

29 September 2017

Dear policy-maker,

I write to you on behalf of the Institutional Investors Group on Climate Change (IIGCC), which represents 142 institutional investors overseeing over €20 trillion in assets across eleven European countries. We recognise that mitigation of climate change is essential for the safeguarding of investments, and that new, innovative developments in low carbon technologies and fuels present significant investment opportunities which can foster economic growth, boost job creation, and improve citizens' health and wellbeing.

In our view, the forthcoming proposals from the European Commission revising legislation on CO₂ from cars and vans represent a unique opportunity for the EU to successfully tackle challenges around carbon mitigation, air quality, innovation and EU competitiveness.

The automotive sector contributes significantly to the economic and social well-being of the EU and its Member States, yet it is also only second to energy in its share of Europe's greenhouse gases: road transport alone is responsible for almost a fifth of EU emissions. In parallel we are seeing other global economic powers, as well as some EU Member States and vehicle manufacturers, move rapidly towards e-mobility; the so-called "dieselgate" scandal has also underlined the shortcomings of emissions testing and reporting obligations.

We therefore welcome the opportunity for the forthcoming proposals to provide:

- A clear path to decarbonisation of the road transport sector, consistent with the EU's 2030 and 2050 targets as well as with the goals of the Paris Agreement;
- An approach which guarantees high-level ambition for new vehicle standards, including consideration of targets for electrification of the EU fleet;
- Incentives for investment into cleaner transport, with particular consideration given to infrastructure, consumer incentives, and R&D; and,
- More systemic disclosure of meaningful emissions data by manufacturers, taking into account the conclusions of the European Parliament EMIS Committee's final report.

Policies such as these will allow the financial sector to allocate sufficient capital to clean transport, which in turn will contribute towards a myriad of linked economic, social and environmental objectives. We urge the EU to seize this opportunity.

On behalf of the Institutional Investors Group on Climate Change,



Stephanie Pfeifer, IIGCC CEO

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