CREDIT SUISSE

Environmental and/or social characteristics

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ **Yes**	●○ ☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective: ___%**	☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 5% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective: ___%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Climate Focus Mandate (also referred to as "this financial product") integrates environmental characteristics into the investment decision process through alignment with selected United Nations Sustainable Development Goals ("UN SDGs"). 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.

This multi-asset-class solution promotes environmental characteristics by investing systematically in sustainable themes and focusing on companies that contribute significantly to the UN SDGs, amongst others Goal 13 – Climate Action.

[1] This document applies to all Climate Focus mandate types, risk profiles, reference currencies and the chosen investment strategy.

It invests in a portfolio of collective and direct instruments that contribute to efforts to adapt to and/or mitigate climate change, support the decarbonization of the economy, contribute to the preservation of the ecosystem and mitigate negative effects on vulnerable population groups.

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

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

Credit Suisse[2] uses third-party ESG scores as well as an in-house classification approach to better assess ESG considerations throughout the investment process.

The following indicators are taken into consideration to measure the attainment of the environmental characteristics of the Climate Focus Mandate:

- ESG Exclusions:
  - Adherence to Credit Suisse Exclusions
  - The % of investments in securities that are on the Credit Suisse Exclusion list as result of the application of the Credit Suisse Exclusions
- Thematic and impact alignment:
  - Positive exposure to the UN SDGs
  - The % of investments in securities that are aligned with the targeted UN SDG(s)
  - The % of investments aligned with environmentally related UN SDGs, including SDG 6 (Clean Water and Sanitation), SDG 7 (Affordable and Clean Energy), SDG 11 (Sustainable Cities and Communities), 12 (Responsible Consumption and Production) and SDG 13 (Climate Action).

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The objective of the sustainable investments that this financial product partially intends to make is to contribute to the environmental objectives.

The Climate Focus Mandate contributes to efforts to adapt to and/or mitigate climate change by targeting various UN SDGs, amongst others Goal 13 – Climate Action.

It intends to make sustainable investments by focusing on companies whose businesses generate a positive outcome on the following climate change-related themes:

- Green energy
- Smart cities
- Water and ocean
- Food and agriculture
- Health and inclusion

In cases where Credit Suisse does not directly control the investment process, the Bank maps investments to the UN SDGs and targeted sub-themes of the Climate Focus Mandate along the information disclosed by the product manufacturers.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

For the part of the portfolio where Credit Suisse directly controls the investment process, the principles of Do No Significant Harm ("DNSH") are taken into account as part of the Credit Suisse Sustainable Finance Disclosure Regulation[3] ("SFDR") sustainable investment methodology to identify investments which qualify as SFDR sustainable investments. In line with the exclusions applied by Credit Suisse, companies that breach international treaties (e.g., the United Nations Global Compact Principles),

[2] The terms "Credit Suisse", "CS" or "the Bank" used in this document refer to the legal entity identifier, unless defined otherwise
[3] 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").

produce controversial weapons or are involved in activities that are considered as having negative consequences on the society or the environment (e.g., by having significant exposure, measured by revenues, to tobacco, gambling, adult entertainment, thermal coal, manufacturers of conventional weapons, civil firearms, and nuclear weapons support systems), are excluded.

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 environmental objective of this financial product, along the information disclosed by the product manufacturers and the traditional due diligence process.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

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 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. The Investment Manager applies a monitoring tool to ensure that sustainable investments adhere to the DNSH condition.

For the part where Credit Suisse does not directly control the investment process, the Bank considers the PAI indicators along the information disclosed by the product manufacturers.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Details:

For the part of the portfolio where Credit Suisse directly controls the investment process, 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 UN Global Compact Principles. 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 United Nations Global Compact Principles and companies placed on the watchlist, but with no immediate exclusion, are flagged not to be 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 the Credit Suisse’s business conduct exclusions through a separate ESG questionnaire along with the traditional due diligence process.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☒ **Yes** | ☐ No

Principal Adverse Impacts ("PAI") on sustainability factors are considered by this financial product through the application of the PAI Framework which is detailed in the product website.

Information on PAI on sustainability factors of this financial product will be provided in the periodic disclosure report.

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment strategy aims to take a sustainable thematic and impact-aligned investment approach. The Climate Focus Mandate invests in a portfolio of collective and direct instruments that contribute to efforts to adapt to and/or mitigate climate change. Such investments aim to advance one or multiple United Nations Sustainable Development Goals, targeting solutions for a decarbonized economy and an increased resilience of the society and the ecosystem against the negative effects of global warming. Respective companies are exposed, in terms of revenue, to areas such as (not exclusive) clean technology, energy efficiency, smart building and mobility, water infrastructure and technology, ocean preservation, agricultural goods and technologies or digital health. This financial product invests in passive and active collective instruments from various asset managers and/or in direct investments with regard to equities or bonds. The majority of the instruments are sustainable thematic and impact aligned.

