efficiency initiatives in buildings it is crucial to recognise and understand that strong barriers preventing the implementation of cost-effective energy efficiency measures in the sector still exist. Overcoming these barriers requires that policies and regulations are rendered more sensitive to the complex management arrangements between the numerous practitioners involved during the whole lifecycle of a building. The key focus should be on who has control over energy consumption, who pays the energy costs and who has control over capital allocation. Different measures are required for different actors.
- **CARBON IMPROVEMENT EVENTS** - There are only limited 'carbon improvement events' in the life of a building when sustainability improvements can realistically and cost-effectively be implemented. A phased renovation approach aiming at a deep level of renovation overall across the lifecycle of a building would be most cost effective and therefore these events should be the target of regulation.
- **APPROPRIATE REGULATIONS** - In line with academic research, IIGCC believes standards, labelling and fiscal measures are the most cost-effective ways to change the behaviours of real estate market participants. The IIGCC urges EU policy-makers to continue their focus on improving the performance of existing buildings where the bulk of the emissions lie. These regulations should focus on the right practitioner and the right 'carbon improvement events' during a building lifecycle.
- **MARKET DRIVERS** - Unlocking investment in energy efficiency requires addressing current market barriers in the wider economy, such as supporting a strong and sustained price signal on carbon, as well as the uptake of performance contracting across the EU Member States. Ultimately, to be effective and to unlock substantial capital investment, the policy framework should support the integration of sustainability risks into the market fundamentals of real estate financial investment: rents, yields and values.
- **ENFORCEMENT** - Finally, as well designed as the regulatory framework might be, strong enforcement mechanisms are required to ensure its effectiveness. Much stronger emphasis on enforcement is required for climate and energy efficiency policies, in order to establish a level playing field and ensure actual implementation of the measures.

More details are provided in section (3b) below.

(3) Strengthening the regulatory framework

- a) **Is there any need for further EU-level regulation to stimulate energy efficiency investments in buildings beyond the Commission proposal for a new Energy Efficiency Directive? If so, what should these measures entail?**

The EU and Member States' regulatory frameworks which target buildings are already comprehensive and generally composed of a balanced mix of regulatory instruments. Therefore, the primary focus should not be on more regulation but on more effective adoption and enforcement of the existing regulatory frameworks. Studies have repeatedly shown that energy regulations are extremely poorly enforced across most EU Member States. For example, most recently the Building Performance Institute (2011) went as far as to suggest that enforcement should be on par with fire and safety regulations which are both well enforced across the EU.

One crucial component missing in the current legislation, and unfortunately omitted from the recent recast of the EU EPBD Directive is the call for mandated operational energy certificates in parallel to the currently mandated design-based energy certificates. Designing green buildings is only one step in enabling those buildings to be operated in an efficient way. Real energy efficiency improvements will only come when the operation of buildings is regulated in a similar way to that of the design and construction of new buildings. Mandatory energy display certificates for all buildings across Member States would be welcome.

At the Member State level, the emergence of legislation based on energy performance certificates, such as the minimum energy efficiency requirements included in the UK Energy Bill in 2011, are powerful tools that will encourage investment in energy efficiency. This legislation will be effective if it can be shown to impact the value of the asset via increased risk of depreciation and obsolescence. Well targeted energy services obligations have proven very effective across some Member States in promoting energy efficiency. We strongly approve of this element of the Energy Efficiency Directive.

Also at the Member State level, in acknowledgment of the current austerity context, further fiscal incentives to encourage the investment in energy efficiency measures would be needed to scale up investment to the whole of the building stock. Proposals such as linking business rates, local buildings tax breaks, or VAT rates to the energy performance of the asset should be analysed and implemented. Clearer and easier access to capital allowances for energy efficiency improvements should be in place.

- b) What could be specific measures to be taken at national level to implement and complement most effectively the EU-level regulatory framework for energy efficiency?**
- c) What are the specific needs for policy guidance and awareness raising among different stakeholder groups?**

In addition to the comments made above it is important for policy makers to recognise and account for the intrinsic heterogeneity and complexity of the real estate sector. This is a critical element in further improving the environmental and cost effectiveness of the EU regulatory framework targeting buildings.

