



Strategy

Extract from the TCFD Report 2022

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






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Enablers: How we embed net zero

Our climate approach

Our climate strategy is outlined by our climate approach, which has evolved from the previously disclosed three-pronged approach into three key objectives that are anchored in our overarching sustainability strategy.

Overview of climate approach

	Objective 1	Objective 2	Objective 3		
Key objectives of our climate approach	 Supporting clients' climate transition	 Reducing our operational footprint	 Managing the risks that climate change poses to our business		
Link to our sustainability strategy	<ul style="list-style-type: none">  Engage with thought leadership  Deliver sustainable solutions  Enable client transitions  Drive our own transition  Adapt our culture and engagement 	<ul style="list-style-type: none">  Drive our own transition  Adapt our culture and engagement 	<ul style="list-style-type: none">  Engage with thought leadership  Enable client transitions  Drive our own transition  Adapt our culture and engagement 		
Key initiatives	<ul style="list-style-type: none"> ▪ Science-based net zero goals ▪ Support clients' transition through provision of sustainable finance capabilities¹ ▪ Internal sustainability frameworks (SAF, SIF) ▪ Participation in market initiatives 	<ul style="list-style-type: none"> ▪ Environmental Management System (EMS) ▪ RE100 initiative ▪ Corporate facility Energy Savings Initiatives (ESIs) ▪ Initiatives to reduce non-client business travel ▪ Report and monitor our supply chain emissions ▪ Partner with suppliers on sustainable products and services 	<ul style="list-style-type: none"> ▪ Sector policies ▪ Client Energy Transition Framework (CETF) ▪ Climate risk analytics ▪ Regional climate risk integration ▪ Governance and regulations 		
Key enablers	Enhanced climate governance and accountabilities	Training our employees and adapting our culture	Enhanced climate data capabilities	Engagement with industry bodies	Transparent disclosures

¹ See Credit Suisse 2022 Sustainability Report, Products and Services chapter for more details.

Objective 1. Supporting clients' climate transition

We seek to support the transition of our clients to low-carbon and climate-resilient business models. We aim to achieve this by aligning our in-scope corporate lending and investment portfolios to 1.5°C pathways, engaging with clients to

understand their financing needs, and mobilizing capital for climate solutions.

Transitioning our corporate lending portfolio to net zero

For our corporate lending portfolio, we have set interim 2030 goals to reduce our scope 3 emissions across six sectors: oil, gas and coal; power generation; commercial real estate; iron and steel; aluminum; and automotive. For the shipping sector, we disclose our portfolio climate alignment to the Poseidon Principles decarbonization index, which is not yet 1.5°C-aligned.

We developed our goals using the latest available guidance from the Partnership for Carbon Accounting Financials (PCAF), NZBA, Science Based Targets initiative (SBTi) and the Poseidon Principles (see also Metrics section for more details). We are engaging with SBTi to validate our 2030 goals, which will therefore be subject to revision through the validation process. Furthermore, we will continue to develop additional goals for remaining key sectors in line with our commitment to the NZBA.

Transitioning investment portfolios to net zero

Credit Suisse Group's net zero ambition includes investment activities on behalf of clients within Credit Suisse Asset Management and Investment Solutions & Sustainability (IS&S), part of Credit Suisse Wealth Management. This includes a 2030 interim goal that applies to listed equities and corporate bonds. Credit Suisse Asset Management's and IS&S's goal aims to consider the scope 1 and 2 emissions of our portfolio companies, but also scope 3 emissions for portfolio companies in the energy sector. The ambition is to phase in scope 3 emissions for the remaining sectors over time, once data becomes more available and reliable. Our goal to reduce our investment-associated emissions in intensity terms by 50% by 2030 translates into an annual

Overview of goals and preliminary progress (lending, investment, and enterprise)

Goal area	2030 emissions reduction goal ¹	Metric	Preliminary progress (alignment with Credit Suisse goal trajectory) ^{2,3,5}
Scope 3 Corporate lending	Oil, gas & coal	Absolute MtCO ₂ e	Below
	Power generation	Intensity gCO ₂ e/kWh	Below
	Commercial real estate (CRE)	Intensity kgCO ₂ /m ²	N/A ⁴
	Iron & steel	Intensity tCO ₂ /t	Above
	Aluminum	Intensity tCO ₂ e/t	Below
	Automotive	Intensity gCO ₂ /vkm	Above
	Shipping	Alignment to PP trajectory ⁵	PP Intensity gCO ₂ /dwt-nm
Investment	Credit Suisse Asset Management		Below
	IS&S, part of Credit Suisse Wealth Management	Intensity tCO ₂ e/CHF mn invested	
Scope 1 & 2 Operations Enterprise	61%	Absolute tCO ₂ e	N/A

¹ Baseline years for goal areas: 2020 for oil, gas and coal; 2021 for all other lending goals; 2019 for investment and enterprise goals.
² Lending and enterprise progress indicates current position of our portfolio vs. 1.5°C trajectory based on preliminary 2022 results. Investment progress is based on preliminary 2021 results.
³ "Below": 2% or more below goal trajectory; "Above": 2% or more above goal trajectory; "In-line": within +/-2% of goal trajectory. For details, refer to TCFD metrics.
⁴ The extensive use of proxy data leads to a PCAF data quality score of 4 and the resulting metrics are not suitable to report on preliminary progress made in 2022 with sufficient confidence. We only report preliminary progress for 2022 for sectors where the PCAF score is 3 or below.
⁵ Shipping sector emissions and goals are currently not net zero 1.5°C aligned. They are aligned with the current Poseidon Principles (PP) methodology for assessing and disclosing the climate alignment of in-scope ship finance portfolios.

What are scope 1, 2, and 3 emissions?

- **Scope 1 emissions** are generated by a company directly from owned or controlled sources such as the burning of fuels (stationary or mobile), industrial processes, etc.
- **Scope 2 emissions** are indirect emissions, primarily those associated with the electricity consumed by a company.
- **Scope 3 emissions** are all other indirect emissions associated with a company's operations, such as business travel, waste generated, and products both upstream (in the supply chain) and downstream (use of the products and end of life). Scope 3 emissions typically account for the largest proportion of a company's emissions.

reduction of 6% for both Credit Suisse Asset Management and IS&S compared to 2019 as the baseline year.

Underpinning our interim 2030 goals with transition strategies

To support the transition to net zero we have defined three key transition strategy levers where we believe we can have an impact and which should guide our strategies and actions to achieve our net zero goals – alongside existing emissions reduction commitments by clients. These levers cover both our in-scope investment and corporate lending activities.

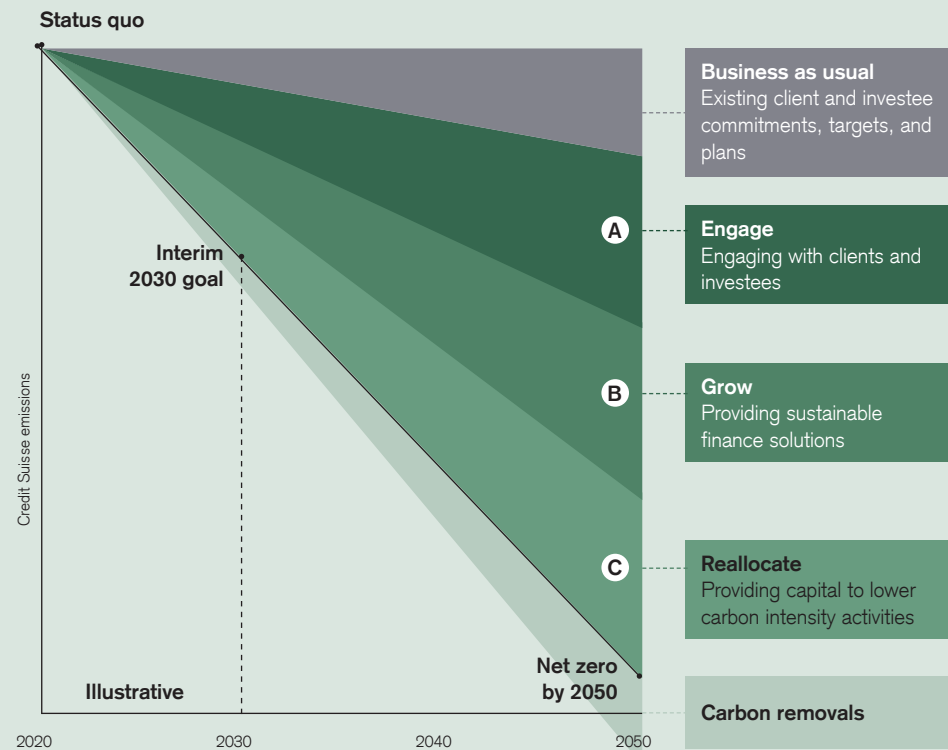
A. Engage: Engaging with our clients

For corporate lending, we have conducted an analysis of existing emissions reduction commitments of individual clients in scope in each sector, to understand where clients are on their journey toward net zero. Additionally, we use our Client Energy Transition Framework (CETF) to understand our corporate clients' transition strategies and assess how we can best support them in their transition journey. We aim to support our clients as they transition along the CETF categories over time including via financing and advisory

services. (↗ For more details, please refer to the CETF overview in the Risk management section.)

For Asset Management and IS&S, part of Credit Suisse Wealth Management, we seek to strategically engage with clients and investee companies to support their transition to low-carbon and climate-resilient business models and help accelerate the decarbonization of the global economy. Credit Suisse Asset Management and IS&S plan to apply the Net Zero Categorization Principles, which are inspired by the Institutional Investors Group on Climate Change (IIGCC) and are aligned with the

Underpinning our interim 2030 goals with transition strategies: Key strategic levers



CETF methodology. These principles enable us to measure and track portfolio alignment and understand where our investee companies are on their journey toward net zero.

With an established view on where to focus our engagement efforts, we will initially aim to encourage those companies to achieve milestones such as the following:

- Presence of a climate policy and strategy, including net zero and interim goals, potential sector-specific metrics, and measures to initiate change for transitioning to net zero;
- Disclosure of scope 1, 2, and material scope 3 emissions;
- Disclosure of climate risks and how climate risks are embedded in overall risk management and whether a scenario analysis is available.

In Credit Suisse Asset Management, we also exercise our voting rights for our investee companies at annual shareholder meetings (AGMs).

B. Grow: Providing sustainable finance solutions

To support our clients in their transition to low-carbon and climate-resilient business models, we have conducted market research for key sectors and are working with our front-line teams, product specialists, and clients to identify, develop, and grow sustainable finance solutions.

