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Investor Brief

Why investors should back the 2022 climate change resolution at Credit Suisse

ShareAction»

Acknowledgments

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About ShareAction

ShareAction is a NGO working globally to define the highest standards for responsible investment and drive change until these standards are adopted worldwide. We mobilise investors to take action to improve labour standards, tackle climate change and address pressing global health issues. Over 15 years, ShareAction has used its powerful toolkit of research, corporate campaigns, policy advocacy and public mobilisation to drive responsibility into the heart of mainstream investment. Our vision is a world where the financial system serves our planet and its people.

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Authors

Jeanne Martin, Kelly Shields, Xavier Lerin

Contact

Jeanne Martin
Senior Campaign Manager
jeanne.martin@shareaction.org

Disclaimer

Contents

Executive Summary

1

Executive summary

Resolution

Key ask: The resolution was filed by eleven institutional investors[1] and coordinated by ShareAction with support from Ethos Foundation and SVVK[i]. Together, we are asking the bank to include a new article in its Articles of Association (Article 8d Climate Change Financing). The resolution asks for further disclosures on Credit Suisse's strategy to align with the 1.5C goal of the Paris Agreement, specifically with respect to bank's short-, medium- and long-term strategy to reduce its exposure to fossil fuel assets.

Scope: Exposure here is defined as project finance, corporate lending, capital markets underwriting and facilitation, and investments

Timeline: Credit Suisse will issue a response to the resolution at least six weeks before the bank's AGM on 29 April 2022.

Key points

- **A long history of engagement (p12):** ShareAction has engaged with Credit Suisse on climate change since 2017. Over the years, we've coordinated many instances of collaborative investor engagement with Credit Suisse, including a statement at the bank's 2021 AGM which asked the bank to tighten its coal policy, and a letter backed by 115 investors, including almost 70 Swiss pension funds in July 2021. Ethos Foundation and the other co-filers of this resolution have similarly long histories of engagement – oftentimes longer.

- **Credit Suisse's reputation and profitability have plummeted following a string of high-profile scandals – this resolution presents an opportunity for the bank to re-invent itself (p13-18):** Credit Suisse has accumulated high-profile scandals in recent years, raising concerns about its risk assessment and management processes, and its ability to retain talent. We encourage the bank and its investors to see our resolution as an opportunity to start afresh, rebuild trust with investors and other key stakeholders, and set a standard on climate in the European banking industry.

1 The 11 institutional co-filers are: Actares, Amundi, Bernische Lehrerversicherungskasse, Bernische Pensionskasse, CIEPP - Caisse Inter-Entreprises de Prévoyance Professionnelle, Cap Prévoyance (pension fund of the city of Geneva), Gérifonds (Ethos), LGPS Central Limited, Pensionskasse des Bundes PUBLICA (the Swiss federal pension fund), Pensionskasse Post, Bern & Pensionskasse Stadt Zürich (pension fund of the city of Zurich).

- **Credit Suisse's disclosures: the bank must urgently expand the scope of its disclosures to cover capital markets activities, and start disclosing its financed emissions too (p18-20):** Credit Suisse discloses its absolute and relative exposure to a number of climate-sensitive sectors. The scope of these disclosures is limited to lending activities. Yet up to 80 per cent of the bank's financing of top oil and gas expanders was in the form of capital markets financing. Credit Suisse's disclosures are made in the bank's sustainability report, as opposed to financial reporting. Credit Suisse does not disclose its financed emissions and as of 17 February 2022, had not yet joined the Partnership for Carbon Accounting Financials (PCAF).

- **Credit Suisse remains a top financier of thermal coal, despite progress on this front (p20-22):** According to the Global Coal Exit List[ii], Credit Suisse channelled US$13.5 billion into coal companies between 2019 and 2021. These include companies such as Adani Group, one of the most controversial coal groups[iii], and EPH, a conglomerate buying up new coal assets[iv], whilst Credit Suisse has improved its coal policy following engagement with investors, numerous loopholes remain, limiting the impact of its policies.

- **Credit Suisse's oil and gas policy is almost non-existent (p23-26):** Credit Suisse's unconventional oil and gas policy is limited in its scope and one of the narrowest in scope among European banks. So far, the bank has only implemented asset-level restrictions in relation to Arctic oil. It does not have any strict restrictions linked to oil sands, shale oil and gas, or ultradeep water drilling. Credit Suisse does not have any asset-level or corporate based financing restrictions linked to fossil fuel exploration or fossil fuel expansion, and does not require its clients operating in the oil and gas sector to publish credible transition plans by a specific date.

- **Credit Suisse is a core relationship bank of some of the largest oil and gas expansion companies (p26-27):** Just last year, the world's energy authority – the International Energy Agency (IEA) – warned that for a 50 per cent chance of reaching net-zero by 2050, there was no room for new oil and gas fields. While they do not spell out investment implications as explicitly as the IEA, other widely recognised 1.5C scenarios require similar or higher average rates of decline for oil and/or gas supply from 2020-2050. These include some of the net-zero scenarios produced by the Network for Greening the Financial System (NGFS), despite their high reliance on unproven or high-risk technologies to balance emissions. A recent report by ShareAction found that Credit Suisse had channelled more than US$18 billion into 50 top oil and gas expanders since 2016. Its financing levels for these companies remained relatively constant over the last six years. Several of its top oil and gas expanding clients are pureplay shale gas companies that are facing important stranded asset risks in the IEA Net-Zero Emissions and Sustainable Development scenarios.

- **Credit Suisse has committed to set targets in December 2020 – these need to cover all relevant greenhouse gas and financial services (including capital markets activities), and lead to absolute emission reductions (p28-29):** Credit Suisse was among the first banks to commit to set intermediate targets for its financed emissions. In December 2020, the bank announced it would set, 2030 emissions goals through the Science Based Targets initiative (SBTi) to support its net-zero by 2050 commitment within 24 months of its announcement (although we note the bank only formally registered their intention with the SBTi on February 2021). While Credit Suisse is yet to confirm the methodology it will use to set interim targets, the limited information communicated by the bank invites caution. Preliminary disclosures relating to the bank's fossil fuel portfolio, discussed in the 2020 Taskforce for Climate-related Financial Disclosures (TCFD) report, could lead to inadequate commitments.

- **An opportunity to demonstrate leadership and restore trust (p29):** In March 2016, then CEO Tidjane Thiam told the bank that it had "an attitude to risk that has to change … there has to be consequences"[v]. Six years later, little seems to have changed. Credit Suisse continues to be involved in high profile scandals and controversial deals. Its share price has plummeted, its reputation is at a record low, and many of its sustainability talents are leaving the firm. We believe that the bank must urgently revamp its strategy and approach to risk assessment and management – and climate change must be at the core of that. Otherwise, the bank will continue to expose itself to unnecessary risk. This is especially critical given the bank's exposure to high-carbon sectors, companies at risk from the low-carbon transition, and its failure to demonstrate clearly how it will meet its commitment to the 1.5C goal of the Paris Agreement. We encourage the bank and its investors to see our resolution as an opportunity to start afresh, rebuild trust with investors and other key stakeholders, and set a standard on climate in the European banking industry

Next steps for investors:

We urge investors in Credit Suisse – both shareholders and bondholders – to:

1. Write to the bank expressing their support for the resolution, and consider making their support for the resolution public.