To implement the strategy, the Bank selects investment instruments that meet certain environmental, social and governance (ESG) criteria and offer a strong focus on climate change-related themes and investment opportunities. The instruments are used to build a well-diversified and actively managed multi-asset solution. Once constructed, the portfolio is reviewed and monitored on an ongoing basis. Different investment strategies are available to meet the client's individual risk profile.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The binding elements of the investment strategy are the Credit Suisse principles of sustainable investing. This means that the Investment Manager applies in its investment process:

1. ESG Exclusions: Avoid harmful investments (business-conduct, norms-based, values-based) through adherence to the exclusions applied by Credit Suisse.
2. Sustainable Thematic and Impact alignment: Investment solutions that address UN SDGs. According to a Credit Suisse in-house classification approach, a majority of investments must provide an alignment to the UN SDGs. The mapping to the UN SDGs follows an in-house product sustainability classification approach.

The minimum proportions under the below question "What is the asset allocation planned for this financial product?" are binding.

In addition, as a minimum requirement, no investments that fail to adhere to agreements on controversial weapons or show severe cases of business conduct are allowed.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This financial product does not have a commitment to reduce the scope of investments by a minimum rate.

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The methodology to assess good governance of investee companies includes 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 flow and in-house research. Cases are analyzed according to an approach with pre-defined indicators 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.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

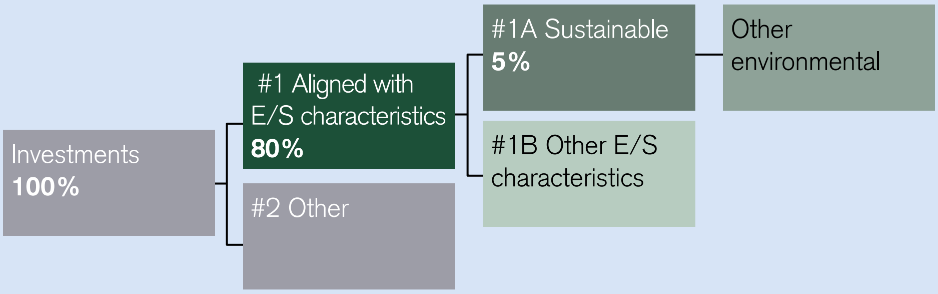
The Climate Focus Mandate invests in a multi-asset portfolio consisting of fixed income, equities and alternative investments. The asset allocation may vary as it is subject to the risk profile of the individual client.

The planned minimum proportion of investments used to meet the environmental 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

Taxonomy-aligned activities are expressed as a share of:

- **Turnover** reflecting the share of revenue from green activities of investee companies
- **Capital expenditure** (CapEx) showing the green investments made by investee companies, e.g., for a transition to a green economy
- **Operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#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.

#2Other 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.

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

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

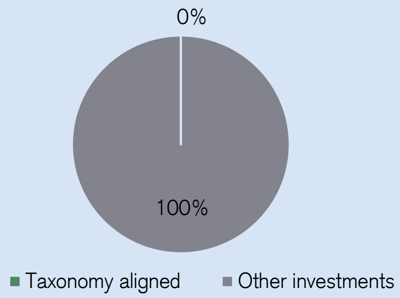
The main purpose of derivatives is to be used as efficient portfolio management tools, for cash management or hedging purposes, or as an additional source of return. However, derivatives can incidentally contribute to attaining the environmental characteristics promoted by this financial product through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

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

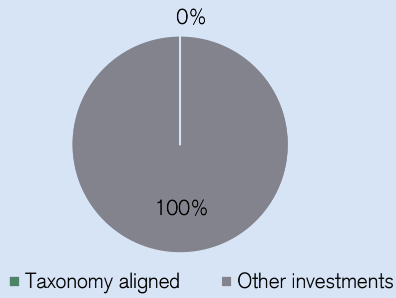
0%. This financial product does not commit to make EU Taxonomy aligned investments. However, certain investments made by this financial product may be aligned with the EU Taxonomy.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds[4], the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-aligned of investments **including sovereign bonds[4]**



2. Taxonomy-aligned of investments **excluding sovereign bonds[4]**



For the purpose of these graphs, the percentage of investments is calculated at economic activity level.

[4] For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.

What is the minimum share of investments in transitional and enabling activities?

As this financial product has not defined a minimum proportion for Taxonomy-aligned sustainable investments, the planned minimum share of investments in transitional and enabling economic activities is 0%.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

This financial product aims to hold a minimum proportion of 5% of its total portfolio in sustainable investments that do not qualify as environmentally sustainable under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

This question does not apply for this financial product. For better comparison to other financial products documentation this question was not removed.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Investments such as cash, derivatives, structured products and traditional investments may fall under #2 Other since such instruments do not contribute to the environmental characteristics of this financial product. Such investments do not have minimum environmental or social safeguards.

Investments may also fall under #2 Other if insufficient ESG-related data is available. 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.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

This financial product does not have a specific index designated as a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.

Where can I find more product specific information online?

More product-specific information can be found on the website:

Sustainability-related Disclosures - Credit Suisse (credit-suisse.com)