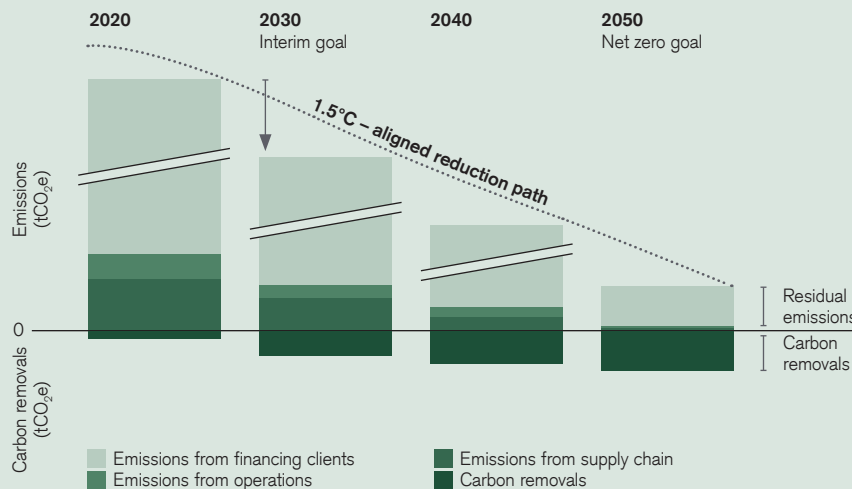
For example, this includes investments in businesses around the world that provide solutions to facilitate and accelerate the transition to a net zero economy.

Within Credit Suisse Asset Management and IS&S, part of Credit Suisse Wealth Management, we provide a range of investment solutions to clients enabling them to invest in companies that participate in the energy transition and that allocate capital to support net zero by 2050. We have been providing investment solutions to our clients in this area for many years and continue to build our offering.

Our approach to net zero

We aim to significantly reduce emissions for our in-scope corporate lending and investment activities as well as our own operations and supply chain (scope 1, 2, and 3).

Overall trajectory
Emissions (tCO₂e) illustrative



The IPCC states in its sixth assessment report: “The deployment of CDR to counterbalance hard-to-abate residual emissions is unavoidable if net zero CO₂ or GHG emissions are to be achieved.” Credit Suisse recognizes that the permanent removal of carbon from the atmosphere is an important aspect of achieving net zero. We are focusing on emissions reductions to achieve our 2030 interim goals and will

be considering the role of carbon removal credits toward achieving our 2050 net zero emissions. We will be consulting the best practice guidance that is being formulated by the emerging carbon credit standard-setting bodies to guide our approach in determining the type of credits and responsibility for their procurement to achieve net zero across our operations, supply chain, and financed emissions.

C. Reallocate: Providing capital to lower carbon intensity activities

As we support our clients in their transition to net zero, our sustainability risk process may trigger enhanced due diligence for clients in carbon-intensive sectors that have higher climate-related impacts and climate-related risks. For financing and advisory services, we use our CETF to assess

clients' transition strategies – see “Engage” section above. Where appropriate, in line with our risk appetite, we will look to reallocate capital to support lower-carbon activities, or to clients with credible net zero goals and plans to transition to low-carbon and climate-resilient business models.

Evolving our strategy

We are working to continue to build on and refine our transition strategy and to further tailor it to the individual business divisions. Our aim is to make our net zero approach business as usual, such that we routinely consider the resulting climate impact of our financing activities, take an active approach to growing our low-carbon business, and reduce our financed emissions by engaging with clients and supporting their transition. When further developing our transition strategies, we will also aim to consider a just transition to a low-carbon economy that is as fair and inclusive as possible.

We will strive to continually measure and monitor progress toward our goals, and their alignment against our climate commitments and emerging standards. We plan to publicly disclose our progress on an annual basis.

In line with our net zero goals, we also intend to review our goals every five years at a minimum to ensure consistency with the most recent climate science and best practices.

Facilitated emissions

The role of capital markets in the net zero transition

Our role as a facilitator for capital market transactions positions us to support our clients as they transition to low-carbon and climate-resilient business models by providing needed capital.

Credit Suisse's net zero goals currently cover our in-scope corporate lending and investment activities. We continue to review industry guidance and methodologies for calculating and setting goals for facilitated emissions, particularly those

associated with services provided by financial institutions to support the issuance of capital markets instruments.

Facilitated emissions differ from financed emissions in two respects: They are generally off balance sheet (representing services rather than financing) and take the form of a flow activity (temporary association with transactions) rather than a stock activity (held on book). As a result, new and separate methodologies are required to measure and account for capital markets facilitation activities and determine how 1.5°C aligned goals could be set.

Our approach to reducing facilitated emissions

While we intend to include capital markets activities in our climate disclosures and 2030 goals, our approach will consider prevailing industry standards and evolve with the future capital markets activities of Credit Suisse Group in connection with the restructuring of our investment bank.

Our Investment Bank division executes transactions across all industries in capital markets, supporting our corporate clients. This includes advising on mergers and acquisitions (M&A), restructurings and spin-offs, as well as debt and equity underwriting of public offerings and private placements.

Capital market underwriting is covered by our sector policies and CETF, in line with Credit Suisse's risk appetite and consistent with transactions involving direct lending.

Sustainable capital markets

The shift to a more sustainable economy can lead certain companies to disclose and incorporate ESG factors into corporate strategies as investors integrate ESG into their own investment decision-making.

2021 saw a record high in terms of sustainable bond issuance. In 2022, volumes were lower overall, but sustainable debt volumes continued to increase as a share of overall issuance. The sustainability-linked loan market also saw continued interest in 2022, with corporates increasingly

linking their strategic objectives to sustainability goals. We also saw increased mergers and acquisitions (M&A) volume across ESG verticals and consolidation in cleantech, renewable energy, and climate tech.

We have an established track record in the sustainable debt capital markets, having supported green bond issuance as early as 2008. We execute transactions across most industries in the capital markets, supporting our corporate clients as they adapt, refine, or transition their business models.

Accelerating transition

We advise on M&A, restructurings and spin-offs, debt and equity underwriting of public offerings and private placements. We seek to help companies identify new growth opportunities and sustainable finance solutions, accelerating the transformation of traditional industries and infrastructure systems.

In 2022, the marine conservation-linked bond for Belize, issued under The Nature Conservancy's (TNC) "Blue Bonds for Ocean Conservation" program, received two Environmental Finance Bond awards ("Sustainability bond of the year – sovereign" and "Award for innovation – bond structure (sustainability bond)"). We acted as the sole structurer and arranger of that bond. Credit Suisse, in 2022, received awards including The Banker "Innovation in Digital Banking" award and numerous APAC ESG deal awards, which underlines our commitment to helping our clients transition.

Debt and equity capital markets

We played a significant role in sustainable bond and equity transactions in 2022, leading several landmark ESG offerings across various jurisdictions and structuring several inaugural financings.

Selected debt issuance transactions include the following: sustainability bond structuring advisor for a large custodian bank, sustainability-linked bond structuring coordinator for an energy infrastructure company, sustainability-linked bond structuring agent for an Italian chemicals company and sole

bookrunner for a Swiss public transport operator's inaugural green bond.

In the Equity Capital Markets, we led the IPO of a global supplier of electrodes and global leader in solutions for green hydrogen technologies and water and wastewater treatment technologies. Further, we advised on a private placement that should help fund the expansion in Europe and the US of an electric vehicle charging infrastructure provider.

Energy and transition finance

We operate across energy transition sectors including renewable fuels – solar, wind, geothermal, biomass, hydrogen, biofuels – energy efficiency, as well as sustainable solutions transitioning industries such as industrial tech, waste-to-value and circular economy solutions, sustainable materials, alternative food, and agricultural technology.

Securitized products and asset finance

We have been active in sustainable securitization and asset finance. In this space, our teams have worked with clients and investors in a number of asset classes covering energy transition and transportation. We have acted as structuring agent in and/or bookrunner on multiple solar asset-backed securities transactions.

Tax equity

Tax equity solutions are a form of project financing, common in the United States, where an investor invests in projects – such as renewable energy developments – that are eligible for federal tax incentives. From the inception of the business in 2009, a total of approximately CHF 4.3 billion of tax equity has been committed to 31 renewable energy opportunities as a result of the collaboration between our Strategic Transactions Group and our Debt Capital Markets Solutions team. In 2022, we committed CHF 92 million of tax equity, with a focus on the residential solar sector.

Our sustainability frameworks

Sustainable Activities Framework

At our Investor Day in December 2020, we made a public commitment to provide at least CHF 300 billion of sustainable finance by 2030. To establish a credible framework underscoring our ambition, we launched our bespoke Sustainable Activities Framework (SAF) in 2021, which defines the methodology governing our financing and advisory activities that qualify for inclusion in our commitment. The SAF is grounded in industry best practices and widely accepted frameworks such as the EU Taxonomy, International Capital Markets Association (ICMA) Green and Social Bond principles, and the Climate Bonds Initiative (CBI).

In April 2022 we made updates to the SAF that included a change to the 'Decarbonization of Conventional Energy Source' theme and these updates were applied prospectively. After this update was implemented, the committee reviewed and approved transactions under these updated criteria including a transaction to the value of CHF 4.8bn.

For credible goal-setting and decision-making, we are continuously strengthening the operationalization of our framework through enhanced robust internal controls, processes, and governance. Transactions are reviewed for alignment with our SAF on a deal-by-deal basis through the SAF Committee. This committee consists of subject matter experts from all divisions, as well as the second line of defense and is chaired by Global Sustainability. Given the changing nature of the sustainable finance landscape, the SAF has evolved in tandem with market developments, with updates reflected in the 2022 disclosure. We will continue to aim to align and evolve with industry best practices.

Methodologies and criteria exist for qualifying transactions under the SAF across equity and debt capital markets, structured financing and securitizations, mergers and acquisitions, and lending. Transactions executed between 2020 and 2022 that have been reviewed and approved as of

January 20, 2023 as qualifying for inclusion towards the overall sustainable finance commitment of CHF 300 billion by 2030 amount to CHF 91.6 billion in aggregate.

To provide more transparency and granularity, we have broken up our total cumulative SAF figure into sub-categories based on the transaction type:

- specific use of proceeds transactions direct capital to specific social and/or environmental categories;
- the general use of proceeds category includes sustainability-linked products as well as financing and M&A to companies that derive at least 80% of revenues from sustainable activities or demonstrate clear strategic alignment and commitment with sustainable activities.

Despite challenging market conditions throughout 2022, our SAF-aligned transaction activity has remained on track, in line with observed increased market penetration of sustainable finance transactions. Sustainability-related goals and commitments may need to be reviewed and adjusted

Sustainable Activities Framework figures by transaction type

Cumulative figures, 2020–2022	CHF bn
Sustainable finance total	91.6
o/w Specific use of proceeds	22.8
o/w General use of proceeds	68.8
o/w Sustainability-linked products	13.9
o/w M&A	34.0

Notes:

- Includes transactions executed between 2020 and 2022 that have been reviewed and approved as of January 20, 2023 as qualifying for inclusion towards the overall sustainable finance commitment.
- Further transactions from 2022 may also be approved at a later date and hence are not included in these numbers.
- The SAF accounting methodology per product type is summarized below.
 - M&A (including de-SPACs): Credit Suisse advised transaction value
 - Equity Capital Markets (including SPACs): Credit Suisse's proportional league table credit
 - Debt Capital Markets: Credit Suisse's proportional bookrunner share of the transaction value
 - Securitized Products: Credit Suisse's share of the overall transaction value
 - Leveraged Finance: Credit Suisse's share of financing commitment at origination.

depending on future structural changes that may occur as a result of the comprehensive strategic review as announced on October 27, 2022.