2. In the case of shareholders, cast a vote in favour of the resolution ahead of the bank's 2022 AGM on 29 April 2022.

3. Get in touch with ShareAction should they have any questions about this engagement, the bank's climate performance, or ShareAction's banking work in general.

Introduction

2

Introduction

In a supervisory statement issued in April 2019, the Bank of England noted that a "too little, too late" scenario, where significant action is taken but too late to achieve climate goals, could result in the most severe financial risks crystallising in the banking and insurance sectors[vi]. The report added that "the window for an orderly transition is finite and closing." In fact, it might close sooner than initially thought. Recent research suggests that countries will have to rein in their greenhouse gas (GHG) emissions even more than expected to limit sea level rise because climate change is causing oceans to rise quicker than scientists' most pessimistic forecasts[vii]. Too little action taken now increases the likelihood of abrupt policy intervention, acute socio-economic impact for affected communities and stranded assets in the future.

Systematically important banks like Credit Suisse, as the lifeblood of many economies, can make or break the Paris Agreement. Yet, despite important exceptions, so far action in the sector has been relatively timid.

This briefing sets out why we have filed a resolution at Credit Suisse. It argues that the resolution presents the bank with an opportunity to start afresh and restore its reputation – and urges the Board of Credit Suisse and its investors to back it.

What does the resolution ask for?

In Switzerland, shareholders have an exclusive right to determine and amend a company's Articles of Association. They have the express power to request that such an amendment (or other item) be placed on the agenda of a company's AGM. According to ClientEarth, and lawyers commissioned by ShareAction, provided resolutions are properly framed (and respect the division of powers under Swiss law), companies should not take issue on the basis of alleged legal concerns[viii]. Swiss lawyers reviewed our wording to make sure it was compliant with Swiss law.

We therefore strongly encourage Credit Suisse include this proposal to amend the Articles of Association of the bank, and to recommend that its shareholders support it.

The new Article – Article 8d – suggested by ShareAction and investors[ix]:

Article 8d Climate change financing

1 The management report submitted to the General Meeting of Shareholders should contain, in addition to information on the Company's performance and activities during the past financial year and the other elements required by the provisions of the laws and regulations in force, further disclosures on the Company's strategy to "align [its] financing with the Paris Agreement objective of limiting global warming to 1.5° C" [(1)].

2 The report should include additional disclosures on the Company's short-, medium- and long-term strategy to reduce its exposure (defined as project finance, corporate lending, capital markets underwriting and facilitation, and investments) to coal, oil and gas assets on a timeline consistent with its own alignment objective.

Why Credit Suisse?

3

Why Credit Suisse?

A long history of engagement

ShareAction started engaging with Credit Suisse following our 2017 'Banking on a low-Carbon Future survey, where we assessed 15 of the largest European banks responses to climate change[x]. We have had many meetings with the bank since then, including with members of its sustainability team, its (now defunct) Sustainability, Research & Investment Solutions (SRI) department, and its senior leadership team.

In 2019, we continued our engagement by asking several questions at Credit Suisse's AGM. These questions covered the bank's coal policy, disclosure of climate-related financial risks and financing of controversial projects. Credit Suisse's answers were disappointing. It justified financing traditional energy sources due to worldwide energy demand and avoided giving any detail on when it would update its fossil fuel policies.

In ShareAction's second banking survey, released in April 2020, Credit Suisse was one of the worst performers. It came 18th out of the 20 European banks surveyed. The bank scored less than a third of the points available and performed badly on questions related to disclosures of high-carbon assets and energy sector policies in particular[xi].

In response, Credit Suisse updated its coal policy but failed to set a deadline to fully phase out from coal. It also left a loophole allowing it to finance clients with a 'credible transition strategy' – while failing to define what this means. In response to this, on the day of Credit Suisse's AGM in April 2021, seven investors representing US$2.48 trillion wrote a letter to the bank's board, calling on the it to set a firm deadline to phase out coal financing, among other things[xii].

In the lead up to the COP26 climate summit, Credit Suisse and 62 other banks received letters from 115 investors representing US$4.2 trillion. The investors requested the banks commit to stop financing companies with coal expansion plans before COP26. The also urged the banks to align their climate plans with the International Energy Agency's (IEA) Net-Zero Emissions scenario, and publish short-term climate-related targets ahead of their 2022 AGMs, among other things[xiii]. In its response, Credit Suisse indicated that it was reviewing its thermal coal policy and was considering making a commitment to phase out thermal coal by 2030, among other things[xiv].

Following on from this, and in response to engagement with ShareAction, Ethos Foundation and other investors, in November 2021, at the COP26 conference, Credit Suisse published a new coal policy. It committed to phase out coal and tighten thresholds over time. Both of these were welcomed steps. But several loopholes that limit its effectiveness and applicability remain. On top of this, the core tenets of its policy do not apply to its asset management arm. The bank has also failed to update its inadequate oil and gas policy, leaving the bank with a long way to go before demonstrating leading practice (see p23-27).

Credit Suisse's reputation and profitability have plummeted following a string of high-profile scandals – this resolution presents an opportunity for the bank to re-invent itself

Credit Suisse has found itself embroiled in a string of high-level and public scandals in recent years. These have not only tarnished the bank's reputation but hit its profitability, too. Reuters reports that "shareholders have deserted the bank following the slew of bad headlines and a tepid performance[xv]". Its share price fell more than 70 per cent in the past decade[xvi]. Figure 1 below compares Credit Suisse's share price with some of its peers in the past 2.5 years.

Risk specialist Nir Kossovsky reports that Credit Suisse's reputation rank slipped from 74th in February 2020 to 84th in March 2021 – ranked against 134 banks[xvii]. This follows a slow decline from the Autumn of 2018 to February 2020. This does not take into account some of the recent scandals the bank has found itself in. This includes, the 'Credit Suisse leak' – or 'Swiss secrets' - investigation published in February 2022[xviii].

