CREDIT SUISSE

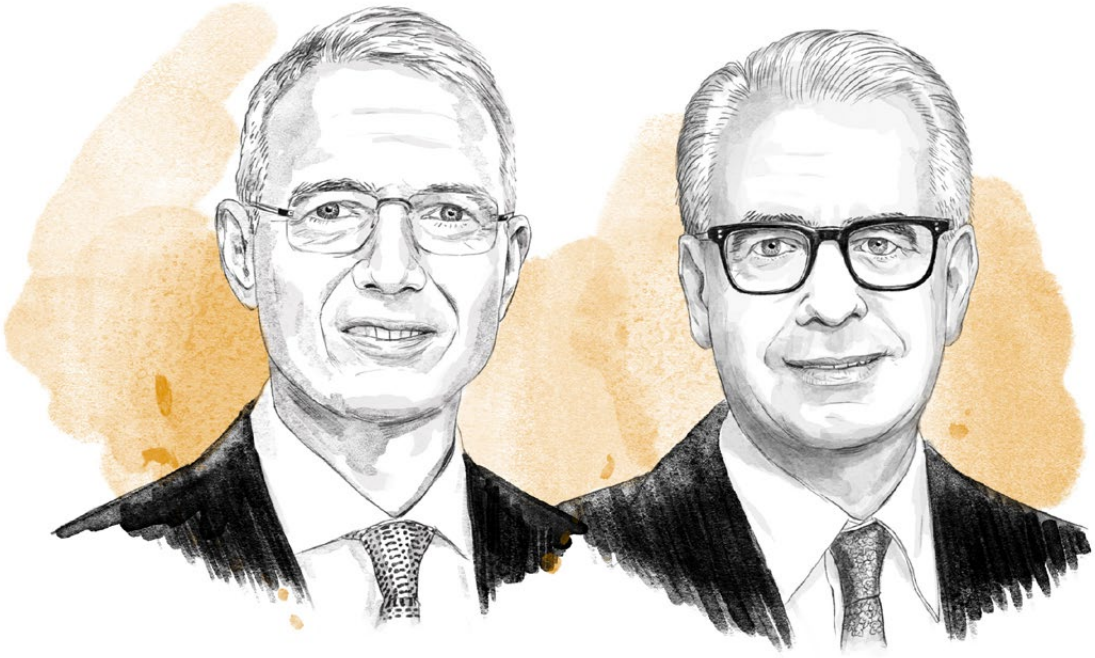
TCFD Report 2022

Overview of chapters

For more information on the Credit Suisse approach to sustainability read the full Sustainability Report 2022

Message from our Chairman and our CEO

The publication of our annual TCFD Report provides an opportunity to demonstrate the contribution made by Credit Suisse toward a more sustainable global economy. This report provides important information on how we apply our expertise as a bank. We engage with clients across a diverse range of sectors in which they operate, to help drive meaningful change in the world around us.



Chairman of the Board of Directors

Chief Executive Officer

We believe we drive meaningful change best by pursuing long-term economic growth; by partnering with clients in their transition efforts to a low-carbon economy; by fostering their and our entrepreneurial spirit; and, by encouraging the innovation that is required to meet the future challenges faced by our planet and society.

At Credit Suisse we are clear that sustainability is a long-term priority for the bank. This commitment is driven by the expectations of clients, investors, and regulators, and is delivered through the dedication of our colleagues as they pursue opportunities that are appropriately aligned with our risk appetite and with our newly defined Risk Culture Framework.

A further demonstration of our commitment is derived from our own ambitions – highlighting that we too are on a transition journey, both as a firm and as an industry. By establishing our own path to strive for achieving net zero emissions by 2050 in line with a 1.5°C trajectory across our operations, supply chain, and financing activities, we have set a clear long-term direction, and through our interim goals for 2030, we have defined the terms of our engagement.

Through our annual Sustainability Report and our Task Force on Climate-related Financial Disclosures (TCFD) Report, we remain committed to transparent disclosure, and to embracing the evolving market standards that allow our stakeholders to

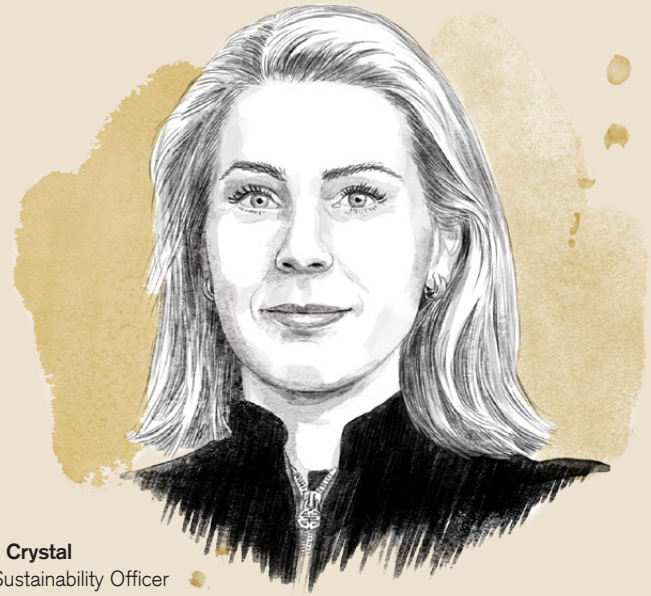
benchmark our progress against both our own commitments and societal expectations.

The topic of sustainability has many champions, but it also faces skepticism. We see 2022 as a year that marked an inflection point in translating climate pledges into actionable strategies and solutions, and we remain committed to supporting clients in their transition efforts to a low-carbon economy. Society is asking for greater climate action and increased transparency on the impact we are creating through our business activities. Building on our commitment to net zero we expanded the scope of our interim 2030 goals in 2022 to include additional sectors and asset classes and further refined our climate strategy to translate our commitments into action. Clearly, there is still much more to do, but important progress is being made.

We trust that you will enjoy reading this year's TCFD Report and we thank you for engaging with us as we continue to drive our sustainability strategy at Credit Suisse.

Axel P. Lehmann
Chairman of the Board of Directors

Ulrich Körner
Chief Executive Officer



Emma Crystal
Chief Sustainability Officer

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In a challenging year, where energy security and inflationary concerns intensified in many parts of the world, we continued to focus on supporting our clients in their transition toward a more sustainable future. Across our lending activities we enacted additional climate goals, and enhanced several of our climate-related disclosures. We also introduced a Climate Action Plan, which sets out a pathway toward net zero for in-scope investments in wealth and asset management. While these steps represent important progress on our sustainability strategy, we recognize this is a multi-year journey.

Task Force on Climate-related Financial Disclosures

Reflecting the financial sector's commitment to addressing climate change, the Financial Stability Board (FSB) established the industry-led Task Force on Climate-related Financial Disclosures (TCFD) in December 2015 to propose a set of recommendations for consistent disclosures that will help financial market participants understand their climate-related risks. The TCFD aims to promote more informed investment, credit, and insurance underwriting decisions, foster an early assessment of these risks, and facilitate market discipline. Credit Suisse publicly expressed its support for the TCFD recommendations in 2017. Since then, Credit Suisse has continued its disclosures implementation efforts, following the TCFD recommendations across the four categories of governance, strategy, risk management, and metrics and targets.

In preparing our disclosures for 2022, we have followed FINMA's revised circular for climate-related financial risks (Circular 2016/1 Disclosure – banks), which entered into force on July 1, 2021. This FINMA regulation is based on the recommendations of the TCFD.

Similar to last year, in 2022 PricewaterhouseCoopers AG, Switzerland, has provided limited assurance on selected TCFD indicators in the TCFD metrics section. (↗ For exact scope of assurance, see Assurance Report.)

Our TCFD report provides a summary of our progress toward our climate ambitions and highlights the actions that Credit Suisse is taking on what is a multi-year journey. We aim to provide our shareholders with transparency on our commitments, the steps we are taking to realize our climate goals, the results we have already achieved, and the areas where we still need to do more.

At a glance

In 2022, we made further progress in our climate-related activities, including:

- **Interim goals for lending:** We set emissions reductions goals for six sectors: oil, gas and coal, power generation, commercial real estate, iron and steel, aluminum, and automotive. We continue to disclose the climate alignment of our in-scope shipping portfolio to the Poseidon Principles decarbonization index.
- **Sector policies:** We expanded our sector policies to cover climate-sensitive sectors such as oil sands, deep-sea mining, Arctic oil and gas, and palm oil.
- **Frameworks:** We extended our Client Energy Transition Framework (CETF) to two additional sectors – agriculture and petrochemicals (↗ see also CETF overview in Risk management section for more details).
- **Risk management:** We enhanced Credit Suisse's climate Risk Identification and Assessment Framework (RIAF) and continued integrating sustainability and climate risk into local risk management and reporting frameworks, in accordance with regulatory and legislative guidance (↗ see also Risk management section for more details).
- **NZAMi:** Credit Suisse Asset Management joined the Net Zero Asset Managers initiative (NZAMi) in March 2022.
- **Climate Action Plan:** Credit Suisse Asset Management and Investment Solutions & Sustainability (IS&S), part of Credit Suisse Wealth Management, published a joint Climate Action Plan for in-scope investment portfolios, which set a 2030 interim goal of a 50% reduction in investment-associated emissions in intensity terms versus 2019 (tCO_2e per CHF mn invested). (More information can be found in our Credit Suisse Climate Action Plan, available in selected jurisdictions.)
- **Operational footprint:** We made progress on multiple projects across our global enterprise footprint designed to provide energy efficiencies, including replacing fossil fuel heating with renewable energy.

Our climate action journey

This timeline shows selected highlights of our actions:

1992
- Joined UNEP FI.

2003
- Signed up to Equator Principles as one of the first banks.

2010
- Submitted for first time to CDP.

2018
- Established the Credit Suisse climate change program to address the TCFD recommendations.

2019
- Became a signatory to the UN Principles for Responsible Banking.

2020
- **January:** Became a signatory to the Poseidon Principles.
- **July:** Announced intention to contribute to the goals of the Paris Agreement and the United Nations' Sustainable Development Goals.
- **July:** Introduced sector policies related to thermal coal mining and coal-power businesses.
- **December:** Rolled out CETF to oil and gas, coal mining, and power generation (fossil fuel-related) sectors.
- **December:** Announced 2050 net zero emissions ambition aligned to 1.5°C and committed to developing interim 2030 science-based emissions reduction goals for key sectors.

2021
- **February:** Signed SBTi commitment letter.
- **May:** Rolled out CETF to shipping, aviation, and commodity trade finance sectors (fossil fuel-related).
- **April:** Became founding member of Net Zero Banking Alliance (NZBA).
- **November:** Received Terra Carta Seal for demonstrating commitment to sustainability, as part of the Sustainable Markets Initiative.

2022
- **March:** Credit Suisse Asset Management joined the Net Zero Asset Managers initiative (NZAMi).
- **March:** Committed to 2030 and 2050 emissions reduction goals for oil, gas and coal financing.
- **April:** Introduced new sector policies related to the financing of oil sands, Arctic oil and gas, and deep-sea mining and palm oil.
- **July:** Rolled out CETF to agriculture and petrochemicals sectors.
- **December:** Credit Suisse Asset Management and IS&S, part of Credit Suisse Wealth Management, disclosed their Climate Action Plan, including the announcement of 2030 interim goals. (More information can be found in our Credit Suisse Climate Action Plan, available in selected jurisdictions.)
- **December:** Credit Suisse Asset Management and IS&S, part of Credit Suisse Wealth Management, introduced new policies for selected Credit Suisse Asset Management and IS&S offerings[1] on Arctic oil and gas and oil sands, effective as of April 2023, as well as a coal phase-out plan by 2030.

[1] Policies apply to investments in Arctic oil and gas, and oil sands for actively managed portfolios classified under the Sustainable Investment Framework (Exclusion, Integration, Thematic, or Impact) within Credit Suisse Asset Management and to all single-security investments within discretionary mandates and wealth funds managed by IS&S.

Climate change presents potentially significant risks and opportunities for our clients and for Credit Suisse as a global financial institution. We recognize the role we have to play as a responsible facilitator in minimizing the impact of climate change. The substantial reduction in greenhouse gas emissions globally that is needed to mitigate its effects will require large-scale investment in key market sectors. This will also create opportunities for Credit Suisse in supporting clients' transition to a low-carbon and climate-resilient economy.

For Credit Suisse, our main potential impact lies in aligning our financing and investment activities with the goals of the Paris Agreement, which include limiting global warming to well below 2°C, preferably to 1.5°C, compared to pre-industrial levels. Therefore, we have set ourselves the ambition of reaching net zero emissions by 2050 in line with a 1.5°C trajectory across our in-scope corporate lending and investment portfolios, as well as our own operations and supply chain.

We have set interim 2030 goals covering our scope 3 emissions for in-scope corporate lending and investment activities and for our scope 1 and 2 enterprise operational emissions.

Last year, we disclosed our first Paris Agreement-aligned emissions reduction trajectory for the oil, gas and coal sectors; we also defined and began implementing a corresponding transition strategy. In 2022, we extended the scope of our climate goals to cover additional sectors and introduced sector policies for the financing of oil sands, Arctic oil and gas, and deep-sea mining, as well as palm oil.

We understand that corporate action can be affected by the various regulations, policies, guidelines, and standards that exist. We thus collaborate with private and public stakeholders to support the creation of further guidance and tools that support the orderly transition of the global economy.

In March 2022, Credit Suisse Asset Management joined the Net Zero Asset Managers initiative (NZAMi) – in addition to an existing commitment to the Net-Zero Banking Alliance (NZBA). Through our membership of these groups and others, we aim to improve our own reporting and disclosures. This means we intend to regularly report on our progress in a standardized format that is credible, transparent and comparable to prior periods. We welcome regulatory requirements that would harmonize reporting standards to create transparency and comparability across companies.

Risk factors and context for our ESG disclosures

Our businesses are exposed to a variety of risks that could adversely affect our sustainability related results. These risk factors are described in detail in "Risk factors" in I – Information on the company in our Annual Report 2022. As a result of our comprehensive strategic review announced on October 27, 2022, our sustainability-related commitments, goals, metrics, and targets may be reviewed and adjusted accordingly depending on future structural changes which may result in restatements in future reporting periods.

We would draw our readers' attention to the evolving practices when it comes to ESG reporting. The disclosures contained in this report are inherently limited by the emerging science and market practices, the requirement to use estimates for certain figures, the dependency on management judgments in the absence of established methodologies, including in the context of ever-evolving regulatory disclosure requirements and expectations, and the reliance on third-party and other data that may be immature in some instances. The assumptions and estimates we use in our ESG reporting may change over time, and the information in our report includes non-financial metrics, estimates, or other information that remain subject to significant uncertainties, such as the collection and verification of data, estimates, and assumptions, as well as underlying data obtained from third parties, some of which may not be independently verifiable. We strive to be transparent on these limitations to our disclosures throughout the report. This is particularly relevant when it comes to our climate risk/TCFD-related disclosures, where many judgments are applied. For example, our disclosures on Weighted Average Carbon Intensity (WACI) loans to upstream fossil fuel producers, net zero trajectories, and investment-associated emissions for investee companies rely on the availability of external data on emissions, including timeliness, coverage, and accuracy. With reference to client-related data on financials, emissions, and production, we source this from available sources or proxies based upon a preferred list of options approved by our internal governance committee, due to the lack of granular industry standards. For example, we present preliminary results for our WACI, fossil fuel production mix, and net zero trajectory disclosures, which require ongoing future restatements from preliminary results to final results. The preliminary results are based on our lending exposures for the current year-end but utilize client data on financials, emissions, and production for the previous year-end. This discrepancy is inevitable due to the time lag on the availability of client data and results in a restatement of the 2021 preliminary results to 2021 final results in the current year's report. Similarly, the 2022 preliminary results reported will be restated to final results in next year's report. In addition, our investment-associated emissions for investee companies' disclosure may also require future restatements. The emission results in this disclosure are presented for 2021 reporting because the data for 2022 is not yet available. As further assets come into scope or as more emissions data is reported by investee companies, we may need to recalculate and re-baseline over time.

Our exposures to carbon-related assets and climate-sensitive sectors use gross exposures for reporting (as opposed to exposures net of collateral and credit mitigation), given the focus on capturing the volume of financing Credit Suisse provides to carbon-related or climate-sensitive businesses. In line with TCFD recommendations, our exposure data is

captured via an internal risk management metric as opposed to an accounting metric. While our products scoping for our net zero trajectory disclosures aims to align with the PCAF standard, we acknowledge the guidance on measurement of finance emissions continue to evolve. The product scoping includes on-balance sheet amounts and lines of credit per PCAF guidance. Specifically, this equates to our outstanding amount of loans drawn. Additionally, our product scoping includes certain off-balance sheet exposures such as standby letters of credit, irrevocable commitments under documentary letters of credit and performance guarantees.

In relation to our net zero trajectory disclosures, Credit Suisse has developed goals taking into account the latest available guidance from PCAF, NZBA, and SBTi. We strive to be transparent in disclosing where we deviate from these frameworks in our technical summaries contained in the TCFD metrics and targets chapter. In determining our net zero trajectories, we have endeavored to select the most credible and suitable scenarios for each sector, making adjustments as necessary to ensure the most relevant emissions are included.

In other instances, we are reliant on internal frameworks and judgments being applied. For instance, our Sustainable Activities Framework (SAF) is an internally created framework that governs our disclosures relating to our progress against our sustainable finance commitment. The application of the SAF requires expert qualitative assessment, on a transaction-by-transaction basis, on whether a particular transaction should count towards our commitment. As there is no external guidance or established peer practice, we have exercised our own judgment in the development of the methodology to account for these transactions. We have sought to be transparent in this regard, with the SAF externally published in the fourth quarter of 2021 and updated in 2023. Similarly, we have sought to be transparent on our externally published Sustainable Investment Framework (SIF), where judgment is applied to classify assets under management according to this internally created framework. Our Client Energy Transition Framework (CETF) disclosures in our climate risk disclosures also involve the application of internally defined criteria, which carries a degree of subjectivity. The implementation of internal frameworks is an ongoing multi-year process. This may impact the completeness of some disclosures, including those relating to our assets under management according to their SIF classification, where work is ongoing to classify not only new but also existing investments in line with this framework.

We are on a continuous journey to advance our ESG disclosures and we recognize that greater comparability insight in the future will further aid our readers' understanding. We continue to review and enhance our approach to data, frameworks, and methodologies to align with ever-evolving regulatory standards and market principles as this subject area matures, and we provide the disclosures in this report as a means of being transparent about our ESG initiatives and activities. In addition, the term "materiality" and other similar terms, as used in this document, are distinct from, and should not be confused with, such terms as defined for SEC reporting purposes and the information included in, and any issues identified as material for purposes of, this document may not be considered material for SEC reporting purposes. For further context and information on the inherent limitations, dependencies, and judgments associated with our climate-related metrics and targets, please refer to our in the TCFD metrics and targets chapter.

In conclusion, while we are proud to present our 2022 progress in this report, we note that this should also be viewed as preliminary progress in some areas, as a result of the above-mentioned factors. The information we have provided in this report reflects our approach to ESG at the time of this report and is subject to change without notice. We expect that certain disclosures, including our climate-related disclosures, may be amended, updated, recalculated, and restated in the future based on continued improvement to the quality and comprehensiveness of our data and methodologies.

Governance

Credit Suisse's governance around climate-related risks and opportunities

Efforts taken by Credit Suisse to implement climate-related recommendations

As a global financial institution, we can support sustainability needs of our clients in encouraging sustainable production and consumption practices, enabling diversity, equity, and inclusion, channeling capital flows toward sustainable finance and encouraging the continued shift toward sustainable and impact investment. As we look ahead, it will be important for us to explore the new and emerging themes that may become tomorrow's accepted wisdom, as considered by our research and thought leadership. In 2022, as an expansion of the Credit Suisse Research Institute, we established the Center for Sustainability as a new thematic pillar that aims to shed light on the topics most relevant and aligned to the needs of our clients.

In communicating the progress of our sustainability ambitions, it is important to avoid the risks of greenwashing, the overstatement of our sustainability performance, and greenhushing, the understatement or non-disclosure of our sustainability progress. We are increasing our awareness around these emerging risks by being clear and consistent about our sustainability commitments and how we describe the respective products we create and distribute. Finding a balance that promotes our achievements and engages clients, while ensuring appropriate controls and governance are in place and context and limitations are transparently provided, will require continued diligence.

The Board's monitoring and supervision of climate-related risks and opportunities

The Board of Directors determines Credit Suisse's strategy towards climate-related matters
The Board of Directors (Board) is responsible for the overall strategic direction, supervision, and control of the Group. The Board has six standing committees, each with its own charter: the Governance and Nominations Committee, the Audit Committee, the Risk Committee, the Compensation Committee, the Conduct and Financial Crime Control Committee, and the Digital Transformation and Technology Committee, established in early 2022. In addition, the Board has an advisory committee, the Sustainability Advisory Committee. From July 2022 to October 2022, as part of the bank's strategic review, the development and implementation of strategy was supported by a Board-led ad hoc Investment Bank Strategy Committee and was overseen by the full Board of Directors.

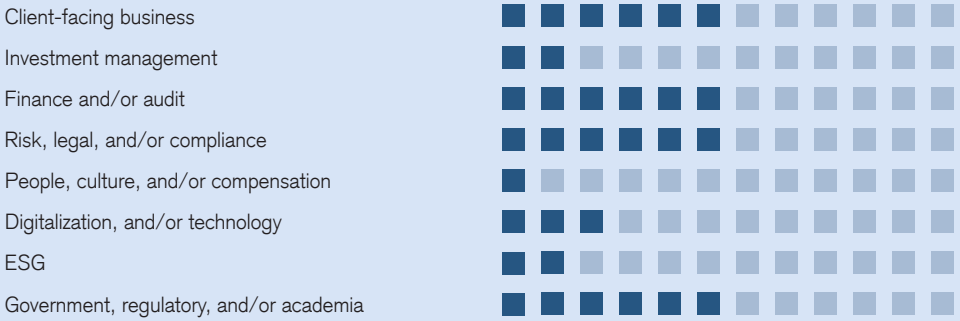
Background, skills, and experience
The background, skills, and experience of our Board members are diverse and broad and include holding or having held top management positions at financial services and other companies in Switzerland and abroad, as well as leading positions in government, academia, and international organizations. The Board is composed of individuals with wide-ranging professional expertise in key areas including client-facing business management, investment management, finance, and/or audit, risk, legal, and/or compliance, people, culture, and/or compensation, digitalization and/or technology, ESG, and government, regulatory, and/or academia.

Diversity of culture, experience, and opinion are important aspects of Board composition, as well as gender diversity. While the ratio of female-to-male Board members may vary in any given year, the Board is committed to complying with the gender diversity guidelines as stipulated in the new Swiss corporate law. As shown in the chart "Board committee memberships", the Board currently consists of seven female

Board member experience and expertise

Leadership experience
(Number of Board members as of the end of 2022; total of 12)

Areas of expertise
(Number of Board members as of the end of 2022; total of 12)



and five male directors. The collective experience and expertise of our Board members as of the end of 2022 across those key areas considered particularly relevant for the Group.

Board of Directors

The **Board of Directors** approves the Group strategy, including the sustainability strategy, and is responsible for monitoring its execution. The Board receives status updates on the progress of the Group's sustainability strategy throughout the year and is actively engaged with the Executive Board on ESG matters. During 2022, the Board conducted an in-depth review of the Group strategy. Delivering sustainable products and solutions was fully endorsed as a key component of the strategies of each of the business divisions. As part of the strategic review, the Board reaffirmed our commitment to sustainability and the importance of related activities in each of the global business divisions. Culture was furthermore a key focus topic for the Board during 2022, in particular enhancing the risk culture and fostering a culture of accountability and responsibility. The Board has proposed to submit the 2022 TCFD report, which forms part of the Group's Sustainability Report, for acceptance by shareholders in a consultative vote at the 2023 AGM on Credit Suisse's climate strategy as outlined in the Strategy chapter of our 2022 TCFD report.

Role of the Specialized Board committees in assisting the Board of Directors on climate-related matters

Board committees

Sustainability, culture, and conduct-related topics as well as governance and social topics are within the oversight scope of and are routinely addressed at meetings of the Board committees, as described in the section below.

The **Sustainability Advisory Committee,** is chaired by Board sustainability leader Iris Bohnet. The committee assists the Board, in an advisory capacity, in fulfilling its oversight duties in respect of the development and execution of the Group's sustainability strategy and ambitions, and monitoring and assessing the effectiveness of the respective sustainability programs and initiatives. Its responsibilities include advising on the sustainability strategy and ambitions, and ensuring actions are being taken to accomplish them, advising on sustainability metrics, tracking and monitoring progress, and the engagement with key internal and external stakeholders, including clients, employees, investors, ESG rating agencies, NGOs, policymakers, regulators, and representatives of the business community and society. Activities of the Sustainability Advisory Committee during 2022 included periodic reviews of the strategy execution progress, receiving updates on the bank's progress with respect to ESG products, services, and advisory, the

Diversity & Inclusion strategy, and climate-related and sustainability risks, as well as holding a targeted session on the mitigation of greenwashing risk. The committee also received progress updates on the 2022 Sustainability Report, as well as on the 2022 TCFD Report.

The **Compensation Committee** is responsible for proposing the compensation structure and plans for the Executive Board and the broader employee population, as well as determining the respective variable compensation amounts, based on an assessment of both financial and non-financial performance, for approval by the Board. For the Executive Board, ESG-related factors form a substantial part of the non-financial performance assessment of the individual Executive Board members. The non-financial assessment makes up 30% of the overall performance assessment of

Sustainability governance framework

<table>
<tr><td rowspan="2">Board of Directors</td><td colspan="5">Board of Directors
Approves and monitors the sustainability strategy</td></tr>
<tr><td>Sustainability Advisory Committee
Assists the Board, in an advisory capacity, in fulfilling its oversight duties with respect to the Group's sustainability strategy, target, and program effectiveness</td><td>Risk Committee
Oversees and reviews the Group's risk management function in the context of sustainability</td><td>Conduct and Financial Crime Control Committee
Oversees the Group's exposure to financial crime risk in the context of sustainability</td><td>Audit Committee
Oversees and reviews Group ESG disclosures</td><td>Compensation Committee
Determines compensation incentives in the context of ESG-related factors</td></tr>
<tr><td rowspan="3">Executive Board</td><td colspan="5">Executive Board
Responsible for the day-to-day operational management and reviews and coordinates significant initiatives, projects, and business developments in the field of sustainability</td></tr>
<tr><td colspan="3">Executive Board Risk Management Committee
Oversight function with respect to market, credit, reputational, and sustainability risk-related matters</td><td colspan="2">Group Conduct Board
Oversees how conduct matters are handled and ensures consistency and the alignment of practices across the Group</td></tr>
<tr><td colspan="3">Purpose, Values and Culture Council[1]
Oversees implementation and embedding of culture across Group</td><td colspan="2">ESG Disclosure and Reporting Steering Committee[2]
Provides oversight and approval for Group ESG disclosures</td></tr>
<tr><td rowspan="5">Management</td><td colspan="2">Divisional Risk Management Committees</td><td rowspan="2">Divisional Conduct Boards</td><td rowspan="2">Sustainability Leadership Committee
Responsible for strategy development, progress oversight, and identification of growth opportunities</td></tr>
<tr><td colspan="2">Global Client Risk Committee</td></tr>
<tr><td colspan="2">Divisional Client Risk Committees</td><td rowspan="2">Functional Conduct Board</td><td rowspan="2">Sustainability Operational Committee
Oversees initiatives, projects, and other strategy execution and framework methodology changes</td></tr>
<tr><td>Climate Risk Strategy Steering Committee</td><td>Sustainability (Climate) Risk Executive Leadership Committee</td></tr>
<tr><td colspan="2"></td><td>Regional Conduct Board(s)</td><td>Sustainability Framework Committees
Reviews and signs off on transactions based on the existing frameworks</td></tr>
</table>

[1] In 2023, the Purpose, Values and Culture Council will be replaced with the Group Culture and Values Board.
[2] Co-chaired by the CFO and CSO.

the Executive Board and considers progress measured against pre-defined non-financial metrics in the areas of risk and control, values and culture, and sustainability. A focus of the Compensation Committee during 2022 was the review and revision of the Executive Board compensation design for 2023 and beyond, as well as the definition of a one-time Transformation Award to be granted to Executive Board members and other key members of senior management. The Transformation Award is linked to the successful implementation of the Group's strategic objectives and is intended to ensure the new management team is aligned with long-term shareholder interests. The Compensation Committee is also responsible for assessing the potential impact on compensation from significant events that have exposed the bank to undue risk, financial loss, and/or reputational damage.

Executive Board variable incentive compensation:
The non-financial component of Executive Board annual awards includes the consideration of ESG-related factors. Since 2022, 30% of the total Executive Board variable compensation pool is assessed with measurable objectives within the three non-financial categories of risk and control, values and culture, and sustainability. The objectives in the sustainability category are Group-wide measures, recognizing that the Executive Board as a team is accountable for achieving the Group's sustainability-related goals. These include positive contribution to the trajectory of our ambition to reach net zero by 2050, underpinned by interim emissions reduction goals by 2030 and growth towards our sustainable finance goals.

The **Risk Committee** is responsible for the oversight of the enterprise-wide risk management and practices, the promotion of a sound risk culture with clear accountability and ownership, the review of key risks, and the assessment of the effectiveness and efficiency of the Group's risk function. As part of carrying out these responsibilities, the Risk Committee reviews the bank's risk appetite and risk management approach with respect to climate-related and sustainability risks, as well as reputational risk. During 2022, the Risk Committee discussed the holistic overview on climate-related, and sustainability risks, which included an update on the progress made by management to embed climate risk into the risk management framework. The Risk Committee was also briefed on the Client Energy Transition Framework (CETF), and our commitments, and reviewed the associated policies on certain business activities in carbon-intensive sectors prior to their publication. In addition to the Board Risk Committee, there are also specific risk committees at the Executive Board and management level.

Role of Management in assessing and managing climate-related risks and opportunities

Executive oversight
The **Executive Board** is the most senior management body of the Group and is responsible for the Group's day-to-day operational management under the leadership of the CEO. The Executive Board currently consists of 11 members, appointed by the Board of Directors. The Executive Board has several standing committees, which are chaired or co-chaired by one or more Executive Board members and meet periodically throughout the year and/or as required.

Executive Board Risk Management Committee
The Executive Board Risk Management Committee is primarily responsible for steering and monitoring the development and execution of the Group's risk strategy, approving risk appetite across all risk types for the Group and its divisions, as well as reviewing the aggregate and highest risk exposures, major risk concentrations, and key non-financial risks. As such, it monitors the execution of the overall climate strategy, jointly with legal entity Board of Directors' risk committees where relevant. The Executive Board Risk Management Committee is co-chaired by the Group CEO, CRO, and CCO.

ESG Disclosure and Reporting Steering Committee
Recognizing the ever-increasing need for ESG-related disclosures, the ESG Disclosure and Reporting Steering Committee seeks to ensure the appropriate levels of control and governance are in place for our ESG disclosures. It is co-chaired by the Group Chief Financial Officer alongside our Chief Sustainability Officer.

Sustainability Leadership Committee
In addition to Executive Board committees, the **Sustainability Leadership Committee** (SLC) steers the implementation of the sustainability strategy across the bank, ensures bank-wide engagement on sustainability, and oversees the progress towards commitments and strategic priorities. It discusses growth opportunities, risks, and the impact of the market environment on the sustainability strategy. The SLC is chaired by the Chief Sustainability Officer and is comprised of divisional sustainability leaders and representatives from Risk, Compliance, General Counsel, and People. Reporting to the SLC, the Sustainability Operational Committee (OpCo) oversees the portfolio of key strategic sustainability initiatives. The classification of finance transactions and investment products is managed by dedicated committees, with escalation routes to the OpCo or respective risk committees.

Our dedicated climate governance framework

Climate risk governance and organization
The Climate Risk Strategy Steering Committee provides overarching governance and guidance for Credit Suisse's Climate Risk Strategy program and is mandated to develop comprehensive strategies to address climate-related risks. The Climate Risk Strategy Steering Committee has senior management representation, including a subset of Executive Board members from across business divisions, General Counsel, Risk, and Global Sustainability reporting to the Executive Board Risk Management Committee. The Executive Board Risk Management Committee is closely linked with climate-related responsibility as it oversees the Group-wide implementation of and compliance with the Group's sustainability and reputational risk policy commitments and serves as a decision-making body for environmental and social issues. Furthermore, a Sustainability (Climate) Risk Executive Leadership Committee (ELC) chaired by the Head of Corporate Risk is in place to provide oversight on the implementation of the Group's strategy with respect to managing sustainability and climate-related risks. It reports to the Climate Risk Strategy Steering Committee, which in turn has a reporting line to the Executive Board Risk Management Committee. A dedicated Climate Risk team has the mandate to set risk appetite and strategic trajectories in order to protect the bank's portfolio from climate-related risks, across physical and transition risks. The Global Head of Sustainability and Climate Risk brings extensive risk management experience from both wealth management and investment banking, and regularly represents Credit Suisse in industry roundtables and conference events. Reporting directly to the Head of Corporate Risk, the Global Head of Sustainability and Climate Risk ensures that Climate Risk Strategy is embedded in the broader risk management governance.