More information about the framework is provided under:
[The Credit Suisse Sustainable Activities Framework](#)

Sustainable Investment Framework

In 2020, we established our proprietary Sustainable Investment Framework (SIF). The SIF outlines different approaches used by sustainable investors.

According to the Institute of International Finance (IIF), there are over 80 different terms used to describe approaches to sustainable investing. We see the industry coalescing around the following primary approaches:

- **Exclusion:** Positions assessed not to be significantly involved in controversial business fields or incidents.

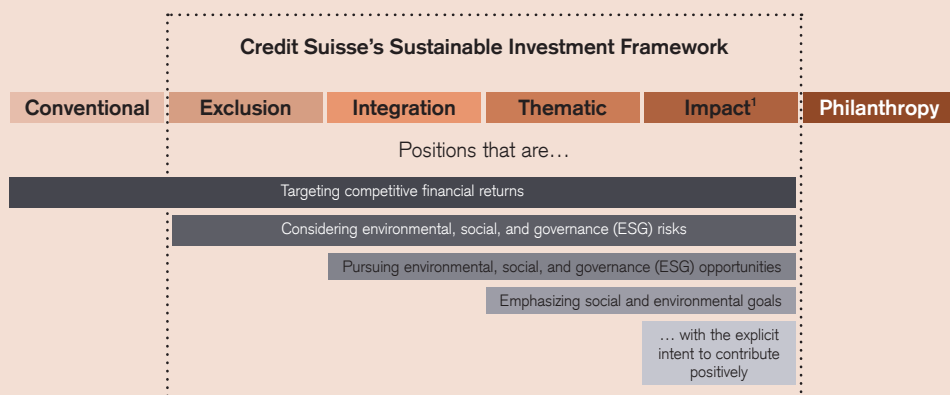
AuM according to Sustainable Investment Framework classification

by SIF category, in CHF bn	2022	2021	YoY
Exclusion	25.0	30.8	-19%
Integration	96.5	100.7	-4%
Thematic	9.2	10.1	-9%
Impact	1.5	8.7	-83%
Total AuM classified according to SIF	132.2	150.3	-12%
of which Thematic and Impact	10.7	18.8	-43%
Credit Suisse total AuM	1,293.6	1,614.0	-20%
Penetration of AuM classified according to SIF	10.2%	9.3%	
of which Thematic and Impact	0.8%	1.2%	

Notes:

- Numbers include AuM positions from managed solutions and structured products that have been classified according to the SIF.
- The SIF classification process is governed by Credit Suisse's Sustainable Investment Classification policy. This policy is maintained by Credit Suisse Group Global Sustainability, a central function independent of divisional investment solutions teams.
- Certain products have been reclassified during 2022 for reasons including, but not limited to, an evolving regulatory environment, new manufacturer disclosures, periodic monitoring, and due diligence by Credit Suisse analysts.
- Notably, three products each with AuM more than CHF 2 bn were reclassified in 2022. One from Impact to Thematic, one from Impact to Integration, and one from Exclusion to Integration.
- In reporting sent to Credit Suisse clients, additional instruments may be classified under the SIF, such as single securities.
- In reporting sent to Credit Suisse clients, synonymous terminology may be used. "Exclusion" is synonymously referred to as "Avoid Harm"; "Integration" as "ESG Aware"; "Thematic" as "Sustainable Thematic" and "Impact" as "Impact Investing."

Credit Suisse's Sustainable Investment Framework



¹ Certain market definitions of Impact include a concessionary return sub-segment.

- **Integration:** Positions assessed to be integrating environmental, social, and governance into their strategy.
- **Thematic:** Positions assessed to be in alignment with specific United Nations Sustainable Development Goals.
- **Impact:** Positions assessed to be explicitly and intentionally contributing towards specific United Nations Sustainable Development Goals.

We believe that each of these approaches can provide value, outright or in combination, and may be suitable for different types of investors with different types of investment goals.



More information about the framework is provided under:
[The Credit Suisse Sustainable Investment Framework](#)

We utilize the SIF to classify investment solutions in an effort to seek consistency and set minimum standards across different asset classes, geographies, and regulatory regimes. Classification can also help match our clients' interests with relevant investment solutions. The SIF classification does not supersede any regulatory commitment, nor does the SIF classification determine or indicate whether or not an investment solution will be labelled as "sustainable" (or other such term) under any given regulatory regime.

In this report, we have increased the granularity of our assets under management (AuM) disclosure derived from Asset Management, Wealth Management, and Swiss Bank client holdings. In the table we show AuM according to their SIF classification as well as their year-over-year change. Year-over-year change can be driven by factors including, but not limited to, net sales, a change in an existing investment solution's classification, new investment solution classifications, and investment performance.

In 2022 AuM classified according to the SIF (Exclusion, Integration, Thematic, or Impact) decreased by 12% and AuM penetration increased from 9.3% to 10.2%. Significant drivers of the 12% decrease year-over-year were negative market conditions and FX, reclassification of products classified according to SIF, and net asset outflows.

Objective 2. Reducing our operational footprint

Credit Suisse is committed to protecting the environment by mitigating our direct business impact and by utilizing resources in a responsible and sustainable manner. Our goal is to achieve net zero emissions across our own operations and supply chain by implementing a variety of measures through our ISO 14001:2015 certified Environmental Management System (EMS) across all regions, which will enable us to:

- maintain standards to meet or exceed relevant environmental compliance obligations;
- continually seek to improve our environmental performance, stewardship, pollution prevention, and EMS activities;
- remain committed to sustainable business practices and the prevention of pollution as we set and review measurable environmental objectives and goals;
- communicate our environmental commitment, performance, and policy to our employees and external stakeholders.

Our EMS was most recently recertified in 2021, and no corrective action requests were identified. In 2022, an external surveillance audit was completed at four of our global offices in Switzerland, India, and Australia. The audit was completed by SGS and there were no corrective actions identified during the review.

In 2022, Credit Suisse continued to enhance data collection and analysis through implementation of the Schneider Electric Resource Advisor tool. Resource Advisor allows Credit Suisse to streamline and automate data collection, identify variances, and visualize results through dashboards; it also facilitates data-driven decision-making.

The COVID-19 pandemic continued to impact our operations in 2022, with some economies maintaining varying degrees of intermittent lockdown measures and many employees continuing to work remotely, therefore contributing to reductions in office energy consumption, resource consumption, and business travel. Credit Suisse is also currently supporting verified projects which avoid carbon emissions and deliver carbon removals.

Energy efficiency across our regions

Through our global energy management program, we have identified approximately 200 energy saving initiatives for our facility portfolio located within Switzerland, EMEA, the Americas, and APAC. Collectively, these initiatives have the potential for almost 20 million kWh in annual saving¹. About one-quarter of the identified savings projects have been completed or are planned for implementation in 2023. Projects range from HVAC (heating, ventilation and air conditioning) efficiency, lighting retrofits and controls, and operational temperature setups/setbacks, to chiller plant optimizations.

In response to the 2022 energy crisis, Credit Suisse has implemented voluntary measures to reduce the load on the Swiss power grid, in order to prevent a possible future energy shortage. In addition, studies are being carried out to expand electricity production through Credit Suisse's own photovoltaic systems.

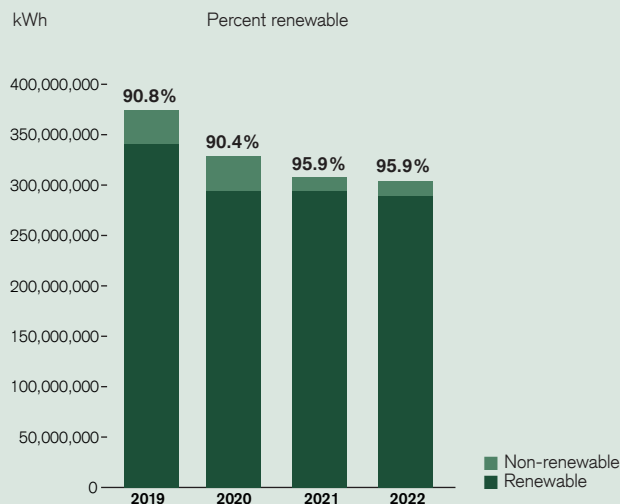
¹ Energy savings calculated according to the International Performance Measurement and Verification Protocol (IPMVP).

Driving energy efficiency in our operations

Energy consumption represents one of the most significant environmental impacts from our operations. It is therefore one of the ongoing focal points of our efforts. In 2022, Credit Suisse's facilities consumed approximately 1.3 million gigajoules of energy (2021: 1.4 million gigajoules), including

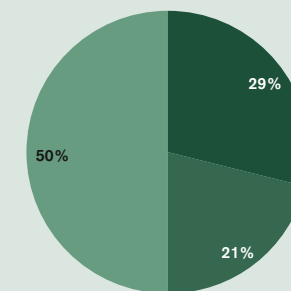
Electricity consumption and carbon credits

Electricity consumed



Carbon credits purchased in 2022

Across our global real estate portfolio our priority is to reduce emissions through direct investments in energy efficiency programs and new technologies. Additionally, we support programs outside our operational carbon footprint, such as global afforestation/reforestation projects, or carbon avoidance, such as hydroelectric or geothermal projects. This strategy will evolve as Credit Suisse works to achieve net zero by 2050. The graphic here summarizes the composition of credits purchased in 2022, which were all certified by the Gold Standard Foundation or VERRA's Verified Carbon Standard (VCS).



	tCO ₂ e	Type and certification
Hydropower	15,250	Avoidance, Gold Standard/VCS
Geothermal power	11,000	Avoidance, Gold Standard/VCS
Reforestation/afforestation	26,250	Removal, Gold Standard/VCS
Total	52,500	

electricity, natural gas, heating and cooling, and other fuels. We also consumed approximately 6,416 gigajoules of fuel (2021: 29,097 gigajoules) from travel in our owned and leased fleet.

We are committed to improving the energy efficiency of our operations and certifying 50% of our office space to an acknowledged green building standard (for example, third-party accredited certifications such as LEED, BREEAM, DGNB, Minergie as well as the Credit Suisse green property quality seal). Energy efficiency is considered in the planning and construction of new premises and facilities. In addition to driving energy efficiencies, we are part of the global RE100 initiative and are seeking to source 100% renewable electricity across our entire global operations by 2025. In 2022, 96% (2021: 96%) of the Group's electricity consumed globally was generated from certified renewable sources. Overall, 89% (2021: 89%) was compliant with the RE100 technical criteria. In 2022, we experienced some market supply challenges that complicated our ability to procure renewable electricity in a few regions, in accordance with the RE100 technical requirements. Nonetheless, we remain committed to our 2025 goal.