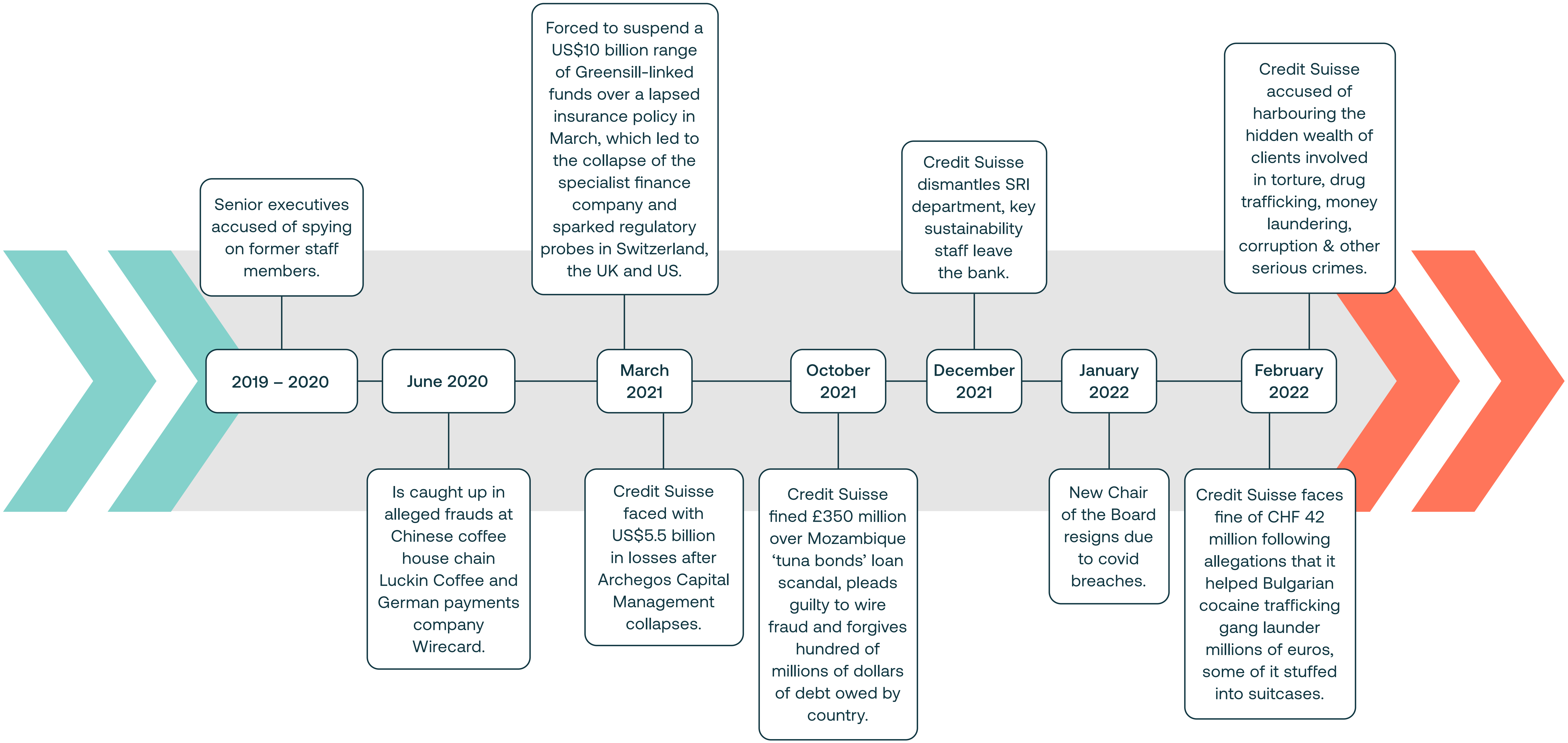
Mr Kossovsky warns that "reputation risk is the greatest threat to environmental, social, and governance value, yet most ESG-focused companies naively defend their reputations with marketing rather than preempt costly perils with governance and risk management[xix]." Indeed, analysts have accused Credit Suisse of "seeking quick PR victories instead of changing its business practices and leading by example"[xx].

We deep dive into a handful of these scandals below. But, as Philippe Béchade, editor of La Bourse said: "It's hard to know of a scandal that took place in the last 18th months that Credit Suisse isn't in some way associated with [translated]." [xxi] These examples illustrate the importance for Credit Suisse to completely transform its approach to risk assessment and management processes and use this resolution as an opportunity to restore its highly damaged reputation.

Figure 1: Credit Suisse's share price has plummeted in the past 2.5 years

Source: Eikon. Values reported as of 24 February 2022 at 9:30am GMT. All values are shown in stock exchange's local currencies (Credit Suisse and UBS: CHF; Deutsche Bank: EUR; Morgan Stanley and Goldman Sachs: USD)

Figure 2: Credit Suisse has found itself embroiled in several high-profile scandals in the past year



For a longer and more complete timeline please see Le Temps (2021) Comment Credit Suisse a perdu le controle[xxii].

Senior Credit Suisse staff embroiled in spying scandals

Tidjane Thiam – Credit Suisse CEO between 2015 and 2020 – was ousted in 2020 following accusations that the bank had spied on its former executive and head of its wealth management division, Iqbal Khan[xxiii], due to fears he would poach former colleagues after deciding to move to UBS Group AG. The bank was also reported to have spied on its former head of human resources Peter Goerke[xxiv]. This had led to the departure in 2019 of the bank's Group Chief Operating Officer Pierre-Olivier Bouee.

A clear failure to manage risk

Following involvement in the Wirecard and Luckin coffee scandals[xxv], Credit Suisse was rocked by two high profile bankruptcies. Firstly it was saddled with an "unacceptable" US$5.5 billion in losses when Archegos Capital Management collapsed. It then suffered more reputational damage when Australia and UK-based financial services firm Greensill Capital folded, driving the bank to freeze billions in investment funds[xxvi].

An independent report concluded that "the Archegos default exposed several significant deficiencies in Credit Suisse's risk culture, revealing a Prime Services business with a lackadaisical attitude towards risk and risk discipline, a lack of accountability for risk failures; risk systems that identified acute risks, which were systematically ignored by business and risk personnel; and a cultural unwillingness to engage in challenging discussions or to escalate matters posing grave economic and reputational risk. The Archegos matter directly calls into question the competence of the business and risk personnel who had all the information necessary to appreciate the magnitude and urgency of the Archegos risks, but failed at multiple junctures to take decisive and urgent action to address them."[xxvii]

On top of this, it found that too many senior Credit Suisse staff in areas like risk management had been fired and that those who remained were incompetent[xxviii]. Finally, it identified a culture in which profits were prioritized over sound risk management and respect for controls[xxix], something that has repeatedly been reported by former employees[xxx]. Credit Suisse has commissioned a similar independent report into Greensill, but has so far refused to make its findings public, despite having committed to do so at its 2021 AGM[xxxi]. These scandals led Standard and Poor's to downgrade the credit risk rating of Credit Suisse from "stable" to "negative"[xxxii].

As if the above was not enough, in February 2022, Credit Suisse became the first Swiss bank in the country's history to answer criminal charges, with the opening of a case involving millions of euros in allegedly laundered drug money[xxxiii]. This follows the so-called "tuna bond" corruption scandal in Mozambique in which Credit Suisse was heavily involved. The consequences of that scandal range far beyond Credit Suisse as it plunged Mozambique into a financial crisis[xxxiv]. A few weeks later, 48 media organisations exposed the "Credit Suisse leak", an investigation that showed the bank had harboured the hidden wealth of clients involved in torture, drug trafficking, money laundering, corruption, and other serious crimes[xxxv].

Credit Suisse's sustainability staff are fleeing the bank

Bob Parker, investment committee member at Quilvest and former senior advisor at Credit Suisse, said: "I think the job at hand for Credit Suisse over the coming months and year is frankly to repair its risk management, to repair its reputation, and obviously one factor that needs to be looked at carefully is, can it retain its talent?"[xxxvi] When it comes to sustainability, this is a real and live question.

