

4 September 2018

Dear Members of the European Parliament,

I write to you on behalf of the Institutional Investors Group on Climate Change (IIGCC), which represents 160 institutional investors overseeing over €21 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 present significant investment opportunities which can foster economic growth, boost job creation, and improve citizens' health and wellbeing.

In our view, the on-going negotiations on the post-2020 standards on CO<sub>2</sub> from new 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, and now represents the biggest share of Europe's greenhouse gases with road transport alone responsible for 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 and attracting the associated investments which underpins growth and new jobs. The so-called "dieselgate" scandal also underlined the shortcomings of emissions testing and reporting obligations.

We therefore welcome a swift agreement which strengthens the Commission's original proposals in the following ways:

1. **Setting ambitious targets for CO<sub>2</sub> reduction** for new cars and vans of at least 20% by 2025 and at least 40% by 2030, in order to provide certainty and a clear direction of travel to investors.
2. **Providing clearer incentives to investors** to support electrification of the EU fleet, by
  - a. Setting a specific sales target for zero emission vehicles (ZEVs); and
  - b. Proscribing a penalty of a stricter overall CO<sub>2</sub> reduction target for manufacturers who miss their ZEV sales target – the so-called malus – alongside the bonus proposed by the Commission for those who meet their ZEV sales target.
3. **Mandating real-world CO<sub>2</sub> tests for all vehicles**, allowing for more systemic disclosure of meaningful emissions data by manufacturers and therefore better informed investment decisions.

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

Contact: [spfeifer@iigcc.org](mailto:spfeifer@iigcc.org)

## IIGCC Membership List March 2018

ACTIAM  
Aegon NL  
Allianz Global Investors  
Amundi Asset Management  
AP Moller Capital  
AP1 (First Swedish National Pension Fund)  
AP2 (Second Swedish National Pension Fund)  
AP3 (Third Swedish National Pension Fund)  
AP4 (Fourth Swedish National Pension Fund)  
AP7 (Seventh Swedish National Pension Fund)  
APG Asset Management  
Asper Investment Management  
Atlas Infrastructure  
ATP  
Aviva Investors  
AXA Group  
Baillie Gifford & Co  
BBC Pension Trust  
Bedfordshire Pension Fund  
BlackRock  
BMO Global Asset Management (EMEA)  
BNP Paribas Asset Management  
Brunel Pension Partnership  
BT Pension Scheme  
Caisse des Dépôts  
CalPERS  
CBRE Investors  
CCLA Investment Management  
Central Finance Board of the Methodist Church  
CF Partners Services (UK) Limited  
Church Commissioners for England  
Church of England Pensions Board  
Church of Sweden  
CEG (Caisse de prévoyance de l'Etat de Genève)  
Danske Bank  
Devon County Council  
Dragon Capital Group Ltd.  
DWS  
Earth Capital Partners  
EdenTree Investment Management Ltd  
Elo Mutual Pension Insurance Company  
Environment Agency Pension Fund  
ERAFP  
Finance in Motion  
Fonds de Réserve pour les Retraites  
Generation Investment Management LLP  
Glennmont Partners  
Greater Manchester Pension Fund  
Guardian Media Group PLC  
Hartree Partners  
Hermes Investment Management  
HSBC Bank Pension Trust (UK) Limited  
HSBC Global Asset Management  
Impax Asset Management  
Industriens Pension  
Inflection Point Capital Management

Insight Investment  
Investec Asset Management  
Janus Henderson Investors  
Joseph Rowntree Charitable Trust  
JP Morgan Asset Management  
KBI Global Investors  
Kempen Capital Management  
Kent County Council Pension Fund  
La Banque Postale AM  
Lægernes Pension  
Legal & General Investment Management  
LGPS Central  
Lombard Odier Bank & Co.  
London Borough of Islington Pension Fund  
London Borough of Newham Pension Fund  
London Pensions Fund Authority  
M&G Investments  
Mayfair Capital Investment Management  
Mercer Global Investments Europe Limited  
Merseyside Pension Fund  
Mistra  
MN  
MP Investment Management  
MPC Renewable Energies GmbH  
National Grid UK Pension Scheme  
NEST  
Newton Investment Management  
NextEnergy Capital Ltd  
NN Group  
Nordea Investment Funds  
Northern Trust Asset Management  
OFI Asset Management  
Ohman  
Old Mutual Global Investors UK  
Old Mutual Wealth  
Ostrum Asset Management  
OU Endowment Management  
P+(DIP/JOEP)  
Pædagogernes Pension (PBU)  
PenSam  
PensionDanmark  
Pension Protection Fund  
PFA Pension  
PGGM  
Pictet Asset Management  
PKA  
Quaero Capital  
Rathbone Greenbank Investments  
Robeco  
Royal London Asset Management  
RPMI Railpen  
Ruffer LLP  
Russell Investments  
Sampension  
Sarasin & Partners LLP  
SEB Investment Management  
Scottish Widows, part of Lloyds Banking Group

South Yorkshire Pensions Authority  
Stafford Sustainable Capital  
Strathclyde Pension Fund  
Sycomore Asset Management  
Tellus Mater Foundation  
TPT Retirement Solutions  
UBS Asset Management  
Universities Superannuation Scheme  
Univest Company BV  
Wermuth Asset Management  
West Midlands Pension Fund  
West Yorkshire Pension Fund  
WHEB Group

### Associate Members

Circle 7 Cvjetic Boissier & Cie Family Office  
Linklaters LLP  
Moody's Investor Service  
Ortec Finance

### Supporting Partners

Norges Bank Investment Management

### The Church Investors Group *joint members* (*all less than £1bn AUM*):

Archbishops' Council  
Baptist Union of Great Britain  
Barrow Cadbury Trust  
BMS World Mission  
Charles Plater Trust  
Christian Aid  
Church in Wales  
Church of Scotland  
CIG South Africa  
Diocese of Salford  
Diocese of Westminster  
Friends Provident Foundation  
Jesuits in Britain  
Lutheran Council of Great Britain  
Order of Preachers  
Panahpur  
Polden-Puckham Charitable Foundation  
Religious Society of Friends  
Representative Church Body of the Church of Ireland  
Roman Catholic Diocese of Plymouth  
Roman Catholic Diocese of Portsmouth  
Scottish Episcopal Church  
Servite Friars  
Trustees of the Methodist Church in Ireland  
United Reformed Church Ministers Pension Fund  
United Reformed Church South Western Synod  
United Reformed Church Trust  
United Reformed Church Wessex Synod  
William Leech Foundation