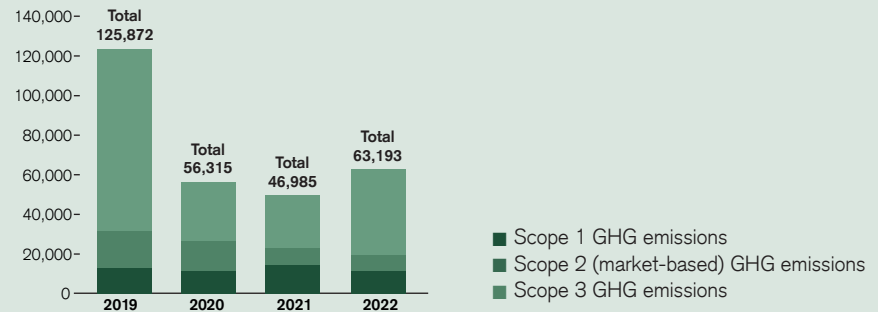
The procurement of 96% green energy was accomplished through green tariff agreements covering 23% of our global consumption and procurement of Renewable Energy Certificates (RECs) to match the remaining 73% of electricity consumption. In 11 markets, it was not possible to procure in-market renewable energy. In these markets, Credit Suisse procured RECs from the next closest geography.

Driving greenhouse gas emission reductions within our operations

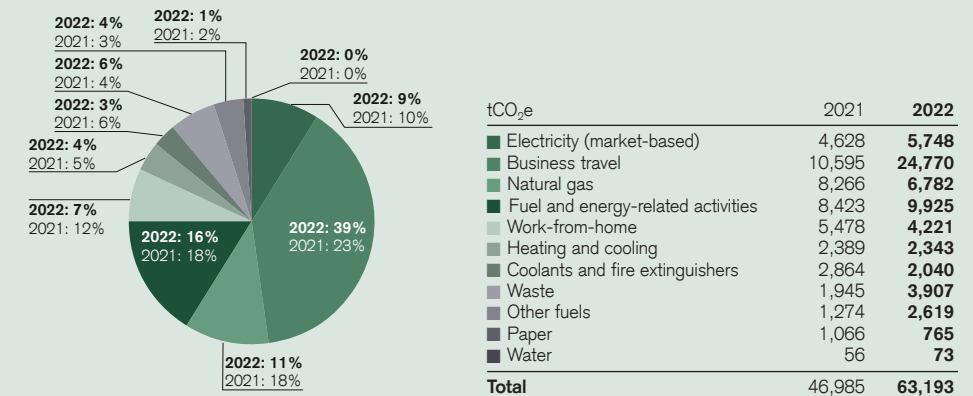
We generate direct greenhouse gas (GHG) emissions (scope 1) through onsite fuel consumption in our facilities, fuel consumption in our owned and leased fleet, and fugitive emissions from refrigeration equipment. We generate indirect emissions from purchased energy in our facilities (scope 2)

Greenhouse gas emissions from operations

Greenhouse gas emissions (market-based) 2019–2022 tCO₂e



Greenhouse gas emissions (market-based) 2021–2022 %



tCO ₂ e	2021	2022
Electricity (market-based)	4,628	5,748
Business travel	10,595	24,770
Natural gas	8,266	6,782
Fuel and energy-related activities	8,423	9,925
Work-from-home	5,478	4,221
Heating and cooling	2,389	2,343
Coolants and fire extinguishers	2,864	2,040
Waste	1,945	3,907
Other fuels	1,274	2,619
Paper	1,066	765
Water	56	73
Total	46,985	63,193

and other indirect emissions through our supply chain (scope 3). We currently estimate scope 3 emissions associated with business travel, employee work-from-home activity, waste, paper, water, and upstream fuel and energy-related activities, including transmission and distribution losses. In future years, Credit Suisse plans to report additional categories of scope 3 emissions associated with its own operations.

Greenhouse gas emissions per year: Scope 1 and 2

Disclosure	Unit	GRI indicator	2019	2020	2021	2022
GHG emissions						
Total scope 1 emissions	tCO ₂ e	305-1	13,235	11,950	14,400	11,880
Total scope 2 (market-based) emissions	tCO ₂ e	305-2	18,928	14,739	7,018	8,091
Total scope 1 + 2	tCO ₂ e		32,163	26,689	21,418	19,971

GHG emissions for 2019, 2020, 2021, and the 2010 baseline year were restated to account for data and methodology enhancements. The enhancements primarily focused on updating estimation methodologies where data was incomplete and aligning renewable energy purchasing with market-based accounting methods in accordance with the GHG Protocol. As a result of this restatement our previously reported 2019 emissions decreased from 37,802 tCO₂e scope 1 and 2 (market-based) emissions to 32,163 tCO₂e. Our previously reported 2020 emissions decreased from 32,941 tCO₂e scope 1 and 2 (market-based) emissions to 26,689 tCO₂e, and our previously reported 2021 emissions decreased from 26,887 tCO₂e scope 1 and 2 (market-based) emissions to 21,418 tCO₂e. Our previously reported 2010 emissions decreased from 253,619 tCO₂e scope 1 and 2 (market-based) emissions to 252,709 tCO₂e.

We are continuing to enhance our data collection practices and methodology to more accurately identify our attributable emissions. We have implemented these enhancements to our 2010 (baseline), 2019, 2020, and 2021 inventories, and have restated our emissions in this report.

In 2022, Credit Suisse generated 63,193 tCO₂e of GHG emissions across scope 1, scope 2 (market-based), and included scope 3 emissions. We have reduced our operational GHG emissions by 84% from our restated 2010 baseline year emissions. This achievement has been driven by implementing energy efficiency measures across our premises, increasing renewable energy supply, and reducing travel emissions. Some reductions in 2020 through 2022 result from decreased business travel and office occupancy owing to the COVID-19 pandemic.

Our priority is to reduce emissions by investments in energy efficiency programs and new technologies to achieve net zero by 2050.

Working with our supply chain to reduce GHG emissions

Our commitment to emissions reductions extends beyond our own operations, therefore a close engagement with our suppliers is essential to ensure a sustainable supply chain. The second edition of our Supplier Virtual Roundtable took place in 2022. The roundtable offered an open platform for Credit Suisse's top 25 suppliers to share and exchange their best practices, while learning more about Credit Suisse's approach to net zero.

We are actively engaging with our strategic suppliers to align on emissions data collection as well as target plans and opportunities for reduction. In 2022, Credit Suisse took the decision to roll out the use of UL 360, an industry-leading third-party sustainability tool owned by UL Solutions. This software should assist us and our supply chain in tracking GHG emissions and collating metrics required for climate-related reporting. We hope to begin incorporating supply chain emissions into our public GHG emissions reporting in future years.

Three-pillar strategy

We pursue a three-pillar strategy to achieve emissions reductions across our global operations.

1. Optimize

We aim to optimize all our business activities to reduce greenhouse gas emissions.

2. Invest

We are investing in emissions reduction technologies across our global premises.

3. Substitute

We substitute, using a combination of onsite renewables, green tariffs, and Renewable Energy Certificates.

Reductions of greenhouse gas from business activity optimization and enhanced carbon reduction technology and infrastructure.

Reduction of greenhouse gas emissions each time energy is consumed.

Reduction of own greenhouse gas emissions

Driving water efficiency and waste reduction within our operations

In many locations, Credit Suisse occupies leased space and is co-located with other tenants. Therefore, much of our water and waste data is estimated based on industry averages. We are working to improve data collection to better estimate and manage our impacts.

Water is withdrawn and consumed or discharged in the regions where we have operations. Nearly all water withdrawn was from third-party sources such as municipal water suppliers and utilities. Water is discharged to public water treatment facilities, and therefore, no standards for effluent discharge have been set.









For 2022, we have estimated the amount of water withdrawn in regions with high or extremely high baseline water stress according to the World Resources Institute (WRI) Aqueduct Risk Atlas tool. We have not identified any significant water-related impacts associated with our business operations. We seek to improve water efficiency within our office space and, where feasible, will prioritize water efficiency measures in offices located in regions with high water stress.

We generate general office waste and electronic waste in our offices and data centers. In a few locations, other non-hazardous waste streams are generated by tenants. We divert materials for reuse, recycling, and composting where feasible, though it is challenging to track this data. In some regions, small quantities of hazardous waste are generated (e.g. electronic waste, batteries, and fluorescent bulbs) and responsibly recycled or disposed of. We contract with certified waste management companies authorized to collect and dispose of our waste. Our waste reduction initiatives are focused on reducing paper usage, and we intend to continue to reduce single-use plastic items.

2025 objectives

In 2020, we introduced environmental objectives to be achieved by 2025. As of 2022, our GHG reduction efforts were accelerated due to the COVID-19 lockdowns that forced employees to work remotely and we were successful in achieving our 2025 GHG emissions goal early with an 84% reduction. In 2023, we intend to implement new GHG emissions goals to drive further reductions in our scope 1, 2, and 3 enterprise emissions and to start measuring and reducing our supply chain emissions in line with limiting global warming to 1.5°C. Therefore, in 2023 we will

discontinue reporting on our legacy 2025 GHG emissions goal, which will be replaced by our new 2030 goal. We are working to improve against our waste, paper, and water-related objectives and we will continue to report on the remaining 2025 goals in subsequent years. In 2022, intermittent lockdown measures across the world meant many employees continued to work remotely, which resulted in major improvements against some of our objectives, while also preventing us from being able to report any meaningful data on our waste, paper, and water-related goals.

2025 objectives	2021 progress toward 2025 objectives ¹	2022 progress toward 2025 objectives
75% reduction in GHG emissions compared with 2010 levels on reported operational aspects	 88% reduction	84% reduction
100% renewable electricity consistent with RE100	 89%	89% achieved
50% green label office space² (in m ²) certified to a green building standard	 37%	47% achieved
1.5% annual energy efficiency improvement on a year-on-year basis	 Not available	0.74% achieved
Reduce single-use plastic items and increase the share of products made from recycled material and reusable materials	 As of July 1, 2022, 14 types of single-use plastics were eliminated from seven locations in India for all cafeterias, pantries, and administrative areas.	
10% paper reduction on an FTE basis, compared to 2018 baseline	 The impact of COVID-19 continues to have a significant impact on these environmental performance indicators. Therefore, progress on these goals is not being reported to avoid the potential risk of misrepresentation.	
100% environmental label paper		
10% water efficiency improvement on a per FTE basis, compared to 2018 baseline		

New 2030 enterprise goal

61% Reduction in scope 1 and scope 2 enterprise GHG emissions
against 2019 baseline

¹ 2021 progress metrics have been recalculated using the restated numbers based on the methodology updates described in the Environmental Operational Data Disclosure.

² Scope limited to Credit Suisse facilities that contain office space. "Green" office space refers to third-party accredited certifications such as LEED, BREEAM, DGNB, Minergie as well as the Credit Suisse green property quality seal.

