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Direct Equity Strategies mandate

Product disclosure in accordance with Art. 10(1)(d) of 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").

Investors who have entered into an agreement for Direct Equity Strategies mandate are provided with a personalized report titled 'Periodic 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'. for their portfolio for 2023. This document provides a general, non-personalized summary of what is disclosed in the personalized report.

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").

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Environmental and/or social characteristics

Periodic 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.

Did this financial product have a sustainable investment objective?

●●☐ **Yes**	●○☒ **No**
☐ It made **sustainable investments with an environmental objective: ____ %**	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion 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 made **sustainable investments with a social objective: ____%**	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

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

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Direct Equity Strategies (also referred to as "this financial product") integrated environmental, social and governance (ESG) factors in the investment decision-making process (ESG integration). It avoided harmful investments through business-conduct, norms-based and values-based exclusions (ESG Exclusions).
In addition to avoiding harmful investments, Direct Equity Strategies integrated sustainability in the investment process. The integration was focused on a combination of environmental, and social characteristics and risks regarded as highly relevant for Direct Equity Strategies investing in large, established companies domiciled in developed economies. These characteristics included (but were not limited to) carbon intensity, environmental and social controversies.
Additionally, derivatives were not used to attain the environmental or social characteristics. The extent to which the environmental and social characteristics were met is measured by the sustainability indicator shown below.

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

How did the sustainability indicators perform?

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 Strategic Asset Allocation (SAA) defines the long term combination of (sub–) asset classes, based on a mix of relevant financial indices. The ESG score for the

underlying Strategic Asset Allocation (SAA) is calculated based on the underlying indices. The portfolio ESG score corresponds to the model portfolio allocations on the reporting date and is 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 two scores (ESG score and applied proprietary score) are independent of each other as the methodology in the aggregation differs. The ESG Score of MSCI is a holistic consideration of E, S and G-factors defined by MSCI, whereas the proprietary score is constructed with factors that were selected.
As outlined in the description of the target "aiming to achieve a higher ESG score than its SAA", the calculation consists of the aggregation of each ESG score multiplied by the weight in the portfolio to get the ESG score. Data basis is the MSCI ESG score. The aggregated score is compared with the ESG score of the underlying benchmark / SAA components (e.g. Stoxx Europe 50).

The following indicator was taken into consideration to measure the attainment of the environmental and social characteristics of the Direct Equity Strategies Mandate:

Sustainability indicator name	Indicator performance value	Comment
Aiming to achieve a higher ESG score than its Strategic Asset Allocation		The indicator shows whether the ESG score of the underlying target portfolio is higher than its Strategic Asset Allocation. The value can be "achieved" or "not achieved". Further details are available upon request.

...and compared to previous periods?
Comparison to the previous reporting period of the sustainability indicators for the Direct Equity Strategies mandate performance is presented in the table below:

Sustainability indicator name	Indicator performance value (previous period)	Comment
Aiming to achieve a higher ESG score than its Strategic Asset Allocation		The indicator shows whether the ESG score of the underlying target portfolio is higher than its Strategic Asset Allocation. The value can be "achieved" or "not achieved". Further details are available upon request.

The exact values of sustainability indicator performance in a discretionary mandate are specific to each individual portfolio. This information is provided in a personalized report.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

During the reporting period, the Direct Equity Strategies Mandate partially made sustainable investments, which contributed to the environmental or social objective. For the part of the portfolio where Credit Suisse directly controlled the investment process, sustainable revenue thresholds and climate targets were used to determine to which extent investments contributed to the environmental and social objectives targeted by this financial product (e.g., key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, nutrition etc.) in accordance with the Credit Suisse Sustainable Finance Disclosure Regulation[3] ("SFDR") sustainable investment methodology. It defines the criteria that were used to determine if an investment was a sustainable investment, considering E/S contribution, Do No Significant Harm ("DNSH") and good governance.

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

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

The principles of Do No Significant Harm ("DNSH") were taken into account as part of the Credit Suisse SFDR sustainable investment methodology to identify investments that qualify as SFDR sustainable investments.

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

During the reference period, the indicators for adverse impacts ("PAI indicators") on sustainability factors were taken into account as part of the Credit Suisse SFDR sustainable investment methodology to identify investments which qualified as SFDR sustainable investments.

Single securities:
The consideration of PAI indicators was 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 were 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 did not pass the DNSH condition.
- Exposure to companies active in the fossil fuel sector – Credit Suisse excluded companies that derived 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 excluded companies that exhibited 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 excluded firms with business activities in controversial weapons from the investments classified according to the CS' 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 excluded weapons that caused excessive harm to both military and civilian targets from investments classified according to CS' in-house sustainability classification framework.

Investments must not:

- have a significant negative contribution to climate change
- be subject to norms-, value and business conduct exclusions and other investment restrictions
- be subject to severe ESG controversies
- be strongly lagging its industry peers in overall ESG performance.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The alignment of sustainable investments with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights was assessed through the Credit Suisse business conduct process, in accordance with the Credit Suisse SFDR sustainable investment methodology.