Climate risk governance

Board and executive oversight of climate-related risks and opportunities

The Group has governance processes in place for the effective management and oversight of climate-related risks and opportunities which are critically reviewed by the Board. The Sustainability Advisory Committee (SAC) is regularly presented with climate-related information. For example, it receives updates from the Chief Sustainability Officer on climate-related priorities and strategy, as well as execution and progress. It also evaluates the effectiveness of controls, in areas such as fossil fuel sector policies versus peers and expectations from external stakeholders including NGOs. Individual businesses also provide updates on climate-related topics through a business lens. Through the SAC, the Chief Sustainability Officer informs on investor interactions, which also include climate-related concerns. From a risk management standpoint, the SAC is updated on the climate risk strategy, in particular client energy transition and reputational risk. Furthermore, the SAC also reviews topics such as greenwashing risk management, including marketing and compliance, net zero goals, the Sustainability Activities Framework, and product classifications. Climate-related performance metrics are in place and updated. For example, in evaluating greenwashing risk, the Sustainability Activities Framework classifies finance transactions for inclusion against the Credit Suisse Group's sustainable finance goal. Deals approved, rejected, and in the pipeline are tracked in order to document the robustness of the inclusion process. Regulatory and public policy updates on climate-related topics are provided as well.

The materials from the SAC are made available to all Board members and those materials form the basis for select summaries on climate, that may be formally presented to the Board. The Chair of the SAC regularly updates the Board on the topics discussed at the committee meetings.

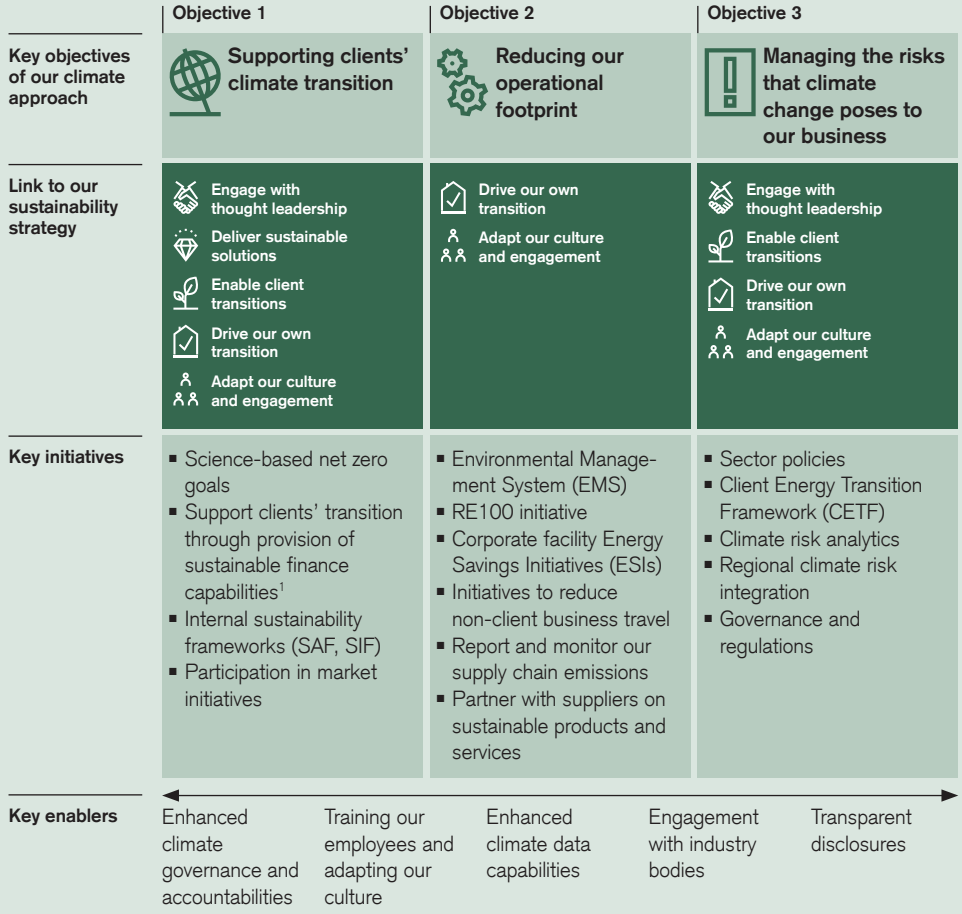
Two Board members have experience in ESG matters, including climate-related issues. They are well informed as a result of their experience serving as non-executive directors and prior executive roles in listed companies with well-established corporate governance structures or in advisory or other relevant roles.

Strategy

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



[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.

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	49%	Absolute $MtCO_2e$	Below
		Power generation	64%	Intensity gCO_2e/kWh	Below
		Commercial real estate (CRE)	35%	Intensity $kgCO_2/m^2$	N/A[4]
		Iron & steel	32%	Intensity tCO_2/t	Above
		Aluminum	31%	Intensity tCO_2e/t	Below
		Automotive	51%	Intensity gCO_2/vkm	Above
		Shipping	Alignment to PP trajectory[5]	PP Intensity gCO_2/ dwt-nm	In-line
	Investment	Credit Suisse Asset Management IS&S, part of Credit Suisse Wealth Management	50%	Intensity tCO_2e/ CHF mn invested	Below
Scope 1&2	Operations	Enterprise	61%	Absolute tCO_2e	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.

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

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

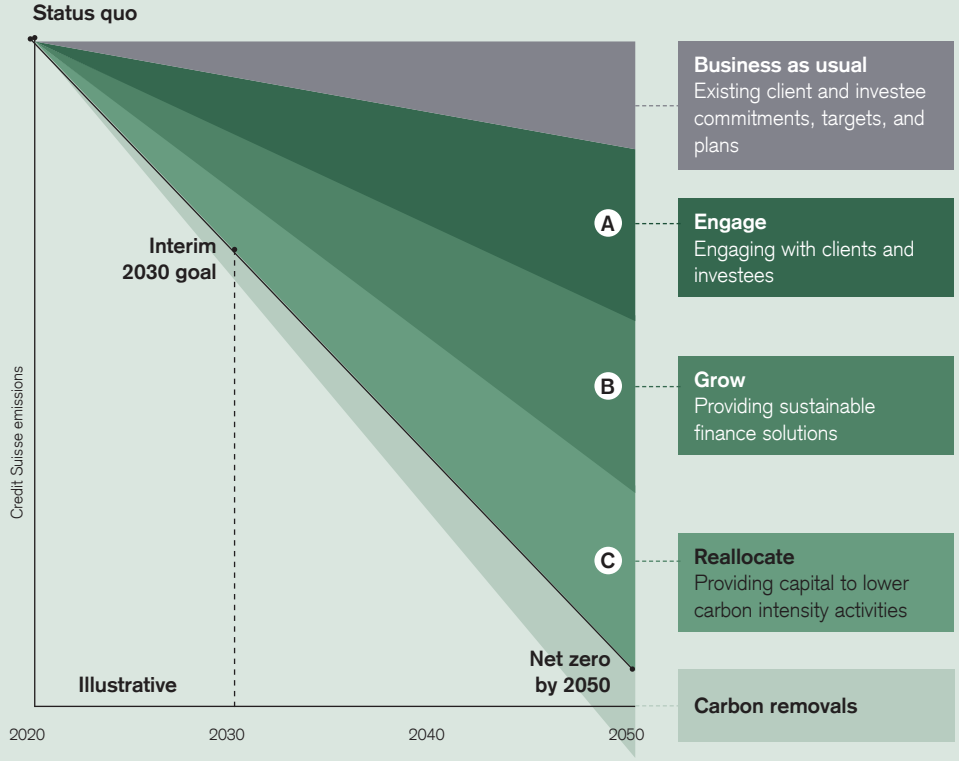
To support the transition to net zero we have defined three key transition strategy levers where we believe we can have an impact and which should guide our strategies and actions to achieve our net zero goals – alongside existing emissions reduction commitments by clients. These levers cover both our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

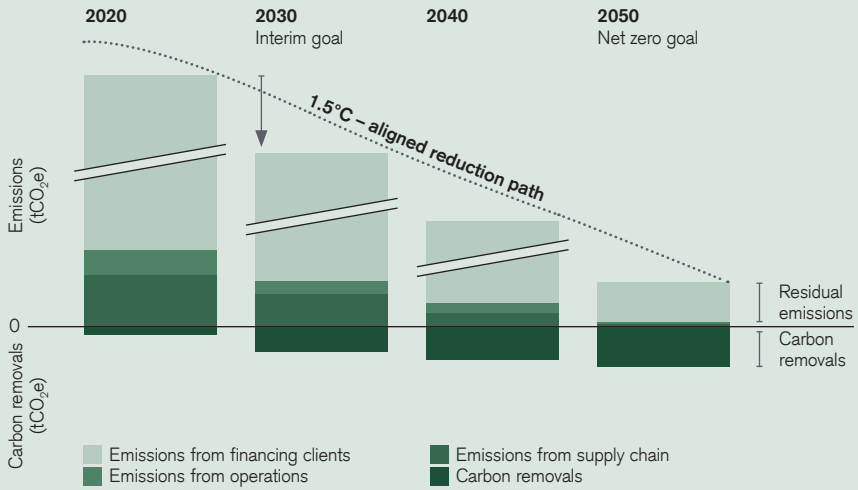
For example, this includes investments in businesses around the world that provide solutions to facilitate and accelerate the transition to a net zero economy.

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 (tCO_2e) 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 CO_2 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:

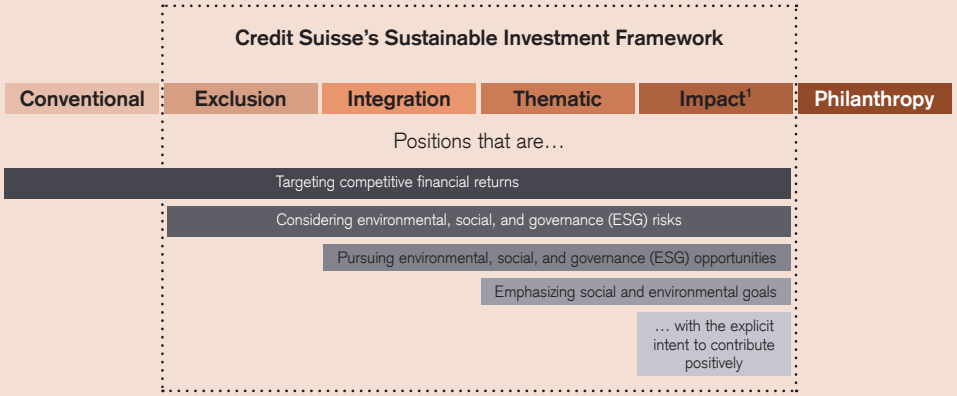
- **Exclusion:** Positions assessed not to be significantly involved in controversial business fields or incidents.
- **Integration:** Positions assessed to be integrating environmental, social, and governance into their strategy.
- **Thematic:** Positions assessed to be in alignment with specific United Nations Sustainable Development Goals.
- **Impact:** Positions assessed to be explicitly and intentionally contributing towards specific United Nations Sustainable Development Goals.

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.

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 though 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 saving[1]. 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.

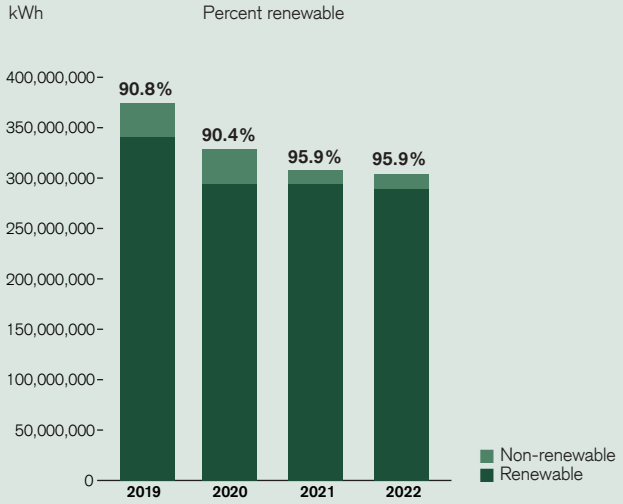
[1] Energy savings calculated according to the International Performance Measurement and Verification Protocol (IPMVP).

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

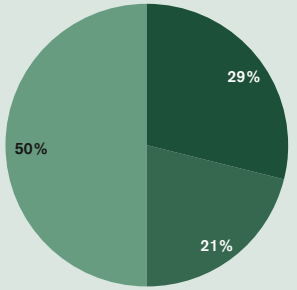
Electricity consumption and carbon credits

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_2e	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**	

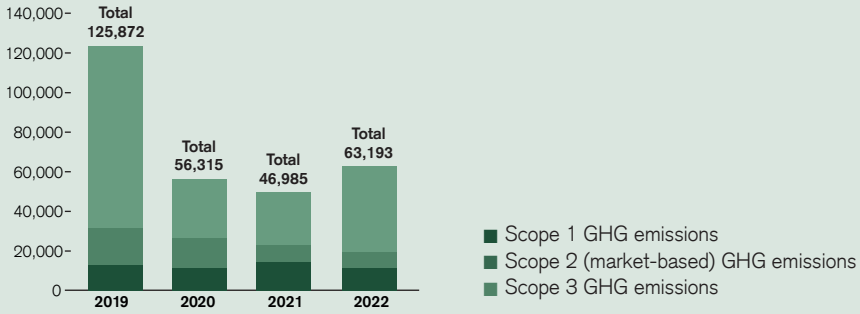
electricity, natural gas, heating and cooling, and other fuels. We also consumed approximately 6,416 gigajoules of fuel (2021: 29,097 gigajoules) from travel in our owned and leased fleet.

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.

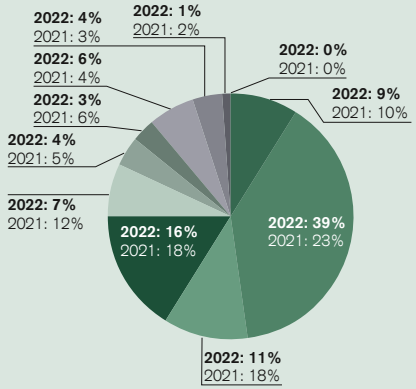
The procurement of 96% green energy was accomplished through green tariff agreements covering 23% of our global consumption and procurement of Renewable Energy Certificates (RECs) to match the remaining 73% of electricity consumption. In 11 markets, it was not possible to procure in-market renewable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

Greenhouse gas emissions from operations

Greenhouse gas emissions (market-based) 2019–2022 tCO_2e



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



tCO_2e	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**

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) 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_2e	305-1	13,235	11,950	14,400	11,880
Total scope 2 (market-based) emissions	tCO_2e	305-2	18,928	14,739	7,018	8,091
Total scope 1 + 2	tCO_2e		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 tCO_2e scope 1 and 2 (market-based) emissions to 32,163 tCO_2e. Our previously reported 2020 emissions decreased from 32,941 tCO_2e scope 1 and 2 (market-based) emissions to 26,689 tCO_2e, and our previously reported 2021 emissions decreased from 26,887 tCO_2e scope 1 and 2 (market-based) emissions to 21,418 tCO_2e. Our previously reported 2010 emissions decreased from 253,619 tCO_2e scope 1 and 2 (market-based) emissions to 252,709 tCO_2e.

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 tCO_2e 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 space**[2] (in m²) 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
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: ▪ 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

ST = short term LT = long term

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 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

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.

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, policymakers, 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

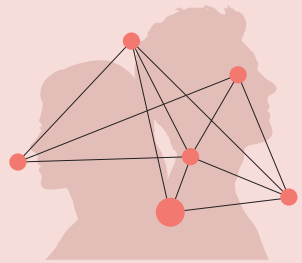
Credit Suisse considers it important to engage in discussions with various stakeholders – from clients, employees, and investors to policymakers, legislators, regulators, and representatives of the business community, society and non-governmental organizations (NGOs) – to understand the issues that are 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

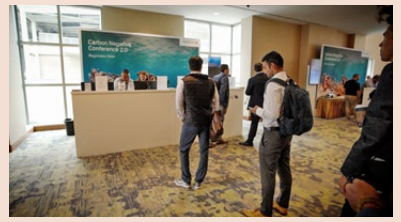
800+
investor meetings

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.

Risk Management

Credit Suisse's process of identification and assessment of climate-related risks

Assessment of sustainability risks within the Reputational Risk Review Process

Credit Suisse uses a wide range of risk management practices to address the diverse risks that could arise from our business activities. Reputational risk is among the key categories of risk considered in that process. Potential reputational risks may arise from various sources, including, but not limited to, the nature or purpose of a proposed transaction or service, the identity or activities of a potential client, the regulatory or political context in which the business will be transacted, and any potentially controversial environmental or social impacts of a transaction.

Reputational risk potentially arising from proposed business transactions and client activity is assessed in the bank-wide Reputational Risk Review Process (RRRP). The Group's global policy on reputational risk requires employees to be conservative when assessing potential reputational impact and, where certain indicators give rise to potential reputational risk, the relevant business proposal or service must undergo the RRRP.

As part of the RRRP, submissions are subject to review by senior managers who are independent from the business, and may be approved, approved with conditions, or rejected. Conditions are imposed for a number of reasons, including restrictions on the use of proceeds or requirements for enhanced monitoring of a particular issue relating to the client. Any conditions that are imposed as a condition of approval are assigned to a business owner and are systematically tracked to completion, including a four-eye review. Adherence with conditions is monitored to ensure timely completion, with any breaches potentially subjecting affected employees to disciplinary action.

The Executive Board Risk Management Committee has the responsibility for overseeing the reputational risk process and delegates authority to the Global and Divisional Client Risk Committees for transaction level decision-making. A transaction, activity, relationship, or submission to the RRRP may be escalated to the Divisional Client Risk Committee (DCRC), or in specific cases, to the Group Client Risk Committee (GCRC), with escalation criteria established to define the necessary governance:

- The DCRCs are jointly chaired by the Divisional Chief Risk Officer and Divisional Chief Compliance Officer and serve as a discussion and decision-making senior management forum for reputational risk, sustainability risk, and compliance (including Financial Crime Compliance). They serve as an escalation point for high-risk and complex clients or transactions. The escalation criteria assess both qualitative and quantitative factors of individual client cases.

- The GCRC is jointly chaired by the Head of Corporate Risk and the Head of Financial Crime Compliance. The responsibility of the GCRC is to ensure global consistency of risk assessment and decision-making for client cases and transactions in scope of the GCRC escalation criteria, which are deemed to carry the highest compliance, sustainability or reputational risks.

In 2022, in order to ensure that our reputational risk framework continues to advance, we implemented improvements following the assessment of the operating effectiveness of the reputational risk processes as well as to address regulatory expectations. The enhancements included updating risk committee memberships, escalation criteria, and processes to strengthen a holistic risk review, reviewing and updating our risk appetite framework, as well as improved awareness raising through trainings and regular communications.

Sustainability Risk Review Process

Our risk processes enable us to take account of the potential wider implications of our business activities and products and services, for example on the environment and society.

Companies operating in sensitive industries frequently play a key economic role in the global supply of energy and commodities. They may also be major employers in economically weak regions. As such, responsible economic activity can be a significant driver for sustainable development. At the same time, we recognize that the activities of these companies can have a significant impact on the climate, biodiversity, water resources, or local communities. We believe that working with clients is essential to drive sustainable development. Our policies and guidelines describe the environmental and social standards we expect our clients to adhere to. They also describe business activities and operations that Credit Suisse will not finance (↗ See also Organization and Governance chapter, Sector policies on lending section for more details).

Sustainability risks are potentially adverse impacts on the environment, people, or society, which a bank may be directly or indirectly linked to through financial services provided for the activities of its clients. Environmental impacts can include air or water pollution, contribution to climate change, deforestation, and degradation of ecosystems and loss of biodiversity. Impacts on people or societies can include damage to the health and safety of a client's workers and contractors, or of communities adjacent to a client's operations, undermining the livelihood of communities, as well as violation of the human rights of indigenous peoples.

Environmental and social risks may have financial impacts for clients. Clients may need to increase capital expenditure to meet new regulations or to meet consumer demand for more sustainable products. They may also face increased operational expenditure: for example, if the cost of natural resource use increases, or if a carbon price is introduced.

Assessment of sustainability risks within the Reputational Risk Review Process

1. Risk classification and responsibility

- **Potential environmental or social risks** → **Internal specialist unit Sustainability Risk**
- **Other potential risks** → **Various specialist units**

2. Assessment and recommendation

Aspects to be checked according to internal policies and guidelines

- **Nature of transaction**
- **Identity activities of potential and existing clients or prospects**
- **Regulatory and political context**
- **Environmental and social aspects of client operations**
- **Various risk-specific aspects**

3. Review and decision

Decision by **Senior Business Representative** and **Senior Risk Representative** (Divisional Reputational Risk Approver)

or

Escalation to **Divisional Client Risk Committee** or **Group Client Risk Committee** based on defined criteria (approval/approval with conditions/rejection)

Reputational and sustainability risk governance

Executive Board Risk Management Committee

Acts as a governance and oversight function with respect to reputational and sustainability risk-related matters.

Group Client Risk Committee

Assesses clients and transactions escalated based on **significant risk criteria** derived from (1) attributes deemed worthy of escalation across Compliance, Reputational Risk, and Sustainability (including Climate) Risk and (2) previous transactions escalated to Senior Management.

Divisional Client Risk Committees

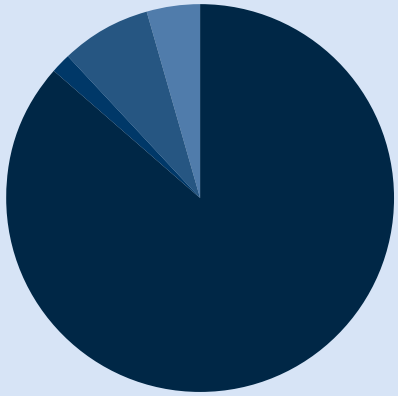
Assesses clients and transactions escalated based on **moderate risk criteria** derived from (1) attributes deemed worthy of escalation across Compliance, Reputational Risk, and Sustainability (including Climate) Risk and (2) previous transactions escalated to Senior Management.

They may benefit from new market opportunities and investments in improved resource efficiency. When incidents happen, clients may face sanctions from regulators, protests from local communities, lengthy legal disputes, and remediation costs. As governments introduce new policies to limit climate change and to protect natural resources, the materiality of these financial impacts is likely to increase. Moreover, financial services provided to clients whose activities lead to adverse environmental and social impacts can also be a risk to the bank itself. Through the financial services a bank provides to its clients, such sustainability risks could manifest themselves as reputational risks, but potentially also as credit risk, market risk, or business risk.

To assess risks to the environment, to people, and to society, Credit Suisse pursues a risk-based approach. The current focus is on lending, capital markets, project finance, and advisory transactions where Credit Suisse plays a significant role, as opposed to flow trading business, which is more dynamic in nature. Certain industry sectors, client operations or projects, countries of residence or operation, or financial services have been identified as carrying higher risks and are prioritized for due diligence. For transactions with potential sustainability risks, the front office is required to raise relevant cases to the internal specialist Sustainability Risk unit, which evaluates the nature of the transaction and our role in it as well as the identity and activities of the client (existing or new), reviews the regulatory and political context in which the client operates, and assesses the environmental and social aspects of the client's operations, including their commitment, capacity, and track record for management of sustainability risks. The team assesses whether the client's activities are consistent with the relevant industry standards and whether the potential transaction is compatible with Credit Suisse's policies and guidelines for sensitive sectors. The evaluation is based on information published or provided by the client but also includes information from specialized ESG rating agencies, research by independent organizations and civil society groups or an adverse news search.

Based on the outcome of this analysis, Sustainability Risk submits its assessment to the responsible business unit and/

Transactions assessed on the basis of material environmental and social risk in 2022



661 transactions assessed

- 86.4% approved
- 1.8% approved with conditions
- 7.6% rejected or not pursued
- 4.2% pending[1]

These statistics include cases that were logged into the internal system where transactions assessed by Sustainability Risk specialists are recorded. These are transactions having a material environmental and/or social risks nexus. For context, the large majority (i.e. 82%) of all 661 reviews conducted were deemed to carry low or low/medium risk in 2022. In 2021, 976 transactions were assessed with 79% of these deemed to carry low or low/medium risk.

[1] As of January 13, 2023.

Sustainability risk assessments by sector

Transactions assessed [1]	**2022**	**2021**
Chemicals	26	32
Consumer goods	18	n/a [2]
Defense	6	3
Finance	27	81
Forestry and agribusiness	63	85
Infrastructure and transportation	44	73
Metals and mining	83	149
Oil and gas	143	197
Power generation and transmission	96	118
Real estate	18	n/a [2]
Technology/IT	15	n/a [2]
Textile	3	n/a [2]
Other	119 [3]	238 [3]
Total	**661**	**976**

[1] Including Equator Principles (EP) transactions. Industry categorizations are assigned by Sustainability Risk specialists.
[2] Sector newly reported in 2022. Therefore no data is available for 2021.
[3] The sectors newly introduced in 2022 were listed within "Other" in 2021. Therefore, the figures are not directly comparable.

For a comprehensive disclosure in accordance with EP requirements, see:
https://equator-principles.com/members-reporting/epfi-reporting-database

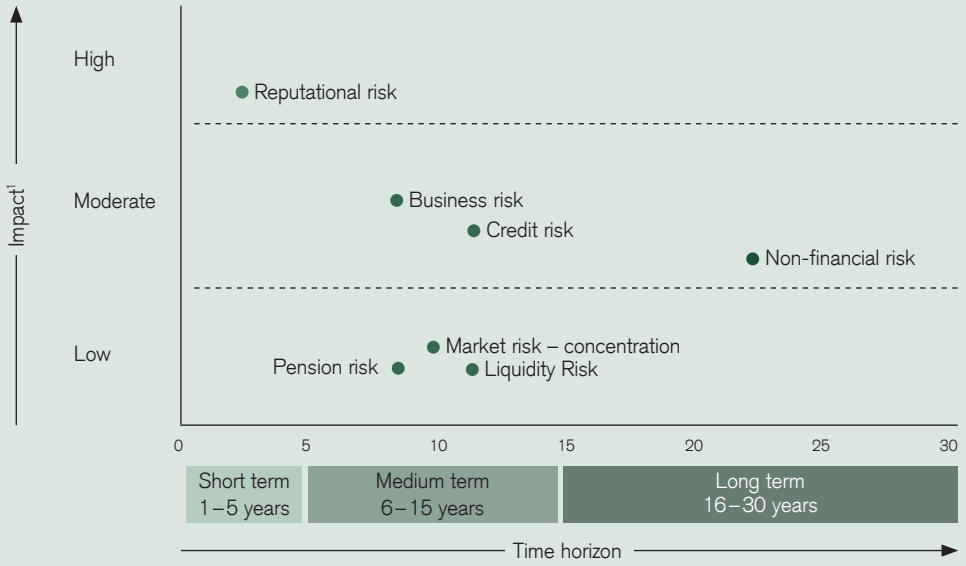
or enters it into the Reputational Risk Review system for evaluation. For project-related financing, we apply the Equator Principles to loans that are in scope.

Sustainability and climate risk reporting
Regular internal reporting is an essential part of our sustainability and climate risk assessment and management process, informing decision-making and enabling prioritization. The Climate Risk team is responsible for issuing an internal Climate Risk Report on a quarterly basis, presenting quarterly portfolio movements and performance across Credit Suisse's TCFD metrics. Additionally, this quarterly report includes divisional and legal entity breakdowns, as well as an update on climate-related policy and regulatory developments. Different group functions as well as divisional teams are involved in the review and approval process, which is followed by a wider distribution across the central Risk function, and the Executive Board members. In addition, on a monthly basis, an overview of high and medium sustainability-risk transactions is included in the Group Risk Report that is circulated among Executive Board members.

Integration of climate-related risk into our Risk Identification and Assessment Framework (RIAF)

Our climate-related risk identification follows and closely links to the overall Group RIAF, which underpins our ongoing risk assessment and monitoring process. The risk assessment is performed for potential manifestations of climate-related

Integration of climate-related risk into our Risk Identification and Assessment Framework (RIAF)



[1] For further information on impact please refer to the climate risk materiality assessment section.

Climate-related risks and impact on other risk classes

Risk classes driven by climate-related risks	Potential impact on financial institutions
Credit risk	Credit risk may arise if borrowers' business models have been impacted by climate-related risks, climate policy, technology, or negative market sentiments. For example, extreme weather could lead to a decrease in property values, which could result in a reduced recovery or loss-given-default for the bank.
Market risk	Adverse climate events may trigger extreme market movements and price shocks. Also, sudden policy changes might impact the share prices of companies in carbon-related and climate-sensitive sectors.
Liquidity risk	The value of particular classes of collateral may be impacted by negative market perception toward carbon-intensive assets, making it difficult to liquidate the assets held as collateral in case of need. Given the increasing focus on climate risk, poor climate risk management strategy might also impact financial institutions' credit rating and ability to obtain funds from the market.
Operational risk	Climate change and extreme weather conditions could result in damage to financial institutions' infrastructure, adversely impacting business operations.
Reputational risk	Due to the growing awareness about climate change and its associated impacts, financial institutions' exposure to carbon-related and climate-sensitive sectors might attract negative publicity and affect market perceptions, leading to a reduced client base.
Business risk	Climate-related risks may arise in relation to potential revenue losses from existing clients who are transition averse; in addition, revenue losses might be caused by low or slow penetration of sustainable products across our client base.
Pension risk	Climate-related risks impacts the value of pension scheme investments. This could lead to losses due to asset devaluation, causing a mismatch between assets and liabilities.

risks across different risk classes, and assesses the potential impact and timeframe of such risks.

The Climate Risk team continually enhances the understanding, quantification, monitoring, and reporting of the climate-related risks and ensures that these climate risks are embedded into existing risk categories. In this context, the process includes an assessment of how climate-related risks, classified as risk drivers in our Group-wide risk taxonomy, impact on other risk classes such as market/ liquidity risk, credit risk, business risk, pension risk, reputational risk, and non-financial risk. Risk manifestations are considered against the short, medium- and long term to understand their relevance across different time spans, ensuring that a more comprehensive view of business impacts is obtained. The RIAF assessment has been performed at Group level as well as for specific geographies, where appropriate jurisdiction-specific amendments were applied to the framework.

For the purpose of climate risk identification, we have defined time horizons consistently with the ones mentioned in the Explanatory Report to the Ordinance on Climate Disclosures issued by the Swiss Federal Council on November 23, 2022:

- Short term is 1–5 years
- Medium term is 6–15 years
- Long term is 16–30 years

We recognize that it is not possible to mechanically slot climate risks into specific time horizons. However, we performed an assessment of which is the most likely time horizon for the risk to materialize, in order to provide an intuition on climate risk time profiles. For instance, we believe that non-financial risks are more likely to manifest in the medium/long term, but we also recognize that such risks are already materializing even in the short term across the financial industry.

Assessing climate-risk materiality

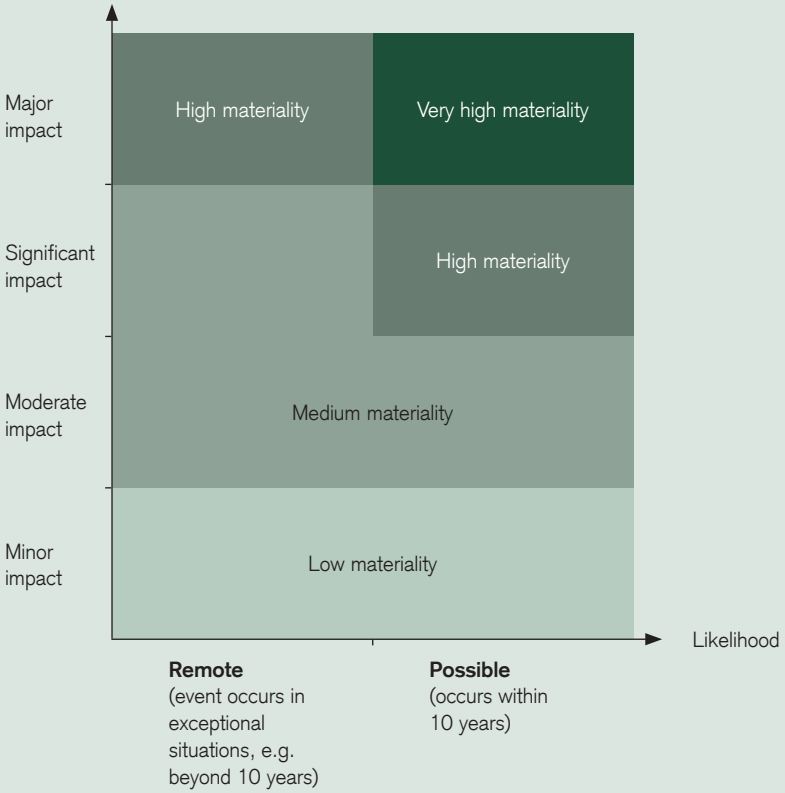
As part of our RIAF, we have developed a materiality matrix that classifies climate-related risks by looking at their potential financial and non-financial impacts, providing an indication of how they might affect our business.

Specific thresholds were defined to assess the potential impacts of climate-related risks on financial items such as profit and loss (P&L), leverage ratio, or balance sheet. Based on such thresholds, we have identified four main impact categories: minor, moderate, significant, and major.

Assessing climate-risk materiality

Categories for financial impact assessment	Categories for non-financial impact assessment
P&L	Regulatory impact
Leverage ratio	Impact on clients
Risk-weighted assets	Impact on market and competition
Balance sheet	Reputational impact

Financial and non-financial materiality



The assessment also includes potential non-financial considerations, including:

- Regulatory impacts
- Impact on clients
- Impact on reputation
- Impact on market and competition

The combination of impacts (both financial and non-financial) and likelihood (remote or possible) determines whether the materiality of a risk should be categorized as low, medium, high, or very high. The heatmap that is generated following this approach enables us to identify critical risk exposures and areas for prioritization or mitigation. For example, a "medium materiality" score would be assigned to events with remote likelihood and significant impact on clients, market, or competitive landscape (e.g. events leading to loss of clients and reduction in market share). Similarly, a "significant" financial impact (e.g. significant impact on P&L, leverage ratio or balance sheet), combined with a "possible" likelihood, would result in a "high" financial materiality. The financial and non-financial materiality assessments taken together can provide a more comprehensive understanding of the risk considered and can help to inform decision-making.

