

# Operating Principles for Impact Management Disclosure Statement



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# Operating Principles for Impact Management Disclosure Statement

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# Foreword



“  
Credit Suisse has a 19-year track record of developing innovative financial products to invest for impact.”

Our ambition is to continue to help drive the further growth and development of this market. In keeping with this ambition, we are proud to be a founding signatory of the Operating Principles for Impact Management (the ‘Impact Principles’), joining in April 2019.

There has been tremendous growth in sustainable investing in recent years. However, when it comes to delivering impact, not all approaches are created equal. “Impact investing” as a term was coined in 2007 to focus investors on the subset of the broader sustainable investing spectrum that can demonstrate measurable impact. In support of the effort to build a robust framework around impact management and measurement, we are proud to be a founding signatory of the Operating Principles for Impact Management (the “Impact Principles”), joining in April 2019.

With an increasing number of funds and products claiming the impact label, we support this initiative of the International Finance Corporation (IFC) to establish a set of principles to govern best practices and to protect the integrity of the impact investing field.

As part of our commitment, we agreed to publicly disclose our assets under management (AuM) which are in alignment with the Impact Principles, and to do so annually. This Disclosure Statement (released May 31, 2022), reporting on the period from the date of the release of last year’s Disclosure Statement (May 31, 2021) through to April 30, 2022, relates to products we classify and label “Impact Investing”<sup>1</sup> offered to private and institutional clients as part of our Wealth Management and Asset Management platforms (the Covered Assets).

The associated total AuM<sup>2</sup> in alignment with the Impact Principles was USD 9,395 mn as of December 31, 2021. By publishing this statement, Credit Suisse also re-affirms the alignment of Credit Suisse’s procedures with the Impact Principles with respect to the Covered Assets.

Impact investing has never been more needed. Even as we see COVID receding, new global crises, including geopolitical instability, are emerging. Ongoing challenges – such as climate change, biodiversity loss, and poverty – continue to require impact-focused private capital. While impact investing is only one part of the solution to these challenges, it is an important part. We must leverage the best of what private investors, entrepreneurs, and social innovators can offer, and support – in measurable ways – those businesses that are really contributing to solutions for people and the planet.

On behalf of Credit Suisse, the impact team looks forward to delivering on our mission to help mobilize capital for good and to seek to generate returns – sustainably.

A handwritten signature in black ink that reads "J. Gifford".

**James Gifford**  
Head of Sustainable & Impact Advisory  
Credit Suisse

1. Please refer to our [Credit Suisse Sustainable Investment Framework](#) for more information.  
2. The associated total AuM in alignment with the Principles was USD 9,395 mn as of December 31, 2021. Please note that an additional impact product – the Wildlife Conservation Bond – has been closed in Q1 2022. This product has not been included in the reported AuM of this Disclosure Statement.  
Note: The AuM are converted from a reported CHF 8,592 mn, applying a USD to CHF exchange rate of [0.915] as of 31 December 2021.  
Note: The AuM is extracted from our management information system, F1, via the front-end solution, Tableau.

# Executive summary

Credit Suisse AG (referred to as “Credit Suisse” in this document) is a leading global wealth manager with strong investment banking capabilities. As at end of 2021, we managed CHF 1.6 trillion of assets<sup>3</sup>. Over the past few years, we have focused on broadening our sustainable investing product offering to meet increasing demand from our private wealth and institutional clients and to help fill funding gaps associated with the UN Sustainable Development Goals (SDGs). The range of sustainable and impact products we offer follow a broad set of strategies from Exclusion (Avoid harm), ESG integration (ESG aware), Sustainable thematic, and Impact investing, as illustrated in the graphic opposite.

Products or funds included on our platform are externally and internally managed, including those managed by Credit Suisse Asset Management (CSAM).

In line with our commitments as a founding signatory to the Impact Principles, we formalized our Impact Investment Framework<sup>4</sup> in 2021, which forms an integral part of the Credit Suisse Sustainable Investment Framework. We set guidelines to explicitly delineate impact investing from broader sustainable and ESG strategies and we set out the governance for approving, monitoring, and managing products classified as impact investments. This has been further formalized via an internal global Impact Investing Policy. Our Framework unpicks the mechanisms of impact investing and differentiates between two levels of impact:

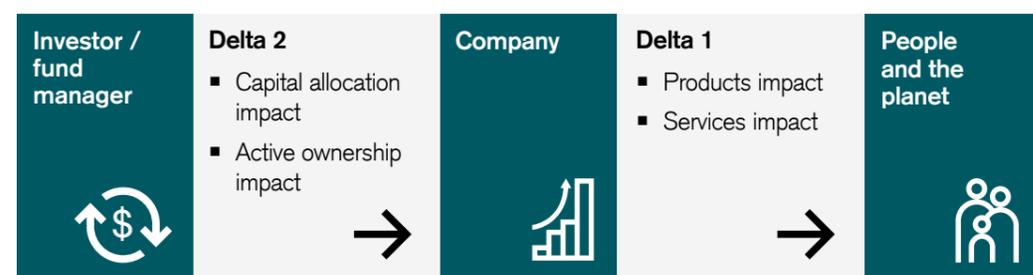
- Company impact (“Delta 1”)<sup>5</sup>: the positive impact/change a company generates through its products and services; and
- Investor impact (“Delta 2”)<sup>6</sup>: the positive impact/change an investor generates by enhancing the quality/quantity of the impact a company is generating through direct financing or active ownership.

