CREDIT SUISSE

June 11, 2021

Submitted via electronic mail

Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

RE: Request for Public Input on Climate Change Disclosures

Secretary Countryman:

Credit Suisse welcomes the opportunity to provide comments on the Securities and Exchange Commission's ("SEC") request for public input[1] on current disclosure rules and guidance as they apply to climate change, and whether and how they should be modified. As part of its commitment to becoming a leader in sustainability in the financial industry, Credit Suisse believes it is prudent that policymakers seek to strengthen the transparency and comparability of climate risk data and, therefore, supports the SEC's efforts to facilitate the disclosure of consistent, comparable, and reliable information on climate change.

As a global financial institution, Credit Suisse recognizes its share of responsibilities in combating climate change by supporting the transition to a low-carbon and climate-resilient global economy. That is why Credit Suisse announced at its Investor Update in December 2020 its ambition to align its activities with the Paris Agreement objective of limiting global warming to 1.5°C.[2] As guidance towards this goal, Credit Suisse committed to developing science-based targets by December 2022 for achieving net zero emissions from its operations, supply chain, and financing activities by no later than 2050, with intermediate emissions targets to be set for 2030. Furthermore, in April 2021, Credit Suisse was announced, alongside other industry leaders, as a founding member of the United Nation's "Net Zero Banking Alliance" and the "Glasgow Financial Alliance for Net Zero."[3]

Notwithstanding the progress that the industry has made to facilitate a viable climate finance market, Credit Suisse appreciates that a well-designed and proportionate regulatory framework, with a focus on the competitiveness and innovative capabilities of financial markets, can be an important enabler of sustainable finance. For instance, rapidly growing interest in climate-related and, more broadly, ESG investments has strengthened the need for transparent rules so that investors can better quantify risks and returns of investments. As things stand, the system is highly fragmented. There are many different terms used in the industry and no consistent global standards to allow comparisons of investment

---

[1] Securities and Exchange Commission, "Public Input Welcomed on Climate Change Disclosures," March 15, 2021. Available at: https://www.sec.gov/news/public-statement/lee-climate-change-disclosures
[2] Credit Suisse, "Investor Day 2020," December 2020. Available at: https://www.credit-suisse.com/about-us/en/events/investor-day-2020.html
[3] Credit Suisse, "Credit Suisse making progress against our sustainability ambitions," June 5, 2021. Available at: https://www.credit-suisse.com/about-us-news/en/articles/news-and-expertise/credit-suisse-making-progress-against-our-sustainability-ambitions-202105.html

products.[4] To secure all the benefits that ESG investing brings to the economy, markets, and society, the public and private sectors must collaborate to adopt transparent, consistent, and comparable standards and measures. It starts with reporting and disclosure.

Credit Suisse considers climate change disclosure vital to accelerating the sustainable finance market. That is why Credit Suisse supports the SEC adopting new rules requiring mandatory disclosure by reporting companies of material climate change information. Generally, Credit Suisse believes that such disclosure requirements should be internationally aligned, build on recognized standards, and apply to financial and non-financial corporates alike. Furthermore, Credit Suisse largely associates itself with the comments provided by the Institute of International Finance ("IIF"), the Securities Industry and Financial Markets Association ("SIFMA") and the Institute of International Bankers ("IIB"). Below is a high-level overview of Credit Suisse's key priorities.

Climate change disclosures should be mandatory and material to investors

To effectively identify and price the financial risks and opportunities posed by climate change, market participants require access to financially material, decision-useful data. Unfortunately, the lack of consistent and reliable climate-related data has created significant challenges in the ability of financial market participants to adequately assess and compare the performance of reporting companies, as well as efficiently allocate capital towards low-carbon solutions.

That is why reporting companies, both financial and non-financial, should be required to disclose material climate change information. The materiality and scope of information provided in such disclosures should be specific to the industry of the reporting company. With that said, Credit Suisse supports the mandatory disclosure of a limited set of metrics, such as Scope 1, 2, and 3 GHG emissions, across key industries as such information is critical for financial market participants to have a better understanding of their total climate-related exposure to the highest emitting sectors.