Evolution of climate risk appetite and its impact on bank-wide risk appetite

The first definition of Group sustainability and climate appetite was introduced in 2021, bringing together existing and new qualitative policies for activities in sustainability-sensitive sectors such as mining, oil and gas, power generation, forestry and agribusiness. The table "Enhancements to our risk appetite" summarizes the main changes introduced in 2022.

The risk appetite is monitored at Group level. We expect to further develop, cascade, and enhance the framework over time, also in line with regulatory developments affecting our operations at the Group and subsidiary level.

Enhancements to our risk appetite

Risk appetite constraints	Description
Sustainability-related performance indicators	New controls were introduced to monitor the effectiveness of governance for transactions and investments which carry a higher environmental and social risk. Such controls are also used to assess the sustainability-related performance of the Executive Board.
Net zero: "Sector flag" for oil, gas and coal sector	This flag will signal adverse portfolio changes, providing a clear view on the direction of our performance against our net zero trajectory through the year.
CETF: "Exposure flag" for unaware clients	This flag will constrain exposure to clients with the lowest categorization in terms of transition readiness under our Client Energy Transition Framework (CETF)

Credit Suisse's processes for management of climate-related risks

Client Energy Transition Framework (CETF)

As part of our Climate Risk Strategy program, we engage with clients to understand their approach to managing environmental and social risks as well as their transition strategy. For this purpose, we have developed the sector-specific CETF. The framework consists of the identification of priority sectors/industries and a methodology to categorize clients that operate in these sectors according to their energy transition readiness.

In 2022, we rolled out the CETF for two additional priority sectors, namely agriculture and petrochemicals. As a result, the CETF now covers the following eight sectors: oil and gas, coal mining, power generation (fossil fuel-related), shipping, aviation, commodity trade finance (fossil fuel-related), petrochemicals, and agriculture.

Corporate clients active in these sectors are categorized in one of five categories of transition readiness spanning "unaware," "aware," "strategic," "aligned", and "green". Internal criteria, including the determination of clients with significant business activities in respective sectors based on a revenue-based threshold, are applied in order to define in-scope clients. As an example, companies with pure downstream operations (such as operating gas stations) are out of scope for oil and gas and renewables companies are out of scope for power generation (fossil fuel-related). Commodity trade finance (fossil fuel-related), aviation assets and shipping assets are in scope irrespective of the revenue-based threshold.

This approach is inspired by the Transition Pathway Initiative, which places transparency and independent analysis at the heart of informing investor decision-making, and informed by other external rating frameworks. Using this approach, we aim to support clients as they progress through the CETF categories over time, with financing and advisory services. The CETF is part of our risk management practices that seek to address the diverse risks that could arise from our business activities in line with our legal and regulatory obligations. For example, we aim to manage Credit Suisse's business, credit, and reputational risk exposure by assessing clients against the relevant CETF before transacting with them. Furthermore, corporate clients unaware of climate-related risks may suffer significant headwinds from a creditworthiness perspective under a rapid decarbonization scenario. Consequently, we do not plan to engage in new lending or advisory activities for clients with the lowest categorization in terms of transition readiness.

To categorize clients, a set of sector-specific criteria was developed. The CETF categorization criteria aim to determine a client's level of ambition in their low-carbon transition and to determine where they stand in their transition journey. In doing this, the framework leverages quantitative key performance indicators, third-party ratings, and qualitative assessments based on climate-related questions. Non-exhaustive

CETF rollout by sector

Sectors	Rollout
Oil and gas	1st CETF rollout 2020 (Phase 1)
Coal mining	
Power generation (fossil fuel-related)	
Shipping	2nd CETF rollout 2021 (Phase 2)
Aviation	
Commodity trade finance (fossil fuel-related)	
Petrochemicals	3rd CETF rollout 2022 (Phase 3)
Agriculture	

examples of quantitative performance indicators used in our CETF include carbon emission intensity of operations, ambition and scope of greenhouse gas reduction goals or fossil fuel shares in commodity, feedstock, and production mixes. Non-exhaustive examples of qualitative questions that are relevant for the CETF assessment include questions on sustainability disclosures, certifications, and climate-related initiatives (questions may reflect those illustrated in the chart "Client engagement: Transition readiness"). These questions allow Credit Suisse to engage in critical sustainability discussions with clients, opening the door to the financing of potential solutions toward a low-carbon transition and to further expansion of our services.

Client categorizations are centrally assigned by the Sustainability Risk team, based on a review process which may draw on inputs provided by client-facing employees. The exact minimum expectations for an "aware" categorization are sector specific. However, the following expectations would mostly be fulfilled across all sectors for a client to be categorized as "aware":

- Client acknowledges climate change as a business risk
- Client collects carbon emissions

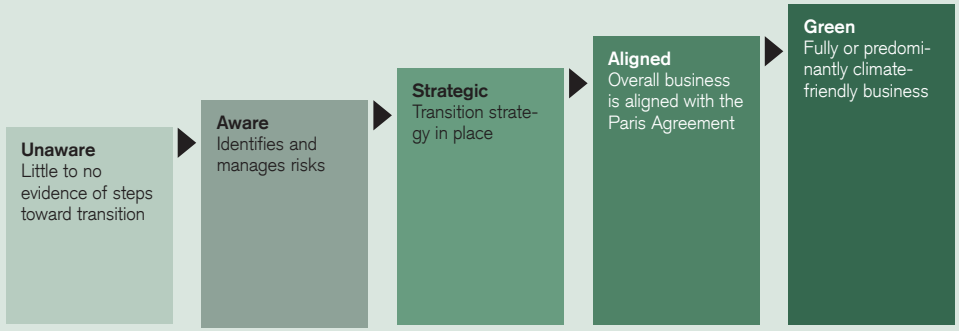
A few case studies are provided below to illustrate the application of the CETF with some tangible examples:

- An oil and gas firm's CETF classification has been revised from "aware" to "strategic", because the firm was able to demonstrate tangible progress on its climate transition agenda supported by comprehensive and transparent emission disclosures (including emission intensity and dedicated disclosure on methane emissions), significant reductions of methane emissions through operational enhancements, and introduction of net zero commitments by 2050 (including a high-level transition plan).

- A petrochemical production company was newly categorized as "aware" due to the absence of coal as feedstock and demonstrated focus on recyclable feedstocks; the company acknowledges climate change as a business risk, discloses scope 1 and 2 greenhouse gas emissions, has the qualitative ambition to lower carbon intensity of own production, and publishes a sustainability report.

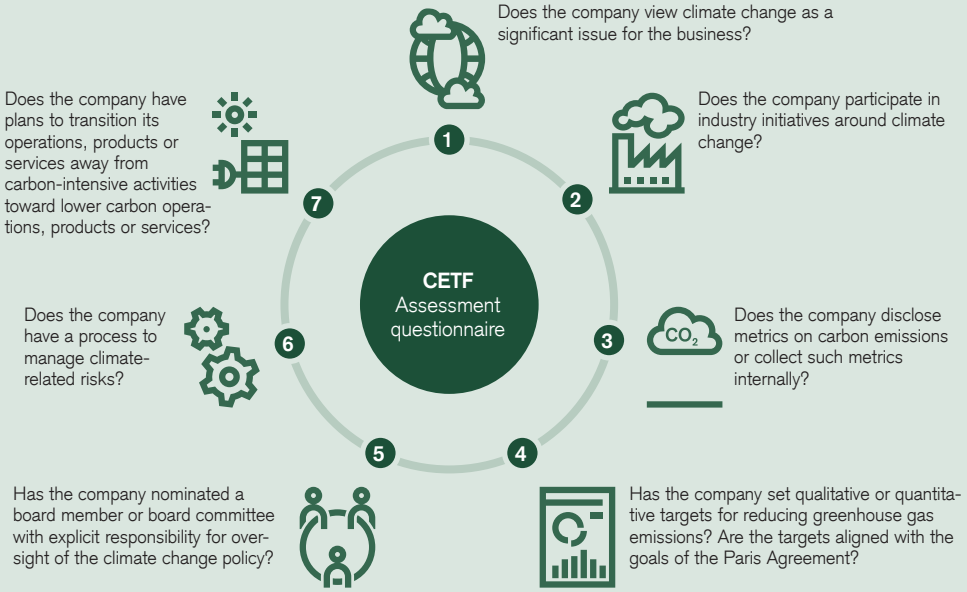
Following the rollout of the CETF to two additional sectors, namely agriculture and petrochemicals, we plan to shift our focus now to monitor our client portfolio in priority sectors / industries and encourage clients to transition along the CETF

Client categorization



Client engagement: Transition readiness

We determine how to support our clients' transition based on their questionnaire responses.



categories. Our CETF framework and sector-specific criteria are reviewed on a regular basis and potentially will be updated to ensure alignment with the latest sector developments. In this context, we are updating our categorization methodology to put increasing attention on clients' actual progress against their set transition goals. Furthermore, we are assessing how our CETF methodology compares to industry standards for the evaluation of companies' transition readiness and the credibility of their plans. We strive to achieve closer alignment with assessment methodologies published by leading industry bodies like IIGCC.

We are also considering introducing new subcategories to the CETF framework in line with the categories under the Net Zero Categorization Principles published in the Climate Action Plan. (More information can be found in our Credit Suisse Climate Action Plan, available in selected jurisdictions.) Finally, specifically for Credit Suisse Asset Management and discretionary mandates in IS&S, part of Credit Suisse Wealth Management, we intend to extend our CETF scope beyond the eight priority sectors already covered today to be able to categorize publicly listed companies based on a set of sector-agnostic criteria.

Integration of climate-related risk into credit risk management

In 2022, we worked on the progressive enhancement of our approaches and processes for the ongoing management of the potential impact of transition and physical risk into counterparty risk management, with the objective of assessing the impacts of climate-related risk on credit risk across all stages of the transaction cycle, from loan origination processes to ongoing monitoring of counterparties. Key developments in 2022 follow.

Single-name analysis

Purpose: The aim of the analysis is to identify counterparties that are significantly exposed to transition and/or physical risk.

Scope: We initially started this assessment in response to the UK Prudential Regulation Authority's Supervisory Statement (SS3/19); in this context, we developed a single-name counterparty analysis for the top 100 counterparties in the UK portfolio for both transition and physical risk (the selection was based on the PRA criteria set out in the 2021 biennial exploratory scenario). The analysis has been expanded to the Singapore and Luxembourg booking centers.

Approach: For each counterparty under the analysis, transition and physical risk materiality was determined through the following:

- **Transition risk assessment –** Specific production data, along with scenario-based projections for demand, price, and emissions (across technology, sector and regional dimensions) was utilized to estimate how the future financials of a counterparty could be affected through time by a range of alternative reference paths of systemic transition to a low-carbon economy. The assessment leveraged information from several data sources, including MSCI LCT scores, data from Carbon Data Project (CDP), and the companies' sustainability reports. Counterparties' transitional plans and other qualitative information were also considered (emissions reduction initiatives, risk framework, and governance, etc.).

- **Physical risk assessment –** The process involves the identification of the location of counterparties' assets and their sensitivities to hazards, in order to generate a physical risk sensitivity rating for each asset. These exposures were aggregated at company level, and key regions and hazards were identified. This information was used to determine counterparties' physical risk materiality.

Observations: The analysis has identified cases where counterparties are exposed to high physical or transition risk.

Work is underway to include aspects of the analysis in client onboarding and pre-deal checks (see next section on loan origination).

Limitations:

- Data collection especially for companies' asset locations remains predominantly a manual exercise.

- The analysis does not consider the supply chain dependency of one counterparty on another.

- The analysis has been piloted and introduced for specific legal entities: i.e. expansion to Credit Suisse Group portfolio has not yet been operationalized.

Integration of ESG factors in our loan origination and monitoring process

In 2022, we took further steps to embed climate-related risks (as well as other ESG-related risks) into our loan origination process. We have developed an ESG Risk Assessment tool that enhances our process by bringing ESG frameworks together and highlighting key ESG risks together with mitigants and enabling a more informed assessment of the impact on the creditworthiness of clients. This tool was developed during the second half of 2022 and pilot tested across selected entities. We are planning a gradual, phased, rollout across additional entities. We will strive to continue to enhance the tool as industry practice develops and new data becomes available.

Metrics and Targets

Metrics and targets employed by Credit Suisse to assess climate-related risks and opportunities in line with its strategy and risk management processes

The following climate-related metrics and goals represent Credit Suisse Group or individual legal entities as noted below. These metrics and goals will be reviewed and may be adjusted depending on future structural changes that may occur as a result of the Strategic Review as announced on October 27, 2022.

Metric	Purpose	Scope/reporting entity	Page
Net zero sector trajectories: Corporate lending portfolios	Alignment of corporate lending portfolios to net zero trajectory as per commitment to the Net Zero Banking Alliance (NZBA) and Science Based Targets initiative (SBTi). Climate alignment of shipping lending portfolio as per commitment to Poseidon Principles.	▪ Credit Suisse Group AG	62–81
Net zero trajectory: Investment portfolios	Alignment of in-scope investment portfolios managed by Credit Suisse Asset Management and Credit Suisse Wealth Management[1] to net zero trajectory.	▪ Credit Suisse Asset Management and Credit Suisse Wealth Management[1]	83–84
Exposures to carbon-related and climate-sensitive sectors	Highlighting concentration of financing to carbon-related and climate-sensitive sectors.	▪ Credit Suisse Group AG ▪ Credit Suisse AG ▪ Credit Suisse (Schweiz) AG	85 90 95
Client Energy Transition Framework (CETF)	Supporting Credit Suisse risk management and our clients' transition towards Paris alignment. The metric shows the progress made with the introduction of new CETF sectors and year-on-year change in categorization.	▪ Credit Suisse Group AG ▪ Credit Suisse AG ▪ Credit Suisse (Schweiz) AG	86 91 95
Loans to upstream fossil fuel producers – Weighted Average Carbon Intensity (WACI)	Showing amount of CO_2e tons attributable to CHF 1 million of revenues of companies financed by Credit Suisse in the sub-sector of upstream fossil fuel producers. This metric assesses our transition towards lower carbon emissions and net zero 2050 by pivoting financing towards lower-carbon fuels.	▪ Credit Suisse Group AG ▪ Credit Suisse AG	87 92
Loans to upstream fossil fuel producers – fossil fuel production mix	Supporting transition toward lower carbon emissions and net zero 2050 by pivoting financing toward lower-carbon fuels. We leverage the Network for Greening the Financial System (NGFS) Divergent Net Zero scenario, which provides a reference to the changes in the fossil fuel mix.	▪ Credit Suisse Group AG ▪ Credit Suisse AG	88 93
Flooding risk – real estate	Providing an analysis of financed mortgages that are exposed to flooding risk as a result of their geographical location in Switzerland and the UK.	▪ Credit Suisse Group AG ▪ Credit Suisse AG ▪ Credit Suisse (Schweiz) AG	89 94 95
Operational environmental data and scope 1, 2, and 3 greenhouse gas (GHG) emissions	Scope 1, 2 and 3 GHG emissions reporting as per GHG Protocol and operational environmental data reporting as per Global Reporting Initiative (GRI).	▪ Credit Suisse Group AG	96

[1] For Credit Suisse Wealth Management, this refers to discretionary mandates managed within Investment Solutions and Sustainability (IS&S).

Net zero goals for our corporate lending portfolio

Methodology for setting interim 2030 goals for our corporate lending portfolio

We have developed our sector-specific goals following a science-led approach which aims to fulfill the methodological requirements as defined by SBTi and NZBA.

Our six-step process to set our sector-specific goals and operationalize net zero

1 Define scope

Conducting a greenhouse gas emissions inventory and determining which sectors to include in the goal scope.

2 Calculate baseline

Establishing a point of reference that shows the starting point of our portfolios and how aligned we are to sector decarbonization pathways.

3 Select goal pathway

Selecting credible 1.5°C scenario benchmarks, providing the decarbonization pathway that the sector needs to follow to achieve net zero by 2050.

4 Set goal

Setting interim 2030 goals to underpin our 2050 net zero ambition based on our current portfolio and selected scenarios.

5 Develop transition strategy

Informed by our baselines and goals, developing transition strategies to ensure we take the right actions to support the decarbonization of the real economy.

6 Implement strategy

Operationalizing net zero by embedding it into key decision-making frameworks, processes, systems, and culture.

Scope

To realize our net zero ambition, we have committed to developing interim 2030 science-based emissions reduction goals for key sectors and to defining the corresponding transition strategies that are required to enable achievement of these goals. In 2021, we defined and implemented the first of these sector transition strategies for oil, gas, and coal due to the high importance of a managed transition for this sector. Beyond the oil, gas, and coal sector, we expanded our scope in 2022 on a sector-by-sector basis. When selecting and prioritizing the additional sectors to be covered, we considered a wide range of factors including latest available industry guidance. Clients are allocated to industry sectors based on NAIC and NOGA codes. Additional reviews are also performed to verify that the sector-specific requirements (often based on the type of activity, the asset type, or the segment of the value chain) are captured correctly. In general, we aim to align with the Financed Emissions Standard (first edition), as developed by the Partnership for Carbon Accounting Financials (PCAF), acknowledging such standards continue to evolve. The product scoping for our net zero trajectories includes on-balance sheet loans and lines of credit as per PCAF guidance. Specifically, this equates to the outstanding principal amount of loans drawn.

Additionally, our product scoping includes certain off-balance sheet exposures such as standby letters of credit, irrevocable commitments under documentary credits, and performance guarantees. Standby letters of credit are instruments where the Group provides guarantees to counterparties, which represent obligations to make payments to third parties if the counterparties fail to fulfil their obligations under a borrowing arrangement or other contractual obligation. Irrevocable commitments under documentary credits include exposures from trade finance related to commercial letters of credit under which the Group guarantees payments to exporters against presentation of shipping and other documents. Performance guarantees are arrangements that require contingent payments to be made when certain performance-related goals or covenants are not met. Capital markets transactions, derivatives, treasury holdings, loans that are traded on a market as well as undrawn loan commitments are excluded. We define this product scoping as our "net zero exposure", subsequently referred to as our "Exposure^{NZ}".

Net Zero Banking Alliance (NZBA)

NZBA outlines, that "sector-level goals shall be set for all, or a substantial majority of, the carbon-intensive sectors, where data and methodologies allow." These sectors include agriculture, aluminum, cement, coal, commercial and residential real estate, iron and steel, oil and gas, power generation, and transport.

The disclosure of goals is required in two rounds: The initial round of goal-setting is required within 18 months of signing, with the remaining sector goals to be set within 36 months of signing.[1] This round of goal-setting shall "focus on priority sectors where the bank can have the most significant impact" and sectors should be prioritized based on GHG emissions, GHG intensities, and/or financial exposure in the portfolio. Notwithstanding methodological limitations, the remaining carbon-intensive sectors from the above list shall be included in subsequent rounds of goal-setting.

Science-Based Targets initiative (SBTi)

SBTi defines coverage requirements based on asset classes and percentage coverage thresholds. We are in the process of engaging with SBTi to validate our goals which are therefore subject to further updating and revision.

Credit Suisse has introduced five sectors based on the Sector Decarbonization Approach (SDA), which allows for production-based physical emissions intensity goals-setting. These sectors complete the picture of the 2021 commitments set for oil, gas, and coal and shipping (asset lending). The following sectors were introduced in 2022 (subject to 2021 baseline):

- Power generation
- Commercial real estate
- Iron and steel
- Aluminum
- Automotive

Baseline

Once the sectors in scope have been defined, we calculated a carbon baseline to establish a point of reference for comparison and goal-setting. Credit Suisse utilizes the calculation guidance and recommendations laid out by PCAF for the primary calculations for emissions intensity, and total financed emissions calculations. However, each sector has a dedicated framework (please refer to the technical appendix of each sector), which might vary from the PCAF guidance.

[1] The Commitment. Net-Zero Banking Alliance. https://www.unepfi.org/net-zero-banking/commitment/

We have selected 2021 as the baseline year for our financed emissions of all newly disclosed sectors. 2021 is the year for which the most recent emissions data is available and emissions from this year are the most representative of our corporate lending portfolio. Although the COVID-19 pandemic affected the level of emissions and financial market activity in 2021, the impact was materially smaller than in 2020. The goal for the oil, gas, and coal sector, disclosed in the 2021 Sustainability Report, maintains its 2020 baseline.[1]

We note that financed emissions at portfolio level depend on several factors, including exposure changes, allocation of emissions to financing companies based on enterprise values, production volumes based on market demand, and potential misalignment in the reported date of these data types. This could lead to volatility in the trajectory toward the 2030 goal.

Financed emissions calculation methodology

Credit Suisse applies the following methodology to calculate our share of financed emissions across our clients:

$$\text{Financed emissions}_{\text{Credit Suisse}} = \sum \text{Company emissions (“Emissions}_c\text{”)} \times \frac{\text{Exposure}_c^{NZ}}{\text{Company value}_c}$$

Our share of emissions is determined by the amount of lending we provide to each client as a proportion of their total company value.

1. **Exposure**^{NZ} See Scope section on previous page
2. **Company value** is the full value of each client calculated as enterprise value including cash (EVIC) for public companies. If EVIC is not available (e.g. for private companies) we use the book value of total assets (total equity plus debt). Other metrics may apply for specific sectors (e.g. property valuation for commercial real estate).
3. **Company emissions** are the emissions of each client and includes scope 1, 2, and 3 (depending on the sector-specific scoping). For more details, see technical summaries.

Pathway/scenario
Once we have defined our baseline and established a reference point, a net zero emission scenario needs to be selected to provide a benchmark to ultimately determine what our goals will be. The selection of a reference scenario for each sector considered, among other things, alignment with our 1.5°C [2] ambition level, available industry-agreed criteria and guidance, as well as sector-specific requirements.

Goals
Combining our portfolio baseline and the selected reduction scenario, we developed tailored goals for each sector, utilizing guidance from PCAF, NZBA and SBTi. We are setting interim 2030 goals to underpin our 2050 net zero ambition.

For the oil, gas, and coal sector we have defined absolute emissions reduction goals and applied the Absolute Contraction Approach, which means that we are using contraction of absolute emissions to get to net zero. For the shipping sector, we disclose our portfolio climate alignment to the Poseidon Principles decarbonization index, which is not yet 1.5°C aligned.

For all other sectors in scope, we have defined physical emissions intensity goals, applying the Sector Decarbonization Approach (SDA). The SDA assumes global convergence of key sector's emissions intensity by 2050 and we set our interim 2030 goals to be in line with this assumption. We have opted for physical emissions intensity-based trajectories for sectors that have a clear primary metric that can be taken as reference (e.g. amount of CO_2e emitted per kWh in the case of power generation) to provide a fair representation of progress made, which is not biased by the amount of lending business that Credit Suisse undertakes in different years. On the other hand, setting an absolute constraint for a sector such as power generation may have led to constraints in lending even to low-carbon clients in addition to the existing book, thus acting as an obstacle in the provision of affordable and low-carbon energy. However, for transparency, we also disclose the total value of absolute emissions for the sectors covered by the trajectories. Although we do not set an explicit goal for absolute emissions, we expect these figures to also trend down in line with intensity-based goals in the medium- to long-term, in the absence of large shifts in lending volumes.

Monitoring
We will continuously measure and monitor progress towards our goals and alignment against our climate commitments. These methods enable financial institutions to calculate the absolute emissions per asset class at a specific point in time. We have deployed and will continue to improve relevant systems and metrics to enable a consistent measurement approach, allowing us to adjust our strategy if needed and steer our activities to ensure ongoing progress. We aim to publicly disclose our progress on an annual basis.

We will review our goals at a minimum every five years to ensure consistency with the most recent climate science and best practices, and, if necessary, recalculate and revalidate our goals to reflect significant changes that would compromise the relevance and consistency of the existing goal.

While we recognize the importance of aligning our actions to 1.5°C pathways and taking steps to achieving our goals, it is important to clarify that realization of our goals is also dependent on factors which are outside of Credit Suisse's direct influence. Such varying factors may lead to revisiting voluntary commitments previously agreed, to reflect the progress made towards net zero. Our priority is to support the transition of clients to net zero and we will engage with them to support their transition financing needs. However, the emissions reductions by clients and the decarbonization of the global economy are influenced by various factors such as regulations, policies, guidelines, and standards. Further, technological advancements to enable the decarbonization of specific sectors and a broader change in behavior of our society are needed. Specific dependencies and other relevant factors are outlined per sector in the respective sections.

[1] 2020 baseline is a result of setting and announcing the oil, gas, and coal goal already in the 2021 Sustainability Report. Since then, we are reporting and managing against this 2020 baseline. This is already part of the risk appetite framework.
[2] For shipping finance portfolios, the scenario is aligned with the climate ambition of the International Maritime Organization (IMO). The IMO ambition is currently not aligned to a 1.5°C trajectory.

Our interim 2030 sector goals for Credit Suisse Group AG
Overview of primary metrics for all sectors

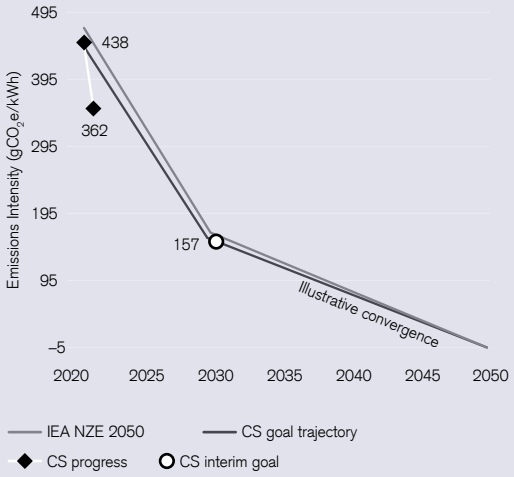
					Credit Suisse baseline		2030 goal		Preliminary progress against Credit Suisse trajectory [7]	
Sector	**Financed emissions (2021) [$ktCO_2e$] [1]**	**Primary metric emissions scope**	**Measurement**	**Sector scenario pathway**	**Year**	**Metric**	**Percentage reduction**	**Metric**	**Delta vs trajectory**	**Metric**
Oil, gas and coal	19,146	Scope 1, 2, 3 (cat. 11)	Absolute financed emissions $MtCO_2e$	NGFS Divergent Net Zero	2020	37.1	49%	19.0	-60%	13.3
Power generation	5,041	Scope 1, 3 (cat. 3)	Intensity gCO_2e/kWh	IEA NZE 2050 [4]	2021	438	64%	157	-11%	362
Commercial real estate	381 [2]	Scope 1, 2	Intensity $kgCO_2/m^2$	CRREM 1.5°C	2021	31.7	35%	20.6	N/A	N/A
Iron and steel	477 [2]	Scope 1, 2	Intensity tCO_2/t of steel produced	IEA NZE 2050 (adjusted)	2021	1.6	32%	1.1	19%	1.8
Aluminum	273	Scope 1, 2, 3 (cat. 1 and cat. 10)	Intensity tCO_2e/t of aluminum produced	IAI 1.5°C	2021	7.4	31%	5.1	-15%	6.0
Automotive	52 [2]	Scope 3 (cat. 11)	Intensity gCO_2/vehicle km	IEA NZE 2050 (adjusted)	2021	191	51%	94	26%	227
Shipping	N/A [3]	Scope 1	PP intensity gCO_2/ deadweight tonnage-nautical miles	PP/IMO 2050 [5]	N/A	N/A	Alignment to PP trajectory	N/A	-1.3% [6]	N/A

[1] The emissions scope for financed emissions may differ from that of the primary metric. For additional details, please refer to the sector-specific technical summaries.
[2] The financed emissions figure is reported in CO_2, rather than CO_2E.
[3] 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.
[4] IEA Net Zero Emissions by 2050 scenario.
[5] Poseidon Principles (PP) /International Maritime Organization (IMO) set the ambition to reduce emissions intensity by at least 40% by 2030 compared to 2008.
[6] Credit Suisse's portfolio alignment score, based on 2021 data, shows our portfolio as being 1.3% below the PP trajectory.
[7] Preliminary progress refers to 2022E for all sectors except Shipping, which is based on 2021 data. 2022E refers to 2022 preliminary results, which assume population and exposure updates as of 2022. Further details can be found within the following sector-specific sections.

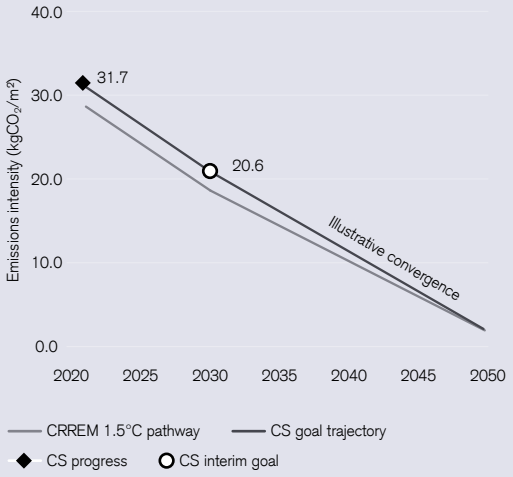
Our interim 2030 sector goals for Credit Suisse Group AG: Overview of 2030 goals and preliminary progress

Oil, gas, and coal

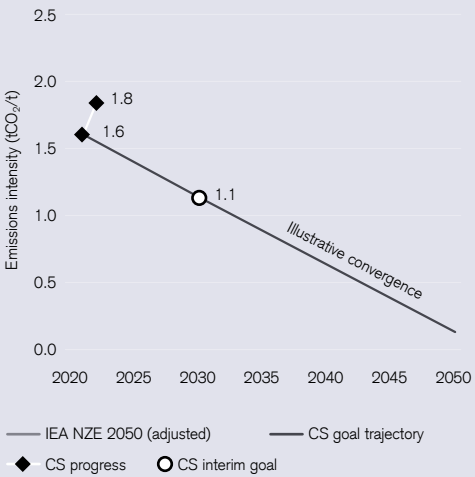
Power generation



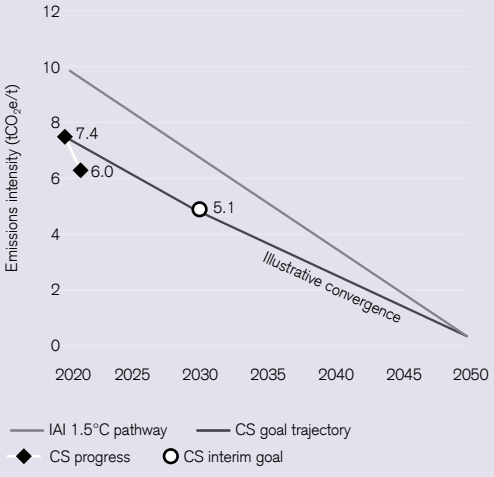
Commercial real estate



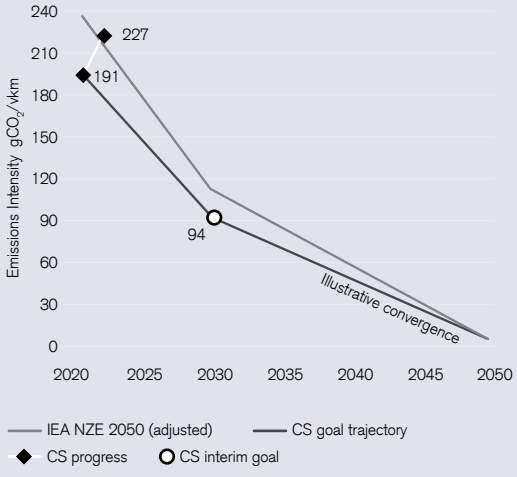
Iron and steel[1]



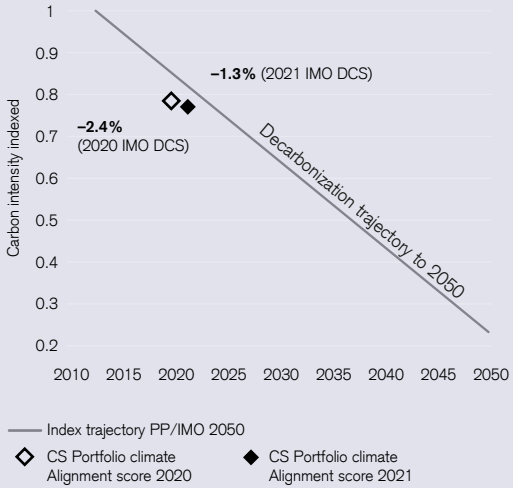
Aluminum



Automotive



Shipping[2]



[1] CS baseline and Goal trajectory are in-line with IEA NZE 2050 (adjusted).
[2] 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.

Credit Suisse Group AG
Net zero trajectory – oil, gas, and coal

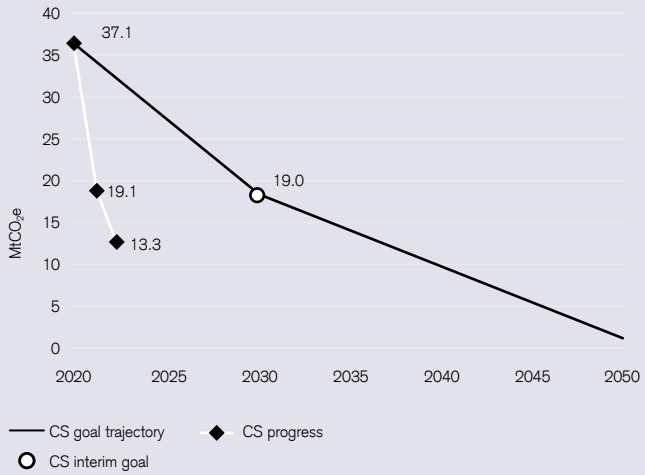
Purpose of the metric: To provide a framework for setting and managing 1.5°C Paris-aligned goals for the oil, gas, and coal sector.