Indeed, the past few months have seen a number of high profile sustainability staff leave the bank. Lydie Hudson, the bank's first sustainability executive, announced she would leave in December 2021, ending a 17-month sustainability push – including the formation of a dedicated SRI team - that had received much praise in the media and had led UBS to re-structure its own sustainability team[xxxvii].

Just a month later, Marissa Drew, the bank's new Chief Sustainability Officer who had been at the bank for 18 years, also announced she was leaving.[xxxviii] In January 2022, Credit Suisse's Global Head of Sustainable Finance Dana Barsky left the bank to join the Growth for Good Acquisition Corporation. She had helped create the bank's sustainable activities framework and served as COO and Head of Sustainable Products and Partnerships for Credit Suisse's Sustainability Strategy, Advisory, and Finance Department[xxxix].

Iris Bohnet, the Chair of the sustainability advisory committee, is also rumoured to be on her way out[xl]. Richard Meddings, the only other board member who is part of the sustainability committee is also leaving soon to become Chair of NHS England[xli].

In January 2022, Credit Suisse's Chair of the Board Antonio Horta-Osorio, who had overseen Lloyds Banking Group's climate transformation under his tenure as CEO, stepped down after breaching Covid-19 rules. He had been brought in to help reset the bank's strategy and restore the bank's reputation for risk management[xlii].

In March 2016, then CEO Tidjane Thiam told the bank that it had "an attitude to risk that has to change … there has to be consequences"[xliii]. Six years later, little seems to have changed. Credit Suisse continues to be involved in high profile scandals and controversial deals (see below). Its share price has plummeted, its reputation is at a record low, and many of its sustainability talents are leaving the firm.

The bank must urgently revamp its strategy and approach to risk assessment and management – and climate change must be at the core of that. Otherwise, the bank will continue to expose itself to unnecessary risk. This is especially critical given the bank's exposure to high-carbon sectors, companies at risk from the low-carbon transition, and its failure to demonstrate clearly how it will meet its commitment to the 1.5C goal of the Paris Agreement.

We encourage the bank and its investors to see our resolution as an opportunity to start afresh, rebuild trust with investors and other key stakeholders, and set a standard on climate in the European banking industry.

Credit Suisse's disclosures: the bank must urgently expand the scope of its disclosures to cover capital markets activities, and start disclosing its financed emissions too

Last year, a group of 35 investors representing US$11 trillion in assets called on banks including Credit Suisse to disclose their climate governance, strategy, risk management approach, and metrics and targets to be in line with the recommendations of the Taskforce for Climate-related Financial Disclosure (TCFD)[xliv]. A core tenet of the TCFD guidelines for banks is to disclose their exposure to high-carbon assets, on a relative and absolute basis, and covering all relevant financial services.

Furthermore, their statement read that "disclosure should include how the bank will amend its strategy to deliver its commitment to be Paris-aligned and the associated financial implications." It also asked banks to report on their financed emissions[xlv].

Credit Suisse discloses its absolute and relative exposure to a number of climate-sensitive sectors (see Figure 3 below). But the scope of these disclosures is limited to lending activities. This should raise red flags for investors. Despite recent plans to trim it down, the bank still earned the highest fees from its investment bank of any other European bank since 2000[xlvi]. It is sixth globally for the same criteria. A recent report by ShareAction found that up to 80 per cent of Credit Suisse's financing of top oil and gas expanders was in the form of capital markets financing[xlvii].

Credit Suisse's disclosures are made in the bank's sustainability report, not as part of its financial reporting. It does not disclose its financed emissions and as of 17 February 2022, has not yet joined the Partnership for Carbon Accounting Financials (PCAF)[xlviii].

Figure 3: Credit Suisse’s high-carbon disclosure

Purpose: To provide transparency on financing to climate-sensitive sectors.

Coverage: Credit Suisse’s corporate lending exposure, including mortgages, has been subject to a review (approx. $473 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. As a result, exposure to carbon-related businesses is expected to decrease over the years, albeit not necessarily in a linear fashion. The quantum of reduction on a yearly basis will depend on factors such as market drivers, developing science, client engagement and credit risk considerations.

Sector	**Potential Exposure [mn $]**	**%**
Oil & Gas	13,073	2.8%
Metals and Mining (Coal)	1,049	0.2%
Power Generation (Fossil Fuels)	7,279	1.5%
Metals and Mining (ex. Coal)	4,865	1.0%
Industrials – Cement or Concrete	620	0.1%
Industrials – Chemicals	12,998	2.7%
Industrials – Machinery and Equipment Manufacturing	9,799	2.1%
Industrials – Textiles & Clothing	401	0.1%
Transportation (incl. Automotive)	23,615	5.0%
Agriculture	645	0.1%
Non-power generating utilities – sewage, waste management	441	0.1%
Commodity Trade Finance [1]	8,212	1.7%
Mortgage Related Lending	164,736	34.8%
Other Lending	225,147	47.6%
Total Potential Exposure	**472,879**	**100.0%**

Case study: UBS's disclosures of climate sensitive sectors

UBS provided disclosure on climate-sensitive sectors in its 2020 Sustainability report[xlix]. Climate-sensitive sectors are defined as business activities that are rated as having vulnerability to transition risks, including policy, technology, and demand risk factors based on the methodology available in UNEP FI Phase II heatmap report.

Sectors included in UBS' disclosures include: aerospace and defence; automotive; chemicals; constructions and materials; food and beverage; industrial materials; machinery and equipment; mining; oil and gas; plastics and rubber; primary materials; textile products and apparel; real estate; transportation; and utilities.

These sectors further include a breakdown by fossil fuel assets. UBS discloses gross exposure (in US$ billion) to transition-risk-sensitive sectors, across investment banking and personal & corporate banking. It also discloses a percentage share of its total exposure to all sectors. A next step for UBS is to include this information in financial reporting, as specified by the TCFD[l].

Credit Suisse remains a top financier of thermal coal, despite progress on this front

According to the Global Coal Exit List[li], Credit Suisse channelled US$13.5 billion into coal companies between 2019 and 2021. These include companies such as Adani Group, one of the most controversial coal groups[lii], EPH, a conglomerate buying up new coal assets[liii], and Whitehaven Coal Ltd the biggest undiversified coal mining company on the Australian share market[liv]. Its closest competitor UBS helped raise US$5.2 billion during this period. Furthermore, Credit Suisse owns US$1.938 billion worth of shareholdings in coal companies and US$638 million worth of bonds. These numbers exclude green bonds and financing that is expressly directed towards non-coal activities.

According to the 2021 'Banking on Climate Chaos' report published by RAN the bank's exposure to the top 30 coal companies increased in 2020 compared to 2016, the year the Paris Agreement was signed. Credit Suisse was the world's 12th largest provider of financing to the 30 top coal mining companies and the 18th largest financier of the 30 top coal power companies over the period 2016-2020.

Credit Suisse has been under pressure from investors to tighten its coal policy over the last two years (see 'history of engagement') and has started responding. In November 2021, Credit Suisse published a new coal policy. The following table provides an overview of where Credit Suisse stands in relation to the main pillars supporting an efficient coal policy.