The numerous European and Member State policies and regulations currently in the pipeline need to be made more sensitive to the complex management arrangements and roles of the various practitioners involved in the process. Otherwise, the mix of policies becomes a disjointed set of regulations that does not always target the practitioner who has actual management or financial control over the energy efficiency performance of a building during the whole lifecycle.

Regulators should assess what would be the most relevant form of measures to adopt at different stages through a building's entire lifecycle to best influence the changing mix of interests that are

involved and the behaviour of appropriate parties. These should reflect the complexity and heterogeneity of the building sector, residential, commercial, public, private, owner/occupied, rented, multi let, etc. The key focus should be on who has control over energy consumption, who pays for energy costs and who has control over capital allocation at any given time in a building's life.

There are few 'carbon improvement events' in the life of a building where sustainability improvements can realistically and cost-effectively be implemented. This fact calls for a phased renovation approach aiming at a deep level of renovation overall across the lifecycle of a building. These 'carbon improvement' opportunities should be identified and specifically targeted by the regulations. This is of particular relevance when developing national and local regulations, which should be effectively designed to account for these complexities. Table 1 below summarises these points and identifies the most relevant regulatory mechanism during the various phases of a building's life cycle.

Education and improved skills across the whole range of practitioners involved in the sector will enable a faster scaling up of energy efficiency investment. This should target the numerous practitioners involved: surveyors, letting leasing agents, valuers, lawyers, as well as engineers, architects, designers. The Better Buildings Partnership in the UK has released educational toolkits for a whole range of practitioners. (See question 2-d for more details.)

Table 1: Complex and fragmented management arrangements in a building life cycle: 'carbon improvements events', practitioners, market barriers and most effective regulatory instruments

'Carbon improvement event'	Construction Development	Acquisition Sales	Leasing Letting	Fit out	Occupation (Management maintenance)	Refurbishment	Demolition
Capital provider	Funds Banks	Owners Banks	Owners	Occupiers	Occupiers	Owners Banks	Owners
Management control & Energy control	Developers	Owners	Owners	Occupiers	Occupiers & Asset managers (for common areas)	Owners	Owners
Other Practitioners involved	Planners Surveyors Architects Designers Engineers	Fund managers Consultants	Property Managers Occupiers Agents	Designers Surveyors	Property managers	Architects Designers Engineers	Developers Engineers
Market Barriers	Limited investment terms	Lack market demand Limited investment	Lease conditions Limited skills	Split incentives Lease conditions	Split incentives Lease conditions Limited skills	Lack of market demand Limited investment terms	Lack of market demand

	terms			Limited skills			
Most effective regulation	Urban planning	Labelling	Procurement	Labelling	Procurement	Building codes	Taxation
	Building codes	Energy efficiency obligations	Audit & energy management	Energy efficiency obligations	Labelling Energy efficiency obligations	Labelling	Energy efficiency obligations
	Carbon pricing			Appliance standards	Demand-side management		Energy performance contracting
		Taxation			Audit & energy management		Taxation, VAT
		Carbon pricing		Taxation			Carbon pricing

(2) Improving access to financing

- a) Are the current EU-level financial tools for energy efficiency in buildings effective? How could the uptake of EU-level funding for energy efficiency (including cohesion policy funding) be improved? As a complement to tailor-made national or regional financial instruments (e.g. set up with a contribution from cohesion policy funds), what could be the future role of centrally-managed financial instruments at EU level in this context?
- b) How could more private financing (both from institutional investors as well as building owners) for energy efficiency projects be mobilised? What would be the role of public funding (both at EU and national level) in this context? Is access to (project development) technical assistance an issue and how could it be provided most efficiently at the national, regional and local level? How could both national and EU financing schemes be improved to best cover all segments of the market (residential, commercial, public buildings, etc.)?
- c) Is there a need for guarantee systems related to building efficiency investments? If so, what guarantee systems for efficiency investments would be necessary and how should they be designed? Is there a need for other enabling mechanisms (e.g. risk-sharing, investment vehicles)?

IIGCC recognises that there are a number of existing energy efficiency investment schemes and mechanisms. Most of these schemes are government-backed and target public sector organisations. Some do have a facility for some degree of public-private contribution and most have secured some funding from private investors. Importantly only very few directly target energy efficiency in the built environment, and we understand those have not been successful in allocating funds to actual projects.

