Statement on Climate Change

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 the effects of climate change 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.

We believe that global financial flows should be brought in line with the Paris Agreement objective to limit the rise in global temperature to 2°C above pre-industrial levels, aiming for a rise of no more than 1.5°C, compared to pre-industrial levels.
For Credit Suisse, our main potential impact lies in aligning our financing and investment activities to the goals of the Paris Agreement. 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 & 2 enterprise operational emissions.

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.
We are a founding member of Net Zero Banking Alliance (NZBA), and a signatory to the Net Zero Asset Managers initiative (NZAMi). 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.

Our commitments as a financial institution to addressing the challenge of climate change can be made more effective by the presence of a stable and strong regulatory framework. To this end, we support the efforts being made by governments to provide predictability and clarity in their responses to climate change, thereby enabling a stable business environment in which we can operate more effectively.

I. Our principles

We believe our long-term success is dependent on managing risks and opportunities, including those presented by climate change, in a disciplined and intelligent way. It is also dependent on ensuring that we have a responsible approach towards the way we run our business. This belief is anchored in our Code of Conduct. We also embrace selected voluntary initiatives to help define our principles, guide our activities and benchmark our performance. These include our commitments under the Principles for Responsible Banking (PRB), the UN Environment Programme Finance Initiative (UNEP FI), the UN Global Compact, Climate Action 100+, the Science Based Targets initiative (SBTi), and other relevant initiatives and standards. Additionally, we are members of a number of climate-related initiatives that help to underline our status as a climate responsible and resilient business (see “Our approach” section).

The global approach to climate change mitigation and adaptation continues to evolve, as does the role that financial institutions can play in support, so we will continue to adjust our approach in conjunction with the global response. Credit Suisse will be guided by its principles in meeting these responsibilities and will seek to foster an environment for finance to flow where it can be most effective in mitigating and adapting to climate change.

II. Our climate governance framework

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 Board of Directors is the most senior decision-making authority on sustainability matters – including climate change. The Board of Directors approves the Group strategy, including the sustainability and climate strategy, and is responsible for monitoring its execution.
The Board is supported in this role by a dedicated Sustainability Advisory Committee, who is regularly presented with climate-related information.

The Board is actively engaged on ESG matters with the Executive Board, which is the most senior management body of the Group and is responsible for the Group's day-to-day operational management. The Executive Board has several standing committees, including the Executive Board Risk Management Committee. This 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.

As part of sustainability governance, a dedicated climate governance framework is in place:

The non-financial component of Executive Board annual awards includes the consideration of ESG-related factors. These include positive contribution to the trajectory of our ambition to reach net zero by 2050.

III. Our climate approach

Our climate strategy is outlined by our climate approach, underpinned by three key objectives that are anchored in our overarching sustainability strategy:

- **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 toward climate solutions.
- **Objective 2: Reducing our operational footprint**
  We are 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.
- **Objective 3: Managing the risks that climate change poses to our business**
  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.

Objective 1: Supporting our 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 our clients to understand their financing needs, and mobilizing capital towards climate solutions.
For our corporate lending portfolio, we have set interim 2030 goals to reduce our scope 3 emissions for key sectors.
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. We strive to be transparent in disclosing where we deviate from these frameworks in our Sustainability Report.
Credit Suisse Group's net zero ambition includes investment activities on behalf of clients within Credit Suisse Asset Management (CSAM) 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. Our goal to reduce our investment-associated emissions in intensity-terms by 50% by 2030 translates into an annual reduction of 6% for both Credit Suisse Asset Management and IS&S compared to 2019 as the baseline year. [1]

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.

A) Engage: Engaging with our clients

We seek to strategically engage with our 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.

We aim to understand our corporate clients' transition strategies and assess how we can best support them in their transition journey via financing and advisory services.

[1] Credit Suisse Asset Management's and Credit Suisse Wealth Management (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.

Credit Suisse Asset Management and IS&S, part of Credit Suisse Wealth Management, 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 Client Energy Transition Framework (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 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 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. We also 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, accelerating the transformation of traditional industries and infrastructure systems.

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 clients in this area for many years and continue to build our offering.

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. We aim to support our clients as they transition along the CETF categories over time, with financing and advisory services. 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.[2]

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.

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.

[2] For more information on our CETF, please refer to our Sustainability Report 2022

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 and minimizing the negative impacts from our operations. We maintain the objective to achieve net zero emissions across own operations and supply chain by 2050, and we continue to develop transition strategies and reduction goals in accordance with the latest climate science. We are an active member of the global RE100 (100% renewable electricity) initiative and are seeking to source 100% renewable electricity across our entire global operations by 2025. Our real estate portfolio is certified in accordance with ISO14001 to ensure appropriate control and management oversight of activities which potentially impact the environment.