Figure 4: Analysis of Credit Suisse's thermal coal policy

Category	Core principles of Credit Suisse's coal policylv	Questions remaining	Leading practice examples from peers
Asset-level financing	Credit Suisse will not provide any form of financing that is specifically related to the development of a new coal-fired power plant or greenfield thermal coal mine, or where the majority of the use of proceeds is intended for a new coal-fired power plant or greenfield thermal coal mine.	Why does the asset-level financing restriction apply only to new greenfield coal mines, considering that extensions of existing mines is incompatible with a net-zero pathway according to the IEA? Do the asset-level financing restrictions apply throughout the value chain (e.g. infrastructure)?	Société Générale refrains from being involved in dedicated transactions and services linked to 1) Thermal coal mining, transport or transformation, 2) Coal-fuelled power production units and associated infrastructures, including transport and distribution infrastructures directly linked to Coal fuelled power plants, and 3) Thermal coal trading.
Materiality thresholds	2020 - Credit Suisse will not provide lending or capital markets underwriting for any company that derives more than 25% of revenues from coal power generation / thermal coal extraction (unless supporting energy transition). Credit Suisse later defines this as clients having a "credible transition plan and where, in addition, the transaction proceeds make a material contribution to this transition" or, in case of thermal coal power, where the client can demonstrate a decreasing share of coal in its power generation portfolio (measured by installed capacity) consistent with our Client Energy Transition Framework (CETF). This revenue metric decreases to 15% in 2025 and 5% in 2030, with the same exceptions applying.	How does Credit Suisse define a "credible transition strategy"? How does Credit Suisse quantify whether a transaction would be deemed to make a 'material' contribution to the transition? How will materiality be defined? And does this refer to green/transition finance or is it dependent on the client's transition strategy, or both? Would an investment in fossil gas count as one?	Credit Agricole has said that for companies above the 25 per cent threshold, the bank's level of support will depend on the transition path taken.This path will be analysed at the group level across the scope, in particular when renewing contracts or entering into a relationship on financing activities. The transition path will be assessed starting in 2021 on the basis of the transition scoring developed by the Group on all its counterparties, including the existence of a coal phasing out plan as a decisive factor.
Phase out commitment by the bank	Credit Suisse will not provide lending or capital markets underwriting for any company that derives more than 5% of revenues from coal power generation / thermal coal extraction (unless supporting energy transition) in 2030.	Recognising that the profitability of coal-related activities will continue to fall, and that diversified businesses can have important 'absolute' exposures to thermal coal-related activities, is Credit Suisse planning to complement its revenue-based metrics by metrics based on a company's coal share of power capacity and/or absolute metrics?	BNP Paribas will not provide any financial products or services to mining entities that belong to groups that produce more than 10 million tons of thermal coal per year. Crédit Mutuel will not provide financing to companies whose installed coal power capacity is above 5GW.
Phase out commitment by clients	While Credit Suisse has developed a Client Energy Transition Framework that can lead to client exclusions overtime, it does not currently require clients to publish coal phase out plans by a specific date		From the end of 2021 at the latest, Société Générale will refrain from providing new financial products and services to any Company with mining or power thermal coal assets which does not have communicated a transition plan aligned with the 2030/2040 thermal coal phase out objectives of Société Générale.
Coal developers	From 2022, Credit Suisse will not provide lending or capital markets underwriting to companies developing new coal-fired power plants or capacity expansions and to companies developing new greenfield thermal coal mines after 2021 (unless supporting energy transition).	How will Credit Suisse make sure that its financing doesn't leak to coal expansion activities, or allow the company to free up capital to pursue these activities? How can a transition plan be 'credible' if its involves new thermal coal power and mining expansion?	Credit Suisse should address these questions or align with banks that don't allow for these exceptions. For example, BNP Paribas will not finance companies adding operational coal fired power generation capacity to their power portfolio, irrespective of other capacity that could be dismantled and/ or sold. BNP Paribas will not finance mining entities that are developing or are planning to develop thermal coal extraction capacities (new mines or expansion of existing ones).
Coal-related infrastructure companies		While Credit Suisse's guidelines apply to associated infrastructure, the framing of the corporate-level restrictions focus on power generation and power extraction.	Société Générale's policy applies to all the banking and financial services provided to companies involved in thermal coal mining, storage, transport, trade, transformation, and coal-fired power production, transport, trade or distribution. The core tenets of Crédit Agricole's coal policy are included in Amundi's sector policies.
Scope of the policy	Credit Suisse's policy is specific to the bank. It does not apply to other departments. Indeed, its asset management arm does not yet have a coal policy.	Will Credit Suisse apply the core tenets of its coal policy across the Group?	The core tenets of Crédit Agricole's coal policy are included in Amundi's sector policies.

Case study – Adani Group

Adani Group, an Indian multinational founded by billionaire Guatam Adani, has multiple business units covering resources, logistics and energy. It has become well known for trying to build the world's most controversial coal project, the Adani Carmichael thermal coal mine, rail line and port, in Queensland, Australia. Described by experts as a 'carbon bomb', it is estimated that if all the coal was burned in the Galilee Basin, 705 million tonnes of carbon dioxide would be released each year. That's more than 1.3 times Australia's annual emissions.[lvi] The project also threatens public health, tourism and poses severe risks to the environment, threatening endangered bird species and further damaging the Great Barrier Reef World Heritage Area where the port will be built.[lvii]

Led by the traditional owners of the land, the Wangan and Jagalingou people – who have not been given Free, Prior and Informed Consent for the project – a grassroots movement has erupted against the project and delayed its progression for over ten years. This movement has gone global. Activists and NGOs have systematically picked off the project's insurers, suppliers, and financiers. Despite ruling out specific project finance for the Carmichael coal mine, Credit Suisse could still be financing this through its support of Adani Group due to the loopholes and points of uncertainty outlined in Figure 4. It has provided the conglomerate with over US$2 billion in the last two years[lviii]. Tim Buckley highlights how this can occur.[lix]

"Practically, the conglomerate [Adani Group] runs as a single group, with Gautam Adani as controlling shareholder and chairman of all six listed companies in the group. They have intercompany loans left right and center. They have intercompany transactions left right and center. They have behind-the-scenes unsecured, undisclosed loans left right and center and they transfer assets willy-nilly just to facilitate the greenwash."[lx]

Despite the green rhetoric of Adani Ports and Special Economic Zone (APSEZ), in December 2021 it was removed from four MSCI ESG indexes. The reasoning behind MSCI's decision is cited to be the "severe" repercussions on the environment and local Indigenous communities due to APSEZ's link to the Carmichael coal project.[lxi] APSEZ has also been removed from the UN's Race to Zero campaign.[lxii]

Credit Suisse's oil and gas policy is almost non-existent

Credit Suisse's unconventional oil and gas policy is limited in its scope and one of the narrowest among European banks, as illustrated by Figure 5. So far, the bank has only implemented asset-level restrictions in relation to Arctic oil. It does not have any strict restrictions linked to oil sands, shale oil and gas, or ultradeep water drilling. Furthermore, Credit Suisse does not have any asset-level or corporate based financing restrictions linked to fossil fuel exploration or fossil fuel expansion, and does not require its clients operating in the oil and gas sector to publish credible transition plans by a specific date.