It is obvious that one of the most effective roles public capital could play is to provide first risk lending guarantees in relation to energy efficiency investments. In the context of the UNFCCC Green Climate Fund (GCF), a relevant report assessing the typical financial mechanisms that could facilitate investment in the low-carbon economy will soon be released, supported by a coalition of financial groups, including IIGCC. While not directly addressing investment in the energy efficiency in the built environment, useful parallels could be drawn from this study.

It is our understanding that providing first risk guarantee is not always a possibility especially for multilateral banks (EBRD, EIB). Assessment should be made whether such type of risk could be taken by EU structural funds or programmes under the EU Commission budget. Early engagement with private sector lenders by EBRD and EIB or other similar institutions would increase chances of investors supporting new funds and financial mechanisms of this type.

Resulting from discussions within both the Property working group and wider group of institutional investors, including pension funds and asset managers we present two perspectives from which one could view the opportunity to finance energy efficiency.

I.) Energy efficiency as an asset class

When considered as an investment product or asset class in its own right, an energy efficiency financial product would be best compared to an infrastructure type fund with risks similar to private equity funds. Developing such products requires bundling of small scale energy efficiency projects into large funds. The group agrees with the consultation paper that real estate investors are wary of investing in cash flow based products. This would signify that for such energy efficiency funds investors would be more likely to be infrastructure funds or private equity funds. A similar allocation issue has been discussed by IIGCC in the context of development of green bonds and institutional investors' appetite for such products.

It is important to understand how institutional investors allocate capital. Institutional investors such as pension funds make investment decisions based on meeting their liabilities in order to pay current and future retirees. Prior to committing to any specific investment, assets need to be allocated to an asset class. Pension schemes have a number of asset classes or in some cases risk classes to which they can allocate. Typically these tend to include listed equity, fixed income (with sub categories of government, corporate, inflation linked), property, private equity and infrastructure such that the pension scheme assets are diversified by risk and return. These asset/risk classes are each defined by characteristics and associated benchmarks including expected returns and volatility as well as minimum liquidity requirements.

Further work is needed to understand how institutional investors would categorise financial products which are based on energy efficiency projects and their potential risk and return characteristics.

This is still a nascent area with many market barriers that need to be addressed. Barriers include the lack of recognised and effective methodology for bundling small scale projects, lack of knowledge and limited experience and high perception of risks from both lenders and project developers.

We would welcome further dialogue with policymakers about how public sector finance could help to de-risk energy efficiency financial products in particular those which aim to bundle and securitize small scale energy efficiency projects. This has been proved in a number of the existing EU energy and infrastructure financial tools (EU energy efficiency fund, Marguerite fund).

Two Member States are developing Green Investment Banks (UK and the Netherlands.) Such institutions could be used to support investment in energy efficiency. This might happen in the UK with the Green Investment Bank (GIB) supporting the government flagship energy efficiency policy, the Green Deal. The UK GIB is considering supporting the Green Deal Financial Corporation, a

cooperative of lenders and energy suppliers which will in effect bundle a large amount of small energy efficiency improvements at the residential level to leverage finance from the markets at acceptable fees following a bond model. An enabling regulatory framework supporting this type of initiative would be welcome.

The EU financial tools should also more explicitly support and promote energy performance contracting. Capacity building in this area should include development of standard contracts, tested and approved methodologies for measuring energy efficiency performance. US experience in this area and the Berlin Energy Agency model should be of relevance to the EU.

As stated in the consultation paper, there are not yet effective approaches and methodologies for bundling small scale energy efficiency projects/investments. Some of the EU financial tools could provide lenders first risk for organisations willing to take on the risk of developing such bundled financial instruments. Technical capacity funds could support the development of locally relevant standard contracts and methodologies.

II.) Energy Efficiency as an investment theme

A second fundamentally different, approach to facilitate private investment in energy efficiency and carbon reduction measures in private sector buildings is to think about energy efficiency as an investment theme in mainstream real estate and infrastructure investment, rather than an investment product on its own right.