Driving green-house gas reductions across our operational footprint remains a top priority and is managed through leveraging a three pillar GHG reduction strategy that optimizes our business activities, invests in carbon reduction technologies, substitutes with onsite and offsite renewable energy and low-carbon sources.

By monitoring our consumption of energy and resources we identify opportunities for efficiencies or sustainable substitutes. We implement measures intended to optimize our operations, such as investing in high-efficiency systems and technologies at our buildings and working in partnership with our employees and supply chain to embed a culture of energy efficiency across the business.

- When constructing new premises or renovating existing buildings, we seek to reduce our carbon emissions by embedding high standards of energy efficiency for our IT infrastructure, heating, air conditioning and ventilation systems at the outset of the design. Where feasible, we strive to achieve high energy efficiency standards and labels.
- We substitute our use of fossil fuel generated energy with certified renewable energy where feasible and continue to assess and deploy, where feasible, renewable energy sources such as solar panels on our premises.
- We have set targets related to reductions on waste, water, and paper consumption, and plastics within our supply chain.

Credit Suisse utilizes enhanced data collection processes and refined GHG emissions estimation methodologies to improve data quality and completeness in alignment with the GHG Protocol and RE100 criteria. Furthermore, we were able to improve our data management framework through the implementation of various new technology platforms. These tools allow Credit Suisse to streamline and automate data collection, identify variances, visualize results though dashboards and facilitates data-driven decision-making and more accurately identify our attributable emissions.

Driving GHG reductions across upstream purchased goods and services and capital goods (Procurement) has become a top priority and is managed through engagement with our top suppliers to jointly develop transition strategies leading up to 2030 to align with our 1.5°C reduction pathway.

- We are working with our top suppliers to refine carbon emissions reporting related to their products and services provided to Credit Suisse.
- We are collaborating with our top suppliers to develop reduction plans for 2030 in line with 1.5°C.

Credit Suisse utilizes a supplier carbon tracking program which supports the net zero by 2050 ambition with the collection of emissions data, target plans and reductions from our top suppliers.

We continue to make employees aware of how they can reduce their carbon emissions both at work and at home, and we promote employee led sustainability networks that drive high impact projects and incentivize employees to create a solution-oriented sustainability culture.

Objective 3: Managing the risks of climate change on our business

We are committed to systematically identifying, mitigating and managing the potential risks that climate change poses to our business, and the management of physical and transition risk is central to Credit Suisse's strategy.

We have a Group-wide Climate Risk Strategy Program and a Climate Change Policy in place, addressing Credit Suisse's broader long-term climate change strategy and reflecting our commitment to the Paris Climate agreement, as well as our approach to the transition and physical risks arising from a changing climate. The Climate Risk Strategy Program supports the integration of climate risk in our business and operations, including enhancements to the Group's Risk Identification and Assessment Framework (RIAF) and risk appetite, as well as development of risk management models and climate analytics. We have identified sensitive sectors which pose greater environmental and social risks (including impacts to the climate) and 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). These policies and guidelines cover the sectors oil and gas, mining (including a specific focus on thermal coal mining), power generation, and forestry and agribusiness (which includes pulp and paper) as well as oil sands, deep sea mining, Arctic oil and gas and palm oil. We regularly review our sector policies and guidelines to take account of the latest developments and new challenges in the relevant areas.

In addition, through our CETF, we have introduced methodologies to determine a client's level of ambition in their low-carbon transition, to assess where they stand in their transition journey. The number of CETF sectors has been expanded over time.

At the transaction level, 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. We apply the Equator Principles to relevant transactions, as part of our efforts to ensure that any associated environmental and social risks are managed in line with the International Finance Corporation's Environmental and Social Performance Standards (PS).

From an operational perspective, we continue to deploy our 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 across different geographies.

Recognizing the progressive evolution of climate-related regulatory requirements, we are also focused 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.

IV. Communication, reporting and review

This Statement will be regularly reviewed to confirm that it remains accurate and relevant. We will report on our progress in the implementation of our climate-related commitments in our annual reporting processes, taking into account the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and measuring and comparing our performance through appropriate benchmark initiatives using what we identify as best practice standards.

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, including changes in approach due to shifting market expectations and business trends, the need for concurrent actions and efforts by external parties and other actors that are outside of our control to achieve our sustainability-related goals and initiatives, 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.

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CREDIT SUISSE

CREDIT SUISSE GROUP AG
Paradeplatz 8
8070 Zürich
Schweiz