Case Study: Sustainability linked bond to Enbridge

In June 2021, the Anthropocene Fixed Income Institute (AFII) warned that Credit Suisse had taken part in a highly controversial sustainability linked bond to Enbridge, a major oil sands pipeline company. Whilst the loan aimed to incentivise the company to take greater action on sustainability, the bond prospectus did not mention 'oil sands' a single time, and the three performance metrics (targets that need to be met in order for the interest rate of the bond to not increase) focus on matters that have nothing to do with the company's exposure to oil sands. The AFII notes that:

- The first KPI focuses on reducing the company's Scope 1 and 2 emissions by 35 per cent by 2030. However, between 2018 (baseline) and 2020, the company already reduced by 25 per cent which leaves roughly one per cent of CO_2-emissions reduction per annum for the next decade.

- The second KPI targets 40 per cent of women on the board by 2025. As today's number is 36 per cent (4 out of 11), this means that by reducing the board by one male, or alternatively getting one more woman on it will make the KPI fulfilled.

- The third KPI focuses on workforce diversity to reach 28 per cent by 2025, from 21 per cent today. AFII notes that this appears to be based on the company's own disclosures and that the target does not seem robust.

Credit Suisse's participation in this controversial deal should raise red flags to investors. It has long been demonstrated that oil sands are one of the most carbon intensive sources of energy, present important environmental and social risks, and need to be phased out rapidly[lxiii]. Furthermore, Enbridge is associated with several controversial new pipeline projects, such as the Line 3 pipeline[lxiv]. Credit Suisse had already been embroiled in a high-profile scandal linked to its financing of companies involved in the controversial Dakota Access oil pipeline project – this deal suggests the bank might not learned from its mistakes.

Figure 5: Comparison of the oil and gas policies of Europe's largest 25 banks

Bank	UNCONVENTIONAL OIL & GAS (oil sands (O), fracking (F), Arctic (A), ultra-deepwater (D))							GENERAL OIL & GAS						
	Asset finance		Corporate finance			Phase-out	Arctic Definition	Asset Finance		Oil and gas expanders		Phase-out	Client Transition Plans	
	Upstream	Midstream	Relative threshold		Midstream			Upstream	Midstream	Upstream	Midstream		Required	By
Barclays	(F**,A)	N	(F**,A)	50% revenues[1]	N	N	Y**	N	N	N	N	N	N	-
BBVA	(O,A)	(O,A)	(O*)	10% production	(O)	N	N	N	N	N	N	N	N	-
BNP Paribas	(O,F,A)	(O,F,A)*	(O,F,A)	30% prod, vol, res, rev[2]	(O,F,A)*	N	Y**	N	N	N	N	N	N	-
BPCE	(O,F,A)	(O*)	(O,F)	25% activity	(O*)	N	Y*	N	N	N	N	N	N	-
CaixaBank	(O,F,A)	(O*)	(O*)	10% revenues	N	N	N	N	N	N	N	N	N	-
Commerzbank	(O,F,A,D)**	N	N[5]	-	N	N	N	Y**	N	Y**	N	N	N	-
Crédit Agricole	(O*,F,A)	(O,A)*	(O*,F)	30% activity	N	N	Y*	N	N	N	N	N	N	-
Crédit Mutuel	(O,F,A,D)	(O,F,A,D)*	(O,F)[3]	30% activity[3]	N	N	Y*	Y	Y	N[3]	N	N	N	-
Credit Suisse	(A)	(A)	N	-	N	N[4]	Y*	N	N	N	N	N	N	-
Danske Bank	(O,F,A,D)	N	(O,F,A,D)**	5% revenues	N	N	Y*	Y	N	N	N	N	Y**	2023
Deutsche Bank	(O*,F**,A*)	(O)	N	-	N	N	Y*	N	N	N	N	N	N	-
DZ Bank	(O,F)**	N	(O,F)**	5% revenues	-	N	N	N	N	N	N	N	N	-
HSBC	(O,A)**	(O*)	N	-	N	N	Y**	N	N	N	N	N	N	-
ING	(O**,F**,A)	(O*)	(O,F,A)**	30% reliance	(O*)	N	Y**	N	N	N	N	N	N	-
Intesa SanPaolo	(O,F,A**)	(O,F,A)*	(O,F,A)**	30% revenues[2]	(O,F,A)**	(O,F,A)*	Y*	N	N	N	N	N	N	-
La Banque Postale	(O,F,A,D)	(O,F,A,D)	N/A	No tolerance	(O,F,A,D)	(O,F,A,D)	Y	Y	Y	Y*	Y*	Y*	Y	2021[6]
Lloyds Banking Group	(O,F,A)	(O*)	N	-	N	N	Y**	N	N	N	N	N	N	-
NatWest	(O,F,A)	N	N	-	N	N	N	Y**	N	N	N	N	Y*	2021
Nordea	(O,F)**	(O,F)	(O,F,A)**	5% revenues	(O,F)*	(O,F,A)**	Y**	N	N	N	N	N	N	-
Rabobank	(O,F,A)	(O,F,A)*	N	-	N	N	Y**	N	N	N	N	N	N	-
Santander	(O,F,A)	N	(O,F,A)	30% activity	N	N	Y*	N	N	N	N	N	N	-
Société Générale	(O,F,A**)	(O,A)*	(O,F,A**)	30% prod or revenue	N	N	Y*	N	N	N	N	N	N	-
Standard Chartered	(O,A)	N	N	N	N	N	N	N	N	N	N	N	N	-
UBS	(O*,A**)	N	(O,A**)	20% res or prod	N	N	Y**	N	N	N	N	N	N	-
UniCredit[7]	(O,F,A**,D)	(O,F,A,D)*	(O*,F*,A**,D*)	25% revenues	N	N	Y*	N	N	N	N	N	N	-

Midstream activities focus on transportation (e.g. pipelines) and do not cover other types of infrastructure (e.g. LNG terminals).
*indicate exceptions; ** indicates material exceptions; ()* and ()** indicate exceptions or material exceptions that apply to all segments in brackets. For the definition of the Arctic region specifically, Y indicates a definition aligned with the AMAP, Y* indicates a narrower definition including onshore and offshore activities, ** indicates a narrower definition with limited coverage of offshore and/or onshore activities
Examples of material exceptions: restrictions applying only to a certain category of clients (e.g. new clients), to a certain region or country, or to a specific activity (e.g. oil but not gas)

(1) Barclays' threshold (primarily engaged) is assumed to be equivalent to 50 per cent or more for the purpose of this analysis.
(2) BNP Paribas' threshold ("significant" production, volume, reserves or revenue) and Intesa Sanpaolo's threshold ("significant revenues") are assumed to be equivalent to 30 per cent or less for the purpose of this analysis.
(3) Credit Mutuel has committed to restrict corporate financing for clients who undertake explorations of new oil & gas fields and for clients deriving a significant portion of revenues from unconventional activities, pending thresholds to be defined by Urgewald, but is yet to spell out this restriction in its policy. In parallel, the bank committed not to provide financing to companies whose activity was reliant to oil sands and shale oil & gas for 30 per cent or more.
(4) Credit Suisse has developed a Client Energy Transition Framework that can eventually exclude clients under certain conditions. Not enough details are available in the public domain to confirm if the restrictions meet the requirements of this analysis.
(5) Commerzbank has committed not to establish new relationships with companies with expansion plans in the oil & gas sector
(6) In October 2021, La Banque Postale committed to only provide financing services to companies that have published transition plans going forward