Coverage: The trajectory analysis was supported by data covering the corporate lending portfolio with Exposure^{NZ}, focusing on oil and gas exploration and production, oil and gas refining, coal extraction (including thermal and metallurgic), and integrated companies. For oil and gas, the scope includes clients with more than 25% of revenues derived from oil and gas activities. For coal, the scope includes clients with more than 5% of revenues related to coal extraction. Midstream companies, transportation, and storage activities are out of scope. The exposure metric differs between Weighted Average Carbon Intensity (WACI) and net zero, as net zero is based on Exposure^{NZ}, while our WACI disclosure focuses on the potential exposure. The overall coverage of climate data used for the trajectory analysis reached 100% (exposure-weighted) for 2020, 2021, and 2022. Credit Suisse's Exposure^{NZ} in scope for the oil, gas, and coal trajectory amounted to a total of CHF 3.1 billion, CHF 2.5 billion, and CHF 1.7 billion for 2020, 2021, and 2022, respectively.

Goal trajectory: Recognizing the importance of a managed transition for oil, gas, and coal, Credit Suisse has chosen to define a Paris Agreement-aligned reduction trajectory for this sector using the Network for Greening the Financial System's (NGFS) Divergent Net Zero scenario, which was considered to be more ambitious than the IEA Net Zero 2050 scenario with respect to 2030 goals.

As illustrated in the graph, Credit Suisse has set an absolute emissions reduction goal of 49% to be achieved by 2030 and a 97% reduction goal to be achieved by 2050, from a 2020 base year. The financed emissions from the oil, gas and coal sector are 13.3 million tons of carbon dioxide equivalent ($MtCO_2e$) as of December 31, 2022. This represents a reduction in portfolio financed emissions of approximately 64% from the 37.1 $MtCO_2e$ baseline in 2020.

Credit Suisse oil, gas, and coal goal trajectory



2022 Preliminary results vs trajectory

– 60% Below

2021 PCAF data quality score	
Scope 1 and 2	2.79
Scope 3	2.64

[1] Global Energy Review: CO_2 Emissions in 2021 – IEA. https://www.iea.org/news/global-co2-emissions-rebounded-to-their-highest-level-in-history-in-2021

Key takeaways

Progress against goal: Following the 2021 restatement, Credit Suisse's oil, gas and coal financed emissions reduction totaled 48% (vs. 41% prior to the restatement). As per December 2022 preliminary results, Credit Suisse has achieved an estimated financed emissions reduction in the portfolio of 64% against the 2020 baseline, with our current financed emissions totaling 13.3 $MtCO_2e$ (which is 60% below our 2022 goal trajectory). An overall reduction of the financed portfolio size and a significant reduction in coal client exposure are the main drivers behind the reduction in total financed emissions of the portfolio in 2022.

Market context: The combustion of fossil fuels is responsible for around three-quarters of annual greenhouse gas emissions. Coal remains the largest source of global emissions[1] and, despite the efforts to reduce the reliance on coal for power generation, the energy crisis has driven some European governments to resume operations of coal and oil power plants which were scheduled for decommissioning.

The transition of oil and gas companies to provide lower-emissions energy will require the redeployment of capital towards low-carbon businesses such as renewables and green hydrogen in addition to investments in energy efficiency, carbon capture and sequestration, and reduction of routine flaring.

Future direction: Decarbonizing the fossil fuel sector is a key component of the transition to a low-carbon economy. In this sector our clients are embarking on complex transition journeys and demand for transition financing is growing. Credit Suisse has had an active energy franchise over the past decades, positioning us well to support our clients in their decarbonization journeys.

To achieve net zero by 2050, the sector remains dependent on the deployment of carbon capture utilization and storage (CCUS) for those facilities still in operation to cover the future demand. The oil and gas industry may be able to support the development at scale of several clean energy technologies such as CCUS, low-carbon hydrogen, biofuels, and renewables.

Technical corner

- Based on the NGFS Divergent Net Zero by 2050 scenario, which captures CO_2-equivalent (CO_2e) emissions that include CO_2 and other GHG gases such as methane (CH_4).
- The focus is on positive Exposure^{NZ} above a USD 1 million materiality threshold. This measure includes outstanding loan amount of the loans drawn, as well as additional products like standby letters of credit and documentary letters of credit. Capital market transactions, derivatives and treasury holdings are excluded.
- The primary metric for the oil, gas, and coal sector is the absolute portfolio financed emissions in million tCO_2e.
- 2022 results are considered as preliminary since they assume population and exposure updates as of 2022. Emissions, production, and financial data use 2021 data.

Restatement

- The 2021 preliminary results were based on Exposure^{NZ} for 2021 year-end but utilized client data on emissions, production, and financials for 2020 year-end. This is due to the time lag on availability of client data and therefore updated to reflect 2021 final results. Similarly, the 2022 preliminary results reported will be restated to final results in the 2023 report.
- The preliminary 2021 results of 21.9 $MtCO_2e$ were restated to 2021 final results of 19.1 $MtCO_2e$. This results in a 48% reduction in emissions in 2021 vs. the baseline year of 2020 (vs 41% which we reported in our 2021 preliminary results). The primary driver was increased EVIC values for counterparties, which decreased attribution factors for Credit Suisse.

Credit Suisse Group AG
Net zero trajectory – oil, gas, and coal (technical summary)

Client scope	**Included:** Oil and gas exploration and production, oil and gas refining, coal extraction (including thermal and metallurgic) and integrated companies. For coal, this includes clients with more than 5% of revenues related to coal extraction. For oil and gas, this includes clients with more than 25% of revenues related to oil and gas. **Excluded:** Transportation and storage companies (mid-stream). Clients are allocated to industry sectors based on NAIC and NOGA codes. Additional expert-based reviews are also performed to ensure that the sector-specific requirements (often based on the type of activity, the asset type, or the segment of the value chain) are captured correctly.
Asset classes	In general, we aim to align with the Financed Emissions Standard (first edition), acknowledging such standards continue to evolve. The product scoping for our net zero trajectories includes on-balance sheet loans and lines of credit as per PCAF guidance. Specifically, this equates to the outstanding principal amount of loans drawn. Additionally, our product scoping includes certain off-balance sheet exposures such as standby letters of credit, irrevocable commitments under documentary credits and performance guarantees. Capital markets transactions, derivatives, treasury holdings, loans that are traded on a market as well as undrawn loan commitments are excluded. We define this product scoping as our "net zero exposure", subsequently referred to as our "Exposure^{NZ}". The materiality threshold is set to USD 1 million Exposure^{NZ}.
Emissions	Financed emissions (primary metric): Scope 1, scope 2, and scope 3 category 11 ("use of sold products").
Baseline year	2020 year-end: All data used corresponds to December 31, 2020, where available. Where the data does not correspond to the calendar year-end, alternative reporting periods may be used, for instance for companies following a slightly different financial reporting schedule (such as year-end March 31, 2021). In these instances, all climate-related data (e.g. emissions and production data) is aligned by reporting date where possible. The baseline year varies from other sectors, as the oil, gas, and coal sector was introduced in the previous TCFD reporting cycle. Credit Suisse has been internally monitoring the performance of the trajectory against our goals that have been announced. For these reasons, the baseline year remains unchanged.
Calculation	Financed emissions (primary metric): Amount of CO_2e emissions in millions ($MtCO_2e$) that are financed or attributed to Credit Suisse based on financing provided in relation to portfolio company's enterprise value. 1. Counterparty financed emissions: $\textbf{Financed emissions}_c = \textbf{Scope 1, scope 2 \& scope 3 category 11 emissions}_c \times \textbf{Attribution factor}_c$ $\textbf{where Attribution factor}_c = \frac{\textbf{Exposure}_c^{NZ}}{\textbf{Company value}_c}$ 2. Portfolio financed emissions: $\textbf{Financed emissions}_{Portfolio} = \sum \textbf{Financed emissions}_c$
Proxies	1. Scope 1 and 2 emissions: Revenue-based proxies are applied when reported emissions data is not available. Proxied scope 1 emissions are calculated using company revenue and emissions intensity factors (tCO_2e/million USD revenue), which are derived from peer groups based on CDP Activity. Proxied scope 2 emissions are calculated using revenues and SHEC (purchased steam, heat, electricity, and cooling) revenue intensity based on CDP activity peer groups. The estimated SHEC consumption is then converted to proxy scope 2 emissions using the relevant NGFS grid factors. 2. Scope 3 category 11 emissions: A production-based proxy is applied when reported emissions data is not available. Proxied emissions are calculated using company production multiplied by emissions intensity factors by fuel type (e.g. oil, gas, coal) sourced from the IPCC's guidelines for national greenhouse gas inventories (2006).

Key assumptions and limitations	1. Scope 2 inclusion: Where market-based scope 2 emissions are not available, location-based scope 2 emissions are used instead. The location-based method is based on intensity factors for the grids on which companies operate, whereas the market-based method uses emission factors based on actual electricity purchased, making the latter more representative.[1] 2. Methane materiality: Where reported emissions are used (e.g. from CDP or company reports), these are reported in CO_2-equivalent emissions which include all relevant GHG emissions (e.g. CO_2, methane, etc.). Where estimated emissions are used, factors for Scope 1 and 2 proxies focus on CO_2-equivalent emissions. The Scope 3 production proxy considers both CO_2 and methane emissions based on multipliers sourced from the IPCC's guidelines for national greenhouse gas inventories. Additionally, the NGFS Divergent Net Zero scenario provides projections for both CO_2 and methane emissions. Hence, the scenario benchmark for the energy sector includes the CO_2-equivalent of methane emissions along with CO_2 emissions.
Data sources	1. Climate-related data includes emissions, financial data, and production data. For these, Credit Suisse leverages data from various reporting platforms, ranging across third-party providers, company reports, and publications (such as Annual or Sustainability Reports) published by our clients, internal data systems, and more. Credit Suisse has a pecking order for each data point, which is generally in line with PCAF's data quality score. 2. Data is sourced at legal entity level as a priority. When entity-level data is not available for a given counterparty, data is populated using data sourced from the counterparty's parent company.
Scenario choice	NGFS Divergent Net Zero by 2050.
Results	2020 Baseline: 37.1 $MtCO_2e$ 2021 Final results: 19.1 $MtCO_2e$ (2021 preliminary results were 21.9 $MtCO_2e$) 2022 Preliminary results: 13.3 $MtCO_2e$
2030 goal	49% reduction in financed emissions from a 2020 baseline year. This corresponds to a goal of 19.0 $MtCO_2e$ of financed emissions by 2030 for Credit Suisse.
Scenario selection justification	The NGFS scenario requires a steeper reduction to 2030 in comparison with peer scenarios such as the IEA NZE 2050 scenario. We have chosen a steeper goal given the importance of the oil, gas, and coal sector from a financed emission perspective.

[1] Scope 2 Guidance. Greenhouse Gas Protocol.https://ghgprotocol.org/sites/default/files/Scope2_ExecSum_Final.pdf

Credit Suisse Group AG
Spotlight: Oil, gas, and coal

The oil, gas, and coal sectors account for a large proportion of global greenhouse gas emissions, while still being relied upon for energy security and affordability in many countries. We seek to partner with clients to support and enable their transition through investments in new technologies and lower-carbon business models. An orderly transition will help reduce social and economic consequences of the decarbonization process, while still seeking to achieve the ambition of preventing warming of more than 1.5°C. Examples include Credit Suisse's structuring of and participation in the issuance of sustainability-linked loans and bonds by oil and gas companies.

Lending and capital market facilitation

Short-term (1–5 years)
Our approach to net zero: Credit Suisse Group is committed to developing trajectories calibrated to be in line with 1.5°C for its lending portfolio in 2020 and became a founding member of NZBA in 2021. Our approach to capital markets activities is described in the section on facilitated emissions (↗ Facilitated emission section).

Policies and guidelines: As part of our risk management processes to address the diverse risks that could arise from our business activities in line with our legal and regulatory obligations, we developed an approach to assess client transition through our CETF and have implemented policies related to the financing of climate sensitive fossil fuels activities. These apply across lending and capital market underwriting activities. Non-exhaustive examples of criteria in Credit Suisse's Sector Policies and Guidelines include no new lending or capital markets underwriting for:

- CETF companies covered in CETF sectors with the lowest categorization in terms of transition readiness.
- Any company that derives more than 25% of revenues from thermal coal extraction (effective 2025, lowered to 15%).
- Any company that derives more than 25% of revenues from Arctic oil and gas extraction (effective 2025, lowered to 15%).
- Companies deriving more than 25% of their revenues from oil sands.

Medium-term (6–15 years)
Our approach to net zero: For lending specifically, we set a 2030 goal of 49% reduction of absolute financed emissions in our oil, gas, and coal lending portfolio which is aligned with the NGFS 1.5°C Divergent Net Zero scenario. From our 2020 baseline, absolute financed emissions reduced 48% in 2021 and 64% in 2022 (based on preliminary estimates).

Policies and guidelines: Revenue thresholds applied to policies covering both lending and capital market underwriting will be gradually tightened. Credit Suisse intends to 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 (effective 2030).
- Any company that derives more than 5% of revenues from Arctic oil and gas extraction (effective 2035).

Long-term (16–30 years)
Our approach to net zero: For lending specifically, we set a 2050 goal of 97% reduction of absolute financed emissions in our oil, gas, and coal lending portfolio. This is aligned with our overall net zero by 2050 commitment.

Policies and guidelines: Additional criteria may be considered in the long-term.

Investments

Short-term (1–5 years)
Our approach to net zero: Credit Suisse Asset Management joined the Net Zero Asset Managers initiative (NZAMi) in March 2022 while also becoming a member of the Institutional Investor Group on Climate Change (IIGCC) during the year. More details of our approach to investments can be found in the Climate Action Plan published in November 2022.

Policies and guidelines: The focus of Credit Suisse Asset Management and IS&S, part of Credit Suisse Wealth Management, in the short term will be twofold. First, Credit Suisse Asset Management will focus on active ownership, accelerating its engagement efforts with the companies which Credit Suisse Asset Management and IS&S invest in on behalf of their clients. Second, Credit Suisse Asset Management and IS&S have introduced revenue criteria on investments in companies active in Arctic oil and gas with a 5% revenue threshold as well as an oil sands policy with a 10% revenue threshold. These criteria are expected to be effective as of April 1, 2023, will apply to actively managed portfolios classified under the Sustainable Investment Framework (Exclusion, Integration, Thematic, or Impact) within Credit Suisse Asset Management and to all single-security investments within discretionary mandates and wealth funds managed by IS&S. On top of this the current thermal coal revenue threshold will be lowered to 15% in 2025, down from the current 20%.

Medium-term (6–15 years)
Our approach to net zero: The 2030 interim goal of Credit Suisse Asset Management and IS&S as part of Credit Suisse Wealth Management, is to achieve a 50% reduction in investment-associated emissions intensity compared to 2019 levels.

Credit Suisse Asset Management and IS&S will continue to engage with companies on their transition to net zero. Companies that fail to respond to our engagement efforts over time and which have a material impact on the transition to net zero will be subject to further escalation. We expect to further explore the development of funds and mandates in order to direct more capital toward investment solutions that are aligned with net zero or that provide solutions for the transition to a net zero society.

Policies and guidelines: Credit Suisse Asset Management and IS&S intend to further reduce the revenue threshold for thermal coal to 5% in 2030. This will apply to all actively managed portfolios classified as sustainable within Credit Suisse Asset Management and to all discretionary mandates and wealth funds managed by IS&S.

Long-term (16–30 years)
Our approach to net zero: For our investments we have a net zero emissions ambition to be achieved by 2050. Although still a long way out, we expect our active ownership activities to remain of key importance to support society's transition to net zero.

Policies and guidelines: Additional criteria may be considered in the long-term.

Credit Suisse Group AG
Net zero trajectory – power generation

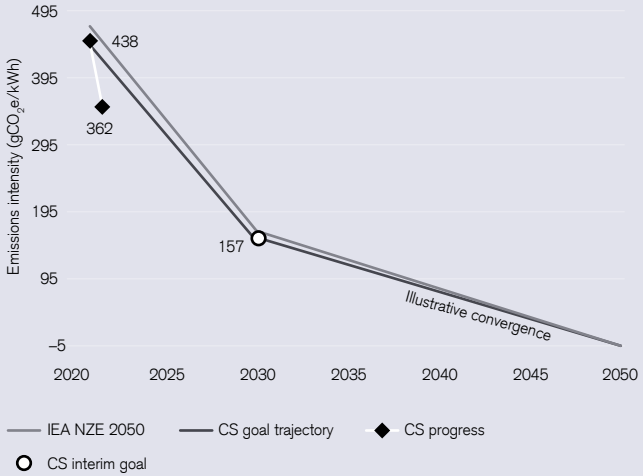
Purpose of the metric: To provide a framework for setting and managing 1.5°C Paris-aligned goals for the power generation sector.

Coverage: The trajectory analysis was supported by data covering the corporate lending portfolio with Exposure^{NZ} for clients in the power generation sector. The coverage includes power generation and integrated electric utility companies (i.e., companies involved in all levels of the supply chain, including power generation, transmission, and distribution activities). Power transmission and distribution companies, energy storage and solar panel manufacturers are out of scope. The overall coverage of climate data used for the trajectory analysis reached 100% (exposure-weighted) for 2021 and 2022.

Goal trajectory: Recognizing the importance of a managed transition for the power generation sector, Credit Suisse has chosen to define a Paris-aligned reduction trajectory for this sector using the latest update of the IEA NZE 2050 scenario published in the 2022 World Energy Outlook.

As illustrated in the graph, Credit Suisse has set an emissions intensity reduction goal of 64% to be achieved by 2030, from a 2021 base year. The baseline emissions intensity from the power generation sector is 438 gCO_2e/kWh as of December 31, 2021. This means a reduction in emissions intensity from 438 to 157 gCO_2e/kWh will be required.

Credit Suisse power generation goal trajectory



2022 preliminary results vs. trajectory

– 11% Below

2021 PCAF data quality score	
Scope 1 and 2	2.01
Scope 3	1.55

Key takeaways

Progress against goal: As per December 2022 preliminary results, Credit Suisse has achieved an estimated emissions intensity reduction in the portfolio of 17% against the 2021 baseline, with a current emissions intensity of 362 gCO_2e/kWh (which is 11% below the 2022 goal trajectory). This is primarily driven by an increase in Exposure^{NZ} to clients with relatively low-carbon intensities that have a significant proportion of renewable electricity production.

Market context: The power generation sector (incl. electricity and heat) accounts for over 40% of global CO_2 emissions from fuel combustion.[1] The sector is going through a fundamental transformation as efforts to address climate change are leading to increased electric power demand, particularly driven by the electrification of transport and industry. To meet net zero by 2050, a rapid scaling up of low-carbon and renewable power, especially of solar and wind, is needed, requiring significant investment.

The US Inflation Reduction Act (IRA) is a highlight of 2022 from a regulatory perspective, as it will have the potential to be transformative for the entire clean electricity ecosystem. According to Credit Suisse Research, the US should benefit from the lowest levelized cost of clean electricity in the world, which could accelerate renewable energy adoption and unlock additional tax adjustment mechanisms particularly for the production of green hydrogen.

Future direction: We aim to reduce our emissions intensity over time by engaging with our clients and supporting them to adapt their energy mix and by increasing our exposure to lower emission sources of energy.

The scaling up of carbon capture and storage solutions will be an important development that we will continue monitoring. Investments in electricity networks will also be crucial to promote the transition in this sector.

Technical corner

- Based on the IEA NZE 2050 scenario for power generation, which reports and considers CO_2 emissions only. Reported CO_2e emissions are used for the power generation model, since counterparties most commonly report CO_2e as a standard, and non-CO_2 emissions are immaterial for the power generation sector.
- The focus is on positive Exposure^{NZ} above a USD 1 million materiality threshold. This measure includes outstanding loan amount of the loans drawn, as well as additional products like standby letters of credit and documentary letters of credit. Capital market transactions, derivatives, and treasury holdings are excluded.
- The primary metric for power generation is the portfolio emissions intensity in gCO_2e/kWh, which is the industry standard indicator of physical emissions intensity for the sector. This metric is based on annual power generation and absolute emissions data.
- The net zero intensity metric includes scope 1 and scope 3 category 3 ("fuel and energy-related activities") emissions for the physical intensity metric. The computation of financed emissions includes the same scopes, plus scope 2 and scope 3 category 11 ("use of sold products").
- The production-based proxy for scope 1 emissions is used where reported data is not available. It uses companies' annual electricity generation and regional emissions intensity factors by fuel type, sourced from NGFS.
- 2022 results are considered as preliminary as they assume population and exposures updates as of 2022. Emissions, production, and financial data use 2021 data.

[1] Greenhouse Gas Emissions from Energy Data Explorer. IEA. https://www.iea.org/data-and-statistics/data-tools/greenhouse-gas-emissions-from-energy-data-explorer

Credit Suisse Group AG
Net zero trajectory – power generation (technical summary)

Client scope	**Included:** Power generation and integrated electric utility companies (i.e., companies involved in all levels of the supply chain: power generation, transmission, and distribution). **Excluded:** Power transmission and distribution companies, energy storage, and solar panel manufacturers. Clients are allocated to industry sectors based on NAIC and NOGA codes. Additional expert-based reviews are also performed to ensure that the sector-specific requirements (often based on the type of activity, the asset type, or the segment of the value chain) are captured correctly.
Asset classes	In general, we aim to align with the Financed Emissions Standard (first edition), as developed by PCAF, acknowledging such standards continue to evolve. The product scoping for our net zero trajectories includes on-balance sheet loans and lines of credit as per PCAF guidance. Specifically, this equates to the outstanding principal amount of loans drawn. Additionally, our product scoping includes certain off-balance sheet exposures such as standby letters of credit, irrevocable commitments under documentary credits and performance guarantees. Capital markets transactions, derivatives, treasury holdings, loans that are traded on a market as well as undrawn loan commitments are excluded. We define this product scoping as our "net zero exposure", subsequently referred to as our "Exposure^{NZ*}". The materiality threshold is set to USD 1 million Exposure^{NZ}.
Emissions	1. Emissions intensity (primary metric): Scope 1 and scope 3 category 3 ("fuel- and energy-related activities not included in scope 1 and 2"). For electric utilities, scope 1 typically represents the largest share of the company's emissions but scope 3 category 3 is also relevant for utilities that purchase electricity for resale. 2. Financed emissions: Scope 1, scope 2, scope 3 category 3, and scope 3 category 11 ("use of sold products"). For utilities with a gas retail business, scope 3 category 11 is also relevant to account for combustion emissions of natural gas sold to customers and other ancillary businesses.
Baseline year	2021 year-end: All data used corresponds to December 31, 2021, where available. Where the data does not correspond to the calendar year-end, alternative reporting periods may be used, for instance for companies following a slightly different financial reporting schedule (such as year-end March 31, 2022). In these instances, all climate-related data (e.g. emissions and production data) is aligned by reporting date where possible.
Calculation	Emissions intensity (primary metric): Amount of CO_2e emissions per unit of output, which is stated in gCO_2e/kWh of electricity generated. 1. Counterparty emissions intensity: $$\textbf{Emissions intensity}_c = \frac{\textbf{Scope 1 \& scope 3 category 3 emissions}_c}{\textbf{Power generated \& purchased power}_c\ (\text{“}\textbf{Production}_c\text{”})}$$ 2. Counterparty financed production: $$\textbf{Financed production}_c = \textbf{Production}_c \times \textbf{Attribution factor}_c$$ $$\textbf{where Attribution factor}_c = \frac{\textbf{Exposure}_c^{NZ}}{\textbf{Company value}_c}$$ 3. Portfolio-weighted emissions intensity: $$\textbf{Weighted emissions intensity}_{Portfolio} = \sum\left(\textbf{Emissions intensity}_c \times \frac{\textbf{Financed production}_c}{\textbf{Financed production}_{Portfolio}}\right)$$
Proxies	Scope 1 emissions: Production-based proxies are applied when reported emissions data is not available. Proxied emissions are calculated using the company's electricity generation multiplied by regional emissions intensity factors by fuel type. These factors are sourced from NGFS Net Zero 2050 scenario data.

Key assumptions and limitations	1. Scope 2 inclusion: Where market-based scope 2 emissions are not available, location-based scope 2 emissions are used instead. The location-based method is based on intensity factors for the grids on which companies operate, whereas the market-based method uses emission factors based on actual electricity purchased, making the latter more representative.[1] 2. Scope 3 data availability/purchased electricity: For scope 3 category 3 emissions, only reported emissions are used. There is limited data on purchased electricity for resale, so this is calculated using reported scope 3 category 3 emissions and regional average grid emissions intensity factors from NGFS. 3. Methane: Where reported emissions are used (e.g. from CDP or company reports), these are reported in CO_2-equivalent which should include the relevant GHG emissions (e.g. methane) for the client. Where estimated emissions are used, emissions intensity factors are based on CO_2 emissions only. Additionally, the IEA NZE 2050 scenario only reports CO_2 emissions for electricity generation, therefore, no adjustment is made to the scenario or proxy for non-CO_2 GHGs as these are not material for the power generation sector. According to EDGAR (Emissions Database for Global Atmospheric Research)[2], methane emissions account for approximately 0.1% of total CO_2e emissions for the power generation sector. 4. Renewable electricity: The emissions factor for renewable electricity production is assumed to be zero based on the IPCC's Fifth Assessment report.
Data sources	1. Climate-related data includes emissions, financial data and production data. For these, Credit Suisse leverages data from various reporting platforms, ranging across third-party providers, company reports, and publications (such as Annual/Sustainability Reports) published by our clients, internal data systems, and more. Credit Suisse has a pecking order for each data point, which mirrors PCAF's data quality score. 2. Data is sourced at legal entity level as a priority. When entity-level data is not available for a given counterparty, data is populated using data sourced from the counterparty's parent company.
Scenario choice	IEA NZE 2050 (based on World Energy Outlook 2022 update).
Results	2021 Baseline: 438 gCO_2e/kWh 2022 Preliminary results: 362 gCO_2e/kWh
2030 goal	64% reduction in intensity from a 2021 baseline year. This corresponds to an intensity goal of 157 gCO_2e/kWh by 2030 for Credit Suisse.
Scenario selection justification	One of the most widely relevant and recognized net zero scenarios.

[1] Scope 2 Guidance. Greenhouse Gas Protocol. https://ghgprotocol.org/sites/default/files/Scope2_ExecSum_Final.pdf
[2] Greenhouse Gases Emissions and Climate. EDGAR – Emissions Database for Global Atmospheric Research. https://edgar.jrc.ec.europa.eu/climate_change

Credit Suisse Group AG
Net zero trajectory – commercial real estate (CRE)

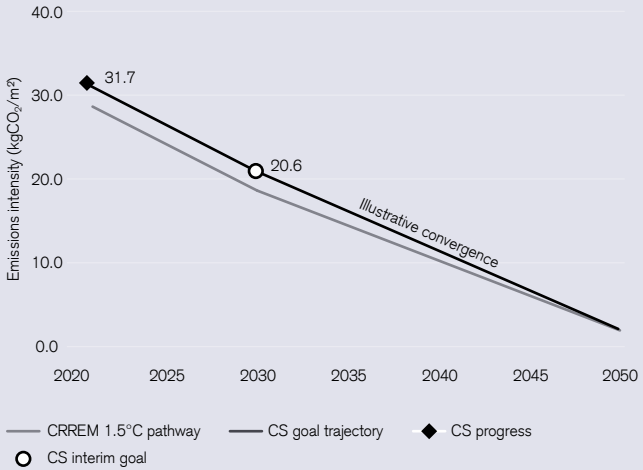
Purpose of the metric: To provide a framework for setting and managing 1.5°C Paris-aligned goals for the CRE sector.

Coverage: The trajectory analysis was supported by data covering the collateralized mortgages portfolio that can be classified as the purchasing or refinancing of CRE properties and multi-family homes (MFH) within Switzerland. This includes the following property types: properties used for commercial purposes such as shopping centers, hotels, offices, industrial and retail warehouses, as well as rented and income-generating multi-family homes. The framework excludes single-family homes and condominiums, as well as properties outside of Switzerland. The metric assumes outstanding loan amount for net zero accounting.

Goal trajectory: Recognizing the importance of a managed transition for CRE, Credit Suisse has chosen to define a Paris-aligned reduction trajectory for this sector using the Carbon Risk Real Estate Monitor (CRREM) 1.5°C scenario a credible 1.5°C goal scenario, with an interim goal based on country and property type-specific decarbonization and energy efficiency pathways.

As illustrated in the graph, Credit Suisse has set an emissions intensity reduction goal of 35% to be achieved by 2030, from a 2021 base year. This translates to a reduction in emissions intensity from 31.7 to 20.6 $kgCO_2/m^2$.

Credit Suisse commercial real estate goal trajectory



2022 preliminary results vs. trajectory

N/A

2021 PCAF data quality score	
Scope 1 and 2	4.00

Key takeaways

Progress against goal: 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.

The estimation of preliminary progress made toward net zero goals is normally based on portfolio exposures as of year-end 2022 and emissions data as of year-end 2021. While this is meaningful for sectors such as oil, gas, and coal where emissions data is generally available at a client level (and therefore exposure changes drive the preliminary progress figure), this is less meaningful for commercial real estate where emissions are proxied, and changes in exposures alone would not drive the preliminary progress figure if the underlying property mix were to remain stable.

Market context: The operation of buildings accounts for 30% of global final energy consumption and 27% of total energy sector emissions, of which 8% are direct emissions from buildings and 19% are indirect emissions from the production of electricity and heat used in buildings. The highest potential to reduce CO_2 emissions is in optimizing and retrofitting existing building stock.[1]

Future direction: The vast majority of the Credit Suisse CRE portfolio is in Switzerland. The Swiss Federal Council aims to achieve net zero by 2050 for all sectors, including CRE.

To achieve net zero by 2050, the sector remains dependent on the implementation of various transition measures. Further dependencies are related to the scaling up of regulation and implementation of policies on coherent disclosure standards. Regulatory frameworks need to be standardized to enable finance opportunities, and new technologies must commercialize at scale to support transition finance.

[1] Buildings IEA. https://www.iea.org/reports/buildings

Technical corner

- Based on the CRREM 1.5°C scenario, which captures CO_2-only emissions. Other GHG gases like methane (CH_4) are not considered, since they are not material for CRE.
- The focus is on collateralized mortgages for purchasing and refinancing of properties within Switzerland. A materiality threshold has been set, such that the model includes properties with either outstanding property loans or property values above CHF 1,000, respectively.
- The primary metric for CRE is the portfolio emissions intensity in $kgCO_2/m^2$, which is based on the property type, building age, and property floor area.
- The model includes scope 1 and scope 2 from CRE buildings and multi-family homes.
- The CRE trajectory analysis makes use of two proxy approaches where conventional data is not available. One proxy is used for floor area data, and another is used for calculating absolute scope 1 and 2 emissions. Details are provided in the CRE technical summary. Credit Suisse expects further improvements in data availability, quality, and methodology in relation to floor area data and emissions-related data.

Credit Suisse Group AG
Net zero trajectory – commercial real estate (technical summary)

Client scope	**Included:** Collateralized mortgages that can be classified as purchasing/refinancing of commercial real estate within Switzerland. This includes: (1) properties used for commercial purposes such as shopping centers, hotels, offices, (2) industrial warehouses and (3) retail warehouses, (4) rented and income-generating multi-family homes are also included, as per the Financed Emissions Standard (first edition), as developed by PCAF. **Excluded:** Single-family homes and condominiums are excluded. Properties outside of Switzerland are also excluded.
Asset classes	The metric uses outstanding loan amount as an input, calculated based on loan exposure allocated to specific properties. This is consistent with the definition of Exposure^{NZ}, although off-balance sheet products such as standby letters of credit, irrevocable commitments under documentary credits and performance guarantees are typically not relevant for this type of lending linked to specific assets. The focus is on collateralized mortgage products for purchasing and refinancing of commercial real estate, industrial real estate, and multifamily homes (excluding condominiums), specifically within Switzerland. A materiality threshold has been set, such that the model includes properties which have outstanding loans or property values above CHF 1,000, respectively.
Emissions	Emissions intensity (primary metric) and financed emissions: Scope 1 and scope 2 (property-level).
Baseline year	2021 year-end: Portfolio composition and outstanding loan amounts correspond to December 31, 2021.
Calculation	Emissions intensity (primary metric): Amount of CO_2 emissions per square meter, which is stated in $kgCO_2$ per m^2 of a property. 1. Property-level emissions intensity: $$\textbf{Emissions intensity}_{\textbf{Property}} = \frac{\textbf{Absolute emissions}_{\textbf{Property}}}{\textbf{Floor area}_{\textbf{Property}}}$$ 2. Property-level financed floor area: $$\textbf{Financed floor area}_{\textbf{Property}} = \textbf{Floor area}_{\textbf{Property}} \times \textbf{CRE attribution factor}_{\textbf{Property}}$$ $$\textbf{and where CRE attribution factor}_{\textbf{Property}} = \frac{\textbf{Outstanding loan amount}_{\textbf{Property}}}{\textbf{Property market value}_{\textbf{Property}}}$$ 3. Portfolio-weighted emissions intensity: $$\textbf{Weighted emissions intensity}_{\textbf{Portfolio}} = \sum\left(\textbf{Emissions intensity}_{\textbf{Property}} \times \frac{\textbf{Financed floor area}_{\textbf{Property}}}{\textbf{Financed floor area}_{\textbf{Portfolio}}}\right)$$
Proxies	1. Floor area (production data): A floor area proxy is used where reported floor area data is not available, and is derived from the property valuation and the average price per square meter per canton, per property type. The calculation is performed based on internal data. 2. Absolute scope 1 and 2 emissions: Since individual property emissions are not reported, a proxy approach based on property floor areas, country-specific intensity factors (from the IEA), and energy intensity multipliers, is used. The energy intensity input substitutes the unavailability of energy bills/certificates and has been defined based on available data from BAFU (for multipliers based on construction year) and CRREM (for multipliers by property type). While the energy intensity proxy is less robust than property-level data, PCAF encourages its use despite recognizing its limitations.

