CREDIT SUISSE

Part of UBS Group

Sustainability-related disclosures

Website product disclosure for financial products that promote environmental or social characteristics

Credit Suisse Invest Mandate
Sustainability

November 2023

This document provides regulatory information in relation to the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR"). The following information is required to be disclosed by law and does not constitute marketing material.

This document applies to all Sustainability mandate types, risk profiles, reference currencies and the chosen investment strategy.

A. Summary

Sustainable investing is the process of taking into account environmental, social, and governance factors ("ESG factors") in investment decisions.

Credit Suisse[1] designs solutions that aim to generate market rate or higher returns by adding ESG factors to allow for better-informed investment decisions, while also reflecting clients' personal values and considering the long-term externalities of their portfolios.

The Sustainability Mandate (also referred to as "this financial product") integrates environmental, social and governance (ESG) factors into the investment decision-making process (ESG integration). It avoids harmful investments through business-conduct, norms-based, and values-based exclusions (ESG Exclusions). In addition, this financial product may invest in environmental or social themes promoting sustainability.

ESG Exclusions[2]
The primary purpose of these strategies is to provide clients with investments that do not cause harm or align with their values. This means excluding firms or sectors that produce controversial products such as tobacco, gambling, or weapons manufacturing, or excluding companies that violate international norms.

ESG Integration[2]
These strategies integrate material ESG factors into investment processes for delivering the best possible risk-adjusted returns while fostering social and environmental progress. Catalysed by the launch of the UN Principles for Responsible Investment (UN PRI) in 2006, ESG integration focuses on how risk and opportunity around environmental issues, human rights, corporate governance and other issues can be material to the financial prospects of companies. It is applied most explicitly in active management, where ESG issues, risks and opportunities, market ratings etc. are assessed explicitly alongside the fundamental analysis of a company.

The investment strategy of this financial product aims to integrate sustainability aspects in the investment process and to generate market returns in line with traditional mandates. It is a well-diversified and actively managed multi-asset solution. The Sustainability Mandate pursues a sustainability strategy by integrating ESG criteria and specific sustainable thematic investments into the investment process steps.

When building the portfolio, the Portfolio Manager follows the traditional selection process based on a risk-return analysis and considers the ESG Exclusions, ESG Integration and Sustainable thematic approaches. Once constructed, the portfolio is reviewed and monitored on an ongoing basis.

[1] The terms "Credit Suisse", "CS" or "the Bank" used in this document refer to the Credit Suisse Group AG, Credit Suisse AG and Credit Suisse Switzerland Ltd., unless defined otherwise.
[2] For more details, please see Credit Suisse Sustainable Investment Framework.

B. No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

While this financial product does not have a sustainable investment objective, it holds a minimum proportion of sustainable investments.

The principles of Do No Significant Harm ("DNSH"), including the indicators for adverse impacts ("PAI indicators") on sustainability factors, are taken into account as part of the Credit Suisse SFDR Sustainable Investment methodology to identify investments, that qualify as SFDR sustainable investments.

- Funds:

  For the part where Credit Suisse does not directly control the investment process, the Bank assesses whether sustainable investments do not cause significant harm to the environmental objective of this financial product and considers the PAI indicators along the information disclosed by the product manufacturers.

- Single securities (if applicable):

  At present, the consideration of PAI indicators is part of the Credit Suisse SFDR sustainable investment methodology to identify investments which qualify as SFDR sustainable investments. Credit Suisse has defined a set of criteria and thresholds to determine if an investment passes the DNSH condition.

  In line with the Credit Suisse SFDR sustainable investment methodology and exclusions applied by Credit Suisse, the following PAI indicators are considered:

  - Carbon footprint – Companies with high carbon transition risk, with high carbon intensity and/or with large owning of fossil fuel reserves as assessed by third party data providers do not pass the DNSH condition.
  - Exposure to companies active in the fossil fuel sector – Credit Suisse excludes companies that derive more than 20% of their combined revenues from thermal coal mining or coal-powered electricity generation, companies active in Arctic oil and gas with a 5% direct revenue threshold as well as on oil sands with a 10% direct revenue threshold.
  - Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises – Credit Suisse excludes companies that exhibit severe weaknesses in business conduct, particularly regarding breaches of the United Nations Global Compact Principles (UNGC).
  - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons) – Credit Suisse excludes firms with business activities in controversial weapons from the investments classified according to the Credit Suisse's in-house sustainability classification framework. This includes weapons prohibited according to international treaties, such as the Convention on Cluster Munitions, the Chemical Weapons Convention, the Biological Weapons Convention, and the Treaty on the Non- Proliferation of Nuclear Weapons. In addition, Credit Suisse excludes weapons that cause excessive harm to both military and civilian targets from investments classified according to Credit Suisse's in-house sustainability classification framework.