This financial product aimed 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.

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 Union criteria.
The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.
Any other sustainable investments must also not significantly harm any environmental or social objectives

[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").

How did this financial product consider principal adverse impacts on sustainability factors?

Adverse sustainability indicator	Adverse sustainability indicator/metric	Impact[4]	Data coverage (%)[5]	Comments
Greenhouse gas emissions (indicator applicable to investments in investee companies)	Exposure to companies active in the fossil fuel sector (in percent)			Credit Suisse excluded companies that derived 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.
Social and employee matters (indicator applicable to investments in investee companies)	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (in percent)			Credit Suisse excluded companies that exhibit severe weaknesses in business conduct, particularly regarding breaches of the United Nations Global Compact Principles (UNGC).
Social and employee matters (indicator applicable to investments in investee companies)	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) (in percent)			Credit Suisse excluded 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 e.g., 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 excluded weapons that caused excessive harm to both military and civilian targets from investments classified according to CS' in-house sustainability classification framework.

[4]Impact: The value represents portfolio-level exposure to a given PAI indicator.
[5]Data Coverage: The percentage of AUM of the portfolio for which PAI indicator data is available.

Impact and data coverage values for Principal Adverse Impacts on sustainability indicators in a discretionary mandate are specific to each individual portfolio. This information is provided in a personalized report.

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01.01.2023 – 31.12.2023

What were the top investments of this financial product?

Largest investments	Sector	% assets	Country

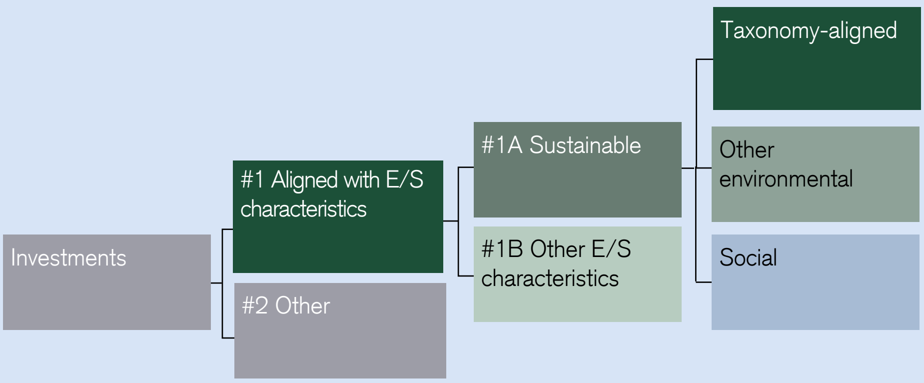
The top investments of a discretionary mandate are specific to each individual portfolio. This information is provided in a personalized report.

What was the proportion of sustainability-related investments?

The exact proportion of investments in below categories in a discretionary mandate is specific to each individual portfolio. Investors who have entered into an agreement for Direct Equity Strategies mandate are provided with a personalized report, which specifies the aggregated value of each proportion in the reference period[6].

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.



#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.

[6] Data used from the third party providers may cause sums not always reflecting the lower level. For the purpose of this graph, the investments of the financial product are calculated at a company level taking into account the latest Environmental, Social and Governance (ESG) data.

In which economic sectors were the investments made?

NACE sector code	NACE name	Portfolio exposure

NACE sub-sector code	NACE name	Portfolio Exposure

The allocation of assets to different economic sectors and sub-sectors under a discretionary mandate is specific to each individual portfolio. This information is provided in a personalized report.

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

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?[7]

☐ Yes ☒ No

☐ In fossil gas ☐ In nuclear energy

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy,** the criteria include comprehensive safety and waste management rules.

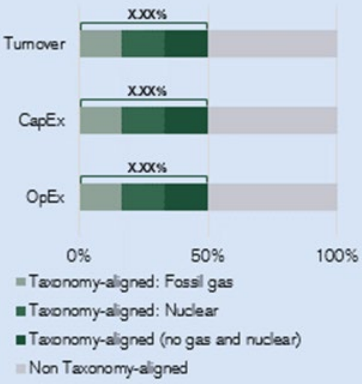
Taxonomy-aligned activities are expressed as a share of:

- **Turnover** reflects the "greenness" of investee companies today.
- **Capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **Operational expenditure** (OpEx) reflects the green operational activities of investee companies.

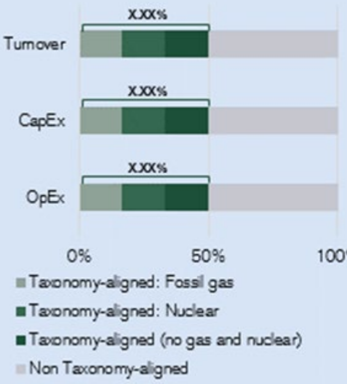
The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product 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.