We define *Impact Investments* as the subset of sustainable investing strategies that demonstrate the direct contribution an investor can make to the impact of investee companies. These investments are typically part of private market strategies, where investors directly finance the growth of impactful companies or projects, and aim to deliver measurable improvements in sustainability performance or social benefits of the underlying investments. This impact can be delivered by adding value post-investment via active ownership, and/or helping impactful companies to grow faster than without this intentionally driven capital.

Credit Suisse focuses on impact investments that seek to generate a market rate of return for the given asset class, and that can also demonstrate the intention to deliver impact based on a clear theory of change and the ability to measure such impact. In certain circumstances, Credit Suisse will participate in concessionary return impact opportunities, particularly in blended finance projects, which may include the blending of concessionary/catalytic capital with traditional return-oriented investors.

Key factors that set impact investments apart from other sustainable investment practices include:

- the intentionality of social and environmental impact;
- the strategy to reach such impact;
- the investor’s contribution to the impact;
- the measurement of impact; and
- the transparent reporting of the impact.



Credit Suisse Sustainable Investment Framework<sup>7</sup>

Client motivation	Traditional		Avoid harm	ESG aware	Impact-oriented	
	Not sustainable	Traditional	Avoid harm	ESG aware <sup>8</sup>	Sustainable thematic <sup>8</sup>	Impact
Product sustainability classification category						
Focus on returns	✓	✓	✓	✓	✓	✓
SDG alignment	✗	✗	Weak	Weak	Strong	Strong
Investor contribution to impact	✗	✗	Very weak	Weak	Weak	Strong
Portfolio considerations	Available across a range of asset classes. May contain hidden risks	Available across a range of asset classes and appropriate for almost any investor	Available across a range of asset classes and appropriate for almost any investor	Available across a range of asset classes and appropriate for almost any investor	Available across a range of asset classes and appropriate for almost any investor. Focus on small- and mid-cap firms may create concentration risks	Available across a range of asset classes. Majority of impact investments are alternative investments and may only be appropriate for qualified investors
Classification approach to collective investments (internally and externally managed)	Exclusions not applied	Norms-based exclusions applied	Norms-, business-conduct- and values-based exclusions applied	ESG Integration	Sustainable thematic and impact-aligned	Impact investments
Classification approach to single securities	Companies that violate international norms and business-conduct standards (norms- and business-conduct exclusions)	Companies involved in controversial business activities (values-based exclusions) or that significantly underperform peers in terms of ESG criteria	Companies that do not violate norms-, business-conduct-, and values-based exclusions and companies with a medium ESG score compared to their industry peers, but no relevant exposure to the UN SDGs	Companies with a high ESG score compared to their industry peers, but no relevant exposure to the UN SDGs	Companies whose products or services are aligned with the UN SDGs (note: companies must also have a medium or high ESG Score)	Direct investments in impactful companies with clear additionality of capital.
Classification approach single sovereign bonds	Countries on the Credit Suisse sanctions list		Countries with low and medium performance in terms of ESG criteria	Countries with a higher-than-average ESG performance	Countries with an exceptional ESG performance	Not applicable

3. For more information, please consult the [Credit Suisse Group AG 2021 Annual Report](#).

4. Please refer to our [Credit Suisse Sustainable Investment Framework](#) for more information.

5. The first impact level is looked at in detail in our publication [From ESG to SDGs](#).

6. The second impact level is looked at in detail in our publication [The Double Delta of Impact Investing](#).

7. Please refer to our [Credit Suisse Sustainable Investment Framework](#) for more information.

8. ESG aware and sustainable thematic classifications can also generate impact through active ownership strategies.

# Principle 1

## Define strategic impact objective(s), consistent with the investment strategy.

The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the SDGs, or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.

Credit Suisse became a member of the investor council of the Global Impact Investing Network (GIIN) in 2013, signatory of the UN Principles for Responsible Investments (PRI) in 2014, and a founding signatory of the Principles for Responsible Banking (PRB) in 2019. In 2020, Credit Suisse became signatory to the Poseidon Principles, stated its commitment to develop Science Based Targets (SBT), and CSAM became a member of the Climate Action 100+ initiative<sup>9</sup>. Credit Suisse is committed to achieve net zero emissions by 2050, underpinned through the development of interim science-based reduction goals for 2030. We are also a founding member of the Net-Zero Banking Alliance, having become a signatory to the Alliance in 2021. In 2022, CSAM joined the Net Zero Asset Managers Initiative.

In 2017, Credit Suisse reinforced its commitment to the sustainable and impact investing sector by setting up a dedicated team. It is responsible for setting the strategy as well as directing, coordinating, and facilitating activities across Credit Suisse around sustainable finance and impact investing on behalf of our private wealth, institutional, and corporate clients.