In order to contribute to greater quality and comparability of ESG data, Credit Suisse also considers external verification of reported information important. While the professional capacity of audit firms might, at this point, still be insufficient to provide reasonable assurance of ESG data, Credit Suisse is supportive of introducing a mandatory limited assurance requirement for climate risk reporting.

Additionally, while Credit Suisse supports the SEC's focus on climate disclosures as a first step, the SEC should consider expanding its focus to broader material ESG issues, as tools and methodologies for measuring and assessing such risks mature.

The SEC should coordinate globally on an internationally aligned climate change disclosure framework

Given the proliferation of climate-related reporting requirements across jurisdictions, international alignment and greater harmonization of disclosure obligations is paramount to avoid undue complexity and implementation burden. Therefore, it is crucial that the SEC plays an active role in ongoing and future global standard setting efforts—particularly through greater coordination with the International Organization of Securities Commissions ("IOSCO") and its member regulators. Credit Suisse also

---

[4] Securities Industry and Financial Markets Association, "Climate Finance Markets and the Real Economy," December 2020. Available at: https://www.sifma.org/wp-content/uploads/2020/12/Climate-Finance-Markets-and-the-Real-Economy.pdf (pg. 105)

encourages the SEC to proactively engage with policymakers in other jurisdictions, for example the European Union, in order to contribute to knowledge sharing and harmonization in regulatory approaches to ESG disclosure. The International Platform on Sustainable Finance ("IPSF") is a key forum in this respect.

Existing disclosure frameworks should be leveraged to the greatest extent practicable

A growing number of companies, including Credit Suisse, have voluntarily adopted disclosure frameworks developed by well-established non-governmental standard setting bodies. For example, reflecting the financial sector's commitment to addressing climate change, the Financial Stability Board created the industry-led Task Force on Climate-related Financial Disclosures ("TCFD") in December 2015 to propose a set of recommendations for consistent disclosures that will help financial market participants understand their climate-related risks. In 2017, the TCFD published its final report with recommendations for the voluntary reporting on material risks and opportunities arising from climate change.[5] As an early supporter of the framework, Credit Suisse most recently shared voluntary disclosures in accordance with the TCFD recommendation through its Sustainability Report 2020.[6] This report also included for the first time select Sustainability Accounting Standards Board ("SASB") disclosures.[7] Furthermore, Credit Suisse's Sustainability Report 2020 has been prepared in accordance with the GRI ("Global Reporting Initiative") Standards, and Credit Suisse is committed to the "Stakeholder Capitalism Metrics" released by the International Business Council ("IBC") of the World Economic Forum ("WEF").

Recognizing the time and expertise that went into creating broadly supported and adopted disclosure frameworks, such as those established by the TCFD, SASB, and others, the SEC should leverage and build on such standards, rather than create an entirely new regime with inconsistent disclosure requirements. Moreover, the SEC's disclosure requirements should remain flexible enough to respond to the evolving global standard setting landscape.

The SEC should consider substituted compliance in an effort to reduce duplicative reporting

While the SEC should make every effort possible to coordinate globally on an internationally aligned disclosure framework, Credit Suisse supports the adoption of substituted compliance with equivalent jurisdictions—consistent with comments provided by IIB. This would not only reduce duplicative reporting across multiple jurisdictions and, therefore, reduce both confusion for financial market participants and complexity for reporting companies, but it would also help foster greater cooperation among regulators.

******

---

[5] Financial Stability Board's Task Force on Climate-related Financial Disclosures, "TCFD Recommendations." Available at: https://www.fsb-tcfd.org/recommendations/

[6] Credit Suisse, "Sustainability Report 2020," 2020. Available at: https://reports.credit-suisse.com/en/2020SR/report/sustainability-report-2020

[7] Sustainability Accounting Standards Board, "Standards Overview." Available at: https://www.sasb.org/standards/

We appreciate the SEC's consideration of Credit Suisse's comments as they relate to the request. Should you have any questions, please do not hesitate to contact Douglas Lee at [redacted].

Respectfully submitted,

Lydie Hudson
CEO of Sustainability, Research & Investment Solutions
Credit Suisse

Marisa Drew
Chief Sustainability Officer & Global Head Sustainability Strategy, Advisory and Finance
Credit Suisse