

Information on transparency of sustainability risk policies in connection with the Sustainable Finance Disclosure Regulation of the European Union (EU) 2019/2088.

Sustainability risks mean an environmental, social or governance (ESG) event or condition that, if it occurs, could have a material negative impact on the value of the investment. The materiality of sustainability risks is determined by the likelihood, magnitude and time-horizon of the risk materializing. At Credit Suisse, we believe that the integration of material ESG factors in financial analysis and investment decision making is pivotal and can reduce risks and lead to improved investment outcomes over time. Sustainability-related issues are an integral part of our risk review process, and we continuously capture these risks and integrate sustainability factors in our investment research, analysis, investment process and risk management.

In the Credit Suisse Group sustainable investment strategies, sustainability risks are considered and aim to actively integrate sustainability-related insights into the due diligence, research processes and investment decisions, combining them with the financial analysis and portfolio construction. The Credit Suisse Group uses a range of external ESG research providers and rating agencies in combination with the Credit Suisse Group in-house sustainability analysis to formulate ESG-integrated investment decisions that meet financial as well as sustainability-related objectives set by the investor or client. For instance, for active equity and corporate fixed income strategies, Credit Suisse Group aims to integrate material ESG factors throughout the investment process – from research and security valuation to portfolio construction and monitoring. For passive and active investments, Credit Suisse applies a systematic approach to select, design and classify sustainable investment strategies, following careful due diligence practices. Credit Suisse aims to offer the most suitable investment solution to our clients when selecting products for the advisory portfolio, regardless of whether these are internally- or externally- managed. When assessing third-party fund managers, ESG-focused questions and risks are integrated in the due diligence process of new funds added to the Credit Suisse Group advisory shelf, with dedicated ESG experts holding responsibility for interpreting the results, which are transparently communicated to our clients.

The Credit Suisse Group Product Shelf Classification Policy describes how Credit Suisse Group Sustainable Investment Framework gives guidance on evaluating the sustainability risks and opportunities of individual asset classes that could be chosen within our branch's advisory services. The classification based on sustainability characteristics defines the level of adherence to the sustainability efforts within an asset class and will help clients distinguish between products with positive impact on environmental and / or social standards and those with less positive impacts in their advised portfolio.

Credit Suisse puts great effort to continuously apply these criteria when managing and integrating sustainability risk in the investment process. For more information, please refer to the Credit Suisse Group [Sustainable Investment Framework report](#).

Information on transparency of adverse sustainability impacts at entity level in connection with the Sustainable Finance Disclosure Regulation of the European Union (EU) 2019/2088.

At Credit Suisse, we consider sustainability-related factors when defining the investment universe, and identify environmental, social and governance (ESG) related risks and opportunities in investment strategies.

Credit Suisse Group approach to sustainable investing begins with clearly defined exclusion criteria and the Credit Suisse Group Exclusion Policy applicable to our branch's advisory services. At Credit Suisse, sectors and companies that are proven to have a detrimental impact on society or the environment are excluded from the investment universe. Credit Suisse considers three categories of exclusions: norms-based, business conduct-based, and values-based exclusions. The first two categories present a material risk to investment portfolios and are therefore universally applied across all ESG-integrated portfolios directly managed by Credit Suisse (unless otherwise specified by clients). Credit Suisse categorically excludes firms that are not compliant with international treaties on controversial weapons and expects companies to meet their fundamental obligations in line with the UN Global Compact Principles, such as respecting human rights, practicing environmental responsibility, and avoiding corruption in all its forms. Credit Suisse Group partners with research firms to identify companies in possible breach of these norms, and places them on a watchlist for potential exclusion from our sustainable investment universe. The third category – values-based exclusions – may not present a material risk to investors, but it could nonetheless be of interest for certain sustainability-focused investors. Credit Suisse continues to monitor regulatory developments that have an impact on our adverse sustainability impact assessment.

Importantly, our ESG integration strategies incorporate material ESG factors into investment processes for the purpose of delivering superior risk-adjusted returns. Growing environmental and demographic pressures make it clear that ESG must be integrated systematically across the investment process in order to be effective. With the Credit Suisse Group Sustainable Investment Framework, we believe we have set out a more intentional and systematic approach to ESG integration. For more information, please read the Credit Suisse Group [Sustainable Investment Framework report](#).

Furthermore, Credit Suisse Group Sustainability Strategy, Advisory and Finance (SSAF), headed by Credit Suisse Group Chief Sustainability Officer Marisa Drew, was established in July 2020 and combines all of Credit Suisse's strategy and sustainable investment activities worldwide into one organization. The SSAF devises an appropriate sustainability strategy. The unit's aim is to facilitate investable projects and initiatives that have a positive economic and social impact and support clients on their sustainability journeys while generating a market financial return. For more information on the SSAF, please visit the [Credit Suisse Group Sustainable Investing website](#).

Currently, the extent to which principal adverse sustainability impact indicators can be taken into consideration in investment decision making by financial advice provided by a financial advisor, is not yet definitively determined. Credit Suisse (Luxembourg) S.A. (LEI 5493003TIY721MBZZK78) and Credit Suisse (Luxembourg) S.A., Sucursal em Portugal, in their role as financial advisor in accordance with the Regulation (EU) 2019/2088, put great efforts to fully consider adverse sustainability impacts in their investment decisions and advisory processes once the final implementation standards are applicable.

Finally, at Credit Suisse Group, we have long recognized the role we can and should play in addressing the ESG challenges. We strive to facilitate investment products and services that generate environmental and social benefits in line with the United Nations' Sustainable Development Goals (SDGs) as well as financial returns for our clients. Credit Suisse believes that the most effective way to foster sustainable long-term change is through collective action. With this in mind, Credit Suisse supports industry initiatives and engages with stakeholders and policy makers on key sustainability topics by actively participating in a number of sustainability networks and initiatives worldwide. In 1992, Credit Suisse was one of the first signatories of the Finance Initiative of the UN Environment Programme (UNEP FI), a global partnership of more than 300 banks, insurers and investors with the aim of promoting a sustainable approach to business within the financial sector.

Credit Suisse was one of the first banks to sign up to the Equator Principles in 2003, playing an active role in the recent amendment process and was involved in the management of the Equator Principles Association. As a signatory to the UN's Principles for Responsible Investment (PRI), we emphasize our commitment to acting in the best long-term interest of our clients by incorporating ESG criteria into our investment process and decisions. In 2019, Credit Suisse became a founding signatory to the Principles for Responsible Banking (PRB) of the UNEP FI, calling for the alignment of the banking sector with the objectives of the UN Sustainable Development Goals and the Paris Agreement. Furthermore, Credit Suisse believes that transparency and a common understanding of standards in impact investing are crucial to developing this market, and is a founding signatory of the International Finance Corporation's (IFC) Operating Principles for Impact Management. We have also publicly expressed our support for the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) as well as the Task Force on Nature-Related Financial Disclosures (TNFD) and continue working on their implementation. Credit Suisse has launched a partnership with the Climate Bonds Initiative, is a member of numerous industry bodies, including Climate Action 100+ and the Roundtable on Sustainable Palm Oil, amongst others.

Important Information

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