

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Commercial Paper
Asset Pool

Alpine Securitization Ltd
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Overall Evaluation of the Green Commercial Paper

Alpine Securitization Ltd (“Alpine”) commissioned ISS ESG to assist with its Green Commercial Paper by assessing three core elements to determine the sustainability quality of the Commercial Paper:

1. Alpine’s Green Finance framework – benchmarked against the International Capital Market Association’s (ICMA) Green Bond Principles (GBPs).
2. The asset pool of Eligible Projects – whether the projects aligned with ISS ESG’s issue-specific key performance indicators (KPIs) (See Annex 2).¹
3. The issuer’s² sustainability performance, according to the ISS ESG Corporate Rating.

ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ³
Part 1: Performance against GBPs	The issuer has defined a formal concept for its green commercial paper regarding use of proceeds and processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the ICMA GBPs.	Positive
Part 2: Sustainability quality of the asset pool	The overall sustainability quality of the asset pool in terms of sustainability benefits, risk avoidance and minimisation was assessed by ISS ESG Green Bond KPIs. The Green Bond KPIs contain a clear description of eligible asset categories which include: Solar energy on commercial and residential buildings. All assets of the asset pool are located in the United States, a highly regulated and developed country. Legislative frameworks in those countries set minimum standards, which reduce environmental and social risks.	Positive
Part 3: Issuer sustainability performance	Alpine Securitization Ltd is a member of Credit Suisse AG’s consolidated group, and therefore falls under Credit Suisse AG’s ESG Performance Rating. ISS ESG was previously mandated by Credit Suisse for a SPO on their green finance framework in June 2019. Credit Suisse ESG performance is available within Credit Suisse’s SPO at: https://www.credit-suisse.com/about-us/en/investor-relations/debt-investors/green-finance.html	

¹ The asset pool consists of specific assets of Alpine that have been identified as Eligible Projects in accordance with Alpine’s Green Finance Framework.

² Alpine Securitization Ltd is a member of Credit Suisse AG’s consolidated group

³ ISS ESG’s evaluation will remain valid until any modification of the Green Bond Framework or addition of new assets into the asset pool by the issuer and as long as the Corporate Rating does not change (last modification on the 21.06.2019). The controversy check of the underlying assets was conducted on the 12.12.2019.

Contribution of the Green Commercial Paper to the UN SDGs

Based on the assessment of the sustainability quality of the green bond asset pool and using a proprietary methodology, ISS ESG assessed the contribution of the Alpine’s green commercial paper to the Sustainable Development Goals defined by the United Nations (UN SDGs).

This assessment is displayed on 5-point scale (see Annex 2 for methodology):



Each of the commercial paper’s Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Rooftop Solar Panels	Significant contribution	  

ISS ESG SPO ASSESSMENT

PART I: GREEN BOND PRINCIPLES

1. Use of Proceeds

The objective of Alpine green commercial paper notes is to fund projects or assets that: mitigate climate change by reducing emissions; protect ecosystems; or otherwise have a positive environmental impact in support of the UN Sustainable Development Goals. Proceeds from any specified issuance of Alpine green commercial paper notes will be allocated to finance or refinance, in part or in full, new and existing projects and assets with a clear and defined environmental benefit meeting the following eligibility criteria which eligibility criteria is generally consistent with the Green Bond Principles (“Eligible Projects”).

ELIGIBLE PROJECTS	ASSETS INCLUDED IN THE GREEN COMMERCIAL PAPER	VOLUME AND SHARE OF ASSETS
Renewable energy (<i>Solar</i>)	✓	USD 350m (100%)
Energy Efficiency	✗	USD 0m (0%)
Low Carbon Buildings	✗	USD 0m (0%)
Conservation Finance	✗	USD 0m (0%)
Clean Transportation	✗	USD 0m (0%)
Sustainable Waste Management	✗	USD 0m (0%)
Circular Economy	✗	USD 0m (0%)
Total		USD 350m⁴

Opinion: ISS ESG considers the Use of Proceeds description provided by Alpine’s Green Commercial Paper Framework to be aligned with the GBPs. However, regarding the category “Conservation Finance”, due care needs to be applied in selection in order to avoid negative social and environmental impacts according to ISS ESG’s KPIs.

⁴ Allocated proceeds only.

2. Process for Project Evaluation and Selection

The SP Finance Conduit Team, as manager of Alpine, will be responsible for determining which projects qualify as an Eligible Project. The SP Finance Conduit Team will verify the suitability and eligibility of such investments in collaboration with internal experts and stakeholders and using criteria that is generally consistent with the Green Bond Principles.

Eligible Projects will be evaluated using financial and risk-based analyses as well as strategic considerations to determine which ones should be allocated to any specified issuance of Alpine green commercial paper notes.

The SP Finance Conduit team expects the majority of proceeds to be allocated to the financing of Eligible Projects on date of issue, and all proceeds will be allocated to Eligible Projects after 12 months. The SP Finance Conduit Team has formal risk management policies, procedures and systems in place to identify, assess and mitigate risks related to the Eligible Projects.

Opinion: *ISS ESG finds that the process for project evaluation and selection align with the GBPs. Involving internal experts and stakeholders in the process reflects good governance.*

3. Management of Proceeds

Alpine Securitization intends to allocate the majority of proceeds to be fully allocated to the financing of Eligible Projects on date of issue, and all proceeds will be allocated to Eligible Projects after 12 months. Any unallocated proceeds will be earmarked and held as cash or cash-equivalents pending investment in Eligible Projects or Assets.

