



Private Banking & Wealth Management

Swiss Energy Strategy 2050 & Sustainable Real Estate

An Investors' Perspective

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Increasing regulatory requirements

Challenging Targets

- Reduction of energy consumption (2000 Watt society)
- Increase in energy efficiency (various sectors)
- Reduction of CO₂ (Decarbonization)
- Reduction of fossil fuels (oil, gas, fuel)
- Increase of Renewables

Per capita targets (vs.2000)	2020	2035	2050
Energy consumption	-16%	-43%	-54%
Electricity	-3%	-13%	-18%
Real Estate targets (vs.1990)			
CO ₂ reduction	-40%	CO ₂ neutrality in the long run	

Real Estate with significant impact on global CO₂-emissions

Strong lever on CO₂, Energy and Resource Efficiency

30%



Impact on global greenhouse gas (CO₂) emissions

40%



Impact on global energy consumption

50%



Consumption of all natural resources

Source: International Energy Agency (IEA) 2012

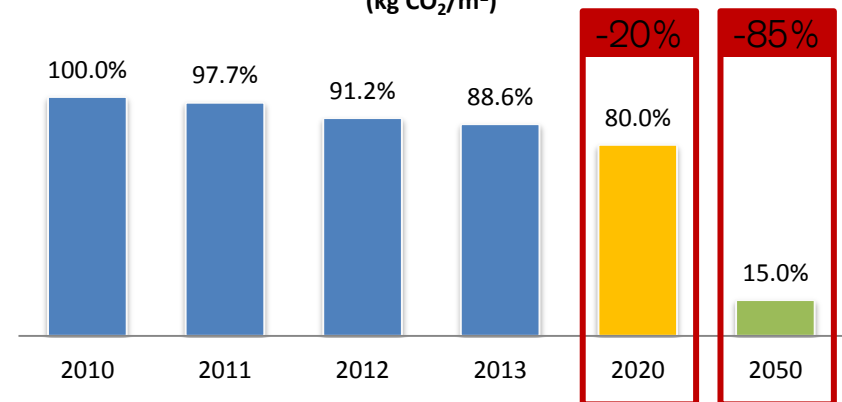
Decarbonization – A significant success factor for Real Estate Investors

- Increase transparency on energy consumption and CO₂ emissions
- Maintain and increase the value of real estate assets
- Risk management due to volatile energy prices and regulatory intervention
- Address stakeholder demand for ESG criteria
- Be well ahead of regulatory requirements

CO₂ reduction targets CS REIM (related to 2010)

- **2020: -20%** (vs. 2010)
- **2050: -85%** (vs. 2010)
- Achievement 2010-2013: -11.4%

CO₂-Reduction of CS REIM portfolio* (kg CO₂/m²)