The alignment of Sustainable Investments with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is assessed through the Credit Suisse business conduct process, in accordance with the Credit Suisse SFDR sustainable investment methodology.
This financial product aims to invest in companies that meet their fundamental obligations in line with the United Nations Global Compact Principles ("UNGCP"). This includes respecting universal human rights and labor standards, practicing environmental responsibility, and avoiding corruption in all its forms, including extortion and bribery. Companies that exhibit severe weaknesses in business conduct, particularly with regard to breaches of the UNGCP and

companies placed on the watchlist, but with no immediate exclusion, are flagged as not being considered SFDR sustainable investments due to DNSH.

In cases where Credit Suisse does not directly control the investment process, i.e. for externally managed collective instruments, the Bank assesses whether sustainable investments adhere to Credit Suisse's business conduct exclusions through a separate ESG questionnaire along with the traditional due diligence process.

C. Environmental or social characteristics of the financial product

The Sustainability Mandate (also referred to as "this financial product") integrates environmental, social and governance (ESG) factors into the investment decision-making process (ESG integration). It avoids harmful investments through business-conduct, norms-based and values-based exclusions (ESG Exclusions). The primary purpose of the ESG Exclusions strategies is to exclude investments that may have a negative impact on society and/or the environment. Companies may be excluded based on their revenue derived from controversial activities such as controversial and conventional weapons thermal coal or tobacco production, or based on business conduct violating the UN Global Compact Principles.
In addition, this financial product may invests in specific themes promoting sustainability.

It does not use a reference benchmark for the purpose of attaining the environmental or social characteristics.

D. Investment strategy

The investment strategy aims to integrate sustainability aspects in the investment process and to generate market returns in line with traditional mandates. It is a well-diversified and actively managed multi-asset solution. The Sustainability Mandate pursues a sustainability strategy by integrating ESG criteria and specific sustainable thematic investments into the investment process steps. In addition, it improves the ESG criteria of the investments and thereby aims to increase the ESG score[3] of the overall portfolio compared to its strategic asset allocation. To implement the strategy the Bank selects investments that not only meet financial criteria, but also the ESG criteria as described above. Different investment strategies are available to meet the client's individual risk profile (e.g. Yield, Balanced, Growth, Equities).
When building the portfolio, the Portfolio Manager follows the traditional selection process based on a risk-return analysis and considers the ESG exclusions, ESG integration and sustainable thematic approaches. Once constructed, the portfolio is reviewed and monitored on an ongoing basis.

The methodology to assess the good governance of investee companies includes

[3] The ESG score for the underlying Strategic Asset Allocation (SAA) is calculated based on the underlying indices. The portfolio numbers correspond to the model portfolio allocations on the reporting date and are subject to change over time. Deviations from the allocation of the individual client portfolio are possible.
The ESG Score, which is provided by MSCI ESG Research, is measured on a scale from 0 (very poor) to 10 (very good).

the consideration of business conduct exclusions.
For the part of the portfolio where Credit Suisse directly controls the investment process, the Bank identifies and assesses controversial business conduct based on data from a number of external ESG data providers, news flows and in-house research. Cases are analyzed according to an approach with pre-defined indicators in order to identify companies in possible breach of such business conduct practices.

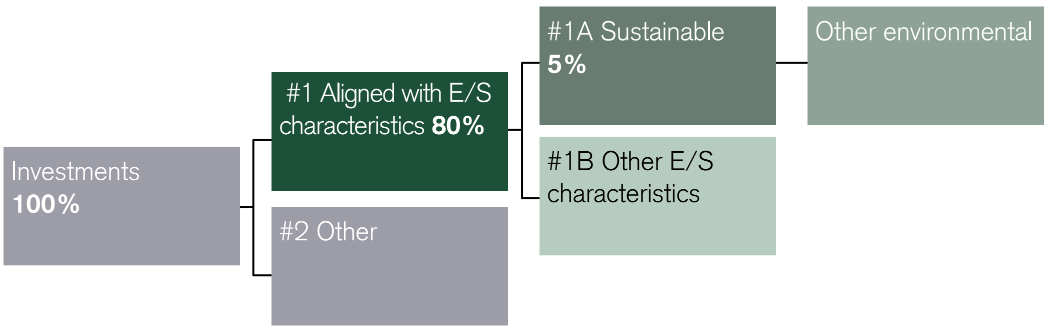
In cases where Credit Suisse does not directly control the investment process, i.e., for externally managed collective instruments, the Bank assesses whether sustainable investments adhere to the Credit Suisse's business conduct exclusions through a separate ESG questionnaire along with the traditional due diligence process.

