CREDIT SUISSE

# SFDR – Sustainable Finance Disclosure Regulation

## 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 our sustainable investment strategies, we consider sustainability risks and aim to actively integrate sustainability-related insights into our due diligence, research processes and investment decisions, combining them with our financial analysis and portfolio construction. We use a range of external ESG research providers and rating agencies in combination with our 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 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, 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 advisory shelf, with dedicated ESG experts holding responsibility for interpreting the results, which are transparently communicated to our clients.

Our Product Shelf Classification Policy describes how Credit Suisse Sustainable Investment Framework gives guidance on evaluating the sustainability risks and opportunities of individual asset classes. 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.

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 Sustainable Investment Framework report.

Information valid from March 10, 2021. Updated on January 1, 2023.