

Case Study SDG 11 “Sustainable Cities”

SDG and Targets

SDG 11 aims to “make cities and human settlements inclusive, safe, resilient and sustainable.” The goal is underpinned by the targets listed in the table below.

Credit Suisse's Approach

Buildings currently account for around 40% of the world's consumption of primary energy and produce around a third of all anthropogenic CO₂ emissions. The application of sustainability criteria in buildings is becoming ever more important in the face of environmental, social and economic challenges, and can be expected to evolve as the most important yardstick not only

for green properties, but for profitable real estate investments in general.

In 2012, Credit Suisse conducted a joint analysis with WWF of its real estate investment portfolio in Switzerland entitled “Decarbonizing Swiss Real Estate.” The study explored the energy and carbon efficiency of conventional real estate portfolios, and helps investors understand their exposure to carbon-related risks. As a result of this analysis, Credit Suisse Real Estate Investment Management initiated a five-year program in cooperation with Siemens Switzerland and Wincasa to systematically record and enhance the energy efficiency of the global real

estate portfolio and to reduce CO₂ emissions.

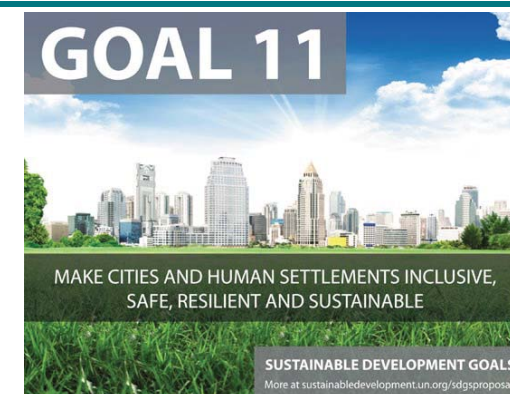
Through greenproperty, Credit Suisse Real Estate Investment Management initiated and implemented the first Swiss quality seal for sustainable real estate, and launched its CS Real Estate Fund Green Property for clients to invest in real estate that meets strictly defined criteria.

The greenproperty label assesses projects or existing buildings by five specific aspects: utilization, infrastructure, energy, materials and life cycle. These aspects are supported by 35 criteria and measured by a total of 86 quantitative and qualitative indicators. Appraisals of the projects take place in the planning phase and upon completion of construction; an annual certification process determines whether the property continues to meet the criteria. The corresponding funds are open to private and institutional investors.

Beyond the implementation of the greenproperty quality seal, Credit Suisse Real Estate Investment Management follows an approach that relies on quantitative Key Performance Indicators (KPI) that are consistent with international reporting standards, such as the Global Reporting Initiative (GRI) and the GRI Construction & Real Estate Sector Supplement (GRESB). The KPI approach helps measure and operationalize sustainability in an appropriate way in order to improve and compare Credit Suisse's sustainability endeavors with those of international peers. Increasing energy efficiency, and decreasing water consumption

and waste generation, and systematically reducing greenhouse gas emissions (decarbonization) is at the heart of Credit Suisse Real Estate Investment Management's sustainability approach. To compare the sustainability performance with international peers, Credit Suisse Real Estate Investment Management is an active member of the Global Real Estate Sustainability Benchmark (GRESB).

Reliance on specific KPIs is also an integral part of Credit Suisse's most recent real estate sustainability investment solution, the CS REF (Lux) European Climate Value Fund. In collaboration with Siemens, the fund aims to increase energy and resource efficiency and reduce its carbon footprint to a minimum. At the end of this process, Credit Suisse Real Estate Investment Management seeks to achieve a climate-neutral investment solution with all remaining carbon emissions offset.



Impact

With its greenproperty quality seal for sustainable real estate, Credit Suisse Real Estate Investment Management has developed a comprehensive approach to making the sustainability of buildings measurable in environmental, social and economic dimensions. The label itself and the projects completed so far demonstrate that SDG 11 can be realized in practice, and also that this approach meets significant investor interest. While many of the existing

properties cannot retroactively be brought into line with greenproperty's strict criteria, a prudent and systematic approach can help make them more energy efficient.

Further information:
credit-suisse.com/greenproperty

SDG	Targets
11.1	By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.
11.2	By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.
11.3	By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.
11.4	Strengthen efforts to protect and safeguard the world's cultural and natural heritage.
11.5	By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations.
11.6	By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.
11.7	By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities.

Contribution to SDG 11	greenproperty	Overall real estate portfolio
Objective	<ul style="list-style-type: none"> Building and investing in real estate that conforms to strict and measurable sustainability criteria 	<ul style="list-style-type: none"> Systematic and continuous review and optimization of property portfolio in terms of energy efficiency
Impact	<ul style="list-style-type: none"> Property owners benefit from lower operating costs due to energy efficiency and stable market values throughout the life cycle, tenants benefit from higher levels of comfort and efficient use of resources As of end 2014, the greenproperty label had been applied to 16 properties with approx. 121,217 m² of floor space (incl. pending certification) The total commercial value of the CS Real Estate Fund Green Property was CHF 789.27 million at the end of 2014 	<ul style="list-style-type: none"> Systematic reduction of CO₂ emissions at almost 1,000 properties in Switzerland At the end of the five-year process in 2017, CO₂ reductions of at least 10%, or 13,000 metric tons, are expected to be achieved relative to 2010 levels In a pilot portfolio of 40 properties, long-term emissions were already reduced by an average of about 15% using the same measures over the last five years Access to tools to check energy consumption and CO₂ emissions of buildings online and in real time