Key assumptions and limitations	1. Floor area definitions: Credit Suisse uses usable floor areas sourced from internal systems, which is equal to the gross area less the value of the traffic area (e.g. walkways) and the functional area (e.g. internal walls). 2. Attribution factor limitations: Property market values are assumed constant (year-on-year) and hence do not account for potential fluctuations. Available market value is used for property values for consistency since inception value is often not available. These limitations are recognized by PCAF. 3. Methane: Emissions intensity factors (used for the absolute emissions proxy) are based on CO_2 emissions only. Additionally, the CRREM 1.5°C scenario only reports CO_2 emissions for residential real estate and CRE emissions, and therefore, no adjustment is made to the scenario or proxy for non-CO_2 GHGs as these are not material for the CRE sector.
Data sources	Climate-related data includes financial data and floor area data. For these, Credit Suisse leverages data from various reporting platforms, ranging across third-party providers and internal data systems. Credit Suisse has a pecking order for each data point, which is generally in line with PCAF's data quality score. For proxying emissions, the pecking order selection is: i) energy bills, ii) energy certificates, and iii) multipliers and proxy approach.
Scenario choice	1.5°C CRREM.
Results	2021 Baseline: 31.7 $kgCO_2/m^2$
2030 goal	35% reduction in intensity from the 2021 baseline year. This corresponds to an intensity goal of 20.6 $kgCO_2/m^2$ by 2030 for Credit Suisse.
Scenario selection justification	1. One of the most widely recognized industry scenarios, which aligns to SBTi guidance. 2. Granular decarbonization pathways available for property sub-types within residential and commercial real estate. 3. Strong availability of data for the CRE sector (e.g. property type and country-specific data).

Credit Suisse Group AG
Net zero trajectory – iron and steel

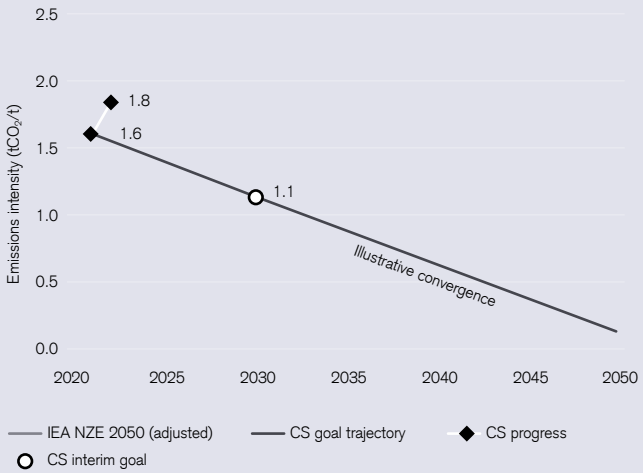
Purpose of the metric: To provide a framework for setting and managing 1.5°C Paris-aligned goals for the iron and steel sector.

Coverage: The trajectory analysis was supported by data covering the corporate lending portfolio with Exposure[NZ], focusing on iron and steel producers. Mining companies and steel finishing/use of steel manufacturers are excluded from the iron and steel trajectory analysis scope. Upstream activities such as coal mining are excluded from the iron and steel sector model among other reasons to avoid double-counting, since these activities are captured by Credit Suisse's oil, gas, and coal commitments. Downstream activities such as forming and forging of steel are excluded from the scope due to their low materiality. The overall coverage of climate data for the trajectory analysis reached 100% (exposure-weighted) for 2021 and 2022.

Goal trajectory: Recognizing the importance of a managed transition for iron and steel, Credit Suisse has chosen to define a Paris-aligned reduction trajectory for this sector, using an adjusted version of the IEA NZE 2050 scenario for iron and steel. The adjustment to expand the emissions scope was performed by Credit Suisse, thus including scope 2 emissions as well as scope 1 emissions – which are reported in the standard scenario.

Based on this scenario and as illustrated in the graph, Credit Suisse has set a 32% emissions intensity reduction goal by 2030 from a 2021 base year. This means a reduction in emissions intensity from 1.6 to 1.1 tCO_2 per ton of crude steel produced will be required.

Credit Suisse iron and steel goal trajectory[2]



2022 preliminary results vs. trajectory

+19% Above

2021 PCAF data quality score	
Scope 1 and 2	1.89

Key takeaways

Progress against goal: As per December 2022 preliminary results, Credit Suisse has reported an estimated portfolio emissions intensity increase of 15% against the 2021 baseline with a current emissions intensity of 1.8 tCO_2/t of steel produced (which is 19% above our 2022 goal trajectory and above the IEA industry benchmark). The increase was primarily driven by natural fluctuations in client Exposures [NZ], resulting in an increase in relative share of the higher-intensity clients.

Market context: The iron and steel sector is responsible for 7% of total energy sector CO_2 emissions[1] and is considered a hard-to-abate sector due to its reliance on a carbon-intensive steelmaking production process which depends largely on coal as an iron reductant. Given that global steel demand is projected to rise by over a third by 2050,[1] shifting the production mix to reduce the sector's reliance on coal in blast furnaces, while increasing recycled scrap production and direct reduction and electric arc furnace routes will be crucial short-term levers.

While European and US markets are already exploring and scaling up low-carbon processes, investments in emerging markets are also needed and present a significant opportunity. In the absence of climate policy stringency, increasing green steel demand from global markets acts as a strong incentive to decarbonize emerging market steel production.

Future direction: The demand for transition and sustainable finance products in iron and steel is increasing, and we aim to support our clients in their transition to lower carbon production.

To achieve net zero by 2050, the sector remains dependent on the commercialization and scaling up of low-carbon steelmaking technologies, which requires R&D as well as robust policy and market incentives.

Technical corner

- Based on the IEA NZE 2050 scenario for iron and steel which has been extended to include scope 2 emissions as well, rather than just scope 1 emissions. The IEA scenario accounts for CO_2-only emissions.
- The focus is on positive Exposures [NZ] above a USD 1 million materiality threshold. This measure includes outstanding loan amount of the loans drawn, as well as additional products like standby letters of credit and documentary letters of credit. Capital market transactions, derivatives, and treasury holdings are excluded.
- The primary metric for iron and steel is the portfolio emissions intensity in tCO_2/t of steel produced, which is the industry standard indicator of physical emissions intensity for the sector.
- CO_2-only emissions are taken for the sector, since CO_2 is the most material gas for midstream iron and steel activities. While upstream iron and steel activities can emit large amounts of non-GHG gases like methane, these effects are mostly captured in the oil, gas, and coal sector.
- The model includes scopes 1 and 2 for the physical intensity metric, as well as for the computation of financed emissions. The model focuses on emissions which are created during steel production and does not consider the release of CO_2 emissions during other phases of the iron and steel production cycle.
- The iron and steel trajectory analysis uses an asset-level proxy approach (based on production plants) for production and emissions data, where reported data for a counterparty is not available.
- 2022 results are considered as preliminary as they assume population and exposures updates as of 2022. Emissions, production, and financial data use 2021 data.

[1] Iron and Steel Technology Roadmap. IEA. https://www.iea.org/reports/iron-and-steel-technology-roadmap
[2] CS baseline and Goal trajectory are in-line with IEA NZE 2050 (adjusted).

Credit Suisse Group AG
Net zero trajectory – iron and steel (technical summary)

Client scope	**Included:** Iron and steel producers. **Excluded:** Mining companies and steel finishing/use of steel manufacturers. Clients are allocated to industry sectors based on NAIC and NOGA codes. Additional expert-based reviews are also performed to ensure that the sector-specific requirements (often based on the type of activity, the asset type, or the segment of the value chain) are captured correctly.
Asset classes	In general, we aim to align with the Financed Emissions Standard (first edition), as developed by PCAF, acknowledging such standards continue to evolve. The product scoping for our net zero trajectories includes on-balance sheet loans and lines of credit as per PCAF guidance. Specifically, this equates to the outstanding principal amount of loans drawn. Additionally, our product scoping includes certain off-balance sheet exposures such as standby letters of credit, irrevocable commitments under documentary credits and performance guarantees. Capital markets transactions, derivatives, treasury holdings, loans that are traded on a market as well as undrawn loan commitments are excluded. We define this product scoping as our "net zero exposure", subsequently referred to as our "Exposure^{NZ}". The materiality threshold is set to USD 1 million Exposure^{NZ}.
Emissions	Emissions intensity (primary metric) and financed emissions: Scope 1 and scope 2.
Baseline year	2021 year-end: All data used corresponds to December 31, 2021, where available. Where the data does not correspond to the calendar year-end, alternative reporting periods may be used, for instance for companies following a slightly different financial reporting schedule (such as year-end March 31, 2022). In these instances, all climate-related data (e.g. emissions and production data) is aligned by reporting date where possible.
Calculation	Emissions intensity (primary metric): Amount of CO_2 emissions per unit of output, which is stated in tCO_2 per ton of crude steel produced. 1. Counterparty emissions intensity: $$\textbf{Emissions intensity}_c = \frac{\textbf{Scope 1 \& scope 2 emissions}_c}{\textbf{Steel production}_c \textbf{ (“Production}_c\textbf{”)}}$$ 2. Counterparty financed production $$\textbf{Financed production}_c = \textbf{Production}_c \times \textbf{Attribution factor}_c$$ $$\textbf{where Attribution factor}_c = \frac{\textbf{Exposure}_c^{NZ}}{\textbf{Company value}_c}$$ 3. Portfolio-weighted emissions intensity: $$\textbf{Weighted emissions intensity}_{Portfolio} = \sum(\textbf{Emissions intensity}_c \times \frac{\textbf{Financed production}_c}{\textbf{Financed production}_{Portfolio}})$$
Proxies	1. Scope 1 and 2 emissions: A production-based proxy is applied when reported emissions data is not available. Proxied emissions are calculated using the production capacity (as reported or at an asset-level for production facilities) of a counterparty multiplied by regional emissions intensity factors based on the technology type (Electric Arc Furnaces (EAFs) or Blast Furnaces/Basic Oxygen Furnaces (BFs-BOFs)). 2. Production data: An asset-level proxy (production plant) is used for counterparties where production data is unavailable, with a default utilization rate of 75% being assumed for the plant. This number is based on a historical utilization rate average of steel plants with respect to their total capacity and is calculated using a world average that can over/underestimate production in some countries. The utilization factor is set as a global constant and does not account for economic cycles, regional differences, or business cycles.

Key assumptions and limitations	1. Scope 2 inclusion: Where market-based scope 2 emissions are not available, location-based scope 2 emissions are used instead. The location-based method is based on intensity factors for the grids on which companies operate, whereas the market-based method uses emission factors based on actual electricity purchased, making the latter more representative.[1] 2. Emission factors: Technology type at the plant level (EAFs) vs. (BFs-BOFs)) and country-specific emission factors (GEI[2]) are static over time and based on available market research. 3. Emissions scope: The model focuses on emissions which are created during steel production and does not take into account other phases of the production cycle. 4. Production type differentiation: The model differentiates between two production types with different emission intensities based on region and country: EAFs have lower emission intensities while BFs-BOFs have higher emission intensities. 5. Potential out-of-scope emissions: Scope 1 and scope 2 values are provided at a company-wide level, which may include emissions from out-of-scope upstream (mining) and downstream (finishing/construction) activities for vertically-integrated companies. 6. Methane materiality: Methane is not accounted for in the iron and steel methodology, since CO_2-only emissions are reported, which aligns with the IEA scenario choice. CO_2 is the most material GHG gas for the sector when focusing on the midstream activities, which is the focus for the model. Credit Suisse recognizes that upstream activities, such as coal mining, can generate large amounts of other non-CO_2 gases such as methane, however these effects are mostly captured in the oil, gas, and coal sector.
Data sources	1. Climate-related data includes emissions, financial data, and production data. For these, Credit Suisse leverages data from various reporting platforms, ranging across third-party providers, company reports, and publications (such as Annual/Sustainability Reports) published by our clients, internal data systems, and more. Credit Suisse has a pecking order for each data point, which is generally in line with PCAF's data quality score. 2. Data is sourced at legal entity level as a priority. When entity-level data is not available for a given counterparty, data is populated using data sourced from the counterparty's parent company.
Scenario choice	IEA NZE 2050 (adjusted). The adjustment to the scenario is that Credit Suisse has incorporated scope 2 emissions as well, rather than just scope 1 emissions. Scope 2 emissions are relevant for the sector since electricity use can be material depending on the technology type used for steel production (EAFs vs. BF-BOFs).
Results	2021 Baseline: 1.6 tCO_2/t 2022 Preliminary results: 1.8 tCO_2/t
2030 goal	32% reduction in intensity from a 2021 baseline year. This corresponds to an intensity goal of 1.1 tCO_2/t by 2030 for Credit Suisse.
Scenario selection justification	1. Net zero scenario with the highest emissions reductions by 2030 and 2050. 2. A leading scenario in the industry, employed by peers. 3. Scenario alignment to capture scope 2 emissions from the use of electricity.

[1] Scope 2 Guidance. Greenhouse Gas Protocol. https://ghgprotocol.org/sites/default/files/Scope2_ExecSum_Final.pdf
[2] New Report: How Clean is the U.S. Steel Industry? — Global Efficiency Intelligence. https://www.globalefficiencyintel.com/new-blog/2019/12/3/new-report-how-clean-is-the-us-steel-industry

Credit Suisse Group AG
Net zero trajectory – aluminum

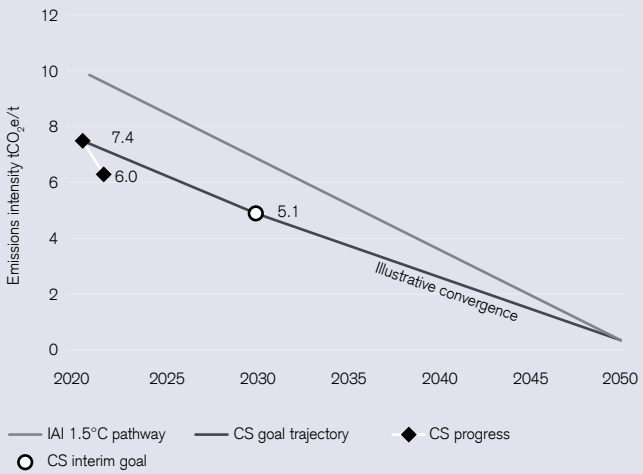
Purpose of the metric: To provide a framework for setting and managing 1.5°C Paris-aligned goals for the aluminum sector.

Coverage: The trajectory analysis was supported by data covering the corporate lending portfolio with Exposure^{NZ}, focusing on alumina producers (refining of bauxite ore), primary aluminum producers (smelting of alumina), and secondary aluminum producers (smelting of recycled aluminum). Mining of bauxite ore and manufacturing (e.g. die-casting) of aluminum finished and semi-finished products and downstream use in other sectors are out of scope for Credit Suisse's aluminum trajectory analysis. The overall coverage of climate data for the trajectory analysis reached 99% (exposure-weighted) for 2021, and 100% for 2022.

Goal trajectory: Recognizing the importance of a managed transition for aluminum, Credit Suisse has chosen to define a Paris-aligned reduction trajectory for the aluminum sector using the International Aluminum Institute's (IAI) 1.5°C scenario. Credit Suisse chose this pathway as it gives full coverage of value chain emissions, as well as primary and secondary production, making it the most appropriate scenario for the defined scope of alumina refining, primary aluminum production and secondary aluminum, which generate the majority of the sector's CO_2e emissions.

As illustrated in the graph, we have set a goal of a reduction in emissions intensity of 31% to be achieved by 2030 from a 2021 base year. This means a reduction in emissions intensity from 7.4 to 5.1 tCO_2e per ton of aluminum produced will be required.

Credit Suisse aluminum goal trajectory



2022 preliminary results vs. trajectory

– 15% Below

2021 PCAF data quality score	
Scope 1 and 2	2.06
Scope 3	3.00

Key takeaways

Progress against goal: As per December 2022 preliminary results, Credit Suisse has achieved an estimated emissions intensity reduction in the portfolio of 18% against our 2021 baseline, with a current emissions intensity of 6.0 tCO_2e/t (which is 15% below our 2022 goal trajectory). The emissions intensity baseline for the aluminum sector is 7.4 tCO_2e/t as of December 31, 2021. This is due to changes in the aluminum portfolio with lower exposure to high-intensity clients and relatively higher exposures to lower-emitting secondary aluminum producers (recycling companies) than to higher-energy intensive alumina producers.

Market context: Aluminum production accounts for about 2% of global greenhouse gas emissions,[1] mainly driven by the energy-intensive smelting process, which remains largely reliant on coal power. This reliance is especially observed in APAC. Demand for aluminum is expected to increase by 80% by 2050.[1] Decarbonizing aluminum production requires increased momentum behind renewable energy infrastructure in both developed and developing economies.

Future direction: We aim to reduce our emissions intensity by supporting both primary and secondary aluminum clients to transition, through client engagement and identification of transition finance opportunities to enable low-carbon projects and initiatives. These include, but are not limited to, the procurement of renewable energy and investments in aluminum recycling and new aluminum production methods (e.g. hydrogen, inert anodes, and CCUS).

To achieve net zero by 2050, the sector remains dependent on the implementation of policy and market incentives to increase material efficiency across the value chain and ensure regional supply of renewable energy.

Technical corner

- Based on the International Aluminum Institute (IAI) 1.5°C scenario, which captures CO_2-equivalent (CO_2e) emissions from CO_2 as well as other GHG gases such as methane (CH_4). The scenario provides one single trajectory for both primary and secondary aluminum production.
- The focus is on positive Exposure^{NZ} above a USD 1 million materiality threshold. This measure includes outstanding loan amount of the loans drawn, as well as additional products like standby letters of credit and documentary letters of credit. Capital market transactions, derivatives and treasury holdings are excluded.
- The primary metric for the aluminum portfolio emissions intensity is tCO_2e/t, which is the industry standard indicator of physical emissions intensity for the sector. This metric is based on annual production volumes and absolute emissions data.
- The model includes scope 1, scope 2, and scope 3 category 1 ("purchased goods and services" for primary aluminum producers) and scope 3 category 10 ("processing of sold products" for alumina producers). Scope 3 emissions are not accounted for secondary aluminum producers.
- The aluminum trajectory analysis makes use of an asset-level proxy (based on production plants) for cases in which emissions and production data cannot be retrieved.
- 2022 results are considered as preliminary as they assume population and exposures updates as of 2022. Emissions, production and financial data use 2021 data.

[1] Making 1.5 Net Zero Aligned Aluminium Possible. Mission Possible Partnership. https://missionpossiblepartnership.org/wp-content/uploads/2022/10/Making-1.5-Aligned-Aluminium-possible.pdf

Credit Suisse Group AG
Net zero trajectory – aluminum (technical summary)

Client scope	**Included:** Alumina producers (refining of bauxite ore), primary aluminum producers (smelting of alumina), and secondary aluminum producers (smelting of recycled aluminum). **Excluded:** Mining of bauxite ore and manufacturing (e.g. die-casting) of aluminum finished and semi/finished products and downstream use in other sectors. Clients are allocated to industry sectors based on NAIC and NOGA codes. Additional expert-based reviews are also performed to ensure that the sector-specific requirements (often based on the type of activity, the asset type, or the segment of the value chain) are captured correctly.
Asset classes	In general, we aim to align with the Financed Emissions Standard (first edition), as developed by PCAF, acknowledging such standards continue to evolve. The product scoping for our net zero trajectories includes on-balance sheet loans and lines of credit as per PCAF guidance. Specifically, this equates to the outstanding principal amount of loans drawn. Additionally, our product scoping includes certain off-balance sheet exposures such as standby letters of credit, irrevocable commitments under documentary credits and performance guarantees. Capital markets transactions, derivatives, treasury holdings, loans that are traded on a market as well as undrawn loan commitments are excluded. We define this product scoping as our "net zero exposure", subsequently referred to as our "Exposure^{NZ}". The materiality threshold is set to USD 1 million Exposure^{NZ}.
Emissions	Emissions intensity (primary metric) and financed emissions: Scope 1, scope 2, scope 3 category 1 ("purchased goods and services" for primary aluminum producers that are alumina buyers), and scope 3 category 10 ("processing of sold products" for alumina producers that sell their alumina). Scope 3 emissions are not attributed to secondary aluminum producers, only scope 1 and scope 2. Credit Suisse recognizes a benefit of secondary producers in the sector transition and gives a benefit to such clients through not attributing the scope 3 category 10.
Baseline year	2021 year-end: All data used corresponds to December 31, 2021, where available. Where the data does not correspond to the calendar year-end, alternative reporting periods may be used, for instance for companies following a slightly different financial reporting schedule (such as year-end March 31, 2022). In these instances, all climate-related data (e.g. emissions and production data) is aligned by reporting date where possible.
Calculation	Emissions intensity: Amount of CO_2e emissions per unit of output, which is stated in tCO_2e per ton of aluminum produced. 1. Counterparty emissions intensity: $$\textbf{Emissions intensity}_c = \frac{\textbf{Total emissions}_c}{\textbf{Aluminum equivalent production}_c \textbf{ (“Production}_c\textbf{”)}}$$ *Aluminum-equivalent production is the common denominator for both refining (alumina) and smelting (primary aluminum) activities in order to include all important parts of the value chain.* 2. Counterparty financed production $$\textbf{Financed production}_c = \textbf{Production}_c \times \textbf{Attribution factor}_c$$ $$\textbf{where Attribution factor}_c = \frac{\textbf{Exposure}_c^{NZ}}{\textbf{Company value}_c}$$ 3. Portfolio-weighted emissions intensity: $$\textbf{Weighted emissions intensity}_{Portfolio} = \sum\left(\textbf{Emissions intensity}_c \times \frac{\textbf{Financed production}_c}{\textbf{Financed production}_{Portfolio}}\right)$$

Proxies	1. Scope 1 and 2 emissions: A production-based proxy is applied when reported emissions data is not available. Proxied emissions are calculated using the production capacity (at an asset-level for production facilities) of a counterparty multiplied by regional emissions intensity factors by process type (refining, smelting, or recycling). These emissions intensity factors are sourced from the IAI. A utilization rate of 100% is assumed by default. 2. Scope 3 emissions: Scope 3 category 1 and category 10 proxies calculate the emissions coming from the shortage or excess of alumina produced compared to primary aluminum produced, respectively, where reported emissions data is not available. It considers the aluminum equivalency factor stated by the IEA and the European Commission and is then multiplied by an emissions intensity factor to calculate the emissions coming from the alumina refineries (shortage) or aluminum smelters (excess).
Key assumptions and limitations	1. Value chain production: The aluminum-equivalent production is a common denominator for both refining (alumina) and smelting (primary aluminum) activities. 2. Equivalency factor: The aluminum equivalency factor is a conversion factor of "2." It is used in the aluminum-equivalent production calculation and reflects that one ton of primary aluminum requires two tons of alumina to be produced. 3. Scope 2 inclusion: Where market-based scope 2 emissions are not available, location-based scope 2 emissions are used instead. The location-based method is based on intensity factors. for the grids on which companies operate, whereas the market-based method uses emission factors based on actual electricity purchased, making the latter more representative.[1] 4. Scope 3 for recyclers: Scope 3 emissions are not attributed to secondary aluminum producers (recycling). 5. Methane materiality: Where reported emissions are used, these are reported in CO_2-equivalent emissions from external sources (e.g. CDP or company reports), which include the relevant GHGs for that company. For emissions proxy estimations, all emissions intensity factors are based on CO_2e emissions. The scenario chosen for the aluminum sector is the IAI 1.5°C scenario, which reports CO_2e emissions for the aluminum sector. Aluminum production results in large CO_2 and PFC direct emissions, while methane is less material.
Data sources	1. Climate-related data includes emissions, financial data, and production data. For these, Credit Suisse leverages data from various reporting platforms, ranging across third-party providers, company reports, and publications (such as Annual/Sustainability Reports) published by our clients, internal data systems, and more. Credit Suisse has a pecking order for each data point, which is generally in line with PCAF's data quality score. 2. Data is sourced at legal entity level as a priority. When entity-level data is not available for a given counterparty, data is populated using data sourced from the counterparty's parent company.
Scenario choice	IAI 1.5°C net zero by 2050 (adjusted baseline year from 2018 to 2021, which is reflected in the goals).
Results	2021 Baseline: 7.4 tCO_2e/t 2022 Preliminary results: 6.0 tCO_2e/t
2030 goal	31% reduction in intensity from a 2021 baseline year. This corresponds to an intensity goal of 5.1 tCO_2e/t by 2030 for Credit Suisse. Both primary and secondary producers are subject to the same goal.
Scenario selection justification	1. One of the most widely recognized industry bodies, aligned to the IEA's NZE 2050 scenario. 2. Scenario alignment with the emissions intensity metric and trajectory data points. 3. Adequate data for the aluminum sector provided (production and emissions data).

[1] Scope 2 Guidance. Greenhouse Gas Protocol. https://ghgprotocol.org/sites/default/files/Scope2_ExecSum_Final.pdf

Credit Suisse Group AG
Net zero trajectory – automotive

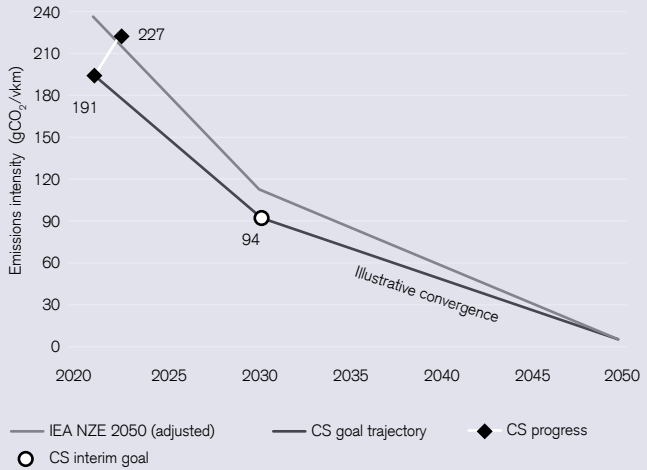
Purpose of the metric: To provide a framework for setting and managing 1.5°C Paris-aligned goals for the automotive sector.

Coverage: The trajectory analysis was supported by data covering the corporate lending portfolio with existing Exposure[NZ] for the automotive sector, with a focus on light-duty vehicle (LDV) manufacturers (including light pickup trucks). This includes both internal combustion engines (ICEs) and electric vehicles (EVs). Heavy-duty truck manufacturers, upstream parts manufacturers (e.g. battery manufacturers[1]), and downstream retailers are out of scope. The overall coverage of climate data used for the trajectory analysis reached 100% (exposure-weighted) for 2021 and 2022.

Goal trajectory: Recognizing the importance of a managed transition for the automotive sector, Credit Suisse has chosen to define a Paris-aligned reduction trajectory for this sector using the IEA NZE 2050 scenario. Adjustments have been made to the IEA NZE 2050 scenario as it did not account for Well-to-Wheel[2] (WtW) emissions and focused on entire fleet rather than new fleet.

As illustrated in the graph, Credit Suisse has set an emissions intensity reduction goal of 51% to be achieved by 2030, from a 2021 base year. The baseline emissions intensity for the automotive sector is 191 gCO_2/vehicle kilometer ("vkm") as of December 31, 2021. This means that a reduction in emissions intensity from 191 to 94 gCO_2/vkm will be required.[2]

Credit Suisse automotive goal trajectory



2022 Preliminary results vs. trajectory

+26% Above

2021 PCAF data quality score	
Scope 3	3.00

Key takeaways

Progress against goal: As per December 2022 preliminary results, Credit Suisse reported an estimated portfolio emissions intensity increase of 19% against our 2021 baseline with a current emissions intensity of 227 gCO_2/vkm (which is 26% above our 2022 goal trajectory). The increase was primarily driven by natural fluctuations in client Exposure[NZ], resulting in an increase in relative share of the high-intensity clients. We expect the portfolio to transition in line with our trajectory as higher volumes of EV production are planned across the clients of Credit Suisse.

Market context: The automotive sector accounts for around three-quarters of global transport emissions, with transport representing 21% of global CO_2 emissions.[3] For passenger cars, electrification currently seems to be the most promising way to decarbonize, with battery costs that have reduced by 90% in the past decade and are expected to further decrease.[4] However, the shortage of battery minerals (e.g. lithium, cobalt, nickel) and their surging prices are the main constraint in their supply chain. For heavy-duty trucks, hydrogen and bioLNG (liquified natural gas) could be viable alternatives depending on production and infrastructure costs.

Future direction: Our approach to lower the emissions intensity of our portfolio in this sector will rely on supporting our clients' transition by supporting investments in the development of charging infrastructure, fostering innovation in alternative fuels, and decarbonizing the grid by facilitating renewable power generation.

Technical corner

- Credit Suisse has chosen to define a Paris-aligned reduction trajectory for this sector using the IEA NZE 2050 scenario. Adjustments have been made to the scenario as it did not account for Well-to-Wheel (WtW) emissions and focused on entire fleet rather than new fleet. Credit Suisse assumes 60% of the 2030 new fleet to be EVs in line with the IEA, and the grid emission profile to follow the scenario also.
- The focus is on positive Exposure[NZ] above a USD 1 million materiality threshold. This measure includes outstanding loan amount of the loans drawn, as well as additional products like standby letters of credit and documentary letters of credit. Capital market transactions, derivatives and treasury holdings are excluded.
- The primary metric for the automotive sector is the portfolio emissions intensity in gCO_2/vkm which is based on the counterparty-level emissions intensity weighted by the Exposure[NZ] and production (i.e., financed vehicle production) of each client.
- The net zero intensity metric includes scope 3 category 11 ("use of sold products") emissions and calculates the entire WtW emission lifecycle of in-scope automobiles. The computation of financed emissions includes the same scopes, plus scopes 1, 2, and 3 category 1 ("purchased goods").
- The automotive sector calculates scope 3 category 11 emissions via a production-based proxy, rather than using companies' reported scope 3 category 11 emissions, to ensure consistency in intensity metrics between counterparties.
- 2022 results are considered preliminary as they assume population and exposures updates as of 2022. Emissions, production, and financial data use 2021 data.

[1] Emissions associated with battery manufacturing are not included but could be considered as a future improvement to the model.
[2] Well-to-Wheel emissions are the sum of Well-to-Tank (emissions from production, transportation, transformation, and distribution of the fuel used to power the vehicle) and Tank-to-Wheel (emissions from fuel combustion when using the vehicle) emissions.
[3] World Economic Forum (WEF). https://www.weforum.org/agenda/2021/11/global-transport-carbon-emissions-decarbonise
[4] Innovation in Batteries and Electricity Storage – IEA. https://www.iea.org/news/a-rapid-rise-in-battery-innovation-is-playing-a-key-role-in-clean-energy-transitions

Credit Suisse Group AG
Net zero trajectory – automotive (technical summary)

Client scope	**Included:** Light-duty vehicle (LDV) manufacturers (including light pickup trucks). **Excluded:** Heavy-duty truck manufacturers, upstream parts manufacturers (e.g. batteries), and downstream retailers. Clients are allocated to industry sectors based on NAIC and NOGA codes. Additional expert-based reviews are also performed to ensure that the sector-specific requirements (often based on the type of activity, the asset type, or the segment of the value chain) are captured correctly.
Asset classes	In general, we aim to align with the Financed Emissions Standard (first edition), as developed by PCAF, acknowledging such standards continue to evolve. The product scoping for our net zero trajectories includes on-balance sheet loans and lines of credit as per PCAF guidance. Specifically, this equates to the outstanding principal amount of loans drawn. Additionally, our product scoping includes certain off-balance sheet exposures such as standby letters of credit, irrevocable commitments under documentary credits and performance guarantees. Capital markets transactions, derivatives, treasury holdings, loans that are traded on a market as well as undrawn loan commitments are excluded. We define this product scoping as our "net zero exposure", subsequently referred to as our "Exposure^{NZ}". The materiality threshold is set to USD 1 million Exposure^{NZ}.
Emissions	1. Emissions intensity (primary metric): Scope 3 category 11 ("use of sold products"), in line with a Well-to-Wheel (WtW) approach. This is because it is the most material source of emissions for the automotive sector. 2. Financed emissions: Scope 1, scope 2, and scope 3 category 1 ("purchased goods") and scope 3 category 11 ("use of sold products").
Baseline year	2021 year-end: All data used corresponds to December 31, 2021, where available. Where the data does not correspond to the calendar year-end, alternative reporting periods may be used, for instance for companies following a slightly different financial reporting schedule (such as year-end March 31, 2022). In these instances, all climate-related data (e.g. emissions and production data) is aligned by reporting date where possible.
Calculation	Emissions intensity (primary metric): amount of CO_2 emissions per vehicle kilometer, which is stated in gCO_2 per vkm. For the automotive sector, the emissions intensity is calculated by aggregating (1) Tank-To-Wheel (TtW) and (2) Well-To-Tank (WtT) to obtain the (3) Well-To-Wheel (WtW) emissions intensity. 1. Counterparty emissions intensity: $$\text{Emissions intensity}_c = \frac{\sum(\text{Production}_{c.\text{vehicle type}} \times \text{Emission factor}_{c.\text{vehicle type}})}{\sum\text{Production}_{c.\text{vehicle type}}}$$ 2. Counterparty financed production: $$\text{Financed production}_c = \text{Production}_c \times \text{Attribution factor}_c$$ $$\text{where Attribution factor}_c = \frac{\text{Exposure}_c^{NZ}}{\text{Company value}_c}$$ 3. Portfolio-weighted emissions intensity: $$\text{Weighted emissions intensity}_{\text{Portfolio}} = \sum(\text{Emissions intensity}_c \times \frac{\text{Financed production}_c}{\text{Financed production}_{\text{Portfolio}}})$$

Proxies	Scope 3 emissions: The model does not use reported scope 3 category 11 emissions, and instead calculates them using emission factors. The emission factors for ICE vehicles are sourced from the US EPA for a singular region (due to the lack of an exhaustive database covering other regions) and converted using a regional coefficient sourced from the IEA.
Key assumptions and limitations	1. Scope 2 inclusion: Where market-based scope 2 emissions are not available, location-based scope 2 emissions are used instead. The location-based method is based on intensity factors for the grids on which companies operate, whereas the market-based method uses emission factors based on actual electricity purchased, making the latter more representative.[1] 2. Methane materiality: A methane adjustment is not included in the automotive scenario benchmark due to low materiality. The US EPA states that automobiles produce methane through tailpipe and hydrofluorocarbon emissions from leaking air conditioners, although these emissions are small in comparison to CO_2.[2] It is estimated that methane accounts for 0.3 to 0.4% of CO_2 emissions.[3] 3. Emissions data availability: The lack of an exhaustive emissions dataset for all LDVs results in the use of proxies. For example, for ICEs, where fuel economy and tailpipe emissions are not available for all vehicle models, vehicle category (e.g. sedan, SUV) averages are used to fill data gaps. 4. ICE WtW conversion factor: A 0.2 conversion factor sourced from the IEA's GFEI report is used to extrapolate the TtW emission which are collected from the US EPA, to WtW emissions. This applies to ICEs only. 5. EV emissions: WtT emissions are based on the fuel economy (from US EPA) and regional grid factors (from NGFS). TtW emissions are assumed to be zero for EVs. 6. Fleet production scope: The model only includes new fleet production per manufacturing year, as opposed to the entire fleet in operation, due to the lack of data. 7. Vehicle lifetime: 200,000 km is the vehicle lifetime assumed for both ICEs and EVs as per IEA's GFEI report. The mileage is used for the total financed emissions calculations only.
Data sources	1. Climate-related data includes emissions, financial data, and production data. For these, Credit Suisse leverages data from various reporting platforms, ranging across third-party providers, company reports, and publications (such as Annual/Sustainability Reports) published by our clients, internal data systems, and more. Credit Suisse has a pecking order for each data point, which is generally in line with PCAF's data quality score. 2. Data is sourced at legal entity level as a priority. When entity-level data is not available for a given counterparty, data is populated using data sourced from the counterparty's parent company.
Scenario choice	IEA NZE 2050 (adjusted). The scenario has been adjusted to integrate both ICE and EV WtW data points for the emissions intensity calculation of new fleet. The scenario extension accounts for expected IEA sales of EVs by 2030.
Results	2021 Baseline: 191 gCO_2/vkm 2022 Preliminary results: 227 gCO_2/vkm
2030 goal	51% reduction in intensity from a 2021 baseline year. This corresponds to an intensity goal of 94 gCO_2/vkm by 2030 for Credit Suisse.
Scenario selection justification	One of the most widely recognized net zero scenarios in the industry.