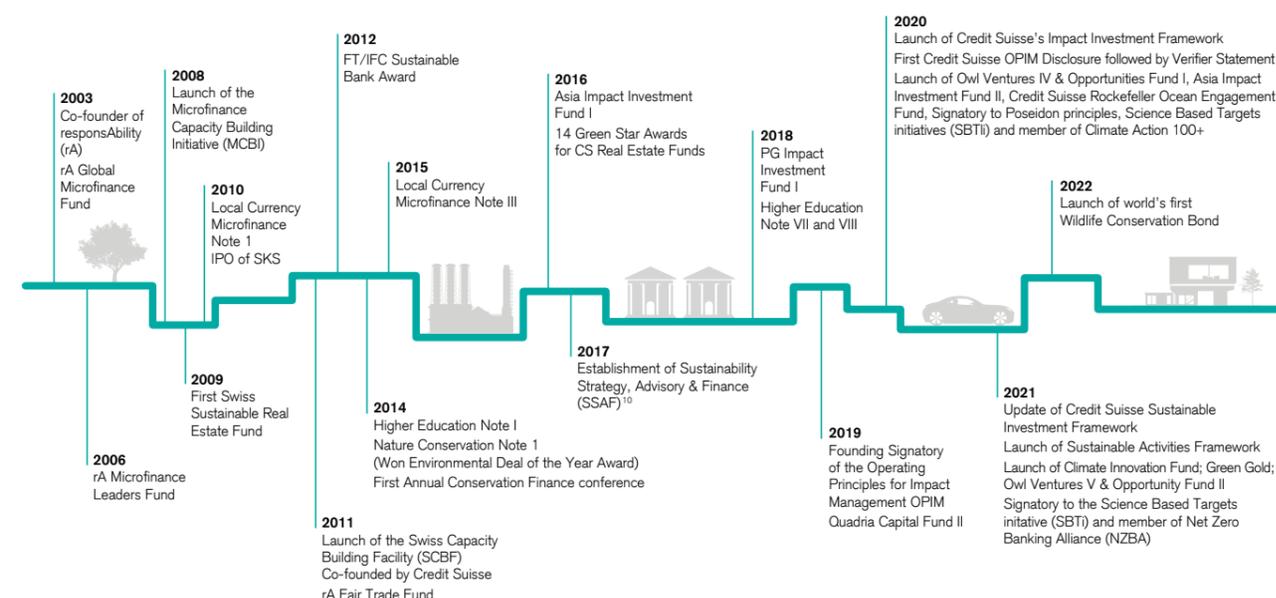
9. For an overview of our agreements and memberships, please visit: [Sustainability networks and initiatives](#)

As of April 2022, impact investing is implemented through the Global Sustainability department (formerly known as Sustainability, Strategy, Advisory, and Finance – SSAF) for the policy aspects and frameworks, and the Sustainability Analysis & Solutions (SA&S) function within the Investment Solutions & Sustainability (IS&S) division, which focuses on the product side. This structure is designed to implement the mission of “leading the bank and our clients into a sustainable future” and delivering on the unchanged sustainability strategy.

As a wealth manager, we create or onboard a number of impact investment products each year. These span a range of themes, including green real estate, conservation, as well as access to essential goods and services for populations living at the base of the pyramid (BoP) in sectors such as education, finance, and healthcare.

While Credit Suisse now supports a variety of impact investments, our wealth management platform originally focused on microfinance, co-founding responsAbility in 2003 and launching multiple bespoke microfinance products. Green real estate has also been a focus; in 2009, CSAM launched the first green real estate fund in Switzerland dedicated to investing in new-build green properties and project developments, delivering impact via financing energy efficient buildings, and implementing energy efficiency retrofits.

We are a catalyst for development in the field of conservation finance and have created innovative products. In 2021, we launched the Credit Suisse Climate Innovation Fund which is dedicated to allocating capital to mission-driven, venture capital companies focused on disruptive technologies, with the aim of significantly reducing greenhouse gas emissions. In support of its climate-centric mission, the Fund's investment process will solve the ‘Double Delta’, reporting both the positive impact/change a company generates through its products and services as well as the positive impact/change an investor generates, by enhancing the quality or quantity of the impact a company generates through financing or active ownership. In addition, the Climate Innovation Fund will report the degree of alignment with the UN SDGs, providing a strong reference point for its reporting framework. In 2022, Credit Suisse acted as the sole conservation bond structurer for World Bank's Wildlife Conservation Bond, also known as the “Rhino Bond”.



Please note that the above is for illustrative purpose only and does not constitute an offer to buy or sell any interest or any investment. Please also note that certain products and services may not be available in your jurisdiction.

In 2015, we were one of the few wealth managers to set up a proprietary private equity impact fund (in collaboration with UOB Venture Management), the Asia Impact Investment Fund (AIIF). After the first fund completed its fundraising in 2016, the second iteration of the AIIF came to a close in 2022. Both funds focus on making investments in growth-stage venture capital and private equity businesses in South East Asia and China targeted at improving the livelihoods of those at the BoP.

Our Covered Assets relate mostly to private market strategies such as private equity/venture capital, real estate, private debt, and structured products. They also include strategies based on shareholder engagement in listed equities.

We apply the same diligence criteria and thorough processes to all of the products onboarded, irrespective of whether they are managed by internal or external asset managers. Internal product teams with relevant asset class expertise are responsible for managing the externally onboarded or internally developed impact products throughout their life cycle. Our strategies cover various geographies, with some investments solely targeting developing countries, while others are dedicated to projects or companies in developed countries. Some strategies combine both social and environmental objectives.

Credit Suisse has a standardized process for assessing the strategic impact objectives of each product. Dedicated impact investing professionals are responsible for assessing the products' impact strategies and determining how they address key SDGs. We evaluate the relevance and priority of addressing particular SDGs in the targeted geography and beneficiary group. We also assess whether there is a strong theory of change supporting the investment strategy in relation to the desired outcomes. We document this through a policy-defined impact assessment and classification approval process.

We aim to foster thought leadership, collaboration, and exchange at conferences including our annual Conservation Finance Conference, now in its ninth year, and by publishing in-depth research, for example, [Treeprint – the ROE of a tree](#), [Unearthing investor action on biodiversity](#), and [The global food system: Identifying sustainable solutions](#).