E. Proportion of investments

The planned minimum proportion of investments used to meet the environmental or social characteristics promoted by this financial product (category #1 below) is 80% of its total portfolio.
Within this category, the financial product aims to hold a minimum proportion of 5% of its total portfolio in sustainable investments (category #1A below). This minimum proportion can be achieved with sustainable investments with an environmental objective.

The main purpose of the derivatives is to be used as efficient portfolio management tools, for cash management, for hedging purposes, or as an additional source of return. However, derivatives can incidentally contribute to attaining the environmental or social characteristics promoted by this financial product through the indirect exposure of the underylings.

For the purpose of this graph, the investments of the financial product are calculated at a company level.



- **#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.
- **#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.
- The category **#1 Aligned with E/S characteristics** covers:
  - The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
  - The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

F. Monitoring of environmental or social characteristics

Credit Suisse Global Investment Management monitors the adherence of the target portfolio to the attainment of environmental or social characteristics promoted by this financial product. Adherence to the defined sustainable investing processes is monitored through controls carried out by the first and the second lines of defense upon the setup as well as during the lifecycle of the financial product. The applicable guidelines are monitored on a pre- and post-trade basis, with the remedial action taken in a timely manner. Furthermore, other ESG-related investment restrictions of this financial product are monitored in accordance with the standard investment restriction control mechanism, including portfolio monitoring.

G. Methodologies for environmental or social characteristics

Credit Suisse uses third-party ESG scores as well as an in-house classification approach to better assess ESG considerations throughout the investment process.

This financial product uses the following sustainability indicators to measure the attainment of the environmental or social characteristics promoted:

- ESG integration:
  - Aiming to achieve a higher ESG score than its Strategic Asset Allocation
- ESG Exclusions:
  - Adherence to Credit Suisse Exclusions
  - The % of investments in securities that are on the CS Exclusion list as a result of the application of the Credit Suisse Exclusions
- Thematic alignment
  - Positive exposure to sustainable themes or impact alignment

H. Data sources and processing

Data for this financial product is sourced from third-party data providers, in combination with Credit Suisse's in-house sustainability and financial analysis. For collective investments, comprehensive due diligence questionnaires ("DDQs") are used to obtain data on the attainment of environmental and social characteristics. The selection of external sustainability data providers and the underlying research models are carefully analysed by Credit Suisse to anticipate, and, where possible, mitigate limitations in data quality and coverage. The sustainability data is made available to portfolio managers. Where data quality is limited or reporting by companies is not mature, external data providers may use models to provide estimated data points.

I. Limitations to methodologies and data

When possible, this financial product invests in companies that meet the environmental or social characteristics that it promotes. Credit Suisse uses its best efforts to comply with the investment restrictions, however, for certain investments, the Bank may be faced with the limited availability of independent and reliable ESG data. This applies in particular to asset classes for which ESG factors are insufficiently defined at present or which are not yet covered by external data providers. For this purpose, a maximum of 20% of the investment portfolio may be invested in securities of entities or asset classes for which ESG-related information is not available. This threshold is expected to be lowered over time as the availability of ESG investment concepts and ESG research coverage improves. If such investments occur, they are allocated to the category "#2 Other" which includes investments that are neither aligned with environmental or social characteristics, nor qualify as sustainable investments (see "e) Proportion of investments").

J. Due diligence

In order to assess the ESG characteristics of investments, this financial product uses a combination of different data sources to support the due diligence process performed in the investment process. For the active part of the portfolio, ESG factors are integrated throughout the investment process. In cases where Credit Suisse does not directly control the investment process, i.e., for externally managed collective instruments, ESG issues are reviewed in a separate ESG questionnaire along with the traditional due diligence process. Upon the setup of the product and during its lifecycle, the effectiveness of the due diligence process is supported by various internal control measures.

K. Engagement policies

While engagement is not promoted by this financial product, Global Investment Management intends to play a transformative role through sound stewardship as part of its fiduciary duty.

L. Designated reference benchmark

This financial product does not use a reference benchmark for the purpose of attaining the environmental or social characteristics.

Review of disclosures

As required in SFDR Art. 12, the following table explains any amendments made to this document.

Date	Section	Explanation of amendments
1st January 2023	All	Initial document created
November 2023	b) No Sustaianable Investment Objective	Enhancements of Do No Significant Harm narrative

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