Waste reduction initiatives in our operations

Single-use plastics pose a threat to the environment, in addition to the carbon cost of their life cycle, the chemicals that plastics are created from are released into the environment if not handled correctly. In 2022, Credit Suisse operations in India worked with our facility vendors to remove all single-use plastics in accordance with new regulations, and established a monitoring process to ensure future compliance.

In 2022, Credit Suisse expanded the Centralized Waste Bin (CWB) concept to 12 additional offices in Switzerland. CWBs increase waste diversion by eliminating waste bins from individual workstations and facilitating centralized collection of segregated recyclables. In the Credit Suisse Tower building in Zurich, a pilot project to recycle paper towels was implemented. In addition, three large office buildings introduced a chemical-free cleaning solution. We are using the findings from these programs to inform our broader single-use plastics reduction strategy.

Objective 3. Managing the risk that climate change poses to our business

Effect of climate-related risks and opportunities on Credit Suisse's businesses, strategy, and financial planning

We are committed to systematically identifying, mitigating, and managing potential risks that climate change may pose to our business, and the management of physical and transition risk is central to Credit Suisse's strategy. Physical risks can arise from climate and weather-related events (e.g. heatwaves, droughts, floods, storms, and sea-level rise) and can potentially result in material financial losses, impairing asset values and the creditworthiness of borrowers.

Transition risks can arise from the process of adjustment toward a low-carbon economy through changes in climate policy, technological developments, and disruptive business models, and shifting investor and consumer sentiment. Physical and transition risks can impact us as an organization either directly, through our physical assets, costs, and operations, or indirectly, through our financial relationships with clients.

The integration of climate-related risks into our strategy has impacted our business model, activities, and processes, as we progress toward our net zero objective and continue our transition toward lower-carbon operations and products. These developments include:

- At Group level, the integration of climate risk into our business and operations has been underpinned by the growth of our Group-wide Climate Risk Strategy Program, which has continued to mature and deliver on different fronts. Key achievements include the enhancement of quantitative capabilities and development of risk management models, coupled with further progress in climate analytics and process automation. Other developments include the progressive expansion of our frameworks, policies, and capabilities to support ongoing sustainability and climate risk management and reporting, including enhancements to the Group's Risk Identification and Assessment Framework (RIAF) and risk appetite. In addition, we have embedded internal governance structures and established dedicated project teams to work on the implementation of our climate and sustainable finance commitments and goals (↗ see also RIAF overview in Risk management section).
- From an operational perspective, Credit Suisse continues to deploy its Business Continuity Management (BCM) program, assessing issues including loss of premises, comprising buildings and data centers, loss of staff, and loss of technology, as well as the need for risk mitigation measures to ensure resilience of critical activities. Those losses may occur following severe weather events and the consequential

Key climate-related opportunities to explore

1. Financing

#	Type	Climate-related opportunities	Horizon
1	Markets	Issue equity instruments (e.g. through sustainable capital markets transactions, private placements) as well as M&A sell-side and buy-side advisory to support the transition of clients to achieve a stronger ESG performance.	ST-LT
2	Markets	Issue green debt financing instruments to fund green or sustainability-related projects (e.g. renewable energy infrastructure, low-carbon public transportation, biodiversity, social) or emerging technologies (e.g. hydrogen, carbon capture and storage) that are expected to play an important role in decarbonizing the economy.	ST-LT
3	Markets	Integration of sustainability aspects in corporate financing (e.g. sustainability-linked loans, green equity-linked instruments).	ST-LT
4	Markets	Pursue solutions to enable clients to access carbon markets, for example, by acting as distributor of carbon credits to clients.	ST-LT
5	Markets	Finance energy efficiency technologies and ecosystems to accompany residential and commercial property owners on their transition pathway (applicable to all industries); leverage market potential for returns and green dividends.	ST-LT

2. Investing

#	Type	Climate-related opportunities	Horizon
1	Products and services	Actively exercise the bank's rights as shareholder in companies or on behalf of clients by voting at shareholder meetings and actively engaging with investee companies to preserve long-term shareholder value, enhance long-term returns, and influence companies' ESG performance.	ST-LT
2	Products and services	Support and enable our clients' progress on their sustainability ambitions by providing investment advice, expanding our offering of investment strategies, and constructing investment portfolios that are compatible with their ESG interests and preferences.	ST-LT
3	Products and services	Expand the product offering to investment strategies that allows greater exposure to companies offering critical products and solutions necessary to enable the achievement of net zero and avoid future GHG emissions.	ST-LT
4	Products and services	Provide financial advice and develop financing strategies that enable our clients to move toward a low-carbon economy and reach a more sustainable business model.	ST-LT
5	Products and services	Develop new and leverage existing partnerships and thought leadership to develop sustainability solutions for clients.	ST-LT

ST = short term LT = long term

#	Type	Climate-related opportunities	Horizon
6	Products and services	Expand offering and provide sustainable thematic and impact solutions. For example, raise impact funds that directly invest in venture capital and co-investment strategies focused on early-stage companies developing the next generation of climate technologies, and develop partnerships with impact organizations that can bring the scientific background necessary to back efficient and credible impact investing strategies.	ST-LT
7	Products and services	Evaluate new property investments also from an ESG perspective with respect to the impact on a property's current and potential future value as it relates to energy efficiency, public transport connectivity, use of sustainable materials, tenant well-being, and community engagement.	ST-LT

3. Resource efficiency, sustainable supply chain, employee incentives, and sustainability data and infrastructure

#	Type	Climate-related opportunities	Horizon
1	Resource efficiencies and energy source	Offices (buildings, fittings, and parking lots), vehicles, and equipment efficiency: <ul style="list-style-type: none"> ▪ Improve energy efficiency of current office space and in-house data centers (e.g. source 100% of electricity from renewable sources, transition heating to zero carbon). ▪ Onsite and offsite generation for office buildings and parking lots, e.g. solar panels. ▪ Shift leased, owned, and third-party fleets to low-carbon vehicles, install onsite charging infrastructure for electric vehicles. ▪ Capture cost-savings from space optimization programs (e.g. hybrid working models) and investments in energy efficient technologies and energy storage. ▪ Develop sustainability criteria for office selection and green leasing policies for landlord-controlled spaces to create incentives for efficiency gains. 	ST-LT
2	Resilience	Encourage employees to make climate-friendly choices while at work, expand employee training and benefit programs that enable employees to calculate their own carbon footprint, and reduce carbon emissions through a range of actions that include renewable energy, and more efficient modes of travel.	ST-LT
3	Resilience	Develop and implement sustainability criteria for sourcing third-party suppliers with improved energy and carbon performance aligned with industry best practice.	ST-LT
4	Resilience	Develop management information dashboards structured on climate-impact data, to enable decision-making processes, invest in systems and infrastructure that enable sustainable financing and investing (e.g. unlock access to impact investing for private capital).	ST-LT

impact on critical business activities. Recovery strategies are in place to mitigate for disruption from plausible events. Our BCM framework is regularly reviewed to ensure it is fit for purpose and meets regulatory expectations.

- At a legal-entity level, we have continued our work on the integration of sustainability and climate risk considerations into our legal entities' policies and frameworks by applying the Group's RIAF and refining it to reflect specific local regulatory provisions as well as the portfolio business mix. Recognizing the progressive evolution of climate-related regulatory requirements, we have also increased our focus on regulatory monitoring for our legal entities and branches, as we seek to ensure that our climate risk management frameworks remain compliant with the evolving requirements and increasingly provide insights to inform business strategy and risk management decisions.
- We recognize that the drivers and magnitude of our exposure to transition and physical risk may vary significantly between these different sectors (e.g. power generation compared to the healthcare sectors), and have progressively enhanced our sector-specific policies and frameworks for selected industries. Our CETF provides an example of this strategic approach to clients' engagement and categorization across particular sectors, including our risk appetite to engage in new financing or advisory activities (↗ see also CETF overview in Risk management section).
- Further, climate risk-related considerations are being progressively integrated into our financial risk management approach through the incorporation of transition risk into our models. These considerations are becoming a central element of our decision-making process, both at legal-entity and at Group level. We are expecting a progressive integration of climate risk considerations into our financial modelling analysis over the coming years, in line with the progressive enhancement of quantitative approaches and with the evolution of regulatory frameworks (↗ see also Risk management section).

We believe that enabling clients' transition to a low-carbon economy will present greater opportunities in the medium- to long term. The potential financial impact of these opportunities could include:

- Increased market share in financing of or investments in low-carbon industries
- Increased market share in the provision of sustainable investment strategies
- Increased revenue through growth in financing activities to support the energy transition
- Increased revenue through demand for transition, products, services or technologies

We believe that the opportunities in resource efficiency, low-carbon energy sources, and resilience have the potential to deliver financial and business benefit through:

- Cost savings from energy efficiency gains
- Improved business continuity through reducing risk of power outages in operations and in the supply chain
- Talent retention and acquisition as Credit Suisse "walks the talk" in reducing its own carbon footprint, and demonstrating its sustainability performance

Scenario analysis

We continue to deploy and improve quantitative approaches that allow us to measure and monitor our resilience and our alignment with our climate commitments. In this context, we have conducted stress tests and climate-related scenario analysis to assess the potential impacts of climate-related physical and transition risks on selected portfolios.

The identification of risks stemming from climate change is an ongoing process and scenario-based analysis still faces some limitations due to data gaps and evolving methodologies. We are continuing to build our knowledge and we expect to consolidate our analysis over time as we enhance our abilities and expand the accuracy and granularity of our methodologies around scenario analysis and stress-testing, and quantitative approaches reach a more mature stage.

Resilience of Credit Suisse’s strategy and approach to scenario analysis

	Purpose	Scope
Quantitative analysis employing climate scenarios and stress testing		
A. Stress test to assess transition risk on our lombard and share-backed lending collateral portfolio ¹	To ascertain transition risk for our lombard and share-backed lending collateral portfolio	Credit Suisse’s lombard and share-backed lending collateral portfolio
B. Counterparty-level transition risk model	Scenario analysis-based model to assess to capture the financial impact of transition risk on a counterparty level	Selection of counterparties within Credit Suisse global portfolio
C. Equity and credit market concentration analysis	Assessment of our equity and credit concentration risk	All Credit Suisse legal entities
D. Non-Financial Risk (NFR) analysis	Assessment of climate-related physical and transition operational risks	Major offices and data centers globally
E. Flooding risk simulation model	Scenario-based simulation model to assess flooding risk exposure	Credit Suisse (UK) Ltd.
Additional initiative to assess portfolio alignment		
F. PACTA (Paris Agreement Capital Transition Assessment)	Assessing Paris alignment for selected portfolios	Selected portfolios managed by Swiss Wealth Management and Asset Management divisions; Swiss real estate funds, owned buildings and Swiss mortgage portfolios

¹ Lombard lending: A loan granted against pledged collateral in the form of securities.