Opinion: *ISS ESG finds that the management of proceeds align with the GBPs. Earmarking and unallocated proceeds being held as cash or cash-equivalents and allocated after 12 months reflects good market practice.*

4. Reporting

Alpine Securitization will include additional information in its monthly servicer report. This will include:

- Total amount of proceeds allocated to Eligible Projects
- The remaining balance of any unallocated funds from any outstanding issuance of Alpine's green commercial paper notes.

Opinion: *ISS ESG finds that the reporting process align with the GBPs. Proceeds allocation reporting and transparency on the remaining balance of any unallocated funds reflects good market practice. However, the monthly servicer report will not be publicly available.*

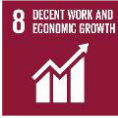




PART II: SUSTAINABILITY QUALITY OF THE ASSET POOL

Rooftop solar panels on residential and commercial buildings

As a Use of Proceeds category, rooftop solar panels have a significant contribution to the SDG 7 “Affordable and clean energy”, SDG 11 “Sustainable cities and communities” and SDG 13 “Climate Action”.

Additionally, when considering the deeper ESG management, rooftop solar panels can be associated to other SDGs.

The table below presents the findings of an ISS ESG assessment of the assets (re-) financed against KPIs and the association with SDGs based on a mapping methodology.

ASSESSMENT AGAINST ISS ESG KPI	ASSOCIATION WITH THE SDGS
Supply chain standards (For Commercial buildings only)	
<ul style="list-style-type: none"> ✓ 100% of assets are located in the United States, which provides high labour and health and safety standards in the supply chain of solar modules (e.g. ILO core conventions). 	
Environmental aspects of solar panels	
<ul style="list-style-type: none"> ○ Approximately 43.7% of assets provide for high environmental standards regarding take-back and recycling of solar modules at end-of-life stage (e.g. in line with WEEE requirements). No information was available for the rest of the assets. 	
<ul style="list-style-type: none"> ○ Approximately 18.9% of assets provide for high standards regarding the reduction or elimination of toxic substances within solar panels (e.g. in line with RoHS requirements or other relevant standards). No information was available for the rest of the assets. 	
Environmental aspects of solar panels (For Commercial buildings only)	
<ul style="list-style-type: none"> ○ Approximately 29.2% of assets feature a conversion efficiency of at least 15%. No information was available for the rest of the assets. 	
Working conditions during construction and maintenance work (For Commercial buildings only)	
<ul style="list-style-type: none"> ✓ 100% of assets are located in the United States, which provides high labour and health and safety standards for construction and maintenance work (e.g. ILO core conventions). 	

Responsible treatment of customers with debt repayment problems (For Residential buildings only)

- ✓ Residential customers with debt repayment problems, will be disconnected from their solar panels and will receive 100% of its energy from the grid. The U.S Federal law referred as the Investment Tax Credit (ITC) was established by the Energy Policy act of 2005 and allows owners of solar energy systems to deduct 30% of the cost of installing the system from their federal taxes.



Controversy Assessment

A controversy assessment of rooftop solar panels for commercial buildings was conducted and did not reveal any controversies. Due to low controversy risk, ISS ESG does not carry out a controversy assessment for private mortgage loans.

PART III: ASSESSMENT OF THE ISSUER'S ESG PERFORMANCE

Alpine Securitization Ltd is a member of Credit Suisse AG's consolidated group, and therefore falls under Credit Suisse AG's ESG Performance Rating.

ISS ESG was previously mandated by Credit Suisse for an SPO on their green finance framework in June 2019. Credit Suisse's ESG performance is available within their SPO at:

<https://www.credit-suisse.com/about-us/en/investor-relations/debt-investors/green-finance.html>

DISCLAIMER

1. Validity of the SPO: For Alpine's first issuance following the SPO release date.
2. ISS ESG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to the highest quality standards which are customary in responsibility research worldwide. In addition, we create a Second Party Opinion (SPO) on bonds based on data from the issuer.
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ANNEX 1: ISS ESG Corporate Rating

Alpine Securitization Ltd is a member of Credit Suisse AG's consolidated group, and therefore falls under Credit Suisse AG's ESG Performance Rating.

ISS ESG was previously mandated by Credit Suisse for a Second Party Opinion on their green bond issuance in June 2019. Credit Suisse ESG performance is available on Credit Suisse's SPO at:

<https://www.credit-suisse.com/about-us/en/investor-relations/debt-investors/green-finance.html>

ANNEX 2: Methodology

ISS ESG Green Bond KPIs

The ISS ESG Green Bond KPIs serves as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the use of proceeds of Alpine's Green Commercial Paper.

It comprises firstly the definition of the use of proceeds category offering added social and/or environmental value, and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the assets can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the assets and which can also be used for reporting.

To review the KPIs used in this SPO, please contact Federico Pezzolato (details below) who will send them directly to you.

Asset evaluation methodology

ISS ESG evaluates whether the assets included in the asset pool match the eligible project category and criteria listed in the Green Bond KPIs.

All percentages refer to the amount of assets within one category (e.g. wind power). Additionally, the assessment "no or limited information is available" either indicates that no information was made available to ISS ESG or that the information provided did not fulfil the requirements of the ISS ESG Green Bond KPIs.

The evaluation was carried out using information and documents provided to ISS ESG on a confidential basis by Alpine (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the asset location, were drawn on to complement the information provided by the issuer.

Assessment of the contribution and association to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method, ISS ESG identifies the extent to which Alpine's Green Commercial Paper contributes to related SDGs and has a positive association with their respective sub-targets.

The contribution assessment is split into two Levels:

1. **Level 1:** Contribution and/or obstruction of the Use of Proceeds categories to be financed through the bond to the UN SDGs
2. **Level 2:** Association of the assets' ESG performance with further SDGs

About ISS ESG SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

As part of our Sustainable (Green & Social) Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

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