*Note: approx. CHF 35 BN AuM; sqm +5.7 mn

Decarbonizing Swiss Real Estate

Energy-Controlling and Property Optimization

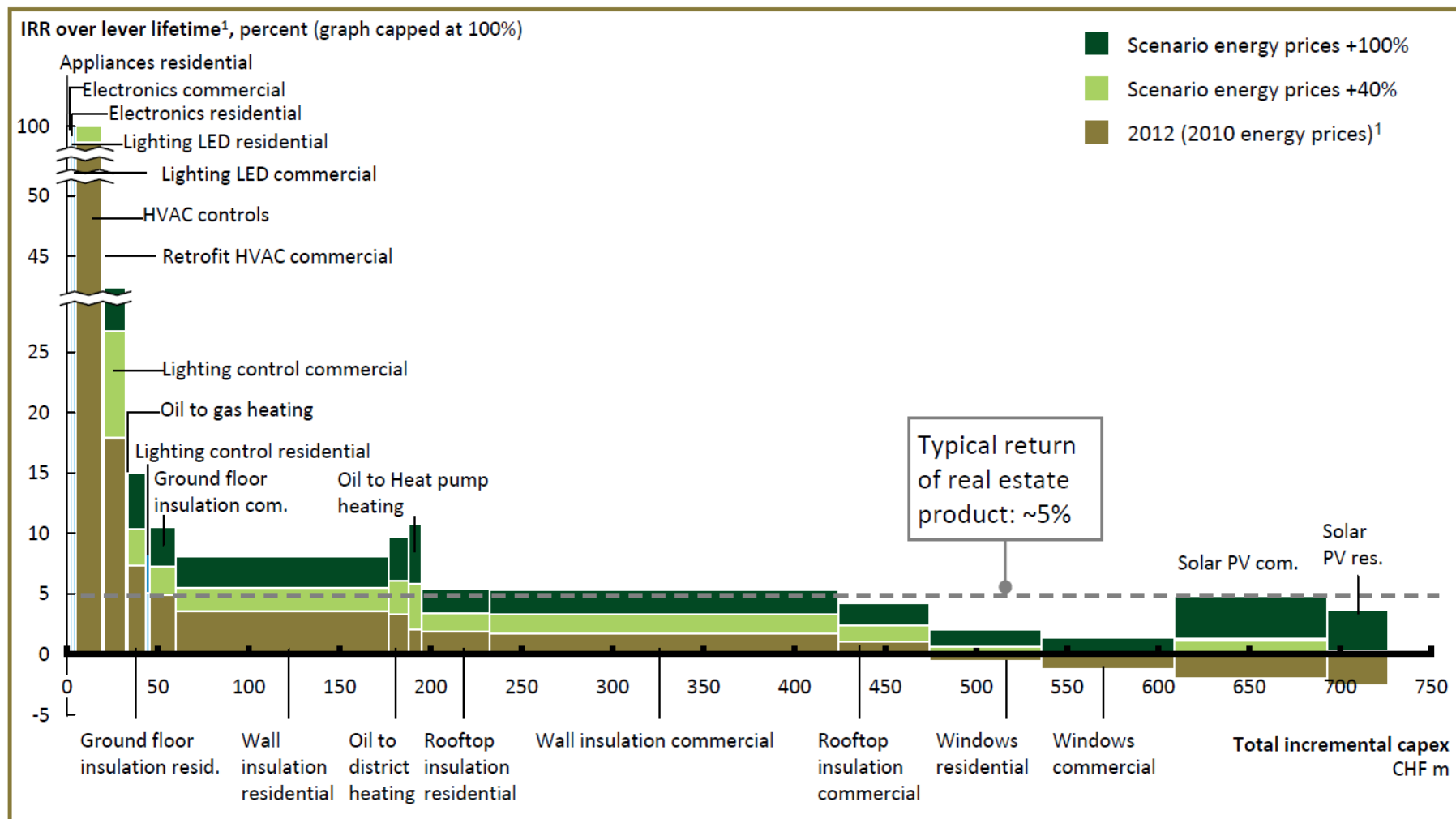


Decarbonizing Swiss Real Estate
The Credit Suisse Case Study

- Study addressing CO₂ abatement potential
- Since July 2012, Credit Suisse's Real Estate Investment Management has been working with Siemens Switzerland and Wincasa to reduce CO₂ emissions
- In a five-year program CO₂ emissions will be reduced systematically at some 1,000 properties
- Using Siemens Energy Monitoring & Control Solution (EMC) for efficient monitoring
- In the future, energy consumption and CO₂ emissions will be reviewed at the touch of a button

An investors approach to address energy efficiency measures

High returns for low capex property appliances



Source: Credit Suisse AG

An investors approach to address energy efficiency measures

Integrate ESG into Real Estate Investment Management



Zug, Foyer



Zug, Uptown

- **Decarbonization:** In collaboration with WWF Switzerland and McKinsey & Company, Credit Suisse analyzed the CO₂ reduction potential of all Credit Suisse real estate funds (2012)
- **Energy Monitoring and Controlling (EMC):** In collaboration with Siemens Switzerland and Wincasa, Credit Suisse systematically reduces CO₂ emissions at almost 1'000 of its properties
- **Reporting:** Following the principles of GRI, Credit Suisse integrates ESG criteria into reporting
- **Transparency:** Increasing transparency using performance indicators (KPI) to optimize energy and resource efficiency
- **Global Visibility with Benchmarking:** Credit Suisse participates in the Global Real Estate Sustainability Benchmark (GRESB) with all funds and achieved 4 Green Star Awards (2014)



Zurich, Prime Tower



St. Gallen, Malik Management Center

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The key risks of real estate funds include limited liquidity in the real estate market, changing mortgage interest rates, subjective valuation of real estate, inherent risks with respect to the construction of buildings and environmental risks (e.g., land contamination).

Emerging Markets are located in countries that possess one or more of the following characteristics: A certain degree of political instability, relatively unpredictable financial markets and economic growth patterns, a financial market that is still at the development stage or a weak economy. Emerging markets investments usually result in higher risks such as political risks, economical risks, credit risks, exchange rate risks, market liquidity risks, legal risks, settlement risks, market risks, shareholder risk and creditor risk. Investors should be willing and financially able to accept the risk characteristics of the investments described in this document.

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