The indicated percentage of actual Taxonomy-aligned investments may include investments in nuclear energy and/or fossil gas, whereas specific disclosure on product exposure to nuclear energy and/or fossil gas economic activities cannot be indicated due to unavailability of reliable data.

1. Taxonomy-aligned of investments **including sovereign bonds***



2. Taxonomy-aligned of investments **excluding sovereign bonds***



This graph represents x% of the total investments.

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

*For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.

7 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The exact proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy in a discretionary mandate is specific to each individual portfolio. Investors who have entered into an agreement for Direct Equity Strategies mandate are provided with a personalized report, which specifies the aggregated value of Taxonomy-aligned investments.

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

What was the share of investments made in transitional and enabling activities?

	Transitional activities	Enabling activities
Turnover		
CapEx		
OpEx		

The exact proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy in a discretionary mandate is specific to each individual portfolio. The exact aggregated value is provided in a personalized report.

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

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

	Taxonomy-alignment of investments including sovereign bonds (previous period)	Taxonomy-alignment of investments excluding sovereign bonds (previous period)
Turnover		
CapEx		
OpEx		

The exact proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy in a discretionary mandate is specific to each individual portfolio. The exact aggregated value is provided in a personalized report.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Investments may have fallen under “sustainable investments with an environmental objective not aligned with the EU Taxonomy” e.g., if insufficient company data on taxonomy alignment was available (i.e. companies did not report on their Taxonomy alignment as they were outside of the scope of the Non-Financial Reporting Directive), the EU Taxonomy did not cover a specific environmental objective or a specific industry.

The exact proportion of sustainable investments with an environmental objective not aligned with the EU Taxonomy in a discretionary mandate is specific to each individual portfolio. The exact aggregated value is provided in a personalized report.

What was the share of socially sustainable investments?

The exact proportion of socially sustainable investments in a discretionary mandate is specific to each individual portfolio. The exact aggregated value is provided in a personalized report.

What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

Investments such as cash, derivatives, structured products and traditional investments may have fallen under #2 Other since such instruments did not contribute to the environmental or social characteristics of this financial product. Certain investments did not have minimum environmental or social safeguards because such products do not have an issuer or an underlying company (e.g., cash).
Investments may have also fallen under #2 Other if insufficient ESG-related data was available. This applies in particular to asset classes for which ESG factors were insufficiently defined or which were not yet covered by external data providers. Where possible, minimum environmental or social safeguards have been applied to these underlying securities by ensuring that Credit Suisse exclusions were adhered to.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

To attain the environmental and social characteristics promoted by this financial product, this Direct Equity Strategies Mandate applied:
1. ESG Exclusions:
This financial product excluded investments in companies of the following three categories:

- Norms-based Exclusions
  This financial product excluded companies with business activities in controversial weapons. This includes weapons prohibited according to international treaties, such as the Convention on Cluster Munitions, the Chemical Weapons Convention, the Biological Weapons Convention, the Treaty on the Non-Proliferation of Nuclear Weapons (NPT).
- Values-based Exclusions
  This financial product excluded companies that derived more than 5% of their revenue from conventional weapons and firearms, tobacco production, gambling, arctic oil and gas or adult entertainment. It excluded companies that derived more than 20% of their revenue from tobacco distribution and conventional weapons support systems and services. In addition, a revenue limit of 20% applied to investments in coal (coal mining and coal-based electricity generation), as well as a 10% revenue limit for oil sands.
- Business-conduct Exclusions
  This financial product excluded companies found to systematically violate international norms (i.e., the UN Global Compact Principles), where the breached were particularly severe, or where management was not open to implement necessary reforms.

  Ex post spot checks on the portfolios have been performed monthly by portfolio management and control functions. Full check on the portfolios have been performed on a quarterly basis by portfolio management. Portfolio management analyzed whether sufficient investment vehicles, compliant with the criteria outlined above, were available. Portfolio management regularly reviewed investment decisions by checking the Credit Suisse’s in-house classification methodology rating and ESG scorecard to ensure that there is no breach. If a company was found not to meet the required criteria, portfolio management initiated remedial action in a timely manner, e.g. a sell of the position within three months.

2. ESG Integration:
Sustainability considerations were integrated across the entire investment process, i.e.:

- Strategic Asset Allocation (SAA)
- Security Selection, Construction and Implementation

- Risk Management and Reporting

Investment managers used materiality frameworks to identify relevant ESG factors for this financial product. Materiality frameworks are concepts that help to identify sustainability-related issues and opportunities that are likely to affect the financial condition or operating performance of potential investee companies within an industry. Based on the identified material ESG factors, investment managers performed bottom-up security research together with ESG specialists across the investment universe based on qualitative input but also quantitative data from internal and third-party service providers. Alongside a fundamental view on the investment universe, this has led to an integrated view. The overall opinion resulted in a fundamental view on each investment and enabled investment managers to construct a portfolio with positive sustainability focused characteristics.

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

How did this financial product perform compared to the reference benchmark?

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