

Energy efficiency

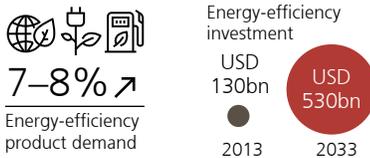
Longer Term Investments (LTI)

The global appetite for energy seems insatiable. Fuel consumption is set to increase almost 50% by 2040, according to the International Energy Agency, driven by economic growth and a rising population. Energy efficiency, often referred to as the best “alternative fuel,” is becoming more important due to stricter regulation to protect the environment and secure energy supplies.

Projections and opportunities

Energy-efficiency in demand

The demand for energy-efficient products is expected to grow by 7–8% annually. Investment could reach USD 530bn in 20 years, up from USD 130bn in 2013.



Source: The International Energy Agency (IEA)

Fuel efficiency

Today’s aircraft need 70% less fuel than 40 years ago and 20% less compared to 10 years ago.



Source: International Air Transport Association (IATA)

Loss of energy

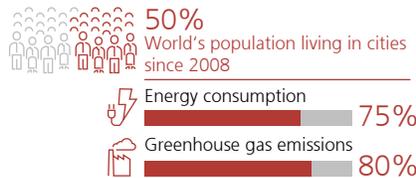
ABB estimates that around 80% of energy gets lost between the extraction of the resource (e.g. coal) and the final use of electricity.



Source: ABB

Energy consumption

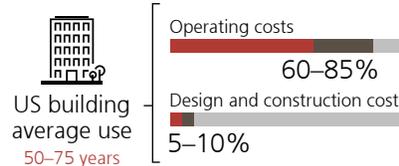
Since 2008, 50% of the world’s population living in cities have accounted for a disproportionate 75% of energy consumption and 80% of greenhouse gas emissions.



Source: UN

Maintenance costs reduction

On average, a building in the US is used for 50–75 years, and 60–85% of the costs associated with it are operating costs (for fuel, maintenance, and repair, etc.), compared with just 5–10% spent on design and construction.



Source: US National Institute of Building Services

Carbon emission reduction

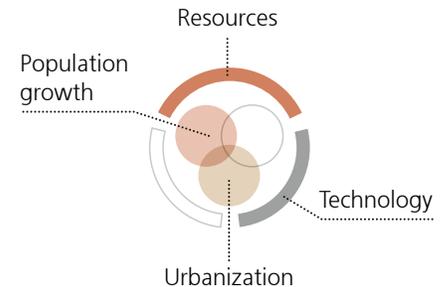
Enterprises could reduce their carbon emissions by more than 50% if they migrate their data storage operations to the cloud.



Source: IBM, Amazon



Energy efficiency investment properties



○ Influencer ⊗ Key drivers

Near-term drivers

- Supportive regulation
- Higher energy prices
- Stronger leading indicators

Sustainable investing impact

- Building systems
- Industrial processes
- Transportation infrastructure
- Technology/software

Impact investing (UN SDGs)

- SDG 7: Affordable and clean energy
- SDG 12: Responsible consumption and production
- SDG 13: Climate action