“Credit Suisse has a standardized process for assessing the strategic impact objectives of each product.”

10. Known as Impact Advisory & Finance (IAF) until July 2020, then renamed to SSAF in July 2020 under the Sustainability, Research & Investment Solutions (SRI) function. In late 2021, SRI decentralised and SSAF became Global Sustainability in April 2022 reporting to Group CEO.

# Principle 2

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## Manage strategic impact on a portfolio basis.

The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

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We believe that as a wealth manager, we have an important role to play in supporting our communities.

We engage with the fund managers on our platform to encourage them to take a whole-of-portfolio approach to impact in line with Principle 2.

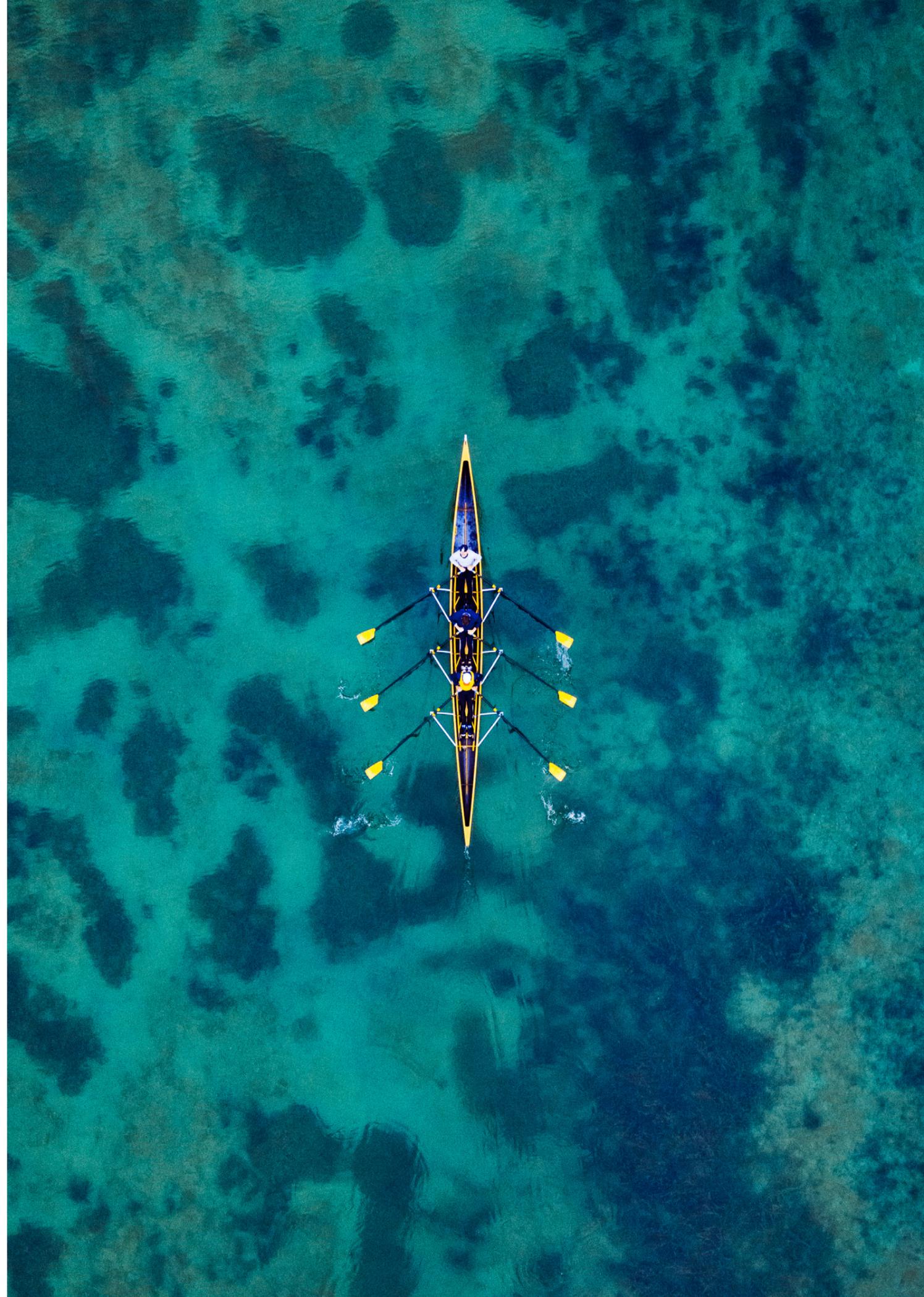
We believe that as a wealth manager, we have an important role to play in supporting our communities. As a corporate citizen, we focus on three themes: Financial Inclusion (enabling access to formal financial services), Financial Education, and Future Skills, for which we are also able to aggregate and report impact indicators.<sup>11</sup>

Due to the variety of impact themes and strategies, it is challenging to aggregate comparable granular impact metrics across different fund managers. We therefore welcome global harmonization initiatives such as the [Joint Impact Indicators \(JII\)](#), which should help to address this challenge for wealth managers over the long-term.

We have a holistic impact strategy at the platform level, and a dedicated team whose responsibilities include implementing the impact framework through a standardized management system, which applies to all impact products managed by Credit Suisse, and integrates into normal product governance. We also align our systems to external best practices in impact investing, including signing up to and aligning our process with the Impact Principles.

Given our role as a wealth manager, our key incentives are, in part, based on the growth of the impact investing franchise within the bank, as well as the quality and quantity of impact-focused capital that our clients have deployed. Incentives for key senior members of Global Sustainability and impact-focused product teams are directly aligned with the achievement of impact overall, although these incentives are not directly connected with the granular impact metrics of individual fund products.