Indeed, energy efficiency in Real Estate is part and parcel of asset management and investment practices. Capital investment for energy efficiency tends to be incorporated in building improvements and difficult to extract for accounting purposes. Despite the belief that energy efficiency is driven by payback periods, building renovation tends to incorporate energy efficiency as part of the larger refurbishment capital investment budget, without measuring the energy saving payback realised. In the operational phase of a building energy efficiency performance has been driven by active energy management without substantial capital investment, but requiring substantial human capital in manpower and training.

Energy performance contracting should be a provider of third party finance and technical expertise for energy efficiency and needs to be promoted. However, there are a number of barriers that are preventing its uptake in buildings. The small scale nature of each efficiency improvement and the few 'carbon events' in the life cycle of a building when energy efficiency measures can technically and cost effectively be implemented, limit the investment opportunities, and tend to spread these over time. The reality is that phased renovation is more cost effective, but less attractive for performance contracting.

In commercial Real Estate, investors are wary of third party financing and long term contractual arrangements attached to an asset. With limited understanding of these instruments in the market place, investors question their impact on the asset's liquidity, and its attractiveness to occupiers. Moreover, the fragmented nature of the building stock and the complex management arrangements makes bundling of energy efficiency measures difficult and risky, thus limiting the attractiveness of the instrument to both performance contracting providers and to investors.

On the other hand, given that energy efficiency in Real Estate is part and parcel of asset management and investment practices, the policy framework should regulate and incentivise the uptake of energy efficiency at the point within the asset management programme where energy effectiveness can be technically and cost effectively implemented. The key is to target the ‘carbon improvement events’ in the building lifecycle. This can be done through stricter building regulations for renovation as well as tax breaks, capital allowances, and other fiscal incentives.

The key to unlocking market barriers and developing drivers is through appropriate and enforced regulation. Good progress has been made in the development of voluntary initiatives such as building sustainability benchmarks and real estate portfolio-wide sustainability benchmarks, as well as a good uptake of voluntary sustainability and energy labelling. Both approaches are important to create transparency in the market place and to enable market differentiation.

d) How could the capacity, knowledge and risk perception regarding energy efficiency investments be improved, both at financial institutions as well as with private investors and administrations at all levels?

The real estate sector is serviced by a large number of practitioners from a wide range of disciplines. The knowledge of these actors on sustainability and energy efficiency of buildings, while it has been growing continuously on the last 6 years (EU EPBD), still requires a lot of support.

An important aspect is to list the whole range of practitioners involved and assess the best ways to provide education and training to each of the disciplines. Good work has been done in this regard in the UK by the Better Buildings Partnership. They have developed practical toolkits for various practitioners aiming to provide both educational material, but also practical management tools to be applied in their day to day service provision. Such tools are addressed at property owners, property managers, transactional agents, surveyors, lawyers, etc. The toolkits can be accessed at: <http://www.betterbuildingspartnership.co.uk/media/toolkits/>

e) Are there examples of good practice at national or regional level (with data on costs and benefits) that could be applied more widely?

There is limited but well known good practice at national and regional level, though those programmes are probably known to the EC. IIGCC has no access to detailed data.

Table 2: Regional examples of good practice in policies to attract energy efficiency finance

<p>Germany</p> <p>KfW Housing deep refurbishment loans</p>	<p>Launched early 2000</p> <p>Low interest rates loan for housing deep refurbishment</p> <p>Banks borrow from capital markets, lends at discount rates to consumers, discount rates covered by Germany’s treasury, plus government cash back to occupiers</p> <p>RESULTS: 10 year, Eur37bi, 330,000 properties</p> <p>Good programme but expensive. Germany KfW programme promotes a more directly involved approach, with the treasury covering the discount rates. The expenses required might not be acceptable by other Member States.</p>
<p>US</p> <p>PACE programme</p>	<p>Scheme with Barclays Commercial bank –</p> <p>Barclays lends money to consumers for housing retrofit</p> <p>Consumer repays through charge on local tax bill</p>