A. Stress test for transition risk – Lombard and share-backed lending collateral portfolio

Purpose: The main objective of the model is to generate asset price shocks for financial collateral in our Lombard and share-backed lending (SBL) portfolio, which is a portfolio of loans granted against pledged financial assets. The shocks

represent a climate-driven “Minsky moment” scenario (i.e. a scenario characterized by a sudden collapse in asset prices). Under this scenario, following unforeseen announcements of strict climate policies – such as punitive carbon taxes – market participants reprice expected future cash flows for traditional and green businesses in light of the realization that the world is about to experience a rapid and disorderly transition to a low-carbon economy.

The model generates instantaneous price shocks for shares, bonds and equity and fixed income mutual funds.

Scope: The model assesses transition risk for the Lombard and SBL collateral portfolio within Credit Suisse Group.

Approach: The analysis relies on two primary datasets:

- MSCI Low Carbon Transition (LCT) Score dataset at issuer level: this score measures companies’ exposure to and management of risks and opportunities related to the low-carbon transition. The scoring ranges from 0–10, where a score of 0 represents high transition risk whereas a score of 10 represents low transition risk.
- Network of Central Banks and Supervisors for Greening the Financial System (NGFS) Disorderly-transition scenario: this scenario by the NGFS has pathways for the period 2020–2050. However only the period between 2030–2035 has been used, as during this period the stress is more pronounced.

The model maps portfolio securities to MSCI LCT scores and then maps LCT score to price shocks. The mapping of LCT scores to price shocks is achieved by using an exponential function, where an asset with a LCT score of 10 gets a price shock of +60% (derived from the pathways for Non-Biomass Renewables in NGFS, under certain assumptions), LCT score of 0 gets a price shock of –60% (derived from the NGFS coal pathway, under certain assumptions), and an LCT score of 7 is the anchor point with no shock.

Observations: The analysis highlights that the current CS Group's Lombard and SBL portfolio has low transition risk, due to limited exposure to assets that have high transition risk and conservative collateral haircuts across the portfolio.

Limitations:

- This approach only stresses financial collateral, such as bonds, equities and funds. The main exclusions are government bonds and assets like guarantees and cash.
- We have utilized MSCI LCT score for this analysis. However, MSCI does not cover the full universe of issuers that Credit Suisse includes in its collateral portfolio. If the LCT score is not available a proxy methodology is used, where the issuer gets mapped to the issuer's industry average LCT. However, LCT scores within an industry can vary significantly and an issuer's industry may not be a true reflection of the issuer's activities.

B. Counterparty-level transition risk model

Purpose: The purpose of the analysis is to enhance our counterparty-level analysis by assessing potential climate risk-related financial impacts for companies in various industries, under a selection of climate scenarios.

Scope: The analysis covers a selection of counterparties within the portfolio of Credit Suisse Group that operate in carbon-related or climate-sensitive sectors.

Approach: The assessment was conducted via a third-party proprietary model. A specific Climate Transition Risk Module was used to capture the financial impact of transition risk on a counterparty level. The output of the module is the projection of adjusted earnings together with other financial metrics such as cash flows and key financial ratios for a long-term time horizon of 20–30 years under different NGFS scenarios.

To assess the impact of transition risk on a counterparty level we split the impacts into revenue and cost impacts; this is

referred to as a two-pillar approach. Key data inputs include financial data, climate data (e.g. emissions), and sector-specific production data for counterparties along with demand, price, emission projections for any given technology, sector, and region. An industry-agnostic model has been developed, in addition to industry-specific models, covering the following sectors: "metals and mining", "oil, gas and coal", "power generation", "real estate", "road and rail", and "shipping", along with a generic model.

Observations: The outputs of the model for key counterparties' net income and costs have been included in our internal analysis of a selection of carbon-related sectors, highlighting those counterparties that may struggle in a low-carbon economy.

Limitations:

- Any medium- to long-term projection of companies' balance sheets and annual income cannot be modelled with scientific accuracy; hence simulations for these models should be taken as useful insights as opposed to accurate predictions.
- Future cashflow projections largely depend on decisions which companies could take at any point in time. It may be that, in the past, certain companies have put off making decisions on investments in low-carbon solutions in order to identify the winning low-carbon technology before making bulk investments, thus leveraging a second-mover advantage strategy.
- Current implementation assumes companies operate in a single industry.
- Results can be sensitive to the initial financials of the company (this was apparent when using companies' financials from the COVID-19 period).

C. Equity and credit market concentration analysis

Purpose: The aim of this monthly analysis is to identify where we hold risk to companies that are significantly

exposed to carbon transition risk, across all Credit Suisse legal entities.

Scope: This concentration analysis framework, developed by Market Risk, shocks equity spot prices and credit spreads to evaluate the impact of sudden market moves across all Credit Suisse legal entities. In order to understand the nature of the exposures, the prices and spreads are shocked by varying degrees up and down, and positions with the largest loss profile are identified.

Approach: MSCI LCT scores rank companies between zero and ten based on the carbon intensity of their products and processes as well as the policies and strategies in place to help mitigate the transition risk to a low carbon intensity business model. Companies with business that is primarily dependent on fossil fuels are at the lower end of the LCT score spectrum and are seen as most likely to witness “asset stranding” as the world evolves to lower carbon alternatives. By contrast, companies that provide potential solutions to the issue of climate change, such as firms involved in renewable energy, are on the higher end of the LCT score spectrum.

A concentration framework has been developed for equity risk, i.e. the exposures to shares and derivatives on shares, which includes a range of stresses shocking markets down from –50% to +50%; for credit risk (mainly coming from corporate bonds, corporate bond derivatives, and loans) the framework applies +100% to –50% proportional shocks to credit spreads. Credit spreads measure the creditworthiness of the underlying borrower or bond issuer, an increase in these spreads implies a worsening of their creditworthiness (a higher chance that the borrower may default on their borrowing).

The dollar impacts of the market shocks mentioned above are reported based on their LCT groups. The exposures are ordered and grouped as follows: high carbon intensity exposures (LCT score 0–2.5); moderately high carbon intensity (LCT Score 2.5–5); moderate intensity (LCT score

5–6.5); moderately low intensity (LCT score 6.5–8), and low intensity (LCT score 8–10).

Observations: The level of exposure to companies within the Low LCT band in equities is generally moderate and kept well within internal limits. The largest exposure generally comes from derivative desks which are required to reduce their risk, so do not stay in the books for a sustained period.

For credit, the level of risk to companies within the “high carbon intensity” LCT category is moderate, with the highest exposures generally having moderate estimated losses.

Given the moderate risks assessed (monitored through the regular market risk limits), remediation action was not warranted.

Limitations:

- The model looks at instantaneous market shocks to specific company shares and bonds or derivatives of them.
- A method is being developed to capture the impact on index exposures, which are baskets of shares or bonds.

D. Non-Financial Risk (NFR) analysis

Purpose: We leveraged existing analytics and scenario development capabilities to assess climate risk exposures in different geographies, including risks from damage to Credit Suisse premises, business disruption, system failures, vendor failures, and litigation risks. This approach was developed to support the Group and legal entity climate RIAFs, as well as to address applicable regulatory requirements.

Scope: Dynamic monitoring of physical risk vulnerabilities and dependencies across geographies, in order to identify concentrations of high-value assets and critical business processes.

Approach: Credit Suisse’s existing frameworks provide tools and processes to assess and monitor climate-related

physical and transition operational risks, as identified within the Group-wide risk taxonomy. Cross-unit data collection on physical dependencies enables monitoring of exposures to geographical concentration risks, with the aim of identify and obtaining insights into key vulnerabilities and potential risk mitigants related to climate hazards. In addition, scenario analysis is utilized to assess the impact of hypothetical adverse climate-related events, including potential areas of litigation. These scenarios help businesses and functions assess the suitability of controls in light of existing risks and estimate hypothetical but plausible risk exposures.

Observations: Risk analyses were performed across different locations using inputs from climate risk identification, dashboards, and scenario analysis, combined with qualitative risk assessments from local subject matter experts to determine risk ratings with respect to business continuity and litigation risks.

This overall assessment considered existing monitoring and escalation processes, along with past experience and emerging trends with regard to these risks. The assigned risk rating of “medium” reflects the challenges posed by the rapidly evolving regulatory landscape, the growing potential for business disruptions due to climate-related events, and the potential for reputational impacts at a local level.

Limitations:

- The robustness of our approach is dependent on the evolution of physical, litigation, and transition risks, as they become more prominent.
- Changes and improvements in data inputs from various sources within Credit Suisse and externally, and addressing data quality gaps, designed to enable more accurate reporting.
- Initial climate-risk selection across the Group-wide risk taxonomy helped to identify operational and non-financial risks that can arise due to climate. Updates to the

Group-wide risk taxonomy will allow for enhanced risk selection and analyses.

- Future trajectories for the natural hazards to which Credit Suisse premises are exposed have not been considered in the current approach.

E. Flooding risk simulation across selected portfolios

Purpose: In 2022, we continued to enhance our physical risk assessment capabilities through the development of a Monte Carlo-based simulation model for the estimation of flooding risk.

The quantitative approach was originally developed for the purpose of contributing to the Internal Capital Adequacy Assessment Process (ICAAP) for Credit Suisse (UK) Limited (CSUK) and is applied on a semi-annual basis. Although the majority of Credit Suisse Group mortgages are located in Switzerland, we started with a pilot project on CSUK mortgages given the availability of data and more confined scope. We are testing an expansion of the model to other locations, including Switzerland, which could then provide a more complete picture of the magnitude of flooding risk that Credit Suisse Group faces.

Scope: The model assesses surface water (pluvial) flooding risk for CSUK’s real estate collateral portfolio.

Approach: The methodology focuses on pluvial flooding, which is the most material type of flooding risk affecting the portfolio. Flooding risk from rivers and sea level rise is less significant owing to the location of the properties and flood defenses in place. The model takes a granular view of flood-related losses across CSUK’s real estate collateral portfolio, generating projections of flooding risk that leverage historical rainfall data and scenarios of the future evolution of rainfalls by leveraging the assumptions in the Climate Biennial Exploratory Scenario (CBES) defined by the Bank of England. The flooding risk classes used by the UK Environment Agency are defined in terms of ranges/intervals of

flooding probability (see table on UK flooding risk simulation). By considering upper and lower bounds, we provide both the most and least conservative results that are consistent with those categorizations.

The model simulates multiple future heavy-rainfall events over the whole UK land surface, specifying their location, peak intensity, and geographical extent. The simulation is run on a daily frequency for the lifetime of CSUK’s mortgage book. A flood is judged to have occurred when the simulated rainfall intensity at a given property location exceeds the threshold intensity for a flood, calibrated from UK Environment Agency flooding risk data. The property level results are generated by considering the impact of flooding events between a chosen reference date and the expiry date of each corresponding loan. Floods are assumed to have a negative impact on property value, with successive floods compounding the effect, and hence impact the collateral value of the CSUK mortgage book. The model naturally aggregates property-level impacts from flooding into portfolio-level metrics such as total collateral devaluation and aggregate credit shortfall, reflecting the role that geographical concentration plays in determining the potential for larger losses at portfolio level.