[1] Scope 2 Guidance. Greenhouse Gas Protocol. https://ghgprotocol.org/sites/default/files/Scope2_ExecSum_Final.pdf
[2] EPA Greenhouse Gas Emissions from a Typical Passenger Vehicle https://www.epa.gov/greenvehicles/greenhouse-gas-emissions-typical-passenger-vehicle#other-than-%20tailpipe
[3] Methane emissions from vehicles. National Library of Medicine. – PubMed (nih.gov) https://pubmed.ncbi.nlm.nih.gov/15112800/

Credit Suisse Group AG
Shipping (Poseidon Principles 2022 disclosure)

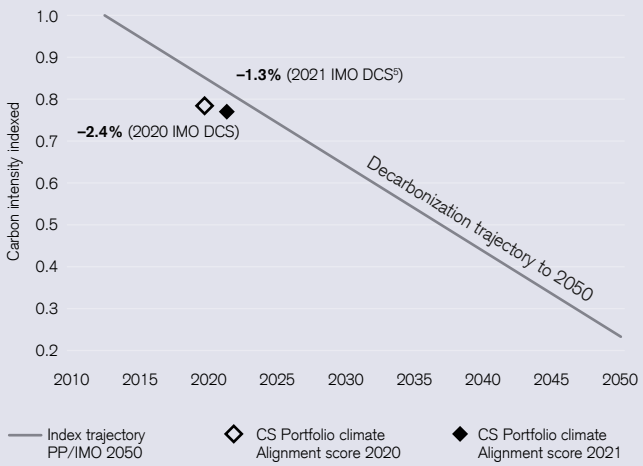
Purpose of the metric: To support our clients in the shipping sector to transition in line with our commitment to the Poseidon Principles (PP). The PP are a framework for assessing and disclosing, on an annual basis, the climate alignment of in-scope ship finance portfolios (individual vessels weighted by their loan exposure with the reporting financial institution) to the International Maritime Organization's (IMO) ambition to reduce absolute greenhouse gas emissions from shipping by at least 50% by 2050 (against 2008 levels).

The first public disclosure of Credit Suisse's climate alignment took place through the PP organization in December 2021, alongside 22 reporting co-signatories.[1] This was based on 2020 data. IMO's data collection regime is for each whole year, in arrears, with data collection being verified during the first half of the following year and provided to financiers thereafter. The PP initiative has since grown to 30 signatories, indicating that it is becoming well established in the ship finance industry, and in December 2022 Credit Suisse made its second annual disclosure (based on 2021 data).[2]

Coverage: Credit Suisse's reported portfolio ("Portfolio") is comprised of in-scope vessels financed by the bank with individual vessel emissions assessed based on client data, all in accordance with the PP's technical guidance.

Direction: Credit Suisse has a focus on modern, energy efficient tonnage operated by shipowners. We aim to ensure that, notwithstanding fluctuations (largely due to vessel operational reasons and global market trends), our Portfolio remains as closely aligned as possible to the decarbonization trajectory as we support our clients in their transition to sustainable business models.

Portfolio climate alignment[4]



Credit Suisse portfolio alignment to PP trajectory

– 1.3% Below

Key takeaways

Progress against goals: Credit Suisse's portfolio alignment score, based on 2021 data with a response level of c. 96% due to close client engagement and increased market awareness of PP, shows our portfolio to be 1.3% below the PP trajectory. It is important to note that the result in future years will be influenced by external factors such as vessel operations, market trends and the availability of new technology and fuels.

Market context: Maritime transportation represents about 80% of global trade volume,[3] remaining both vital for sustainable global development and food distribution and the most environmentally friendly method for carriage of goods (per gCO_2/ton-km). Recent years have seen increased attention on shipping emissions and continual improvements in vessel efficiency and industry awareness.

The European Union Emission Trading System (which will progressively incorporate maritime transportation starting in 2024) and new vessel regulations – including the Energy Efficiency Existing Design Index (EEXI) and Carbon Intensity Indicator (CII) required by 2023 – are likely to assist in driving energy-saving technology design, retrofitting, installation, and operational improvements to reduce emissions. However, the pathway towards a decarbonized industry is still being developed and solutions need to be deployed to make the transition to sustainable business models in the maritime industry possible.

Future direction: Since Credit Suisse became a signatory two years ago, the PP have formed part of our sustainability assessment, which is an integral part of our ship financing strategy. We are focused on supporting our clients in the steps required to reduce their fleet's carbon intensity in line with their wider sustainability objectives. The transparency of data, and initiatives including the PP, assist in informing and supporting our client discussions.

Achieving long-term alignment of portfolios to the trajectory will require further improvements in energy efficiency and policies to facilitate the large-scale deployment of low-carbon technologies and fuels.

Technical corner

- The PP currently relies on the Annual Efficiency Ratio (AER) as a carbon intensity metric: gCO_2/dwt-nm, calculated from each vessel's fuel consumption, distance travelled, and deadweight tonnage. AER is compared against the trajectory value of the corresponding type/size category to determine the vessel's alignment. There remains industry discussion on appropriate methodologies (such as AER and Energy Efficiency Operational Index) to measure shipping emissions, decarbonization trajectories and the means to drive improvement.
- Adjustment of the IMO trajectory is anticipated in 2023 to reflect latest economic, scientific, and regulatory developments.
- The trajectory currently defined under Poseidon Principles is not net zero 1.5°C aligned
- In September 2022, PP announced that it had committed to adopting an emissions reduction trajectory in line with 1.5°C Paris-aligned commitments as soon as such a trajectory or trajectories become available.
- In December 2022, the Science-Based Targets initiative published a framework for shipping industry companies in relation to 1.5°C goals.
- It is expected that 2023 will include further refinement or alignment of trajectories and methodologies. Credit Suisse remains committed to external reporting on the basis of the PP methodology (as updated) as the current industry standard among ship financiers.

[1] Poseidon Principles' 2021 annual disclosure reporting is published under: https://www.poseidonprinciples.org/finance/wp-content/uploads/2021/12/Poseidon-Principles-Annual-Disclosure-Report-2021.pdf
[2] Poseidon Principles' 2022 annual disclosure reporting is published under: https://www.poseidonprinciples.org/finance/wp-content/uploads/2022/12/Poseidon-Principles-Annual-Disclosure-Report-2022.pdf
[3] https://unctad.org/topic/transport-and-trade-logistics/review-of-maritime-transport
[4] Climate alignment at the portfolio level is the % difference between a portfolio's carbon intensity and the decarbonization PP trajectory at the same point in time
[5] IMO Data Collection System

PCAF data quality score description

The Partnership for Carbon Accounting Financials (PCAF) data quality score is calculated in accordance with the data quality score tables provided by PCAF in their Financed Emissions Standard (first edition).

Score	Description	Credit Suisse application
1	Verified reported emissions.	Reported emissions sourced from the Carbon Disclosure Project (CDP) that have been classified as PCAF score 1 by CDP are used (except for CRE and automotive scope 3 emissions).
2	Unverified reported emissions.	Reported emissions sourced from CDP that have been classified as PCAF score 2 by CDP, or company-reported emissions from sustainability reports and annual reports are used (except for CRE and automotive scope 3 emissions.
3	Physical-activity based emissions based on the company's production data and emission factors specific to that data.	▪ Oil, gas, and coal: company production by fuel type in GJ (e.g. coal, gas, oil) is multiplied by emission intensity factors from IPCC. ▪ Power generation: electricity generated by fuel type multiplied by emission intensity factors sourced from NGFS scenario data. ▪ Iron and steel and aluminum: asset-level production data (e.g. tons of steel produced) is used to estimate emissions. ▪ Automotive: production-based proxy. ▪ CRE: not used.
4	Economic-activity based emissions based on the company's revenue and emission factor for the sector per unit of revenue.	▪ Used for oil, gas, and coal scope 1 and 2 emissions only. ▪ Note that for CRE, a score of 4 is applied as the proxy is calculated using the estimated building energy consumption per floor area based on building type and location-specific statistical data and the floor area of the property (separate PCAF data quality score tables are provided for CRE).
5	Economic-activity based emissions using emission factors for the sector per unit of asset (e.g. tCO_2e per dollar of asset in a sector) or based on asset turnover ratios towards lower-carbon emissions and net zero 2050 by pivoting financing towards lower-carbon fuels.	Not used for any sector.

A data quality score is assigned for each counterparty and then weighted by the value of the Exposure [NZ] to calculate the portfolio-weighted data quality score. The score is calculated separately for scope 1 and 2 emissions and scope 3 emissions for each sector.

See the PCAF data quality score section in the specific sector sections for the portfolio-weighted scores as of year-end 2021. PCAF data quality scores provided within this report correspond to year-end 2021 data rather than year-end 2022, due to the preliminary nature of our 2022 results. Due to the nature of our lending counterparties' emissions accounting timelines, PCAF data quality scores relating to year-end 2022 data will be made available in the future.

Metrics and goals for our investment portfolio

Methodology

The net zero goal-setting methodologies and guiding principles applied for both divisions are aligned with credible industry standards. Those industry standards include, among others, the Net Zero Investment Framework by the Institutional Investors Group on Climate Change (IIGCC) and the Global GHG Accounting and Reporting Standard for the Financial Industry developed by the Partnership for Carbon Accounting Financials (PCAF).

Once calculations at the investee level are in place, the data are aggregated at the Credit Suisse Asset Management and Credit Suisse Wealth Management level and then combined. Our methodology accounts for scope 1 and 2 emissions of all issuers held in our managed portfolios that are in scope and for scope 3 emissions for the issuers in the energy sector. The enterprise value and GHG emissions data that we apply to calculate the investment-associated emissions are obtained from research and data provider MSCI. The MSCI data are compiled through a process in which company filings are the primary source of information and web-based disclosures and estimated data are secondary. MSCI retroactively updates their data with the most recent figures provided by the issuers, and hence the emissions for the same period may differ if the data are extracted at a later date. In our calculations of investment-associated emissions, we have used the cut-off date of the export of the MSCI database as of November 3, 2022 for the Climate Action Plan that was published in December 2022. For the calculations in this report a new cut-off date was used as of January 30, 2023. It should be noted that our current calculations are based on third-party data providers and that changes in methodologies or data availability might affect investment-associated emissions and require re-baselining. If data are missing for 2019, 2020, or 2021, backward and forward filling is applied to the missing year.

Credit Suisse Asset Management and Credit Suisse Wealth Management both use the PCAF Global GHG Accounting and Reporting Standard for the Financial Industry methodology to calculate their investment-associated emissions. Here, the attribution factor is multiplied by the emissions of the respective investee company.

The total investment-associated emissions of a listed equity and corporate bond portfolio normalized by the invested amount are calculated as follows:

$$\text{Investment – associated emission intensity} = \frac{\sum_c \text{Outstanding amount}_c^{1}}{\text{Enterprise value including cash}_c} \times \text{Company emissions}_c$$

$$\text{Invested amount}$$

c = Investee company

Investment-associated emissions and progress

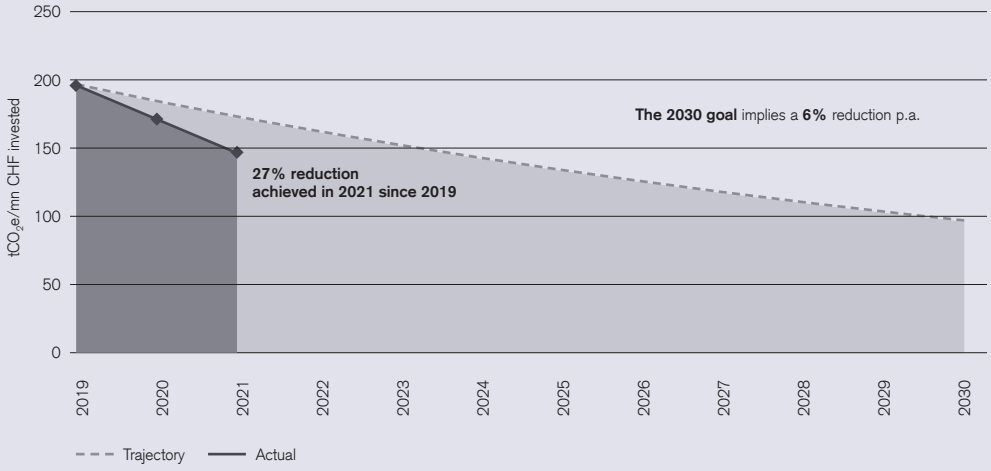
The latest data from 2020 and 2021 show that the investment-associated emissions in both intensity and absolute terms within Credit Suisse Asset Management and Credit Suisse Wealth Management for discretionary mandates managed within Investment Solutions and Sustainability (IS&S) continued to decrease between 2020 and 2021.

The investment-associated emissions in intensity terms and absolute terms decreased by 16% and 3%, respectively, between 2020 and 2021. Since 2019, investment-associated emissions in intensity terms and absolute terms have decreased by 27% and 5%, respectively. This means that Credit Suisse Asset Management and Credit Suisse Wealth Management are currently performing ahead of the intensity-based goal trajectory and are therefore well positioned to meet the 2030 interim goal.

The reduction in the emissions intensity achieved in 2021 is driven by general increases in market values of positions, mostly due to post COVID-19 recovery, and in part because of rebalancing positions within the energy sector. Since the emissions intensity decrease is mostly driven by increased market value, the 27% reduction for 2021 might partially reverse in 2022.

The emissions intensity reductions are shown in the chart below.

Emissions intensity of Credit Suisse Asset Management and Credit Suisse Wealth Management[2]



[1] This is the actual outstanding amount in listed equity or corporate bonds. The value of outstanding listed equity is defined based on its market value (i.e., market price times number of shares), and the value of outstanding corporate bonds is defined based on the book value of the debt that the borrower owes to the lender.
[2] For Credit Suisse Wealth Management, this refers to discretionary mandates within Investment Solutions and Sustainability (IS&S).

Metrics and goals for our investment portfolio

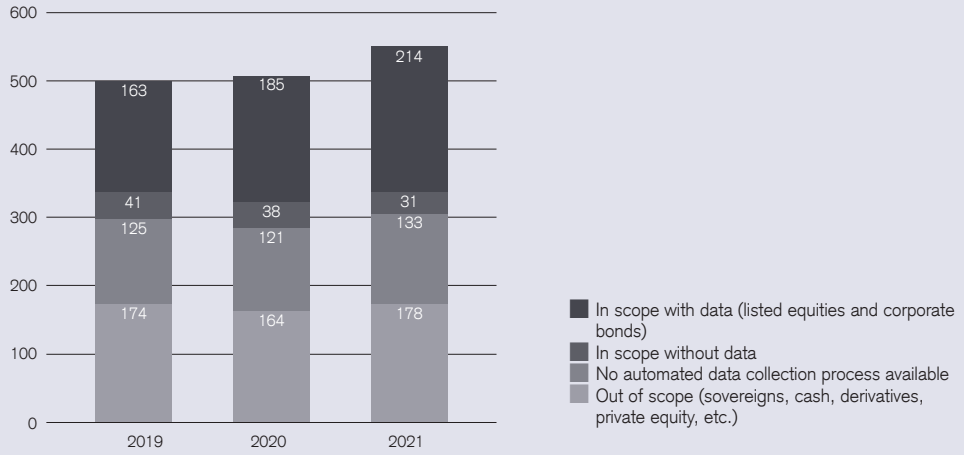
The following table shows the investment-associated emissions in intensity and absolute terms for 2019, 2020, and 2021.

Investment-associated emissions (tCO_2e) and emissions intensity (tCO_2e per CHF million invested)[1]

	2019		2020		2021	
Metric	tCO_2e	tCO_2e per CHF million invested	tCO_2e	tCO_2e per CHF million invested	tCO_2e	tCO_2e per CHF million invested
Credit Suisse Asset Management	26,165,406	186	26,126,667	162	24,859,073	135
Credit Suisse Asset Management and Credit Suisse Wealth Management	32,045,782	196	31,439,331	170	30,578,651	143

Note: The data covers investment-associated scope 1 and 2 emissions for all sectors and scope 1 to 3 emissions for the energy sector. Due to current scope 3 data limitations, with 73% and 72% of identified energy company's scope 3 data available in 2020 and 2021, respectively, absolute emissions could be understated and could therefore be adjusted in the future when scope 3 data potentially improve further.

Combined AuM for Credit Suisse Asset Management and Credit Suisse Wealth Management[2]



Due to the current lack of available data, it is not possible to accurately measure the investment-associated emissions of all our in-scope assets. Altogether, we were able to retrieve data to calculate the investment-associated emissions of 39% (CHF 214 billion) of the total AuM within Credit Suisse Asset Management and Credit Suisse Wealth Management for discretionary mandates managed within Investment Solutions and Sustainability (IS&S) in 2021. The 39% figure refers to the AuM marked as in scope with data (listed equities and corporate bonds).

Given the expected increase in the availability of sustainability data on the market in the years ahead, we anticipate that the situation will improve gradually. Our ambition is to include more assets over time in order to reach 100% coverage of our AuM in the long term so that we can achieve our net zero goal by 2050. With expected improvements in data coverage and the gradual addition of asset classes, it will be necessary to recalculate our baseline investment- associated emissions in the coming years. In this respect, we will closely follow industry standard methodology developments on re-baselining.

The following table shows the AuM in scope (in %) and AuM in scope with emission data (in %) for Credit Suisse Asset Management and Wealth Management

In-scope assets under management in % and in-scope assets under management with emissions data in %

	2019		2020		2021	
Metric	In-scope AuM in %	In-scope AuM with emission data in %	In-scope AuM in %	In-scope AuM with emission data in %	In-scope AuM in %	In-scope AuM with emission data in %
Credit Suisse Asset Management	41%	32%	44%	37%	44%	39%
Credit Suisse Asset Management and Credit Suisse Wealth Management[2]	41%	32%	44%	36%	44%	39%

In-scope AuM are expressed as a share of the total AuM of Credit Suisse Asset Management including pooled funds and discretionary mandates and Credit Suisse Wealth Management for discretionary mandates managed within Investment Solutions and Sustainability (IS&S). For Credit Suisse Asset Management excluded locations include Americas and APAC. For Credit Suisse Wealth Management excluded locations include Spain, Brazil, and Mexico.

[1] We published our Climate Action Plan in December 2022, which contained metrics for emissions and in scope AuM for 2019 and 2020. We have subsequently updated these metrics for both Credit Suisse Asset Management and Credit Suisse Wealth Management combined, due to improved emissions data availability.
[2] For Credit Suisse Wealth Management, this refers to discretionary mandates within Investment Solutions and Sustainability (IS&S).

Credit Suisse Group AG
Exposures to carbon-related and climate-sensitive sectors[1]

Purpose: To provide transparency on financing to carbon-related[2] and climate-sensitive sectors.

Coverage: Credit Suisse's lending exposure is CHF 380.2 billion. The exposure view is based on the internal metric "potential exposure" not reflecting collateral and other credit risk mitigation.

Direction: Credit Suisse is working with clients to support their transition to low-carbon and climate-resilient business models. During 2022, we saw a significant reduction for the oil, gas, and coal mining sectors, in part as a result of the application of the Client Energy Transition Frameworks and sector policies. The future direction of exposures in oil, gas, and coal mining is not expected to necessarily follow a straight line, as Credit Suisse continues to support firms in their energy transition efforts.

Exposures to key sectors

	Sector	2022 YE CHF mn	2021 YE CHF mn	2020 YE CHF mn	YoY CHF mn	YoY %
Carbon-related	Oil & gas	8,161	8,996	11,513	-835	-9%
	Metals and mining (coal)	242	585	924	-343	-59%
	Power generation (fossil fuels)	9,240	7,189	6,410	2,051	29%
Climate sensitive	Agriculture	785	885	568	-100	-11%
	Industrials – cement or concrete	574	780	546	-206	-26%
	Industrials – chemicals and pharmaceuticals	12,232	11,701	11,447	531	5%
	Industrials – machinery and equipment manufacturing	9,434	8,642	8,630	792	9%
	Industrials – textiles and clothing	493	573	353	-80	-14%
	Metals and mining (ex. coal)	4,136	3,935	4,284	201	5%
	Non-power generating utilities – sewage, waste management	808	549	388	259	47%
	Transportation	18,405	21,105	20,797	-2,700	-13%
	Commodity trade finance[4]	6,116	7,837	7,232	-1,721	-22%
Mortgage-related lending[5]		143,191	144,492	145,079	-1,301	-1%
Other lending – non-climate sensitive		166,346	201,778	198,281	-35,432	-18%
Total[6]		**380,163**	**419,047**	**416,453**	**-38,884**	**-9%**

Key takeaways

Credit Suisse's total potential exposure to carbon-related sectors increased to 4.6% from 4.0% of the total exposure[3] 2021. Exposure to the coal-mining sector has dropped by 59% to CHF 0.2 billion since year-end 2021 and in total by c.74% since 2020 due to implementation of sectorial policies; and for oil and gas, the exposure has decreased by 9% to CHF 8.2 billion. The CHF 2.1 billion increase in power generation is mainly driven by transactions for clients which have been classified as "Aligned" or "Strategic" due to an increasing share of renewable-energy production under the Client Energy Transition Framework. Overall, based on preliminary figures for 2022, the power generation lending portfolio of Credit Suisse is making significant progress toward the 1.5°C goal set for 2030.

Corporate lending to carbon-related and climate-sensitive sectors is approximately 18.6% (vs. 17.4% in 2021) of the total exposure, excluding mortgage-related lending, or 56.2% (vs. 51.8% in 2021) including mortgage-related lending. The marginal increases are driven by a lower total lending base as both decreased in absolute terms by 3% and 1.6%, respectively.

Technical corner

- The focus is to capture how much financing Credit Suisse provides to carbon-related or climate-sensitive businesses. We use the potential exposure metric, which takes into account both drawn and committed components.
- Potential exposure data is captured via an internal risk management metric as opposed to an accounting metric; this choice is in line with TCFD recommendations.
- Other lending includes potential exposure to sectors that are not generally classified as climate sensitive (e.g. financial institutions), as well as consumer lending.
- Carbon-related and climate-sensitive sectors are allocated based on client industry codes used in internal credit risk management processes (NAIC/ NOGA) and the sector selection is based on an internal assessment.
- The sector representation provides an aggregated view across a number of subsectors. Oil and gas include exploration and production, integrated companies, midstream and downstream companies (incl. pipelines and storage); the sector excludes traders and wholesalers. Coal focuses on extraction companies and supporting activities. Power generation (fossil fuels) – power generating companies, where more than 25% is gas/oil generated and/or 5% coal generated; transition and utilities companies.
- The climate sensitivity of mortgages from a transition-risk perspective depends on their current energy performance and potential for improvement. The figure reported is an aggregate figure, which does not take into account these aspects. Our classification approach is expected to evolve over time as data collection and risk management practices evolve.

[1] We have aligned the currency for this disclosure to Credit Suisse's reporting currency CHF this year. Credit Suisse previously reported this disclosure in USD. Comparative periods are converted at the spot rate as at 31st December 2020 and 2021.
[2] Carbon-related sectors are: Oil and gas, metals and mining (coal), power generation (fossil fuels).
[3] Direct lending.
[4] Including wholesale of solid, liquid, and gaseous fuels and related products, also agriculture and metals products. Commodity trade finance business includes, among others, activities which can be considered carbon-related. We are considering possible approaches to allocating these activities accordingly for the purpose of future disclosures.
[5] The full mortgage portfolio is considered – this includes a portion of energy-efficient buildings, e.g. properties adhering to Minergie standards.
[6] Asset finance exposures are not included in the metric.

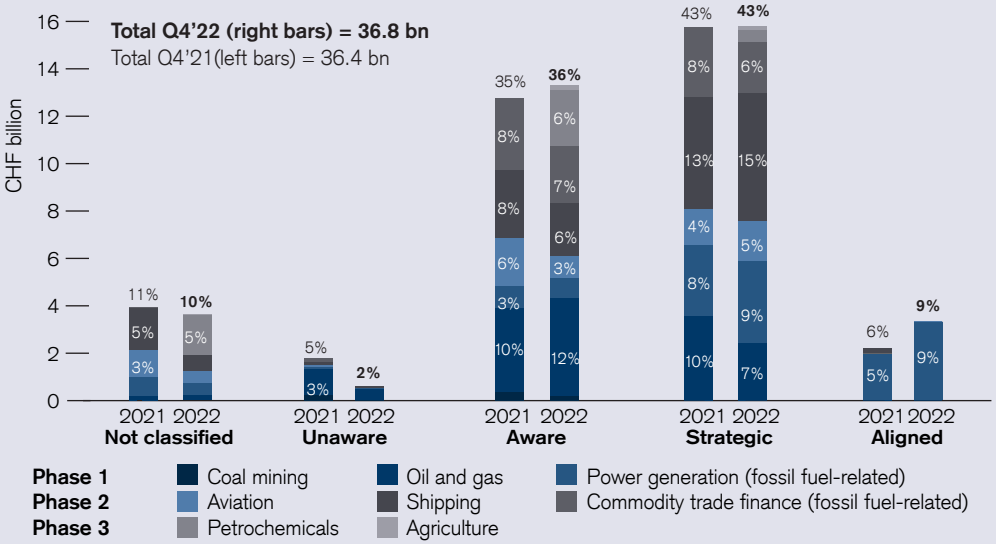
Credit Suisse Group AG
Client Energy Transition Framework (CETF) client categorization[1]

Purpose: To support Credit Suisse risk management and to support the transition of our clients toward Paris alignment.

Coverage: CETF covers oil and gas, coal mining, power generation (fossil fuel-related), shipping, aviation, commodity trade finance (fossil fuel-related), petrochemicals, and agriculture, with a CHF 36.8 billion in-scope lending portfolio. Petrochemicals and agriculture were newly added during 2022. Internal criteria, including the determination of clients with significant business activities in respective sectors based on a revenue-based threshold, are applied in order to define in-scope clients. As an example, companies with pure downstream operations (such as operating petrol stations) are out of scope for oil and gas and renewables companies are out of scope for power generation (fossil fuel-related). Commodity trade finance (fossil fuel-related), aviation assets, and shipping assets are in scope irrespective of the revenue-based threshold. Overall, CHF 12.4 billion potential exposure are out of scope.

Direction: The CETF is part of our risk management practices that seek to address the diverse risks that could arise from our business activities in line with our legal and regulatory obligations. For example, we aim to manage Credit Suisse's business, credit, and reputational risk exposure by assessing clients against the relevant CETF before transacting with them. Furthermore, corporate clients unaware of climate change may suffer significant headwinds from a creditworthiness perspective under a rapid decarbonization scenario. Consequently, we do not plan to engage in new lending or advisory activities for clients with the lowest categorization in terms of transition readiness.[2]

Client categorization[3]



Key takeaways

- Over the course of 2022, coverage of CETF categorizations reached overall 90% of potential exposure across all sectors (including the newly added petrochemical and agriculture sectors). All client categorizations with lending exposure have been reviewed. Ten percent of potential exposure remains to be classified in the context of new loan origination.
- As we do not engage in new lending or advisory activities for clients with the lowest categorization in terms of transition readiness, we have reduced the proportion of "Unaware" exposure from overall 5% in 2021 (CHF 1.8 billion) to 2% in 2022 (CHF 0.6 billion).
- The proportion of "Unaware" exposure in the newly added petrochemical and agriculture sectors has been very low compared to other in- scope sectors primarily due to the relatively progressed transition readiness of our client portfolio.
- Ten clients with an exposure of CHF 0.4 billion as of 2022 year-end made progress in their transition readiness and were upgraded from "Unaware" to "Aware" (mostly in the oil and gas sector).
- Furthermore, more than 30 clients with an exposure of approximately CHF 1.5 billion as of 2022 year-end showed significant improvements in their transition readiness and were upgraded either from "Aware" to "Strategic" or from "Strategic" to "Aligned" – in both cases a large portion of such clients are operating in the power generation (fossil fuel-related) sector, supporting progress towards our 64% reduction goal.

Technical corner

- The client selection for the CETF metric is based on client industry codes used in internal credit risk management processes (NAIC/NOGA), consistently with client allocation used for reporting of "Exposure to carbon-related and climate-sensitive sectors."
- Out-of-scope client exposure (CHF 12.4 billion) is not shown. Most of the out-of-scope exposure is contributed by chemical companies which do not produce petrochemical products (e.g. pharmaceutical companies). Aggregating in-scope and out-of-scope exposure allows for a reconciliation with the "Exposure to carbon-related and climate-sensitive sectors" reporting of Credit Suisse Group AG.
- The results are calculated based on the potential exposure metric that takes into account both drawn and committed components in line with the reporting of "Exposure to carbon-related and climate-sensitive sectors."
- We use an exposure-weighted measure to show the portfolio split across CETF categories. Percentage values are displayed on the chart for values rounding to at least 3%.
- Note: The internal CETF framework could classify additional companies whose primary business and sectoral NAIC/NOGA code is not allocated to carbon-related and climate-sensitive sectors (e.g. conglomerates with diversified business areas if they have significant activities in industries covered by CETF scope). This exposure is not shown.

[1] Unaware – Little to no evidence of steps towards transition; Aware – Identifies and manages risks; Strategic – Transition strategy in place; Aligned – Overall business is aligned to the Paris Agreement.
[2] Please refer to "Credit Suisse's process for management of Climate-related risks – Client Energy Transition Framework (CETF)' in our 2022 Sustainability Report and TCFD Report for more detail.
[3] We have aligned the currency for this disclosure to Credit Suisse's reporting currency CHF this year. Credit Suisse previously reported this disclosure in USD. Comparative periods are converted at the spot rate as of December 31, 2021.

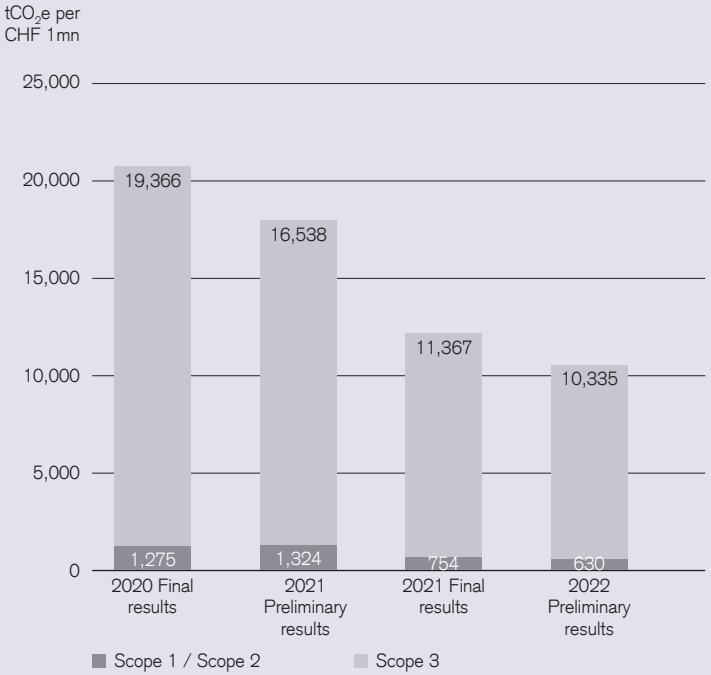
Credit Suisse Group AG – loans to upstream fossil fuel producers Weighted Average Carbon Intensity[1] (WACI)[2]

Purpose: To support the transition to lower carbon emissions and net zero 2050 by pivoting financing towards lower-carbon fuels. This intensity metric builds on the TCFD recommendations.

