# Guide to sustainable investing

The rise of sustainable and impact investing reflects the growing conviction that changing the world for the better has its rewards. But there are lots of different terms used. Here's our handy guide to navigating different terms in sustainable investing.

**SDG**
The Sustainable Development Goals (SDGs) are a universal call to action to end poverty, protect the planet and improve the lives and prospects of its inhabitants. All UN Member States adopted the 17 SDGs in 2015 as part of a 15-year plan to 2030. At Credit Suisse, we work with like-minded private, public and non-governmental organizations to close the gaps identified by these SDGs.

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Sustainable Development Goals (SDG) to improve the world

**ESG**

- **E** is Environmental – including the energy a company takes in and the waste it discharges, the resources it needs, and carbon emissions and climate change
- **S** is Social – the way a company interacts with its stakeholders, e.g. labor relations, diversity and inclusion
- **G** is Governance – the internal practices, controls, and procedures a company adopts to govern itself, make effective decisions, comply with the law, and meet the needs of external stakeholders

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### factors to consider

when investing in a company together with traditional valuation criteria

Environmental

Social

Governance

**Sustainable investing**

Sustainable investing refers to an investment strategy that considers environmental, social and governance (ESG) aspects alongside traditional valuation criteria in making investment decisions. Sustainable investments are often aligned with personal values and provide healthy financial returns while fostering positive social and environmental change in line with the UN's Sustainable Development Goals (SDGs).

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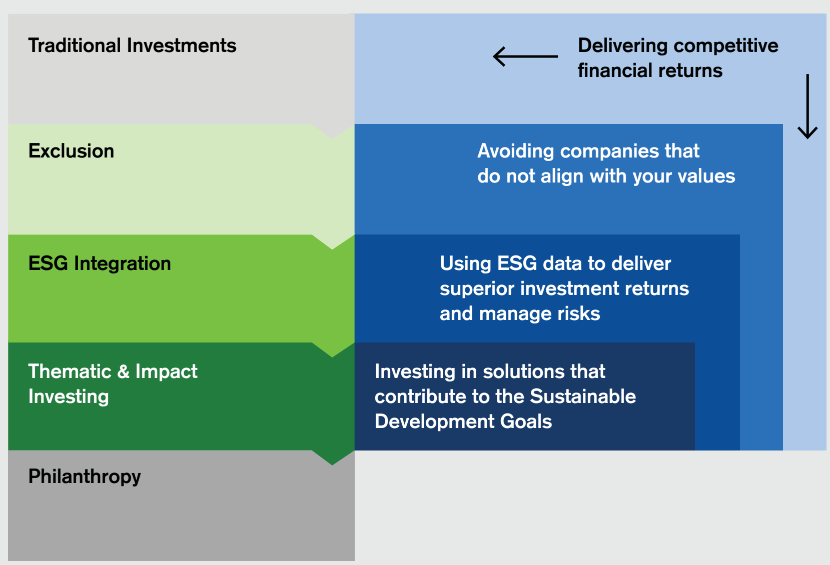
### Credit Suisse approaches to sustainable investing

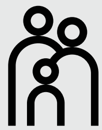
**The investment spectrum**




**Source:** Credit Suisse

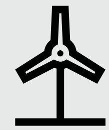
**Blue Economy**
The Blue Economy is the sustainable use of ocean resources for economic growth, improved livelihoods and jobs, and ocean ecosystem health. (World Bank).

A sustainable Blue Economy is one that:



Provides social and economic benefits for current and future generations

Restores, protects and maintains diverse, productive and resilient ecosystems



Is based on clean technologies, renewable energy and circular material flows (WWF)

**Conservation finance**
Conservation finance focuses on the creation of new, long-term and diversified source of revenue that can play a major role in ensuring biodiversity conservation and the health of natural ecosystems. Credit Suisse has long been a pioneer in the conservation finance space.

**Exclusion approach**
Investment products with an exclusion approach do not invest in companies either involved in controversial activities such as severe violations of human rights, or with substantial revenues tied to controversial business areas such as weapons.

**Green bond**
A green bond is a fixed-income product giving the opportunity to back investments that deliver positive environmental impact.

**Green finance**
Green finance refers to any financial instrument or investment – including equity, debt, derivative - issued to finance projects and activities that deliver positive environmental benefits.

**Impact investing**
Impact investing is a subset of sustainable investing. It's about actively placing capital in enterprises that generate a positive social and/or environmental impact alongside financial returns. Providing capital to support solutions to the world's most pressing challenges in sectors such as fair agriculture, accessible education, affordable housing, healthcare and access to financial services.

**Integration approach**
Investment products with an ESG integration approach focus on integrating ESG factors into their investment process in combination with financial analysis (selecting companies with best-in-class ESG ratings and top ESG performers in an industry). This is based on industry specific sustainability expertize. The approach is adapted to asset class, product features and investment objectives.

**Philanthropy**
Philanthropy addresses societal challenges with no generation of financial gain.

**Portfolio sustainability check**
A portfolio sustainability check involves screening and analyzing a portfolio's sustainability footprint along exclusions, ESG integration and its carbon footprint.

# Make your investments matter. Drive change.