The model takes forecast average precipitation from the UK Met Office’s UK Climate Projections, summarized in the data provided by the Bank of England for the 2021 Climate Biennial Exploratory Scenario. The model considers the “no additional action” scenario, which is designed to explore the physical risks from climate change under the assumption that no new climate policies are introduced beyond those already implemented.

Rainfall intensity thresholds for flood are calibrated for representative properties, using a separate Monte Carlo simulation that refers to the flooding risk categories/probabilities defined by the UK Environment Agency. Flooding risk categories are defined as probability intervals; for example, “medium” risk corresponds to a yearly probability of flooding between 1% and 3.33%. Therefore, the

UK flooding risk simulation

UK Environment Agency flooding risk lower bounds					
Property value loss	Percentile	Potential aggregate loss (collateral shortfall) from flooding risk	Loss vs. exposure (%)	Collateral portfolio total devaluation	Collateral portfolio total devaluation (%)
		Q4 2022 [GBP mn]		Q4 2022 [GBP mn]	
10%	99.9%	0.0	0.00%	<210	<5.0%
20%	99.9%	<6	<0.5%	<420	<10.0%

UK Environment Agency flooding risk upper bounds					
Property value loss	Percentile	Potential aggregate loss (collateral shortfall) from flooding risk	Loss vs. exposure (%)	Collateral portfolio total devaluation	Collateral portfolio total devaluation (%)
		Q4 2022 [GBP mn]		Q4 2022 [GBP mn]	
10%	99.9%	<1	<0.05%	<400	<10.0%
20%	99.9%	<30	<1.5%	<800	<20.0%

Note: The flooding risk classes used by the UK Environment Agency are defined in terms of ranges/intervals of flood probability. By considering upper and lower bounds, we provide both the most and least conservative results that are consistent with those categorizations. If one is interested in the most conservative view, then the results corresponding to the upper bounds are the ones to consider.

rainfall intensity threshold for a “medium” risk property should consider both the lower probability bound (optimistic – higher rainfall threshold, lower risk of flood) and the upper

probability bound (conservative – lower rainfall threshold, higher risk of flood).

Detailed information on the potential valuation impact of a flood on each property is not available because most properties we lend against do not have a history of flooding. Therefore, we assume that all properties experiencing a flood event in a given year would suffer a fixed percentage loss of value per flood event (a 10% or 20% damage loss factor), with losses compounding when a property experiences multiple flood events in distinct years.

Observations: The analysis performed for Credit Suisse (UK) Limited showed that the materiality of flooding risk for the firm's real estate collateral portfolio is low; consequently, no remediation actions were deemed necessary. The flooding risk classes used by the UK Environment Agency are defined in terms of ranges/intervals of flood probability. By considering upper and lower bounds, we provide both the most and least conservative results that are consistent with those categorizations.

The results of our analysis show that the potential for credit losses is limited, even under conservative assumptions on the level of flood losses (20% vs. 10% core assumption) and considering the upper bound for flood probability at each property. This is principally because of the conservative loan-to-value (LTV) ratios of the corresponding loans.

Limitations:

- The evolution of the model will depend largely on the projections of future precipitation produced by the leading climate models for “no additional action”-type scenarios.
- Detailed information on the vulnerability of each property is not available.

F. Paris Agreement Capital Transition Assessment (PACTA)

In 2022, we voluntarily participated for the second time in the Paris Agreement Capital Transition Assessment (PACTA)

climate test rolled out by the Swiss Federal Office for the Environment (FOEN) and the State Secretariat for International Finance. The PACTA framework provides insights to the government, parliament, financial institutions, and the public to help track financial markets' alignment with the climate goals of the Paris Agreement. The approach involves an assessment of physical assets (such as power plants) linked to financial assets (e.g. equities or bonds) and checks the alignment of these assets with climate scenarios. We subjected different portfolios to the PACTA 2022 stress test, including listed equities and corporate bonds managed by our Swiss Wealth Management and Asset Management divisions, as well as our Swiss real estate funds, owned buildings, and Swiss mortgages portfolios. The analysis measured the current and projected alignment of the portfolios with selected Global Energy and Climate Outlook (GECO) 2021 climate scenarios, within the context of Swiss financial institutions. The results were released on an aggregate basis across all participants in November 2022, based on 2021 data.

Sector specific policies

Sector policies on lending

Certain industries are particularly sensitive from a social or environmental perspective – including impacts on the climate. To assess potential transactions with clients or prospects in these industries, we have defined specific policies and guidelines that are globally applicable, taking account of standards developed by international organizations such as the United Nations (UN), the World Bank, or the International Finance Corporation (IFC). According to varying requirements and processes, a differentiation is made between our lending and investment activities. The below elaborations valid for the finance activities are accompanied by an investment-specific exclusion policy as further explained in the Credit Suisse Sustainable Investment Framework.

The policies and guidelines for lending activities cover the following sectors: oil and gas, mining, power generation, and forestry and agribusiness, which includes pulp and paper, as well as palm oil production. They address a range of topics such as: compliance with industry-specific, internationally recognized standards on the environment and human rights; measures to assess and reduce the environmental impact of operations, including on the climate and on biodiversity and ecosystems; the protection of the health and safety of company employees, contractors, and surrounding communities; and respect for the human rights of the local population, with particular attention on project-related impacts on indigenous peoples.

Our risk management framework incorporates an assessment of whether a transaction or client relationship under review is in line with our sector policies and relevant industry standards and good practice. The sector policies and guidelines also form an important component of our Group-wide Climate Risk Strategy program. Our global climate change policy addresses Credit Suisse's broader long-term climate strategy, reflecting its commitment to the Paris Agreement as well as the approach to the transition and physical risks arising from a changing climate.

Our sector policies and guidelines are subject to a regular review to take account of the latest developments and new challenges in the relevant areas. In step with the stated sustainability ambitions of Credit Suisse, we expect to introduce further restrictions over time. In 2022, we expanded our sector policies to cover lending to climate-sensitive sectors, including oil sands, deep sea mining, Arctic oil and gas, and palm oil.

Our policies and guidelines describe business activities and operations that Credit Suisse will not finance. The visual "Sector policy developments" shows more details on our continuous journey toward funding-related policies to various sectors.

Sector policy developments

2019

Credit Suisse will not provide any form of financing specifically related to the development of new coal-fired power plants.

2020

Credit Suisse will not provide lending or capital markets underwriting for:

- any company that derives more than 25% of revenues from thermal coal extraction (unless supporting energy transition)
- any company that derives more than 25% of revenues from coal power generation (unless supporting energy transition)

No financing related to offshore and onshore oil and gas projects in the Arctic region.

2021

Thermal coal mining and coal-fired power

Effective 2022: Credit Suisse will not provide lending or capital markets underwriting for:

- new clients deriving more than 5% of revenues from thermal coal extraction or coal-fired power generation (unless supporting energy transition)
- companies developing new greenfield thermal coal mines after 2021 (unless supporting energy transition)
- companies developing new coal-fired power plants or capacity expansions after 2021 (unless supporting energy transition)

Credit Suisse will gradually reduce its credit exposure, lending and capital markets underwriting to companies deriving revenues from thermal coal extraction and coal-fired power generation from now until 2030.

Effective 2025: Credit Suisse will not provide lending or capital markets underwriting for:

- any company that derives more than 15% of revenues from thermal coal extraction (unless supporting energy transition)
- any company that derives more than 15% of revenues from coal power generation (unless supporting energy transition)

Effective 2030: Credit Suisse will have no remaining credit exposure and will not provide lending or capital markets underwriting for any company that derives more than 5% of revenues from both thermal coal extraction and coal-power combined (unless supporting energy transition).

Supporting the energy transition

Companies engaged in these industries may require capital to transition away from coal mining and coal-fired power. Exceptions may be made for transactions (subject to sustainability risk review and approval) meeting the following criteria:

- for coal mining: Lending or capital markets underwriting are only permitted where the client has a credible transition strategy to diversify away from thermal coal and where, in addition, the transaction proceeds make a material contribution to this transition
- for coal-fired power generation: Lending or capital markets underwriting is only permitted:
 - where the client can demonstrate a decreasing share of coal in its power generation portfolio consistent with our Client Energy Transition Framework (CETF), or
 - where the client has a credible transition strategy to a lower carbon business model and where, in addition, the transaction proceeds make a material contribution to this transition

2022

Arctic oil and gas

Credit Suisse will gradually reduce its credit exposure, lending, and capital markets underwriting to companies deriving revenues from Arctic oil and gas extraction from now until 2035.

Effective June 2022: Credit Suisse will not provide lending or capital markets underwriting to any company that derives more than 25% of revenues from Arctic oil and gas extraction (unless supporting transition).

Effective 2025: Credit Suisse will not provide lending or capital markets underwriting to any company that derives more than 15% of revenues from Arctic oil and gas extraction (unless supporting transition).

Effective 2030: Credit Suisse will not provide lending or capital markets underwriting to any company that derives more than 10% of revenues from Arctic oil and gas extraction (unless supporting transition).

Effective 2035: Credit Suisse will not provide lending or capital markets underwriting to any company that derives more than 5% of revenues from Arctic oil and gas extraction (unless supporting transition).

The above phase-out commitment from Arctic oil and gas is complementary to our existing project-related policy: Credit Suisse will not provide any form of financing related to offshore or onshore oil or gas projects in the Arctic region.

Supporting the transition away from Arctic oil and gas

Companies engaged in these industries may require capital to transition away from Arctic oil and gas. Exceptions may be made for transactions (subject to sustainability risk review and approval) meeting the following criteria:

- Lending or capital markets underwriting are permitted where the client has a credible energy transition strategy and a credible plan to reduce revenue shares from Arctic oil and gas extraction below the applicable threshold

Palm oil

For oil palm growers and upstream processors, Credit Suisse requires its clients either at the level of the parent company or at each of the relevant subsidiaries:

- for new lending or capital markets underwriting, clients are required to be Roundtable on Sustainable Palm Oil (RSPO) members
- for new lending or capital markets underwriting, to have a ZSL SPOTT (an assessment by Zoological Society of London (ZSL)) score of 50% or above. If no ZSL SPOTT score is available, enhanced due diligence is required

The above commitments are complementary to our existing palm oil policy: For oil palm growers and upstream processors, Credit Suisse requires its clients either at the level of the parent company or at each of the relevant subsidiaries to:

- either be or undertake to become a member of the RSPO
- have all operations certified according to the RSPO principles and criteria, or to commit to a time-bound plan to achieve full certification

Oil sands

Credit Suisse will not provide lending or capital market underwriting for companies deriving more than 25% of their revenues from oil sands unless these companies have materially reduced their overall emissions intensity over time and have credible plans to materially reduce carbon intensity further.