Coverage: Lending to companies running upstream production activities with potential exposure above CHF 1 million. Total exposure coverage for this metric, focused on upstream operations only, is CHF 4.1 billion out of the overall CHF 8.4 billion potential exposure to the wider oil, gas, and coal sector. The calculation coverage is 43 out of 43 clients for 2022 interim results,[3] which means that we have a full set of data for all the clients. For 2021, final results the data coverage is also 100%.

Direction: We expect the WACI metric to decrease as we progressively reduce coal-related financing. Further future reductions in intensity will depend on technological advances to apply techniques such as carbon, capture and storage (CCS) to abate emissions related to the use of oil and gas. The Client Energy Transition Framework also supports the direction toward low-carbon financing.

Weighted Average Carbon Intensity (WACI)



- **Scope 1** covers direct emissions
- **Scope 2** covers indirect emissions from the generation of purchased electricity, steam, heating, and cooling consumed
- **Scope 3** covers supply chain and "end-product emissions"[4]

Key takeaways

- The metric shows the potential exposure weighted CO_2 tons attributable to CHF 1 million of revenues of companies financed by Credit Suisse in the sub-sector of upstream fossil fuel producers.
- The WACI metric has decreased by 9.5% year-on-year (preliminary 2022 results vs. final 2021) and 47% from 2020. This performance has been mainly driven by the reduction in exposure to coal-focused companies.
- Scope 3 emissions covering the use of fossil fuel produced are included in the metric, which is key for this sub-sector, in order to drive our financing toward less carbon-intensive products.
- Comparability is limited across peer banks, as WACI has not been widely disclosed to date.

Restatement

- The 2021 preliminary results were based on lending exposures for 2021 year-end but utilized client data on financials, emissions, and production for the 2020 year-end. This is due to the time lag on availability of client data and therefore updated to reflect 2021 final results. Similarly, the 2022 preliminary results reported will be restated to final results in 2023 report.
- As a result of the updated input data, the WACI metric has decreased by 32.1% to 12,121 tCO_2e per CHF 1 million. This is mainly driven by an increase in in-scope clients' revenues.

Technical corner

- The metric focuses on the fossil fuel upstream producers and integrated companies with potential exposure gross of credit mitigation and other forms of collateral with exposure amounting to CHF 1 million and up.
- Data definition and data collection are critical elements for the metric. The WACI metric leverages the same data-related definitions and processes applied in the net zero trajectory.
- As a result of efforts made, the data coverage has increased to 100% of the in-scope exposure. This is in line with the 100% data coverage for 2021, while it represents a significant improvement compared to the 79% coverage reported within TCFD 2020 report.
- Scope 3 emissions, where not available, have been estimated applying conversion factors on production volume, following the Intergovernmental Panel on Climate Change (IPCC) approach. For further details, refer to Net zero trajectory – oil, gas, and coal technical summary.

$$\text{WACI} = \sum\left(\frac{\text{Potential exposure}_C}{\text{Potential exposure}_{Portfolio}} \times \frac{\text{Total scope 1, scope 2 \& scope 3 emissions}_C}{\text{Company revenues}_C}\right)$$

[1] With the intensity metric building upon TCFD recommendations.
[2] We have aligned the currency for this disclosure to Credit Suisse's reporting currency CHF this year. Credit Suisse previously reported this disclosure in USD. Comparative periods are converted at the spot rate as of December 31, 2020 and 2021.
[3] The interim results are based on the 2021 emissions and financial data inputs, where available, and are expected to be updated in the following reporting cycle as the 2022 information becomes available.
[4] End use scope 3 emissions refer to the scope 1 and scope 2 emissions of end users. End users include both consumers and business customers that use final products, e.g. emissions related to the electricity production based on the produced coal.

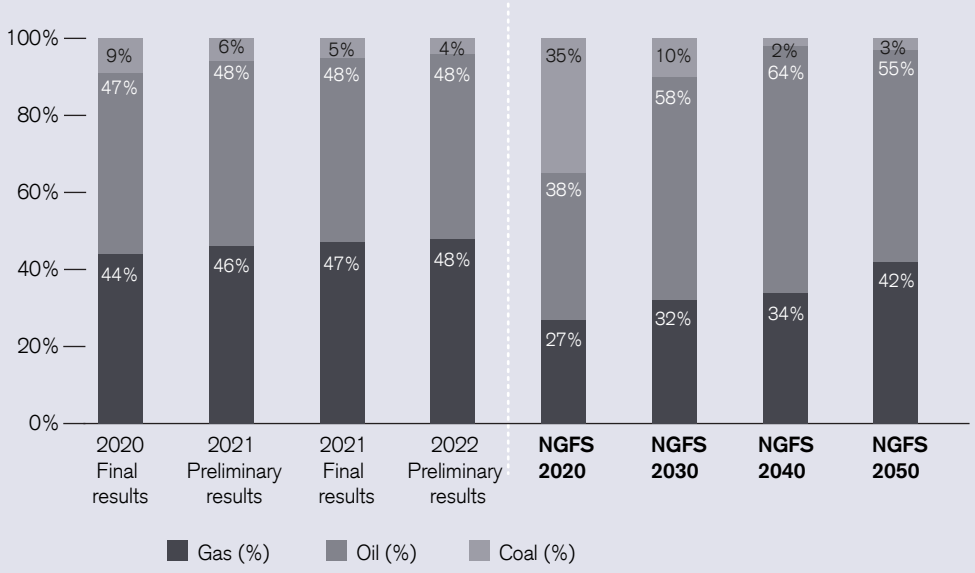
Credit Suisse Group AG – loans to upstream fossil fuel producers
Fossil fuel production mix

Purpose: To support transition to lower carbon emissions and net zero 2050 by pivoting financing toward lower-carbon fuels. We leverage the Network for Greening the Financial System (NGFS) Divergent Net Zero[1] scenario, which provides a reference to the changes in the fossil fuel mix.

Coverage: Lending to companies running upstream production activities with potential exposure above CHF 1 million. Total exposure coverage for this metric, focused on upstream operations only, is CHF 4.1 billion out of the overall CHF 8.4 billion potential exposure to the wider oil, gas, and coal sector. The calculation coverage is 43 out of 43 clients for 2022 interim results,[2] which means that we have a full set of data for all the clients. For 2021, final results, the data coverage is also 100%.

Direction: Our fossil fuel production mix is ahead of the NGFS mix trajectory to reduce coal-related financing. Although this is an encouraging starting point, we recognize that absolute volumes will also need to decrease significantly to reach a "net zero" alignment. The net zero goal and sector policy are expected to support the alignment to the NGFS benchmark.

Production mix



Key takeaways

- Credit Suisse's mix of proportionate lending to the largest clients in the oil, gas, and coal sub-sector is ahead of the overall alignment trajectory set by NGFS.
- The overall performance demonstrates a flat proportion of oil in Credit Suisse's fossil fuel production mix. While the overall coal exposure has reduced, this effect is mitigated by weighting. The 4% of the total energy coal-related output is below the 2030 NGFS Divergent Net Zero goal. Furthermore, the proportion of gas-related output has increased to 48% from the original 44% portion in 2020.
- The reported metric focuses on the production mix only. In previous years, a complementary metric on the exposure-weighted financed energy output was also provided. Such a complementary metric has been retired given that it offered limited insight into the production mix of fossil fuel companies, which is the purpose of this section.

Technical corner

- The metric focuses on the fossil fuel upstream producers and integrated companies with potential exposure gross of credit mitigation and other forms of collateral with exposure amounting to CHF 1 million and up.
- NGFS Divergent Net Zero is used as a reference trajectory toward Paris alignment. The NGFS Divergent Net Zero scenario reflects Credit Suisse's ambition to protect the planet from 1.5°C of warming and is aligned with Credit Suisse' net zero strategy.
- Production mix is determined based on the production output per fossil fuel type (oil, gas, coal). For each counterparty, their total production is converted to energy output denominated in exajoules (EJ). Weighting is applied using Credit Suisse's exposure to each client as a base, and for each fossil fuel type the relative percentage is calculated.
- Compared to the previous year, we have restricted the focus of the metric only to the relative fossil fuel production mix – the core metric in consideration. The overall development of absolute financed emissions in the oil, gas, and coal sectors is represented under the dedicated net zero metric and respective goal.

Restatement

- The 2021 preliminary results were based on lending exposures for 2021 year-end but utilized client data on financials, emissions, and production for the 2020 year-end. This is due to the time lag on availability of client data and therefore updated to reflect 2021 final results. Similarly, the 2022 preliminary results reported will be restated to final results in 2023 report.
- As a result, the 2021 preliminary results were restated to 2021 final results for coal (from 6% to 5%), oil (stable at 48%), and gas (from 46% to 47%).

[1] See Network for Greening the Financial System, NGFS Climate Scenarios for central banks and supervisors, June 2020.
[2] The interim results are based on the 2021 emissions and financial data inputs, where available, and are expected to be updated in the following reporting cycle as the 2021 information becomes available.

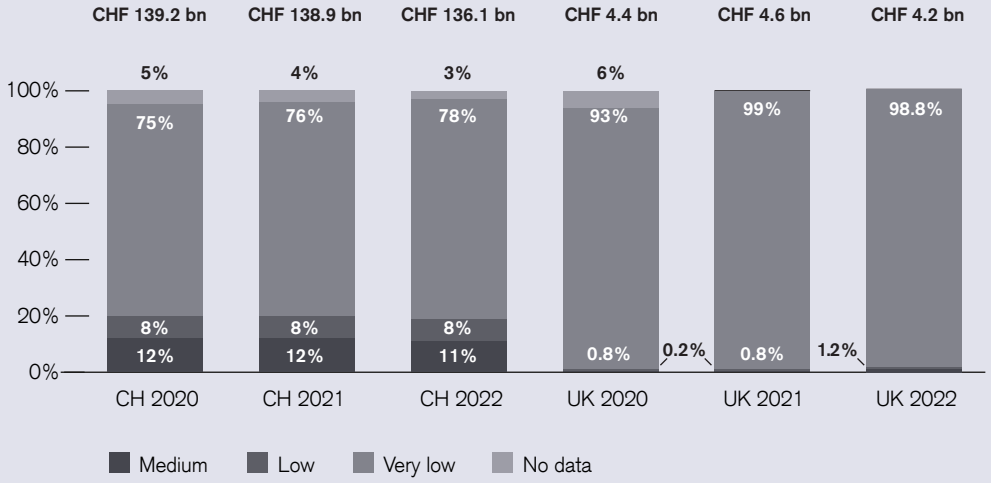
Credit Suisse Group AG – Switzerland and UK real estate Flooding risk – real estate financing[1]

Purpose: In line with SASB recommendations, we believe that disclosure of climate change in lending analysis will allow shareholders to determine which mortgage finance firms are best positioned to protect value in light of environmental risks.

Coverage: Swiss and UK real estate financed portfolio. Swiss: 176,321 properties with total outstanding loan exposure of CHF 136.1 billion. UK: 316 properties with total outstanding loan exposure of CHF 4.2 billion. The data for the Swiss-based properties allowed for 97% of the properties analysis being performed at the geolocation level. The Swiss portfolio has noted a steady marginal data coverage improvement.

Direction: Largely dependent on how flooding risk probability maps evolve as physical risk becomes more prominent in a warming planet.

Flooding risk – Switzerland and UK real estate



Key takeaways

- Credit Suisse's financed mortgages are expected to be largely protected from fluvial flooding risk as a result of geographical location in Switzerland and the UK.
- In Switzerland, 11% of property exposures are in the "Medium" zone (a chance of a flooding once in 31-100 years), driven by the topography of the country, a marginal change year-on-year from 12% in 2021.
- The majority of the UK-financed properties are based in Central London, where a strong flooding protection system is in place; as a result, Credit Suisse's financed real estate displays lower flooding risk than UK real estate in general. For the 2022 reporting period, there are no properties within the "Medium" risk in the UK.
- The UK portfolio has approximately 99% of the properties in the "Very low" flooding risk category.
- According to the Notre Dame Global Adaptation Initiative (2020), Switzerland and the UK have low vulnerability to physical risk, as they are the safest and fifth-safest countries in the world, respectively.

Technical corner

- Mortgages financed by Credit Suisse have been linked to externally developed flooding risk maps.
- In 2021 we introduced a new methodology to link the Swiss mortgage data geolocations with governmental building and street registries.
- These improvements allow for more accurate reporting. The 2021 European floods could potentially affect the probabilities in the regional flooding maps. However, at the time of reporting, we have not seen material changes of such probabilities.
- For the Swiss properties Credit Suisse leverages flooding risk categorization from Bundesamt für Statistik; and for the UK properties – UK Environmental Agency.
- The accuracy of results presented is inherently limited due to the quality of available input data. Non-exhaustive examples of these data limitations include: (1) For UK properties, flooding risk is assigned based upon post codes and not the full property address for privacy reasons, resulting in an approximation of the actual flooding risk. (2) In Switzerland, flooding risk is assigned to properties based upon a specific set of GPS coordinates, which may not be fully indicative of the actual flooding risk some larger properties are subject to.

Risk of flood categories:
High – each year, there is a chance of flooding greater than 1 in 30 (3.3%)
Medium – each year, chance of flooding between 1 in 31 (3.3%) and 1 in 100 (1%)
Low – each year, chance of flooding between 1 in 101 (1%) and 1 in 1000 (0.1%)
Very low – each year, chance of flooding of less than 1 in 1001 (0.1%)

[1] We have aligned the currency for this disclosure to Credit Suisse's reporting currency CHF this year. Credit Suisse previously reported this disclosure in USD. Comparative periods are converted at the spot rate as of December 31, 2020 and 2021.

Credit Suisse AG
Exposures to carbon-related and climate-sensitive sectors[1]

Purpose: To provide transparency on financing to carbon-related[2] and climate-sensitive sectors.

Coverage: Credit Suisse's lending exposure is CHF 157.5 billion. The exposure view is based on the internal metric "potential exposure" not reflecting collateral and other credit risk mitigation.

Direction: Credit Suisse is working with clients to support their transition to low-carbon and climate-resilient business models. During 2022, we saw a significant reduction for oil, gas, and coal mining sectors, in part as a result of the application of the Client Energy Transition Frameworks and sector policies. The future direction of exposures in oil, gas, and coal mining is not expected to necessarily follow a straight line, as Credit Suisse continues to support firms in their energy transition efforts.

Exposures to key sectors

	Sector	2022 YE CHF mn	2021 YE CHF mn	YoY CHF mn	YoY %
Carbon-related	Oil and gas	7,365	8,459	-1,094	-13%
	Metals and mining (coal)	236	575	-339	-59%
	Power generation (fossil fuels)	7,784	6,402	1,382	22%
Climate sensitive	Agriculture	551	722	-171	-24%
	Industrials – cement or concrete	91	328	-237	-72%
	Industrials – chemicals and pharmaceuticals	7,232	6,940	292	4%
	Industrials – machinery and equipment manufacturing	4,337	4,007	330	8%
	Industrials – textiles and clothing	312	367	-55	-15%
	Metals and mining (ex. coal)	2,774	2,713	61	2%
	Non-power generating utilities – sewage, waste management	560	388	172	44%
	Transportation	14,782	16,738	-1,956	-12%
	Commodity trade finance[4]	11	32	-21	-66%
Mortgage-related lending[5]		5,939	3,843	2,096	55%
Other lending – non-climate sensitive		105,528	135,932	-30,404	-22%
Total[6]		**157,502**	**187,446**	**-29,944**	**-16%**

Key takeaways

Credit Suisse AG's total potential exposure to carbon-related sectors increased to 9.8% from 8.2% of the total exposure[3] 2021. Exposure to the coal-mining sector dropped by 59% to CHF 0.2 billion due to implementation of sectorial policies; and for oil and gas the exposure decreased by 13% to CHF 7.4 billion. The CHF 1.4 billion increase in power generation is mainly driven by transactions for clients which have been classified as "Aligned" or "Strategic." Overall, based on preliminary figures for 2022, the power generation lending portfolio of Credit Suisse is making significant progress toward the 1.5°C goal set for 2030.

Corporate lending to carbon-related and climate-sensitive sectors is approximately 29.2% (vs. 25.4% in 2021) of the total exposure, excluding mortgage-related lending, or 33% (vs. 27.5% in 2021) including mortgage-related lending. The increases to climate-sensitive lending are driven by a lower total lending base and in absolute terms, the overall exposure to climate sensitive sectors has decreased by 3.4%.

Technical corner

- The focus is to capture how much financing Credit Suisse provides to carbon-related or climate-sensitive businesses. We use the potential exposure metric, which takes into account both drawn and committed components.
- Potential exposure data is captured via an internal risk management metric as opposed to an accounting metric; this choice is in line with TCFD recommendations.
- Other lending includes potential exposure to sectors that are not generally classified as climate sensitive (e.g. financial institutions), as well as consumer lending.
- Carbon-related and climate-sensitive sectors are allocated based on client industry codes used in internal credit risk management processes (NAIC/ NOGA) and the sector selection is based on an internal assessment.
- The sector representation provides an aggregated view across number of subsectors. Oil and gas includes exploration and production, integrated companies, midstream and downstream companies (incl. pipelines and storage); the sector excludes traders and wholesalers. Coal focuses on extraction companies and supporting activities. Power generation (fossil fuels) includes power generating companies, where more than 25% is gas/oil generated and/or 5% coal generated, transition, and utilities companies.
- The climate sensitivity of mortgages from a transition-risk perspective depends on their current energy performance and potential for improvement. The figure reported is an aggregate figure, which does not take into account these aspects. Our classification approach is expected to evolve over time as data collection and risk management practices evolve.

[1] We have aligned the currency for this disclosure to Credit Suisse's reporting currency CHF this year. Credit Suisse previously reported this disclosure in USD. Comparative periods are converted at the spot rate as of December 31, 2021.
[2] Carbon-related sectors are: Oil and gas, metals and mining (coal), power generation (fossil fuels).
[3] Direct lending.
[4] Including wholesale of solid, liquid, and gaseous fuels and related products, also agriculture and metals products. Commodity trade finance business includes, among others, activities which can be considered carbon-related. We are considering possible approaches on allocating these activities accordingly for the purpose of future disclosures.
[5] The full mortgage portfolio is considered – this includes a portion of energy-efficient buildings e.g. properties adhering to Minergie standards.
[6] Asset finance exposures are not included in the metric.

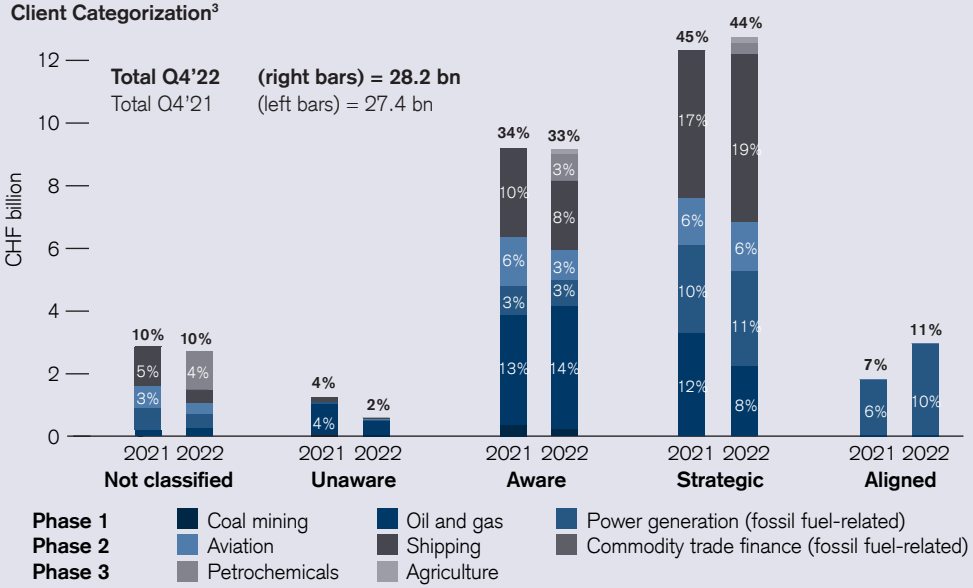
Credit Suisse AG
Client Energy Transition Framework (CETF) client categorization[1]

Purpose: To support Credit Suisse risk management and to support the transition of our clients toward Paris alignment.

Coverage: For Credit Suisse AG, the CETF covers oil and gas, coal mining, power generation (fossil fuel-related), shipping, aviation, commodity trade finance (fossil fuel-related), petrochemicals, and agriculture, with a CHF 28.2 billion in-scope lending portfolio. Petrochemicals and agriculture were added during 2022. Internal criteria, including the determination of clients with significant business activities in respective sectors based on a revenue-based threshold, are applied in order to define in-scope clients. As an example, companies with pure downstream operations (such as operating gas stations) are out of scope for oil and gas and renewables companies are out of scope for power generation (fossil fuel-related). Commodity trade finance (fossil fuel-related), aviation assets, and shipping assets are in scope irrespective of the revenue-based threshold. Overall, CHF 6.5 billion exposure are out of scope.

Direction: The CETF is part of our risk management practices that seek to address the diverse risks that could arise from our business activities in line with our legal and regulatory obligations. For example, we aim to manage Credit Suisse's business, credit, and reputational risk exposure by assessing clients against the relevant CETF before transacting with them. Furthermore, corporate clients unaware of climate change may suffer significant headwinds from a creditworthiness perspective under a rapid decarbonization scenario. Consequently, we do not plan to engage in new lending or advisory activities for clients with the lowest categorization in terms of transition readiness.[2]

Client Categorization[3]



Key takeaways

- Over the course of 2022, coverage of CETF categorizations reached overall 90% of potential exposure across all sectors (including the newly added petrochemical and agriculture sectors). All client categorizations with lending exposure have been reviewed. Ten percent of potential exposure remains to be classified in the context of new loan origination.
- As we do not engage in new lending or advisory activities for clients with the lowest categorization in terms of transition readiness, we have reduced the proportion of "Unaware" exposure from overall 4% in 2021 (CHF 1.2 billion) to 2% in 2022 (CHF 0.6 billion).
- The proportion of "Unaware" exposure in the newly added petrochemical and agriculture sectors has been very low compared to other in-scope sectors primarily due to the relatively progressed transition readiness of our client portfolio.
- Eight clients with an exposure of CHF 0.3 billion as of 2022 year-end showed progress in their transition readiness and were upgraded from "Unaware" to "Aware" (mostly in the oil and gas sector).
- Furthermore, almost 30 clients with an exposure of approximately CHF 1.4 billion as of 2022 year-end showed significant improvements in their transition readiness and were upgraded either from "Aware" to "Strategic" or from "Strategic" to "Aligned" – in both cases a large portion of such clients are operating in the power generation (fossil fuel-related) sector.

Technical corner

- The client selection for the CETF metric is based on client industry codes used in internal credit risk management processes (NAIC/NOGA), consistently with client allocation used for reporting of "Exposure to carbon-related and climate-sensitive sectors."
- Out-of-scope client exposure (CHF 6.5 billion) is not shown. Most of the out-of-scope exposure is contributed by chemical companies which do not produce petrochemical products (e.g. pharmaceutical companies). Aggregating in-scope and out-of-scope exposure allows for a reconciliation with our "Exposure to carbon-related and climate-sensitive sectors" reporting.
- The results are computed based on the potential exposure metric that takes into account both drawn and committed components in line with reporting of "Exposure to carbon-related and climate-sensitive sectors."
- We use an exposure-weighted measure to show the portfolio split across CETF categories. Percentage values are displayed on the chart for values rounding to at least 3%.
- Note – the internal CETF framework could classify additional companies whose primary business and sectoral NAIC/NOGA code is not allocated to carbon-related and climate-sensitive sectors (e.g. conglomerates with diversified business areas if they have significant activities in industries covered by CETF scope). This exposure is not shown.

[1] Unaware – Little to no evidence of steps towards transition; Aware – Identifies and manages risks; Strategic – Transition strategy in place; Aligned – Overall business is aligned to the Paris Agreement.
[2] Please refer to "Credit Suisse's process for management of climate-related risks – Client Energy Transition Framework (CETF)" in our 2022 Sustainability Report and TCFD Report for more detail.
[3] We have aligned the currency for this disclosure to Credit Suisse's reporting currency CHF this year. Credit Suisse previously reported this disclosure in USD. Comparative periods are converted at the spot rate as of December 31, 2021.

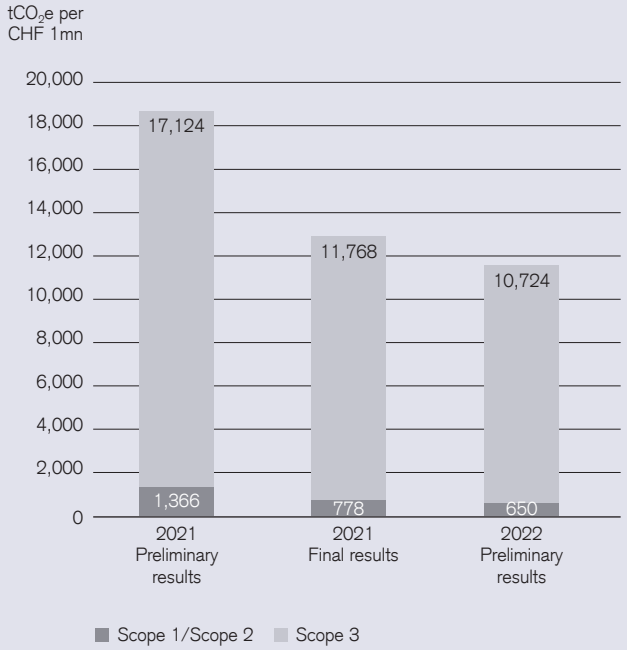
Credit Suisse AG – loans to upstream fossil fuel producers Weighted Average Carbon Intensity[1] (WACI)[2]

Purpose: To support the transition towards lower carbon emissions and net zero 2050 by pivoting financing towards lower-carbon fuels. This intensity metric builds on the TCFD recommendations.

Coverage: Lending to companies running upstream production activities with potential exposure above CHF 1 million. Total exposure coverage for this metric, focused on upstream operations only, is CHF 3.9 billion out of the overall CHF 7.6 billion potential exposure to the wider oil, gas, and coal sector. The calculation coverage is 42 out of 42 clients for 2022 interim results,[3] which means that we have a full set of data for all the clients. For 2021, final results the data coverage is also 100%.

Direction: We expect the WACI metric to decrease as we progressively reduce coal-mining-related financing. Further future reductions in intensity will depend on technological advances to apply techniques such as carbon, capture and storage (CCS) to abate emissions related to the use of oil and gas. The Client Energy Transition Framework also supports the direction toward low-carbon financing.

Weighted Average Carbon Intensity (WACI)



- **Scope 1** covers direct emissions
- **Scope 2** covers indirect emissions from the generation of purchased electricity, steam, heating, and cooling consumed
- **Scope 3** covers supply chain and "end-product emissions"[4]

Key takeaways

- The metric shows the potential exposure weighted CO_2 tons attributable to CHF 1 million of revenues of companies financed by Credit Suisse in the sub-sector of upstream fossil fuel producers.
- The WACI metric has decreased by 9.3% year-on-year (preliminary 2022 results vs. final 2021). This performance has been mainly driven by the reduction in exposure to coal-focused companies.
- Scope 3 emissions covering the use of fossil fuel produced are included in the metric, which is key for this sub-sector, in order to drive our financing toward less carbon-intensive products.
- Comparability is limited across peer banks, as WACI has not been widely disclosed to date.

Restatement

- The 2021 preliminary results were based on lending exposures for 2021 year-end but utilized client data on financials, emissions, and production for the 2020 year-end. This is due to the time lag on availability of client data and therefore updated to reflect 2021 final results. Similarly, the 2022 preliminary results reported will be restated to final results in 2023 report.
- As a result, the 2021 WACI metric has decreased by 32.1% to 12,546 tCO_2e per CHF 1 million. This is mainly driven by an increase in in-scope clients' revenues.

Technical corner

- The metric focuses on the fossil fuel upstream producers and integrated companies with potential exposure gross of credit mitigation and other forms of collateral with exposure amounting to CHF 1 million and up.
- Data definition and data collection are critical elements for the metric. The WACI metric leverages the same data-related definitions and processes applied in the net zero trajectory.
- As a result of efforts made, the data coverage has increased to 100% of the in-scope exposure. This is in line with the 100% data coverage for 2021.
- Scope 3 emissions, where not available, have been estimated applying conversion factors on production volume, following the Intergovernmental Panel on Climate Change (IPCC) approach. For further details, refer to Net zero trajectory – oil, gas, and coal technical summary.

$$\text{WACI} = \sum\left(\frac{\text{Potential exposure}_c}{\text{Potential exposure}_{\text{Portfolio}}} \times \frac{\text{Total scope 1, scope 2 \& scope 3 emissions}_c}{\text{Company revenues}_c}\right)$$

[1] With the intensity metric building upon TCFD recommendations.
[2] We have aligned the currency for this disclosure to Credit Suisse's reporting currency CHF this year. Credit Suisse previously reported this disclosure in USD. Comparative periods are converted at the spot rate as of December 31, 2021.
[3] The interim results are based on the 2020 emissions and financial data inputs, where available, and are expected to be updated in the following reporting cycle as the 2021 information becomes available.
[4] End-use scope 3 emissions refer to the scope 1 and scope 2 emissions of end users. End users include both consumers and business customers that use final products, e.g. emissions related to the electricity production based on the produced coal.

Credit Suisse AG – loans to upstream fossil fuel producers
Fossil fuel production mix

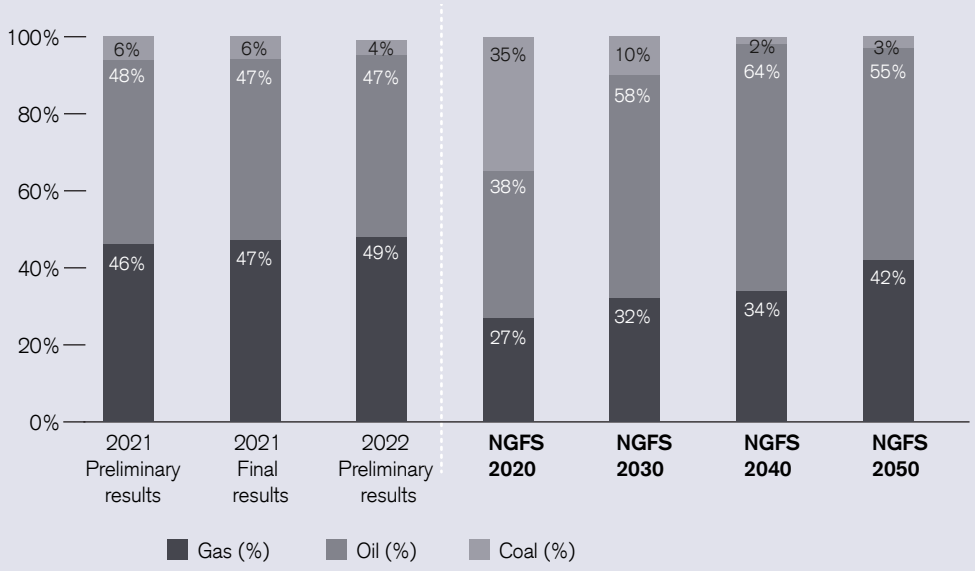
Purpose: To support the transition toward lower carbon emissions and net zero 2050 by pivoting financing toward lower-carbon fuels. We leverage the Network for Greening the Financial System (NGFS) Divergent Net Zero[1] scenario, which provides a reference to the changes in the fossil fuel mix.

Coverage: Lending to companies running upstream production activities with potential exposure above CHF 1 million. Total exposure coverage for this metric, focused on upstream operations only, is CHF 3.9 billion out of the overall CHF 7.6 billion potential exposure to the wider oil and gas sector.

The calculation coverage is 42 out of 42 clients for 2022 interim results,[2] which means that we have a full set of data for all the clients. For 2021, final results the data coverage is also 100%.

Direction: Our fossil fuel production mix is ahead of the NGFS mix trajectory to reduce coal-related financing. Although this is an encouraging starting point, we recognize that absolute volumes will also need to decrease significantly to reach a "net zero" alignment. The net zero goal and sector policy are expected to support the alignment to the NGFS benchmark.

Production mix



Key takeaways

- Credit Suisse's mix of proportionate lending to the largest clients in the oil, gas, and coal sub-sector is ahead of the overall alignment trajectory set by NGFS.
- The overall performance demonstrates a flat proportion of oil in Credit Suisse's fossil fuel production mix. While the overall coal exposure has reduced, this effect is mitigated by weighting. The 4% of the total energy coal-related output is below the 2030 NGFS Divergent Net Zero goal. The proportion of gas related output has increased to 49% from 47% portion in 2021 (preliminary 2022 results vs. final 2021).
- The reported metric focuses on the production mix only. In previous years, a complementary metric on the exposure-weighted financed energy output was also provided. Such a complementary metric has been retired given that it offered limited insight into the production mix of fossil fuel companies, which is the purpose of this section.