Credit Suisse's Energy Transition Framework (CETF)

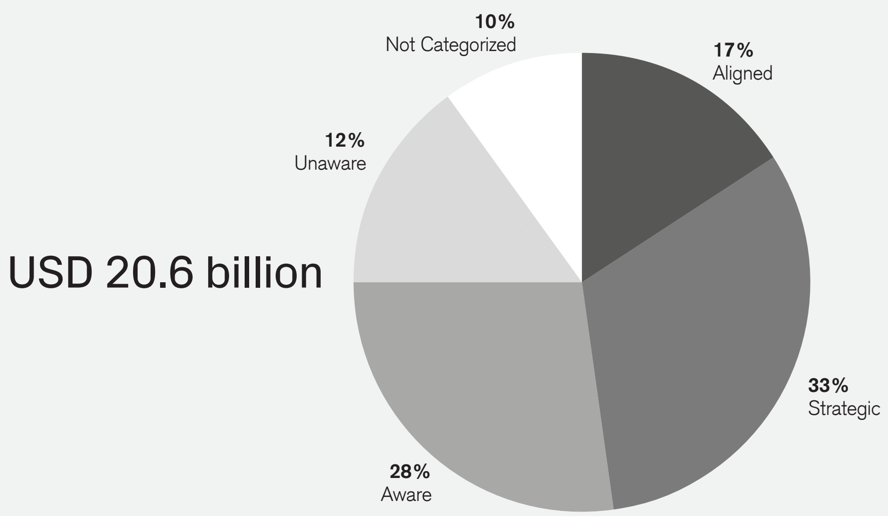
Credit Suisse has developed a "Client Energy Transition Framework" (CETF) to assess the transition readiness of clients operating in the oil & gas, coal mining and utilities/power generation sectors. Under the framework, clients are classified as "Unaware" (little to no evidence of steps towards transition), "Aware" (identifies and manages risks), "Strategic" (transition strategy is in place), and "Aligned" (the overall business is aligned to the Paris Agreement).[lxv] The stated ambition is to "actively encourage clients to transition along the CETF scale over time and support them through financing and advisory services".[lxvi] Credit Suisse has also stated that "unaware" clients will be phased-out overtime.

Risk classification is an important aspect of climate strategy and Credit Suisse is among the very few banks who has disclosed such a framework publicly. However, criteria used to classify clients and impact on Credit Suisse's client base are scarce if not inexistent in the public domain. It is therefore difficult for investors to assess the credibility of this approach. In addition, as mentioned above, Credit Suisse's support to oil & gas companies mainly takes the form of capital markets activities while this framework focuses on lending. It can be expected that Credit Suisse provides some form of lending to clients of its capital markets business and therefore the scope is not necessarily inadequate. However, as exposure is weighted to display the portfolio split, it does not necessarily reflect accurately the proportion of financing provided to each category.

Figure 6: Credit Suisse's Energy Transition Engagement Framework (CETF)

Purpose: To support the transition of our clients toward Paris alignment.
Coverage: Oil & Gas, Coal Mining and Utilities/Power Generation clients, covering a $20.6 billion lending portfolio. Internal criteria, including 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. We use an exposure weighted measure to show the portfolio split across clients categories.

Direction: Financing to clients with the lowest categorization in terms of transition readiness, i.e., to "Unaware" clients, will be phased out over time. Furthermore, we expect an increasing number of clients to move from "Aware" to other categories, as they progress in their transition planning. The main goal of Client Energy Transition Framework (CETF) is to encourage our clients to transition to low-carbon activities.



Credit Suisse is a core relationship bank of some of the largest oil and gas expansion companies

Just last year, the IEA warned that for a 50 per cent chance of reaching net-zero by 2050, there was no room for new oil and gas fields. Yet, experts have warned that the IEA Net-Zero Emissions scenario makes unrealistic assumptions about the prospects for carbon, capture and storage (CCS). This implies that if more realistic assumptions are made on CCS, more existing fields will need to be retired early[lxvii].

While other they do not spell out investment implications as explicitly as the IEA, other widely recognised 1.5C scenarios require similar or higher average rates of decline for oil and/or gas supply from 2020-2050. These include some of the net-zero scenarios produced by the Network for Greening the Financial System (NGFS), despite their high reliance on unproven or high-risk technologies to balance emissions.

A recent report by ShareAction found that Credit Suisse had channelled more than US$18 billion into 50 top oil and gas expanders since 2016[lxviii]. Its financing levels for these companies remained relatively constant over the last six years. As shown on Figure 5, Credit Suisse only has limited asset level restrictions and no restrictions or financing conditions linked to new oil and gas.

Case study: Credit Suisse is a top financier of shale oil and gas pure play companies with expansion plans

ShareAction's analysis revealed that many of Credit Suisse's main oil and gas expander clients were shale oil and gas pureplay companies. These include Diamondback Energy Inc., Pioneer Natural Resources Company, EQT Corporation, Concho Resources Inc., and Marathon Oil Corporation[lxix]. This should raise alarm bells for investors. Carbon Tracker has shown that shale companies are most at risk from the energy transition, with most of them seeing production fall by over 80 per cent by the 2030s in the IEA Net-Zero Emissions scenario[lxx]. It highlights Pioneer Natural Resources, Diamondback Energy, and Marathon Oil as being most at risk: with all of them needing to reduce their 2030s production to 12-14 per cent of their 2021 levels. It also shows that even in a slower "well below 2C" pathway, asset stranding risks are severe. For example, 100 per cent of Pioneer Natural Resources 2021-2030 unsanctioned capex falls outside of the IEA Sustainable Development Scenario[lxxi]. The latest report from the Intergovernmental Panel on Climate Change (IPCC) further showed that methane is playing an ever greater role in overheating the planet than previously thought, with most of it coming from farming, and shale oil and gas extraction[lxxii]. The IEA has also recently shown that emissions of methane from the global energy sector are 70 per cent higher than governments have officially reported[lxxiii].

Furthermore, shale oil and gas present important environmental and social risks. The negative impacts of shale includes a deterioration of air quality and water quality, small earthquakes, water stress, chemical spills, and the consequences of shale boom towns - local economies that would benefit but these booms in turn degrade local infrastructure. Inflationary pressures can make some regions unaffordable for residents[lxxiv].