Deep sea mining

- Project-related financing: Credit Suisse will not provide any project-related financing towards the exploration or extraction of mineral deposits of the deep seabed
- General corporate purpose finance: Credit Suisse will not provide any lending or capital markets underwriting to companies that are primarily engaged in the exploration or extraction of mineral deposits from the deep seabed



More information is available in the sector policies and guidelines section of our risk management website: credit-suisse.com/riskmanagement

Enablers: How we embed net zero

The implementation of our climate approach is supported by our involvement in market initiatives and the development of our own internal capabilities.

Enhanced climate data acquisition and analysis

In line with the firm's ambition to reach net zero by 2050, and in light of increasing regulatory guidelines and requirements related to managing sustainability and climate risk disclosures, Credit Suisse has identified the need for a scalable data-driven approach to climate reporting.

At an IT infrastructure level, in 2022 we started building a centralized ESG Data Hub, with the aim of using our multi-vendor approach to increase climate data coverage and enhance data quality controls and governance.

We also launched internally a Carbon Dashboard, which enables the audience to monitor and analyze on a quarterly basis our financed emissions and lead indicators.

Involvement in market initiatives

We maintain dialogue and engagement with several key external stakeholders to gain insights that ensure our approach remains relevant and aligned with market standards, and also to share good practice within the financial services sector.

Net-Zero Banking Alliance (NZBA)

In April 2021, Credit Suisse became a founding member of the UN-convened NZBA, which brings together over 125 banks from more than 40 countries estimated to represent over 40% of global banking assets. NZBA members are committed to aligning their lending and investment portfolios

with net zero emissions by 2050. The Alliance aims to reinforce, accelerate, and support the implementation of decarbonization strategies by providing an internationally coherent framework and guidelines in which to operate.

Science Based Targets initiative (SBTi)

SBTi is a partnership between the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF), which defines and promotes best practice in emissions reductions and net zero goals in line with climate science. Guidance for banks is being further developed and SBTi is looking to banks, including Credit Suisse, to provide input into the final guidelines. SBTi also provides independent verification of goals.

Net Zero Asset Managers initiative (NZAMi)

In March 2022, Credit Suisse Asset Management joined NZAMi, an international group of asset managers, with more than 300 signatories and USD 59 trillion in assets under management, committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5°C; and to supporting investing aligned with net zero emissions by 2050 or sooner.

Partnership for Carbon Accounting Financials (PCAF)

PCAF is a global partnership of financial institutions that work together to develop and implement a harmonized approach for assessing and disclosing financed emissions.

Credit Suisse, while not a PCAF member, utilized the first edition of the PCAF Standard in 2021 to calculate our share of financed emissions across our clients in the oil, gas, and coal sectors and we continued to utilize this standard in 2022 when expanding our scope to cover additional key sectors.

Institutional Investors Group on Climate Change (IIGCC)

In July 2022, Credit Suisse became a member of IIGCC. IIGCC is a leading organization for investor collaboration on

climate change with more than 375 members across 23 countries representing EUR 60 trillion in assets under management. Its mission is to support and enable the investment community in driving significant, real progress by 2030 toward a resilient, net zero future. This is expected to be achieved through capital allocation decisions, stewardship, and successful engagement with companies, policy-makers, and fellow investors.

Poseidon Principles

In 2020, Credit Suisse became a signatory to the Poseidon Principles, a global framework for assessing and disclosing the climate alignment of ship finance portfolios and promoting the decarbonization of international maritime transport. Credit Suisse is a member of the Poseidon Principles Steering Committee and has published the climate alignment of its financed fleet on an annual basis since the first reporting in December 2021. The last report was published in December 2022 based on 2021 data.

Carbon Disclosure Project (CDP)

We report key climate change metrics and business activities on an annual basis to CDP, an international non-profit representing institutional investors. Its aim is to offer transparent guidance to investors on climate-related opportunities and risks for companies. Credit Suisse annually provides transparency to investors on our climate-related risks and opportunities through our response to the CDP Climate questionnaire. In 2022, Credit Suisse achieved a CDP “C” score.

Dialogue with stakeholders

Credit Suisse considers it important to engage in discussions with various stakeholders – from clients, employees, and investors to policymakers, legislators, regulators, and representatives of the business community, society and non-governmental organizations (NGOs) – to understand the issues that are important to them and to help find constructive solutions to current challenges. This exchange of views and ideas has grown increasingly important in recent years in

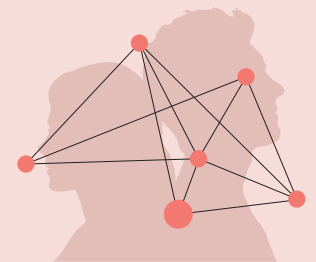
view of international developments and discussions surrounding the role of the finance industry in the global economy.

Public policy engagement

As a global bank with a long tradition, we form an integral part of society and the regulatory environment, and we are committed to responsible public policy engagement. We are a member of a number of industry associations, umbrella organizations, and think tanks where we actively participate in political discussions around developments in financial market regulation, sustainable finance policy, and climate change among other subjects. We regularly review our participation, which also comes with the understanding that we may not always share the same position as an association or other members. Credit Suisse has a global Public Policy function that manages relationships with policymakers, trade associations, and international standard-setting bodies,

Engaging employees

A vital component of our commitment to sustainability is the engagement and enablement of our people. As a key event, our dedicated Credit Suisse Sustainability Week (CSSW) took place in October 2022, offering a global, interactive experience seeking to inspire, engage, and promote action for clients, investors, and employees. The week brought together global thought leaders and industry experts to discuss the topics of climate and social engagement in the context of our global economy and offered a stage for innovative ideas. These conversations addressed key themes and trends such as energy and social transition, biodiversity, technology, innovation, and consumer trends in the context of today’s complex geopolitical environment. To further engage employees, our Chief Sustainability Officer hosted a dedicated Global Sustainability Forum and discussed the sustainability mandate and progress to date with our Chairman and the Chair of the Board’s Sustainability Advisory Committee.



and which leads proactive dialogue and advocacy efforts with these stakeholders.



More information about our membership in industry bodies is available here:
credit-suisse.com/network-partnerships

Thought Leadership Events

Credit Suisse Sustainability Week

We also featured our studies and guides at our annual Credit Suisse Sustainability Week – a week dedicated to raising awareness and amplifying topics across the sustainability agenda. Particularly for employees, the Credit Suisse Sustainability Week is an important program of activities to focus on the knowledge sharing and learning that we believe will increase operational effectiveness and perpetuate a long-term virtuous cycle of activities aligned to our sustainability strategy.

Credit Suisse Research Institute

The Credit Suisse Research Institute (CSRI) is our in-house think tank. It studies long-term economic developments that have a global impact within and beyond the financial services sector. The CSRI builds on unique proprietary data and internal research expertise from across the bank and in collaboration with leading external specialists to help our clients and stakeholders navigate the future. In 2022, the CSRI continued to publish sustainability-related reports, assessing how environmentally aware young consumers are and if they are willing to lead a more sustainable lifestyle as a result.

Launch of the Center for Sustainability

In 2022, we launched the Center for Sustainability (CfS) as a pillar of the CSRI. The CfS aims to provide our clients and stakeholders with agile access to insights on emerging sustainability topics as we bridge the perspectives of sustainability experts from across Credit Suisse as they confront and consider the challenges and opportunities faced

by our planet and society. Examples of reports are as follows.

Nuclear energy: Challenges and opportunities

This report draws on academic and analysts' perspectives that consider the potential as well as pitfalls of a future involving nuclear energy. In the report, we assess the costs of technology, safety, and the management of nuclear waste as factors that test the political will to invest in an energy source that divides public opinion. We also consider the sector's comparatively "low-carbon" performance when it comes to greenhouse gas emissions, as well as its ability to help the global economy deliver on the pressing commitments set out by the Paris Agreement.

Sustainable portfolio construction

In "The Decarbonizing Portfolios," we explored how portfolios can contain investments that reach across this spectrum and address the risks and opportunities that are expected to come from the carbon transition. Following on from this introductory whitepaper, we published an investment guide "Build for the future" designed to show investors how they can use sustainable and impact investing strategies to build their portfolios and meet their investment objectives. This guide explores the main categories of sustainable and impact building blocks within each asset class and expands on how investors can integrate sustainability into their portfolio construction. We show how it is possible to create an alternative to a traditional portfolio with instruments that apply the four sustainable investing approaches and which sustainable strategies have similar risk/return profiles to traditional strategies.

Capital Market Assumptions: A five-year outlook

In this report our economists explain how climate change and related policy action is modeled into our forecasts for economic growth, inflation, and central bank policy rates. Against a backdrop of changed geopolitics, our economists assessed the likelihood of accelerated climate action on a country-by-country basis. The development of a quantitative indicator – the Climate Action Index – helped us capture the

likelihood of shifts in public sentiment and politics. The extent of transition, and physical risks outlined earlier play a big role, as do domestic and international political pressure, the ambitiousness of national climate commitments, the preparedness of the economy and society for a low carbon transition and the future orientation of policymaking. The index shows where we think the likelihood of accelerated climate action is highest.

Treeprint Report Series

We continued developing our Treeprint Report Series. The reports argue that certain behavioral changes can help accelerate reforestation efforts. We outline why we believe planting trees can be profitable – not least for farmers. We review the outlook for deforestation and assess some of the solutions that we believe can be deployed today to address forest loss. We believe growth in carbon markets will have wide-ranging implications for climate finance, corporate strategy and global trade.

Treeprint – Deforestation: The Corporate Response

Deforestation remains a key headwind that puts pressure on long-term climate change goals. In this report, we review the outlook for deforestation and some of the solutions that we believe can be deployed today to address forest loss. We also review how corporates approach the topic.

Treeprint – The Beginning of the Big Carbon Age

We believe growth in carbon markets will have wide-ranging implications for climate finance, corporate strategy, and global trade. Our report concludes that the longer nations defer taking action, the higher and faster carbon prices would have to rise to achieve the current climate objectives.

Carbon Negative Conference

This flagship carbon-negative event, organized by our Equity Capital Markets & Investment Banking teams, brought together leading carbon negative companies and executives, with more than 75 CEOs and 350 investors in attendance.

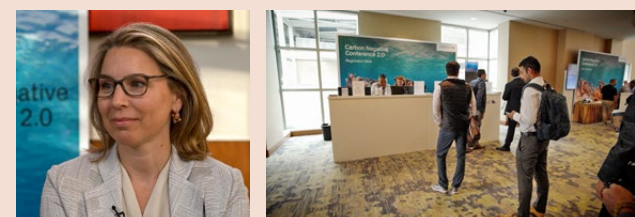
Carbon Negative Conference 2.0 in numbers

800+
investor meetings

350+
attendees

75+
public and private companies

1
platform connecting investors, industry experts, and thought leaders with actionable investment ideas



The central question for the 2nd Annual Carbon Negative Conference (CNC2.0) in 2022 was “How can we bring together science, technology, and finance to create scalable carbon removal solutions leading to broad energy transition?” At CNC2.0, change-makers from the private and public company ecosystems came together to explore the actionable investment opportunities that will define the pathways to decarbonization.