Technical corner

- The metric focuses on the fossil fuel upstream producers and integrated companies with potential exposure gross of credit mitigation and other forms of collateral with exposure amounting to CHF 1 million and up.
- NGFS Divergent Net Zero is used as a reference trajectory toward Paris alignment. The NGFS Divergent Net Zero scenario reflects Credit Suisse's ambition to protect the planet from 1.5°C of warming and is aligned with Credit Suisse's net zero strategy.
- Production mix is determined based on the production output per fossil fuel type (oil, gas, coal). For each counterparty, their total production is converted to energy output denominated in exajoules (EJ). Weighting is applied using Credit Suisse's exposure to each client as a base, and for each fossil fuel type the relative percentage is calculated.
- Compared to the previous year, we have restricted the focus of the metric only to the relative fossil fuel production mix – the core metric in consideration. The overall development of absolute financed emissions in the oil, gas, and coal sectors is represented under the dedicated net zero metric and respective goal.

Restatement

- The 2021 preliminary results were based on lending exposures for 2021 year-end but utilized client data on financials, emissions, and production for the 2020 year-end. This is due to the time lag on availability of client data and therefore updated to reflect 2021 final results. Similarly, the 2022 preliminary results reported will be restated to final results in 2023 report.
- As a result, the 2021 preliminary results were restated to 2021 final results for coal (stable at 6%), oil (from 48% to 47%) and gas (from 46% to 47%).

[1] See Network for Greening the Financial System, NGFS Climate Scenarios for central banks and supervisors, June 2020.
[2] The interim results are based on the 2021 emissions and financial data inputs, where available, and are expected to be updated in the following reporting cycle as the 2021 information becomes available.

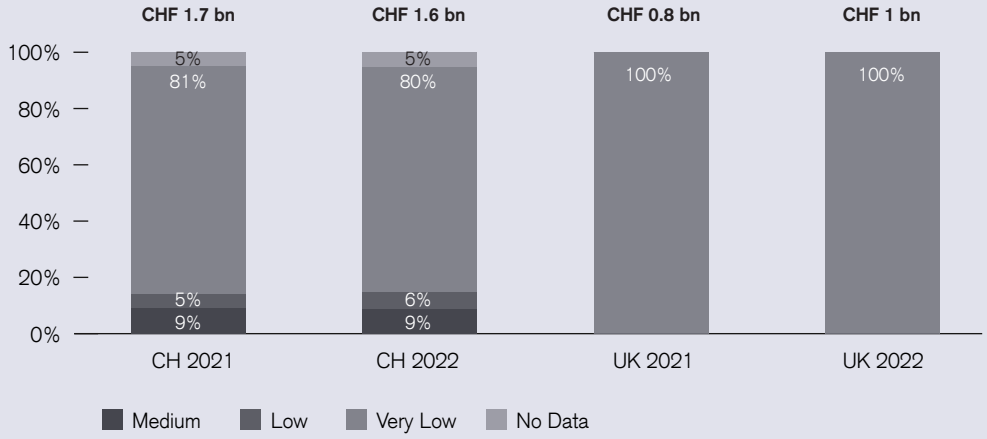
Credit Suisse AG – Switzerland and UK real estate Flooding risk – real estate financing[1]

Purpose: In line with SASB recommendations, we believe that disclosure of climate change in lending analysis will allow shareholders to determine which mortgage finance firms are best positioned to protect value in light of environmental risks.

Coverage: Swiss and UK real estate financed portfolio. Swiss: 1,093 properties with total outstanding loan exposure of CHF 1.6 billion. UK: 42 properties with total outstanding loan exposure of CHF 1.0 billion. The data for the Swiss-based properties allowed for in 95% of the properties analysis, being performed at the geolocation level.

Direction: Largely dependent on how flooding risk probability maps evolve as physical risk becomes more prominent in a warming planet.

Flooding risk – Switzerland and UK real estate



Key takeaways

- Credit Suisse's AG financed mortgages are expected to be largely protected from fluvial flooding risk, as a result of their geographical location in Switzerland and in the UK.
- In Switzerland, 9% of property exposures are in the "Medium" zone (a chance of a flooding once in 31 – 100 years), driven by the topography of the country, a marginal change year-on-year from 9% in 2021.
- The majority of the UK financed properties are based in Central London, where a strong flooding protection system is in place; as a result, Credit Suisse's financed real estate displays lower flooding risk than UK real estate in general.
- The UK portfolio has maintained data coverage with 100% of properties within the "Very low" flooding risk category. The Swiss portfolio has noted a steady marginal data coverage improvement.
- According to the Notre Dame Global Adaptation Initiative (2020), Switzerland and UK have low vulnerability to physical risk, as they are the safest and fifth-safest countries in the world, respectively.

Technical corner

- Mortgages financed by Credit Suisse have been linked to externally developed flooding risk maps.
- In 2021 we introduced a new methodology to link the Swiss mortgage data geolocations with governmental building and street registries.
- These improvements in data granularity year-on-year allow for more accurate reporting. The 2021 European floods could potentially affect the probabilities in the regional flooding maps. However, at the time of reporting, we have not seen material changes of such probabilities.
- For the Swiss properties Credit Suisse leverages flooding risk categorization from Bundesamt für Statistik; and for the UK properties – UK Environmental Agency.
- The accuracy of results presented is inherently limited due to the quality of available input data. Non-exhaustive examples of these data limitations include: (1) For UK properties, flooding risk is assigned based upon post codes and not the full property address for privacy reasons, resulting in an approximation of the actual flooding risk. (2) In Switzerland, flooding risk is assigned to properties based upon a specific set of GPS coordinates, which may not be fully indicative of the actual flooding risk some larger properties are subject to.

Risk of flood categories:
High – each year, there is a chance of flooding greater than 1 in 30 (3.3%)
Medium – each year, chance of flooding between 1 in 31 (3.3%) and 1 in 100 (1%)
Low – each year, chance of flooding between 1 in 101 (1%) and 1 in 1000 (0.1%)
Very low – each year, chance of flooding of less than 1 in 1001 (0.1%)

[1] We have aligned the currency for this disclosure to Credit Suisse's reporting currency CHF this year. Credit Suisse previously reported this disclosure in USD. Comparative periods are converted at the spot rate as of December 31, 2021.

Credit Suisse (Schweiz) AG
Summary of climate-related TCFD metrics[1]

Purpose: To provide transparency on financing to carbon-related[2] and climate-sensitive sectors including additional risk frameworks.

Coverage: Credit Suisse (Schweiz) AG's lending exposure is CHF 201.5 billion. The exposure view is based on the internal metric "potential exposure" not reflecting collateral and other credit risk mitigation. Mortgage portfolio and other lending includes private lending.

Direction: Credit Suisse (Schweiz) AG is working with clients to support their transition to low-carbon and climate-resilient business models. During 2022, the increase in exposure in carbon-related sectors was driven by financing for Swiss gas distributors that are categorized as "Aware" under the Client Energy Transition Framework and power generation companies that are mainly in renewables and therefore supportive of the Credit Suisse Group net zero ambition. Credit Suisse (Schweiz) AG also fully supports the new net zero ambition published for the commercial real estate sector.

Exposure to key sectors

Sector	2022 YE CHF mn	2021 YE CHF mn	YoY CHF mn	YoY %
Carbon-related	1,200	488	712	146%
Climate-sensitive	19,741	20,927	-1,186	-6%
Mortgage-related lending[5]	135,162	137,995	-2,833	-2%
Other lending – non-climate sensitive	45,365	47,779	-2,414	-5%
Total	**201,468**	**207,189**	**-5,721**	**-3%**

Key takeaways

Exposures to key sectors
Credit Suisse (Schweiz) AG's total exposure to carbon-related sectors is just below 1% of the total lending.[3] Year-on-year development of exposure to these sectors is mainly related to Swiss power generators who primarily produce energy from renewable sources and contribute to net zero goals. While there are governmental efforts to find solutions to lower CO_2 emissions and reliance on fossil fuels in the medium term, the Swiss government issued an ordinance to ensure sufficient winter gas reserves in 2022/23 as a short-term measure to counter the energy supply crisis.

Client Energy Transition Framework (CETF) client categorization
The total scope for the CETF that is accounted for by Credit Suisse (Schweiz) AG is CHF 7.0 billion potential exposure out of CHF 36.8 billion for Credit Suisse Group.[4] As we do not engage in new lending or advisory activities for clients with the lowest categorization in terms of transition readiness, we have reduced the proportion of "Unaware" exposure from overall 4% in 2021 to close to 0% in 2022. Other categories remained stable year on year even with the addition of further sectors.

Flooding risk – real estate financing
The total scope of Swiss-based properties subject to flooding risk assessment is CHF 136.1 billion and nearly 100% is booked in Credit Suisse (Schweiz) AG. Please refer to Credit Suisse Group AG's "Flooding risk – real estate financing" disclosure.

Sector policies related to coal mining and coal power as well as other sectors explained in the Group report also apply to Credit Suisse (Schweiz) AG.

Technical corner

See Group disclosure on technical details related to exposures to carbon-related and climate-sensitive sectors, CETF client categorization, and Flooding risk – real estate financing.

[1] We have aligned the currency for this disclosure to Credit Suisse's reporting currency CHF this year. Credit Suisse previously reported this disclosure in USD. Comparative periods are converted at the spot rate as of December 31, 2021.
[2] Carbon-related sectors are: Oil and gas, metals and mining (coal), power generation (fossil fuels).
[3] Direct lending.
[4] Refer to "Credit Suisse's process for management of Climate-related risks – Client Energy Transition Framework (CETF) in our 2022 Sustainability Report and TCFD Report for more detail. Group view provides wider sectoral view; Credit Suisse CH AG has a relatively smaller set of in-scope clients.
[5] The full mortgage portfolio is considered – this includes a portion of energy efficient buildings e.g. properties adhering to Minergie standards.

Operational environmental data and scope 1, 2, and 3 greenhouse gas emissions

Operational environmental performance data summary per year

Disclosure	Unit	GRI indicator	2019	2020	2021	2022
Energy						
Total energy consumed	**GJ**	**302-1**	**1,605,080**	**1,413,110**	**1,378,960**	**1,329,007**
Electricity	GJ	302-1	1,350,916	1,185,261	1,107,467	1,090,042
Natural gas	GJ	302-1	147,931	148,481	164,217	134,713
Other fuels (fuel oil, gasoline, diesel, propane)	GJ	302-1	46,753	32,546	47,539	44,066
Purchased heating, steam and cooling	GJ	302-1	59,480	46,822	59,736	60,186
Transportation						
Business travel (air, rail, ground)	km	N/A	396,208,251	72,945,116	46,311,144	113,135,846
Water						
Water withdrawn	m^3	303-3	**608,891**	**394,023**	**374,334**	**489,977**
Waste						
Waste generated	tons	306-3	7,052	5,038	6,300	10,257
Waste diverted	%	306-4	43%	38%	48%	34%
Paper						
Paper consumption	tons	301-1	1,866	1,167	1,160	832

GHG emissions per region

	Unit	GRI indicator	Switzerland [1]		Europe / Middle East		Americas		Asia Pacific		Global [2]	
Disclosure			**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**
Scope 1 GHG emissions	**tCO_2e**	**305-1**	**10,561**	**8,898**	**1,800**	**1,344**	**772**	**740**	**1,268**	**898**	**14,400**	**11,880**
Scope 2 (market-based) GHG emissions	tCO_2e	305-2	1,629	1,791	1,179	902	2,762	2,289	1,447	3,109	7,018	8,091
Scope 2 (location-based) GHG emissions	tCO_2e	305-2	3,915	4,222	20,321	17,204	23,252	21,837	25,755	27,955	73,243	71,217
Scope 3 GHG emissions	**tCO_2e**	**305-3**	**7,046**	**13,294**	**5,323**	**8,862**	**7,161**	**13,273**	**6,037**	**7,792**	**25,567**	**43,221**
GHG emissions intensity (market-based) per FTE [3]	tCO_2e/ FTE	305-4	1.089	1.340	0.775	0.990	1.234	1.922	0.589	0.725	0.905	1.173

[1] GHG emissions for Switzerland include the GHG emissions of Credit Suisse (Schweiz) AG
[2] GHG emission pertain to Credit Suisse (Group) AG and therefore include the emission of Credit Suisse AG
[3] Additional data is provided in the Environmental Operational Data Disclosure document. The FTE numbers used to normalize GHG emissions include Credit Suisse employees and contractors to provide a more representative number of individuals using Credit Suisse facilities.

GHG emissions per year

Disclosure	Unit	GRI indicator	2019	2020	2021	2022
GHG emissions						
Total scope 1 emissions	**tCO_2e**	**305-1**	**13,235**	**11,950**	**14,400**	**11,880**
Natural gas	tCO_2e	305-1	7,447	7,474	8,266	6,782
Other fuels	tCO_2e	305-1	980	894	1,274	2,619
Transportation fuels	tCO_2e	305-1	2,217	1,336	1,995	439
Coolants and fire extinguishers	tCO_2e	305-1	2,591	2,246	2,864	2,040
Total scope 2 (location-based) emissions	**tCO_2e**	**305-2**	**90,085**	**76,906**	**73,243**	**71,217**
Purchased electricity	tCO_2e	305-2	87,425	75,307	70,853	68,874
Purchased heating and cooling	tCO_2e	305-2	2,659	1,599	2,389	2,343
Total scope 2 (market-based) emissions	**tCO_2e**	**305-2**	**18,928**	**14,739**	**7,018**	**8,091**
Purchased electricity	tCO_2e	305-2	16,268	13,140	4,628	5,748
Purchased heating and cooling	tCO_2e	305-2	2,659	1,599	2,389	2,343
Total scope 3 emissions	**tCO_2e**	**305-3**	**93,709**	**29,626**	**25,567**	**43,221**
Category 1 Purchased goods and services (paper, water)	tCO_2e	305-3	3,631	1,380	1,122	838
Category 3 Fuel and energy-related emissions	tCO_2e	305-3	8,729	7,847	8,423	9,925
Category 5 Waste generated in operations	tCO_2e	305-3	2,669	1,962	1,945	3,907
Category 6 Business travel	tCO_2e	305-3	78,681	13,867	8,599	24,331
Category 7 Employee work-from-home	tCO_2e	305-3	N/A	4,571	5,478	4,221
Total scope 1, 2 (location-based), 3 emissions	**tCO_2e**	**N/A**	**197,029**	**118,482**	**113,210**	**126,318**
Total scope 1, 2 (market-based), 3 emissions	**tCO_2e**	**N/A**	**125,872**	**56,315**	**46,985**	**63,193**
GHG emissions intensity (market-based)						
Per full-time equivalent (FTE) employee	tCO_2e/FTE	305-4	2.068	1.120	0.905	1.173
Per square meter	tCO_2e/m2	305-4	0.095	0.045	0.041	0.048
Per revenue	tCO_2e/ million CHF	305-4	5.598	2.515	2.070	4.235

Note: 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 improving travel data quality, updating estimation methodologies where data was incomplete, improving facility and subleased facility classification 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 133,325 tCO_2e scope 1, 2 (market-based) and 3 emissions to 125,872 tCO_2e. Our previously reported 2020 emissions decreased from 59,407 tCO_2e scope 1, 2 (market-based) and 3 emissions to 56,315 tCO_2e and our previously reported 2021 emissions decreased from 53,416 tCO_2e scope 1, 2 (market-based) and 3 emissions to 46,985 tCO_2e. Our previously reported 2010 emissions increased from 386,003 tCO_2e scope 1, 2 (market-based) and 3 emissions to 397,496 tCO_2e.

Assurance Report

Independent Practitioner's Limited Assurance Report on Credit Suisse Group's Climate-Related Reporting 2022

To the Audit Committee of Credit Suisse Group AG, Zurich

We have been engaged to perform assurance procedures to provide limited assurance on the consolidated Task Force on Climate-related Financial Disclosures ('TCFD') reporting of Credit Suisse Group AG and its subsidiaries (the 'Group') for the year ended 31 December 2022.

Scope and subject matter

Subject to our limited assurance engagement were the following climate-related indicators ('2022 Climate-Related Indicators') in the TCFD Report 2022 of the Group:

a) The sustainable finance indicators ("Sustainable Activities Framework figures by transaction type") and the sustainable investment indicators ("AuM according to Sustainable Investment Framework classification") on pages 23 and 24 in the Strategy chapter.

b) The operational indicators ("Electricity consumption and carbon credits purchased in 2022", "Greenhouse gas emissions from operations", "Greenhouse gas emission per year: scope 1 and 2" and the "2022 progress toward 2025 objectives" for "Renewable electricity" and "Green label office space") on pages 26 to 29 in the Strategy chapter.

c) The risk management indicators ("Transactions assessed on the basis of material environmental and social risk in 2022" and "Sustainability risk assessments by sector") on pages 48 and 49 in the Risk Management chapter.

d) The following Credit Suisse Group TCFD indicators in the Metric and Targets chapter:

   i. Net Zero Trajectory – Oil, gas & coal: 2022 preliminary results in $mtCO_2e$ on page 62
   ii. Net Zero Trajectory – Power generation: 2021 baseline and 2022 preliminary results in gCO_2e/kWh on page 66
   iii. Net Zero Trajectory – Commercial real estate (CRE): 2021 baseline in $kgCO_2/m_2$ on page 69
   iv. Net Zero Trajectory – Iron & steel: 2021 baseline and 2022 preliminary results in tCO_2/t on page 72
   v. Net Zero Trajectory – Aluminium: 2021 baseline and 2022 preliminary results in tCO_2e/t on page 75
   vi. Net Zero Trajectory – Automotive: 2021 baseline and 2022 preliminary results in gCO_2/vkm on page 78
   vii. Shipping (Poseidon Principles 2022 Disclosures): CS Portfolio Climate Alignment Score 2021 on page 81
   viii. Metrics and goals for the investment portfolio: Investment-associated emissions (tCO_2e) and emissions intensity (tCO_2e per CHF million invested) for 2019, 2020 and 2021 in relation to the assets managed by Credit Suisse Asset Management and Credit Suisse Wealth Management in the area of discretionary mandates within Investment Solutions and Sustainability (IS&S) on page 84
   ix. Exposures to Carbon-Related and Climate-Sensitive Sectors: 2022 year-end figures in CHF mn on page 85
   x. Client Energy Transition Framework (CETF) Client Categorization: 2022 figures for Phase 1, Phase 2 and Phase 3 in CHF bn on page 86
   xi. Loans to Upstream Fossil Fuel Producers - Weighted Average Carbon Intensity (WACI): 2022 Preliminary Results in tCO_2e per CHF 1 mn on page 87
   xii. Loans to Upstream Fossil Fuel Producers - Fossil Fuel Production Mix: 2022 Preliminary Results in % in Production Mix chart on page 88
   xiii. Switzerland and UK Real Estate Flooding Risk – Real Estate Financing: CH 2022 and UK 2022 figures in CHF bn on page 89
   xiv. Operational environmental data and scope 1, 2 and 3 greenhouse gas emissions for 2022 on page 96

We do not comment on, nor conclude on, any prospective information.

Criteria

The 2022 Climate-Related Indicators were prepared by the ESG Disclosure & Reporting Steering Committee ('ESG D&R Committee') based on the following criteria ('the Criteria'):

The criteria developed by the Group for the sustainable investment indicators and the sustainable finance Indicators are described in the respective chapter of the TCFD Report 2022 and further in the Credit Suisse Sustainable Investment Framework, respectively, the Credit Suisse Sustainable Activities Framework.

The risk management indicators and operational indicators are described in the respective chapter of the TCFD Report 2022 or the Environmental Operational Data Disclosure Document and are based on the GRI Sustainability Reporting Standards published by the Global Reporting Initiative (GRI) and the Greenhouse Gas Protocol Corporate Standard (adapted criteria).

The basis of preparation of the TCFD indicators is summarized in the respective Technical Corner and Technical Summary paragraphs in the Metric and Targets chapter on pages 58 to 89. The Net Zero trajectory disclosures are prepared also with the aim to align with the Global GHG Accounting and Reporting Standard for the Financial Industry, published in November 2020 by the Partnership for Carbon Accounting Financials (PCAF). Deviations are specifically indicated in the Technical

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Summary paragraphs such as the inclusion of certain off-balance sheet exposures in the product scoping (such as standby letters of credit and documentary letters of credit).

The Sustainable Investment Framework (dated 2022), the Sustainable Activities Framework (dated 2023) and the Environmental Operational Data Disclosure Document (dated 2023) are published on the Group's website as referenced in the respective chapter of the TCFD Report 2022.

Inherent limitations

The accuracy and completeness of 2022 Climate-Related Indicators are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data and non-exhaustive related definitions. Our assurance report should therefore be read in connection with the Criteria. Further, the greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

It is acknowledged by stakeholders globally, including regulators, that there are significant limitations in the availability and quality of GHG emissions data from third parties, resulting in the extensive use of proxy data. This limitation has resulted in PCAF establishing a data quality score which is reflected in the "PCAF data quality score description" paragraph in the Metric and Targets chapter on page 82. It is anticipated that the principles and methodologies used to measure and report the Subject Matter will develop over time and may be subject to change in line with market practice and regulation, impacting comparability year-on-year.

ESG D&R Committee responsibility

The ESG D&R Committee of Credit Suisse Group AG is responsible for the Criteria and its selection as well as for the preparation and presentation of the 2022 Climate-Related Indicators in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of such internal control as determined necessary to enable the preparation of the 2022 Climate-Related Indicators that are free from material misstatement, whether due to fraud or error as well as adequate record keeping and overall responsibility for the TCFD Report 2022.

Our independence and quality management

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) that are relevant to our audit of the financial statements and other assurance engagements in Switzerland. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers AG applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the 2022 Climate-Related Indicators. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised*), "Assurance Engagements other than Audits or Reviews of Historical Financial Information"*, and with ISAE 3410, *"Assurance Engagements on Greenhouse Gas Statements"*, issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the 2022 Climate-Related Indicators were prepared, in all material aspects, in accordance with the Criteria.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) and ISAE 3410 involves assessing the suitability in the circumstances of the Group's use of the Criteria as the basis for the preparation of the 2022 Climate-Related Indicators, assessing the risks of material misstatement of the 2022 Climate-Related Indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the 2022 Climate-Related Indicators. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures selected depend on the assurance practitioner's judgement.

Summary of the work performed

Our limited assurance procedures included, but were not limited to the following work:

- Inspecting relevant policies and other documentation related to the preparation of the 2022 Climate-Related Indicators and observing their application
- Interviewing representatives at Group level responsible for the data collection and reporting as well as other relevant stakeholders in the reporting process
- Performing tests on a sample basis of evidence supporting the 2022 Climate-Related Indicators concerning completeness, accuracy, adequacy and consistency
- Analytical procedures
- Reconciliation of data sources with financial reporting data and other underlying records, including data sourced from third party provider
- Sample based testing of the Sustainable Investment Framework and Sustainable Activities Framework application
- Performance of virtual site visits of facilities in Princeton, London, Zurich and Tokyo to obtain evidence for the operational environmental impact of the Group

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusions.

Conclusion

Based on the procedures we performed, and evidence obtained, nothing has come to our attention that causes us to believe that the 2022 Climate-Related Indicators in the TCFD Report 2022 of the Group as described in the scope and subject

matter section are not prepared, in all material respects, in accordance with the Criteria.

Intended users and purpose of the report

Our report has been prepared for, and only for, the Audit Committee of Credit Suisse Group AG and solely for the purpose of reporting to them on the 2022 Climate-Related Indicators in the TCFD Report 2022 and no other purpose. We will not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion might be used, or to any other person to whom our report will be shown or into whose hands it might come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only, together with the TCFD Report 2022 and the Criteria to enable the ESG D&R Committee to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over the 2022 Climate-Related Indicators in the TCFD Report 2022 of the Group without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we will not accept or assume responsibility to anyone other than the ESG D&R Committee of Credit Suisse Group AG for our work or this report.

PricewaterhouseCoopers AG

Christophe Bourgoin Raphael Rutishauser

Zurich, 14 March 2023

'The maintenance and integrity of the Group's website is the responsibility of Group management; the work carried out by the assurance providers does not involve consideration of the maintenance and integrity of the Group's website and, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported 2022 Climate-Related Indicators or the Criteria since they were presented on the Group's website at the report date.'

Disclaimer/inquiries

For the purposes of this 2022 TCFD Report, unless the context otherwise requires, the terms "Credit Suisse Group," "Credit Suisse," the "Group," the "firm" the "bank", the "organization", "we," "us" and "our" mean Credit Suisse Group AG and its consolidated subsidiaries. The business of Credit Suisse AG, the direct bank subsidiary of the Group, is substantially similar to the Group, and these terms are used to refer to both when the subject is the same or substantially similar.

Cautionary statement regarding forward-looking information

This report contains statements that constitute forward-looking statements. In addition, in the future we, and others on our behalf, may make statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the following:

- our plans, targets or goals;
- our future economic performance or prospects;
- the potential effect on our future performance of certain contingencies; and
- assumptions underlying any such statements.

Words such as "believes," "anticipates," "expects," "intends" and "plans" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. We do not intend to update these forward-looking statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. We caution you that a number of important factors could cause results to differ materially from the plans, targets, goals, expectations, estimates and intentions expressed in such forward-looking statements.

These factors include, but are not limited to:

- the ability to maintain sufficient liquidity and access capital markets;
- market volatility, increases in inflation and interest rate fluctuations or developments affecting interest rate levels;
- the ongoing significant negative consequences, including reputational harm, of the Archegos and supply chain finance funds matters, as well as other recent events, and our ability to successfully resolve these matters;
- the impact of social media speculation and unsubstantiated media reports about our business and its performance;
- the extent of outflows of assets or future net new asset generation across our divisions;
- our ability to improve our risk management procedures and policies and hedging strategies;
- the strength of the global economy in general and the strength of the economies of the countries in which we conduct our operations, in particular, but not limited to, the risk of negative impacts of COVID-19 on the global economy and financial markets, Russia's invasion of Ukraine, the resulting sanctions from the US, EU, UK, Switzerland and other countries and the risk of continued slow economic recovery or downturn in the EU, the US or other developed countries or in emerging markets in 2022 and beyond;
- the emergence of widespread health emergencies, infectious diseases or pandemics, such as COVID-19, and the actions that may be taken by governmental authorities to contain the outbreak or to counter its impact;
- potential risks and uncertainties relating to the severity of impacts from COVID-19 and the duration of the pandemic, including potential material adverse effects on our business, financial condition and results of operations;
- the direct and indirect impacts of deterioration or slow recovery in residential and commercial real estate markets;

- adverse rating actions by credit rating agencies in respect of us, sovereign issuers, structured credit products or other credit-related exposures;
- the ability to achieve our strategic initiatives, including those related to our targets, ambitions and goals, such as our financial ambitions as well as various goals and commitments to incorporate certain environmental, social and governance considerations into our business strategy, products, services and risk management processes;
- our ability to achieve our announced comprehensive new strategic direction for the Group and significant changes to its structure and organization;
- our ability to successfully implement the divestment of any non-core business;
- the future level of any impairments and write-downs, including from the revaluation of deferred tax assets, resulting from disposals and the implementation of the proposed strategic initiatives;
- the ability of counterparties to meet their obligations to us and the adequacy of our allowance for credit losses;
- the effects of, and changes in, fiscal, monetary, exchange rate, trade and tax policies;
- the effects of currency fluctuations, including the related impact on our business, financial condition and results of operations due to moves in foreign exchange rates;
- geopolitical and diplomatic tensions, instabilities and conflicts, including war, civil unrest, terrorist activity, sanctions or other geopolitical events or escalations of hostilities, such as Russia's invasion of Ukraine;
- political, social and environmental developments, including climate change;
- the ability to appropriately address social, environmental and sustainability concerns that may arise from our business activities;
- the effects of, and the uncertainty arising from, the UK's withdrawal from the EU;
- the possibility of foreign exchange controls, expropriation, nationalization or confiscation of assets in countries in which we conduct our operations;
- operational factors such as systems failure, human error, or the failure to implement procedures properly;
- the risk of cyber attacks, information or security breaches or technology failures on our reputation, business or operations, the risk of which is increased while large portions of our employees work remotely;
- the adverse resolution of litigation, regulatory proceedings and other contingencies;
- actions taken by regulators with respect to our business and practices and possible resulting changes to our business organization, practices and policies in countries in which we conduct our operations;
- the effects of changes in laws, regulations or accounting or tax standards, policies or practices in countries in which we conduct our operations;
- the discontinuation of LIBOR and other interbank offered rates and the transition to alternative reference rates;
- the potential effects of changes in our legal entity structure;
- competition or changes in our competitive position in geographic and business areas in which we conduct our operations;
- the ability to retain and recruit qualified personnel;
- the ability to protect our reputation and promote our brand;
- the ability to increase market share and control expenses;
- technological changes instituted by us, our counterparties or competitors;
- the timely development and acceptance of our new products and services and the perceived overall value of these products and services by users;
- acquisitions, including the ability to integrate acquired businesses successfully, and divestitures, including the ability to sell non-core assets; and
- other unforeseen or unexpected events and our success at managing these and the risks involved in the foregoing.

We caution you that the foregoing list of important factors is not exclusive. When evaluating forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, including the information set forth in "Risk factors" in I – Information on the company in our Annual Report 2022.

Important information about this publication

There is currently no universal definition or exhaustive list defining issues or factors that are covered by the concept of "ESG" (Environmental, Social and Governance). If not otherwise indicated, ESG is used interchangeably with the terms 'sustainable' and 'sustainability'. Unless indicated otherwise, the views expressed herein are based on Credit Suisse's own assumptions and interpretation of ESG concepts at the time of writing. Credit Suisse's views on ESG matters may evolve over time. As global laws, guidelines and regulations in relation to the tracking and provision of certain data are evolving, all such disclosures are subject to change, and you should not place undue reliance on this information. Unless required by applicable law, Credit Suisse is not obliged to provide updates on sustainability information.

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For more comprehensive information about our results and operations, including risks that could adversely affect our results of operations and financial condition, please refer to our annual reports and quarterly reports available at www.credit-suisse.com.

We may not achieve all of the expected benefits of our strategic initiatives, such as in relation to our intended reshaping of the bank, cost reductions and strengthening and reallocating capital. Factors beyond our control, including but not limited to the market and economic conditions (including macroeconomic and other challenges and uncertainties, for example, resulting from Russia's invasion of Ukraine), customer reaction to our proposed initiatives, enhanced risks to our businesses during the contemplated transitions, changes in laws, rules or regulations and other challenges discussed in our public filings, could limit our ability to achieve some or all of the expected benefits of these initiatives. Our ability to implement our strategy objectives could also be impacted by timing risks, obtaining all required approvals and other factors.

In particular, the terms "Estimate", "Illustrative", "Ambition", "Objective", "Outlook", "Guidance", "Goal", "Commitment" and "Aspiration" are not intended to be viewed as targets or projections, nor are they considered to be Key Performance Indicators. All such estimates, illustrations, ambitions, objectives, outlooks, guidance, goals, commitments and aspirations, as well as any other forward-looking statements described as targets or projections, are subject to a large number of inherent risks, assumptions and uncertainties, many of which are completely outside of our control. These risks, assumptions and uncertainties include, but are not limited to, general market conditions, market volatility, increased inflation, interest rate volatility and levels, global and regional economic conditions, challenges and uncertainties resulting from Russia's invasion of Ukraine, political uncertainty, geopolitical conflicts, changes in tax policies, scientific or technological developments, evolving sustainability strategies, changes in the nature or scope of our operations, including as a result of our recently announced strategy initiatives, changes in carbon markets, regulatory changes, changes in levels of client activity as a result of any of the foregoing and other factors. Accordingly, these statements, which speak only as of the date made, are not guarantees of future performance and should not be relied on for any purpose. We do not intend to update these

estimates, illustrations, ambitions, objectives, outlooks, guidance, goals, commitments, aspirations, targets, projections or any other forward-looking statements. For these reasons, we caution you not to place undue reliance upon any forward-looking statements.

In preparing this document, management has made estimates and assumptions that affect the numbers presented. Actual results may differ. Annualized numbers do not take into account variations in operating results, seasonality and other factors and may not be indicative of actual, full-year results. Figures throughout this document may also be subject to rounding adjustments. All opinions and views constitute good faith judgments as of the date of writing without regard to the date on which the reader may receive or access the information. This information is subject to change at any time without notice and we do not intend to update this information.

Inclusion of information in this document is not an indication that the subject or information is material to our business or operating results or material to investors or that such information is required to be disclosed in our filings with the Securities and Exchange Commission (SEC). The term "materiality" and other similar terms, as used in this document, are distinct from, and should not be confused with, such terms as defined for SEC reporting purposes and the information included in, and any issues identified as material for purposes of, this document may not be considered material for SEC reporting purposes.

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Credit Suisse is subject to the Basel framework, as implemented in Switzerland, as well as Swiss legislation and regulations for systemically important banks, which include capital, liquidity, leverage and large exposure requirements and rules for emergency plans designed to maintain systemically relevant functions in the event of threatened insolvency.

Investors and others should note that we announce important company information (including quarterly earnings releases and financial reports as well as our annual sustainability report) to the investing public using press releases, SEC and Swiss ad hoc filings, our website and public conference calls and webcasts. We also routinely use our Twitter account @creditsuisse (https://twitter.com/creditsuisse), our LinkedIn account (https://www.linkedin.com/company/credit-suisse/), our Instagram accounts (https://www.instagram.com/creditsuisse_careers/ and https://www.instagram.com/creditsuisse_ch/), our Facebook account (https://www.facebook.com/creditsuisse/) and other social media channels as additional means to disclose public information, including to excerpt key messages from our public disclosures. We may share or retweet such messages through certain of our regional accounts, including through Twitter at @csschweiz (https://twitter.com/csschweiz) and @csapac (https://twitter.com/csapac). Investors and others should take care to consider such abbreviated messages in the context of the disclosures from which they are excerpted. The information we post on these social media accounts is not a part of this document.

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The English language version of this document is the controlling version.

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