	<p>Loans securitised by Barclays allowed to issue asset backed bond</p> <p>RESULTS: Freddie Mac and Fannie did not take it up so scheme died out</p> <p>New scheme to be launched targeted at commercial real estate</p>
<p>France</p> <p>Zero interest eco-pret and low cost loans for energy efficiency improvement</p>	<p>Launched in 2007 – low interest loans for energy efficiency improvements, ‘eco-pret Livret Development Vert’ and tax abatements for energy efficiency refurbishment. Loans provided by partnering banks.</p> <p>Launched in 2009 - Zero interest eco-prêt (Grenelles environnement 2)</p> <p>Provides owners with a zero interest loan for energy efficiency improvement per housing – Loans up to Eur30,000 for 10 years</p> <p>Loans provided by 16 partnering banks having signed agreement with government.</p>
<p>UK Green Deal</p> <p>and</p> <p>ECO Energy efficiency obligation for utility companies</p>	<p>Commercial investors to lend money to house owner for energy efficiency improvements</p> <p>Consumer pays loan back through energy bills, loan attached to the house not the owner</p> <p>Green Deal Finance Company – set up with large commercial bank and large utility companies – Aim to raise £2bi in 2012</p> <p>Expected to get back up from Green Investment Bank with £200mi early stage risk capital (seen as crucial)</p> <p>Aim to securitise small loans in asset backed bonds.</p> <p>Government’s aim for deep renovation of 4% of building stock – pragmatic expectation 1%</p> <p>Launch expected end 2012</p> <p>ECO: Energy efficiency obligation for utility companies</p> <p>Expected investment £1.3bi per annum</p>
<p>ESCOs and Performance Contracting</p> <p>Berlin Energy Agency</p>	<p>Numerous private sector and municipal ESCO solutions to deliver energy efficiency measures to combat climate change.</p> <p>Under an Energy Performance Contract (EPC), an ESCO develops, implements and finances (or arranges financing for) an energy efficiency project or a renewable energy project, and uses the stream of income from the cost savings, or the renewable energy produced, to repay the costs of the project, including the costs of the investment</p> <p>The Berlin Energy Agency is often presented as best practice in the ways in which it has enabled market development of ESCO services.</p>

IIGCC Membership May 2012

Amundi	Hudson Clean Energy Partners
AP1 (First Swedish National Pension Fund)	Impax Asset Management
AP2 (Second Swedish National Pension Fund)	Insight Investment
AP3 (Third Swedish National Pension Fund)	Joseph Rowntree Charitable Trust
AP4 (Fourth Swedish National Pension Fund)	Kent County Council Pension Fund
APG Asset Management	Kleinwort Benson Investors
ATP	Legal & General Investment Management
Aviva Investors	London Borough of Hounslow Pension Fund
AXA Real Estate	London Borough of Islington Pension Fund
Baptist Union of Great Britain	London Borough of Newham Pension Fund
BBC Pension Trust	London Pensions Fund Authority
Bedfordshire Pension Fund	Low Carbon Investors Pte Ltd
BlackRock	Merseyside Pension Fund
BMS World Mission	Mercer Global Investments Europe Limited
BNP Paribas Investment Partners	Mn Services
BT Pension Scheme	Northern Trust
CB Richard Ellis	Nordea Investment Funds
CCLA Investment Management	Osmosis Investment Management
Central Finance Board of the Methodist Church	PGGM Investments
CF Partners (UK) LLP	PKA
Church Commissioners for England	Platina Partners
Church of Sweden	PRUPIM
Climate Change Capital	Railpen Investments
Co-operative Asset Management	Robeco
Corporation of London Pension Fund	Sampension
Dragon Capital Group Ltd.	Sarasin & Partners LLP
Earth Capital Partners	Scottish Widows Investment Partnership
Environment Agency Pension Fund	South Yorkshire Pensions Authority
Environmental Technologies Fund	Temporis Capital
Ethos Foundation	The Church of England Pensions Board
F&C Management Ltd	The Church in Wales
Five Oceans Asset Management	The Roman Catholic Diocese of Plymouth
Generation Investment Management LLP	The Roman Catholic Diocese of Portsmouth
Greater Manchester Pension Fund	The Roman Catholic Diocese of Salford
Grosvenor Fund Management	United Reformed Church
Henderson Global Investors	Universities Superannuation Scheme
Hermes	West Midlands Metropolitan Authorities Pension Fund
HgCapital	West Yorkshire Pension Fund
HSBC Investments	William Leech Charitable Trust