<sup>11</sup>. Please visit our [Sustainability Report](#) for more information.



# Principle 3

## Establish the Manager's contribution to the achievement of impact.

The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.

There are two significant considerations/aspects relevant to establishing the manager's contribution to the impact products on our platform:

First, the contribution fund managers make toward enhancing the impact of the investee/ portfolio companies.

Second, the contribution Credit Suisse makes as an allocator and aggregator of capital, toward raising capital for those fund managers and supporting their delivery of impact.

Our Impact Framework focuses primarily on the first aspect/consideration in order to ensure that the products we onboard as impact investing products meet our requirements with respect to investor contribution. We focus on three main mechanisms of investor contribution:

- Capital contribution: when the investment proceeds directly fund the growth of the investee company's impact activity.
- Capital additionality: when the capital adds to the total pool of capital available to the company for creating impact.
- Active ownership: when the fund manager contributes to the impact generated by the company through non-financial means: providing strategic advice and technical assistance, involvement in business building or fundraising activities, and for public equities undertaking robust shareholder engagement to deliver attributable outcomes.

The contribution we, as a wealth manager, make to fund managers includes helping them raise additional funds from a high-quality, diverse investor base. Having Credit Suisse as a limited partner of a private equity fund can help fund managers considerably with their fundraising. We can introduce fund managers to our global client base that meets the relevant suitability requirements, broadening the investor base and facilitating access to new pools of capital. Some of our clients have expertise and operations in related industries and can become strategic partners, co-investors, and potential investees of the fund managers.

“  
We are contributing to the impact investing field with thought leadership initiatives.”



We also offer access to investment bank services for fund managers and as a global bank, and we are well positioned to encourage fund managers to continuously improve their impact management systems, including impact reporting.

Of particular note are the two Asia Impact Investment Funds, initiated by Credit Suisse in partnership with UOB Venture Management. The funds invest in fast-growing businesses that address social challenges across Asia. Credit Suisse acts as an impact advisor to the funds. The funds take Board seats and provide strategic advice to companies. Asia Impact Investment Fund I (AIIF 1) investments included two healthcare companies, an education technology company, and a microfinance institution, all in early stages of their life cycles.

Credit Suisse promotes the growth of impact investing. We have built a team of 105 people (FTE) globally as at March 2022, which is dedicated to promoting sustainable and impact investing solutions and facilitating a fundamental shift in how investors deploy capital in values-driven investments.

We raise awareness of impact investing among our private clients via direct meetings and larger forums and conferences. We have continued to train thousands of our employees on sustainability and impact investing and finance, (over 13,000 participants in total in 2021)<sup>12</sup>, and further embedded sustainable and impact investing into

core wealth management offerings. In addition, we have built a sustainability learning portal on our online learning platform that can be accessed by all of our employees. We provide curated content on foundational knowledge in ESG and about sustainability in client advice. In addition, all new hires are directed to the sustainability learning portal as part of their onboarding journey. Our sustainability specialists contribute their expertise to the next generation of investors by running workshops for our younger clients, as well as teaching at leading academic institutions such as Harvard, University of Zurich, and INSEAD.

We are exploring more ways to engage with fund managers and to further leverage our networks, our client base, and our reputation to help these fund managers be as impactful as possible. We contribute to the impact investing field with thought leadership initiatives including the release of two publications in 2020 – [From ESG to the SDGs](#) and [The Double Delta of Impact Investing](#) – and the release of a third publication [The family office guide to impact investing](#) in 2021. In 2021, we published the publication [The decarbonizing portfolio](#), outlining a sustainable investment strategy for a low-carbon future.

12. As disclosed in our [2021 Sustainability Report](#).

# Principle 4

## Assess the expected impact of each investment, based on a systematic approach.

For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations.

In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.