According to RAN, Credit Suisse is one of the top bankers of companies operating in the Vaca Muerta, a fracking megaproject situated in the northern Patagonian region of Argentina. Yet, a UN human rights body recommended against fracking Vaca Muerta in order to align with the Paris Agreement and preserve the economic and social rights of future generations.[lxxv] Development of Vaca Muerta currently threatens the rights of the Mapuche Indigenous community, who have opposed the fracking activities imposed on their land.[lxxvi]

Credit Suisse committed to set targets in December 2020 – these need to cover all relevant greenhouse gas and financial services (including capital markets activities), and lead to absolute emission reductions

Credit Suisse was among the first banks to commit to set intermediate targets for its financed emissions. In December 2020, the bank announced it would set, within 24 months, 2030 emissions goals through the Science Based Targets initiative to support its net-zero by 2050 commitment (although we note the bank only formally registered their intention with the SBTi on February 2021). At that time, the bank also joined the Business Ambition for 1.5C campaign, which commits members to set targets aligned with a 1.5C ambition. In April 2021, Credit Suisse also became a founding member the Net Zero Banking Alliance (NZBA), which requires affiliated banks to publish a first round of sectoral targets within 18 months. In July 2021, 115 investors representing US$4.2 trillion wrote to Credit Suisse and other banks asking them to publish interim targets ahead of their 2022 AGM. It is unclear whether Credit Suisse is intending to do so.[lxxvii]

While Credit Suisse is yet to confirm the methodology it will use to set interim targets, the limited information communicated by the bank invites caution. Preliminary disclosures relating to the bank's fossil fuel portfolio, discussed in its 2020 TCFD report, could lead to inadequate commitments. This is mainly because:

- The financing activities in scope are limited to lending. As discussed throughout this document, Credit Suisse's financing activities primarily arise from capital markets facilitation. Not accounting for these activities greatly underestimates transition riskand decarbonisation efforts at portfolio level. Peers like Barclays include capital markets activities in their energy targets.

- The metrics used to discuss alignment of the energy portfolio are expressed in relative terms (Weighted Average Carbon Intensity and Production Mix). While these metrics can serve different purposes, they are ill-suited to set targets for the energy sector where decarbonisation will be primarily driven by a decrease in production in absolute terms. Both Barclays and HSBC use absolute emission targets for their energy portfolio. Credit Suisse nevertheless recognises that "absolute volumes will also need to decrease significantly to reach a "net zero" alignment." It is therefore possible that the bank is contemplating an absolute emissions metric.

- The climate scenarios used to benchmark the energy portfolio are those of the NGFS. Because NGFS makes even more aggressive assumptions than the IEA on carbon dioxide removal and/or CCS, ShareAction advocates for banks to use NGFS scenarios for explorative scenario analysis only. Portfolio targets should be based on credible normative scenarios aligned with 1.5C, such as the IEA Net-Zero by 2050 scenario. HSBC has set portfolio targets using this scenario.

- Credit Suisse fails to clearly communicate on the inevitable uncertainty arising from both climate and portfolio modelling when it discusses alignment of its energy portfolio with the NGFS scenarios. Because of this uncertainty, ShareAction advocates for a precautionary approach to target setting and portfolio alignment, which involves adding a buffer on top of the benchmark derived from the climate scenario.

An opportunity for the bank to demonstrate leadership and restore trust

This investor brief has demonstrated that Credit Suisse is at a crunch point. It needs to restore trust with its investors and its stakeholders fast. We believe that our climate resolution presents the bank with an opportunity to demonstrate leadership, restore trust, and improve its reputation. This would have important economic benefits as well:

- **Robust climate risk assessment and management processes are the backbone of any resilient transition plans:** Credit Suisse has been involved in a string of high-profile scandals that have raised important questions about the bank's risk processes. The bank must urgently update its risk strategy – and put climate change at its core. Otherwise, the bank might face important transition and reputational risks that will further exacerbate the situation the bank has found itself in.

- **An improved climate strategy would draw an important new stream of High Net Worth Individuals to the Private Bank:** A 2019 Morgan Stanley institute for sustainable investing survey of high net worth investors found that 95 per cent of millennials were interested in sustainable investing. Firms that fail to grasp this opportunity typically lose 70-80 per cent of assets when transferred from one generation to the next. Consequently, the wealth managers who supply millennials with ESG investment options will be strongly positioned to attract new assets to the firm as well as retain beneficiary millennial clients.

- An improved image in Swiss society could lead to an increase in new clients to the bank: A study commissioned by Credit Suisse showed that global warming was the second most prevalent concern of the Swiss population, and the share of people concerned about the climate had increased relatively strongly – by ten percentage points – since last year[lxxviii]. Yet Credit Suisse has repeatedly been the subject of protests and boycott campaigns in Switzerland because its climate strategy is considered to inadequately address these concerns[lxxix].

- A leading climate strategy would set Credit Suisse apart from its peers and add credibility to its commitment to the 1.5C goal of the Paris agreement.

Next steps for investors

4

Next steps for investors

Support for climate-related shareholder resolutions is on the rise. And as warnings about severe physical climate impacts are intensifying, resolutions play a pivotal role in making companies more resilient in the face of increasing transition and physical risks. Last year, Blackrock found that almost all shareholder resolutions that received majority support resulted in companies fully meeting the ask of the proposal, while two-thirds of the proposals that received between 30 and 50 per cent support resulted in companies fully or at least partially meeting the ask.[lxxx] And these statistics do not include shareholder proposals that led to major climate commitments without necessarily being voted on or even garnering that level of support.

In 2020, Barclays' management tabled and passed a resolution in response to a shareholder resolution coordinated by ShareAction.[lxxxi] Through the resolution, Barclays became the first major bank to commit to align with net-zero by 2050 and set emission reduction targets for carbon-intensive sectors. This commitment had ripple effects on the banking sector, with other major banks like HSBC and Credit Suisse announcing net-zero commitments a few months later. The following year, ShareAction agreed to withdraw a resolution it co-filed with a group of investors at HSBC as they secured a commitment from the bank to phase-out thermal coal financing and set emission reduction targets for carbon-intensive sectors.[lxxxii] Some have questioned whether resolutions can have a real-world impact and lead to a decrease of greenhouse gas emissions.[lxxxiii] Barclays just announced that absolute emissions from its energy portfolio decreased by 22 per cent year on year.[lxxxiv]

In other words, shareholders can have an immense influence on banks' climate strategies. As we demonstrate in this investor brief, the proposed resolution at Credit Suisse offers a unique opportunity for investors to demonstrate leadership on environmental voting practices and contribute to shaping Credit Suisse's approach to climate risk.

We urge investors in Credit Suisse – both shareholders and bondholders – to:

1 Write to the bank expressing their support for the resolution, and consider making their support for the resolution public.

2 In the case of shareholders, cast a vote in favour of the resolution ahead of the bank's 2022 AGM on 29 April 2022.

3 Get in touch with ShareAction should they have any questions about this engagement, the bank's climate performance, or ShareAction's banking work in general.

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ShareAction is a NGO working globally to define the highest standards for responsible investment and drive change until these standards are adopted worldwide. We mobilise investors to take action to improve labour standards, tackle climate change and address pressing global health issues. Over 15 years, ShareAction has used its powerful toolkit of research, corporate campaigns, policy advocacy and public mobilisation to drive responsibility into the heart of mainstream investment. Our vision is a world where the financial system serves our planet and its people.

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Authors

Jeanne Martin, Kelly Shields, Xavier Lerin

ShareAction»

shareaction.org
info@shareaction.org
+44 (0)20 7403 7800

63/66 Hatton Garden
Fifth Floor, Suite 23
London
EC1N 8LE

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