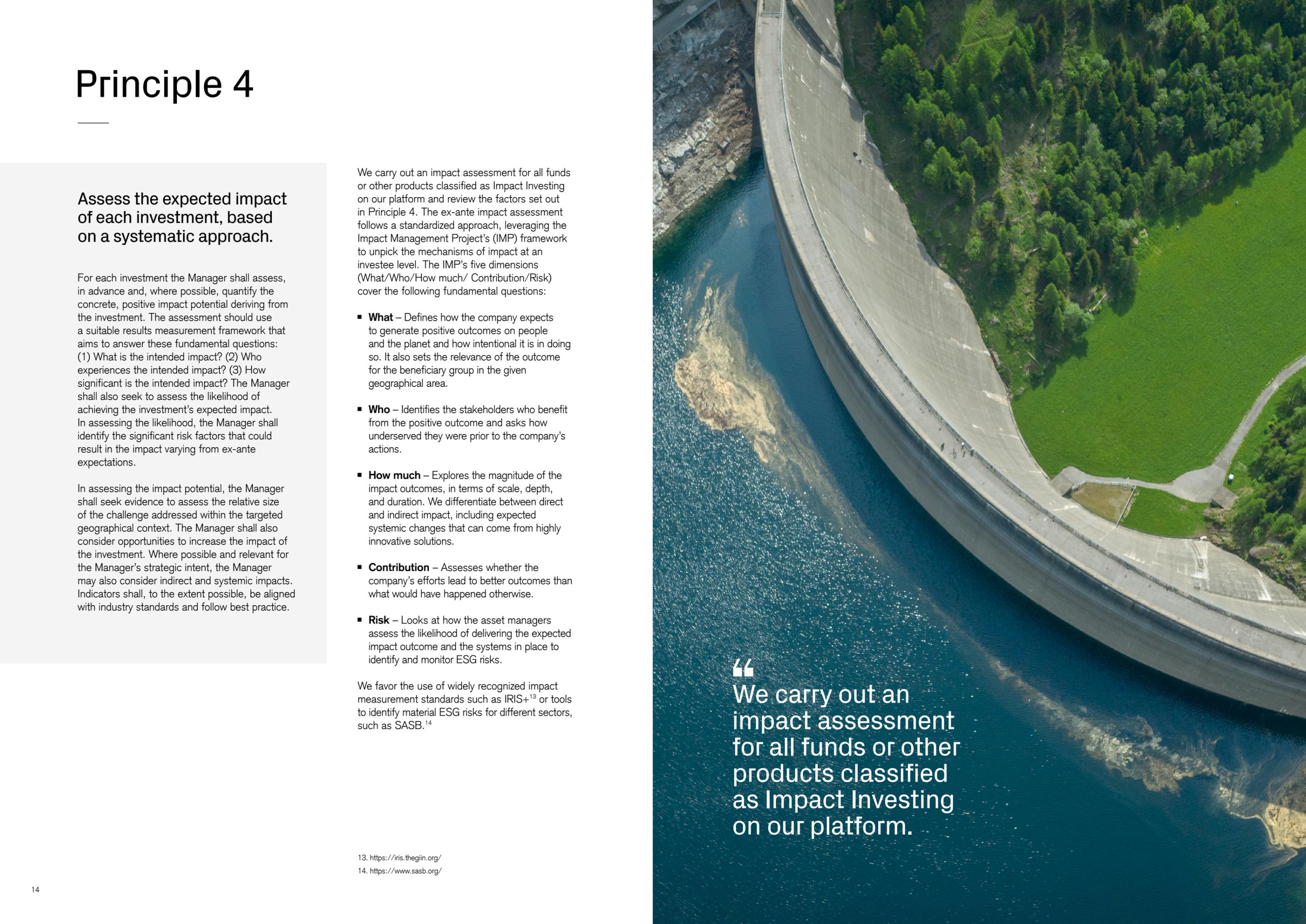
We carry out an impact assessment for all funds or other products classified as Impact Investing on our platform and review the factors set out in Principle 4. The ex-ante impact assessment follows a standardized approach, leveraging the Impact Management Project's (IMP) framework to unpick the mechanisms of impact at an investee level. The IMP's five dimensions (What/Who/How much/ Contribution/Risk) cover the following fundamental questions:

- **What** – Defines how the company expects to generate positive outcomes on people and the planet and how intentional it is in doing so. It also sets the relevance of the outcome for the beneficiary group in the given geographical area.
- **Who** – Identifies the stakeholders who benefit from the positive outcome and asks how underserved they were prior to the company's actions.
- **How much** – Explores the magnitude of the impact outcomes, in terms of scale, depth, and duration. We differentiate between direct and indirect impact, including expected systemic changes that can come from highly innovative solutions.
- **Contribution** – Assesses whether the company's efforts lead to better outcomes than what would have happened otherwise.
- **Risk** – Looks at how the asset managers assess the likelihood of delivering the expected impact outcome and the systems in place to identify and monitor ESG risks.

We favor the use of widely recognized impact measurement standards such as IRIS+<sup>13</sup> or tools to identify material ESG risks for different sectors, such as SASB.<sup>14</sup>

13. <https://iris.thegiin.org/>

14. <https://www.sasb.org/>



“ We carry out an impact assessment for all funds or other products classified as Impact Investing on our platform. ”

# Principle 5

## Assess, address, monitor, and manage potential negative impacts of each investment.

For each investment the Manager shall seek, as part of a systematic and documented process to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice. As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

We engage with our investee fund managers regarding potential ESG risks at various stages of the investment life cycle. During due diligence and onboarding, we work with fund managers to understand their systems and frameworks that identify the ESG risks associated with their investment strategies, and also ways to address these risks.

During the investment period, we work closely with the Credit Suisse product teams responsible for managing the externally on-boarded or internally developed impact products over the life of the vehicle and ensure that any issues identified during the monitoring and review of ESG risks are raised with the product teams. Many product teams also manage their own ESG processes for their asset class. In addition, ESG risks form part of our annual impact monitoring dialog with fund managers. The monitoring process follows a standardized approach similar to the impact assessment. In addition to the monitoring dialogs, we collect supporting evidence from fund managers, perform our review, and confirm the impact thesis (or take corrective actions if applicable).

We expect fund managers to report significant ESG risk incidents and the measures in place to remediate them, and prevent further similar incidents. We have provided a summary of our monitoring processes in the table opposite.

Credit Suisse as a wealth manager has an overall [Sustainable Investment Framework](#) in place. Our [Sustainable Finance Disclosure Regulation \(SFDR\)](#) information provides more background, including [CSAM related information](#).

“ We engage with our investee fund managers regarding potential ESG risks at various stages of the investment life cycle.

## ESG and impact management in the investment lifecycle

ESG risk management: Credit Suisse product teams			Impact management: Global Sustainability	
Life cycle stage	Activity (indicative)	Documentation (indicative)	Activity	Documentation
Screening	Screen manager for impact eligibility incl. potential ESG risks and exclusion criteria	Product team-specific screening documentation	Advise product teams on impact framework requirements & process	N/A
Due diligence	Review & assess manager from a commercial, operational (incl. ESG), and legal perspective	Product team-specific due diligence <b>memo</b>	Review & assess manager systematically against impact framework criteria	Assessment <b>memo</b>
Classification			Request & coordinate impact classification approval	Classification committee <b>minutes</b>
Disclosure			Disclose impact framework & AuM annually	<b>Annual Disclosure Statement</b> <sup>15</sup> Sustainability Report <sup>16</sup>
Verification			Engage with external verifier bi-annually	<b>Verifier Statement</b> <sup>15</sup>
Monitoring	Review initially identified ESG risks, including any incidents & measures taken by manager	Product team-specific monitoring <b>memo</b>	Review & confirm impact thesis annually (or take corrective actions if applicable)	Monitoring <b>memo</b> Classification committee <b>minutes</b> (if applicable)
Ad hoc	Review material ESG incidents when they occur & take actions (if applicable)	Product team-specific decision committee <b>minutes</b> (if applicable)	Review & take corrective impact actions (if applicable)	Classification committee <b>minutes</b> (if applicable)

15. Please visit <http://credit-suisse.com/agreements>

16. Please visit <http://credit-suisse.com/sustainability>

# Principle 6

## Monitor the progress of each investment in achieving impact against expectations and respond appropriately.

The Manager shall use the results framework (referenced in Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection data sources responsibilities for data collection; and how, and to whom data will be reported.

When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. The Manager shall also seek to use the results framework to capture investment outcomes.

We have established a process to monitor the progress of the funds and products on our platform in achieving the expected positive impact set out by fund managers. This process takes place on at least an annual basis for each impact investing product on our platform. Global Sustainability, with support from sustainability and product specialists in other parts of the bank, is responsible for collecting, analyzing, and evaluating impact fund manager performance, understanding the fund manager's impact, suggesting ways to improve the impact performance where possible, and ensuring the reliability and relevance of the chosen impact metrics. We recommend that fund managers to use standard metrics, such as IRIS+.

The typical process involves:

- Annual review of the impact reporting of fund managers with impact products on the platform. Reporting is compared with the previous assessments (e.g. the original due diligence assessment or the previous year's impact reporting and review processes).
- Annual calls or meetings with the fund managers to explain the progress made with the strategy over the past year and the outcomes that have been achieved. These are compared with the expectations established in previous reporting periods or due diligence processes.
- The continued strategic focus on impact on the part of the fund manager is assessed, and if it is concluded that focus has been lost, or if there has been a substantial deviation from the stated impact strategy, the fund may be reclassified outside the category of impact investing for the purposes of the Impact Principles.

“  
We have established a process to monitor the progress of the funds and products on our platform.

# Principle 7

## Conduct exits considering the effect on sustained impact.

When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.

As part of our impact assessment process, we assess whether fund managers have adequate systems in place to take into consideration the sustained impact following an exit. This is taken into consideration again in the annual monitoring cycles. While exit strategies with embedded impact components remain an exception for commercial fund managers, we raise with fund managers the potential of being explicit about impact beyond exit and encourage them to ensure the continuity of impact after exit.

It should be noted that, in our view, the surest way to ensure the continuation of impact beyond exit is to ensure that impact is a core part of the investee company's business model. This means that if the company delivers impact, then it will be delivering financial returns, and vice versa. The investment strategy of the Credit Suisse-UOB Asia Impact Investment Fund, for example, is to only invest in companies with inherently impactful business models, and therefore in which growth, profitability, and delivery of impact move in tandem.



# Principle 8

## Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.

The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.

Impact fund managers we have onboarded typically provide quarterly or annual reporting that includes both impact and financial performance data. We then share these reports with the clients who have invested in these funds. Our role as an allocator to fund managers is to ensure that they have in place robust frameworks that align with Principle 8.

This engagement with the fund managers occurs during our annual review. We analyze impact strategies and outcomes, and hear from the fund manager how they performed in terms of impact compared with expectations. While it is the responsibility of the fund manager to determine whether they have achieved their impact targets, our role is to ensure they have the systems in place to do so, and to review their progress annually.



# Principle 9

## Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment.

The Manager shall publicly disclose on an annual basis the alignment of its impact management systems with the Impact Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.

Credit Suisse first reported on its alignment with the Impact Principles in the Disclosure Statement dated May 31, 2020, and is committed to providing re-affirmation on an annual basis. We are doing so with this Disclosure Statement dated May 31, 2022.

In accordance with the Impact Principles' requirement that signatories submit to an independent verification, Credit Suisse engaged KPMG<sup>17</sup> as the independent external verifier simultaneously while preparing this Disclosure Statement.

In line with Principle 9, Credit Suisse will obtain independent verification at regular intervals, which we have defined as every two years at the calendar year end. The next independent verification will be completed by December 31, 2024.

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Impact fund managers we have onboarded typically provide quarterly or annual reporting that include both impact and financial performance data.

17. Registered address: KPMG LLP, 15 Canada Square, London, E14 5GL.  
For a summary of the operations and qualifications of the independent verifier, please refer to the Verifier Statement itself.

# Appendix

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The impact management systems, as described within the Descriptive Narrative, are aligned with the Impact Principles if:

1. The Descriptive Narrative includes a description of an impact management process matched to each of the Impact Principles;
2. The Descriptive Narrative presents fairly Credit Suisse's impact management systems and processes by:
  - presenting how Credit Suisse's impact management systems and processes are designed and implemented;
  - including relevant details of changes to Credit Suisse's impact management systems and processes during the period covered by the Disclosure Statement;
  - not omitting or distorting information relevant to the scope of the impact management systems and processes being described, while acknowledging that the Disclosure Statement has been prepared to meet the common needs of a broad range of users and may not, therefore, include every aspect of Credit Suisse's impact management systems and processes that each individual user may consider important in its own particular circumstances;
  - describing how each Impact Principle is incorporated into Credit Suisse's impact management systems; and
  - affirming that Credit Suisse is a signatory to the Impact Principles.

# Important information

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## Disclaimer

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There is currently no universal definition or exhaustive list defining the issues or factors that are covered by the concept of "ESG" (Environmental, Social, Governance). If not indicated otherwise, 'ESG' is used interchangeably with the terms 'sustainable' and 'sustainability'. Unless indicated otherwise, the views expressed herein are based on Credit Suisse' own assumptions and interpretation of ESG at the time of drafting. Credit Suisse' views on ESG may evolve over time and are subject to change.

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It is possible that the data from ESG data providers may be incorrect, unavailable (e.g. not existing, or absence of look-through), or not fully updated. Additionally, as global laws, guidelines and regulations in relation to the tracking and provision of such data are evolving, all such disclosures are made on a non-reliance basis and are subject to change. Unless required by applicable law, Credit Suisse is not obliged to provide updates on sustainability assessments. Any updates might be subject to a time lag, due to e.g. lack of available data.

An ESG assessment reflects the opinion of the assessing party (Credit Suisse or external parties such as rating agencies or other financial institutions). In the absence of a standardized ESG assessment system, each assessing party has its own research and analysis framework/methodology. Therefore, ESG assessment or risk levels given by different assessing parties to the same product can vary. Further, ESG assessment is limited to considering company performance against certain ESG criteria only and does not take into account the other factors needed to assess the value of a company.

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# Important information

## Cautionary statement regarding forward-looking information

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

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

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

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. We caution you that a number of important factors could cause results to differ materially from the plans, targets, goals, expectations, estimates and intentions expressed in such forward-looking statements and that the ongoing COVID-19 pandemic creates significantly greater uncertainty about forward-looking statements in addition to the factors that generally affect our business. These factors include:

- the ability to maintain sufficient liquidity and access capital markets;
- market volatility, increases in inflation and interest rate fluctuations or developments affecting interest rate levels;
- the ongoing significant negative consequences of the Archegos and supply chain finance funds matters and our ability to successfully resolve these matters;
- our ability to improve our risk management procedures and policies and hedging strategies;
- the strength of the global economy in general and the strength of the economies of the countries in which we conduct our operations, in particular the risk of negative impacts of COVID-19 on the global economy and financial markets and the risk of continued slow economic recovery or downturn in the EU, the US or other developed countries or in emerging markets in 2022 and beyond;
- the emergence of widespread health emergencies, infectious diseases or pandemics, such as COVID-19, and the actions that may be taken by governmental authorities to contain the outbreak or to counter its impact;
- potential risks and uncertainties relating to the severity of impacts from COVID-19 and the duration of the pandemic, including potential material adverse effects on our business, financial condition and results of operations;
- the direct and indirect impacts of deterioration or slow recovery in residential and commercial real estate markets;
- adverse rating actions by credit rating agencies in respect of us, sovereign issuers, structured credit products or other credit-related exposures;
- the ability to achieve our strategic goals, including those related to our targets, ambitions and financial goals;
- the ability of counterparties to meet their obligations to us and the adequacy of our allowance for credit losses;
- the effects of, and changes in, fiscal, monetary, exchange rate, trade and tax policies;
- the effects of currency fluctuations, including the related impact on our business, financial condition and results of operations due to moves in foreign exchange rates;
- geopolitical and diplomatic tensions, instabilities and conflicts, including war, civil unrest, terrorist activity, sanctions or other geopolitical events or escalations of hostilities;
- political, social and environmental developments, including climate change;
- the ability to appropriately address social, environmental and sustainability concerns that may arise from our business activities;
- the effects of, and the uncertainty arising from, the UK's withdrawal from the EU;
- the possibility of foreign exchange controls, expropriation, nationalization or confiscation of assets in countries in which we conduct our operations;
- operational factors such as systems failure, human error, or the failure to implement procedures properly;
- the risk of cyber attacks, information or security breaches or technology failures on our reputation, business or operations, the risk of which is increased while large portions of our employees work remotely;
- the adverse resolution of litigation, regulatory proceedings and other contingencies;
- actions taken by regulators with respect to our business and practices and possible resulting changes to our business organization, practices and policies in countries in which we conduct our operations;
- the effects of changes in laws, regulations or accounting or tax standards, policies or practices in countries in which we conduct our operations;
- the discontinuation of LIBOR and other interbank offered rates and the transition to alternative reference rates;
- the potential effects of changes in our legal entity structure;
- competition or changes in our competitive position in geographic and business areas in which we conduct our operations;
- the ability to retain and recruit qualified personnel;
- the ability to protect our reputation and promote our brand;
- the ability to increase market share and control expenses;
- technological changes instituted by us, our counterparties or competitors;
- the timely development and acceptance of our new products and services and the perceived overall value of these products and services by users;
- acquisitions, including the ability to integrate acquired businesses successfully, and divestitures, including the ability to sell non-core assets; and
- other unforeseen or unexpected events and our success at managing these and the risks involved in the foregoing.

We caution you that the foregoing list of important factors is not exclusive. When evaluating forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, including the information set forth in "Risk factors" in *I – Information on the company* in our Annual Report 2021.

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