



GREENPEACE

Credit Suisse Group AG
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To: Joachim Oechslin
Chief Risk Officer
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CC: Rene Buholzer
Global Head of Public Policy
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From: Verena Mühlberger
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From: Christoph Wiedmer
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16th of February 2017

Subject:

Credit Suisse's ongoing banking relationship with DAPL related companies

Dear Mr Oechslin,

The undersigned organizations are writing to you to share our deep concern about your ongoing involvement with companies who own and are involved in constructing Dakota Access Pipeline.

Since our meeting with Credit Suisse Sustainability team on the 8th of December, 2016 and numerous calls with the team, we were told that the Chairman, the Global CEO and CRO of Credit Suisse have been informed about the DAPL case, and we were also told privately that the bank condemns the situation on the ground. We were also told by your Sustainability team that Credit Suisse role in financing companies related to DAPL is insignificant. Our demands then were for Credit Suisse to immediately stop banking relationship with these clients.

However, since then we have learned that the bank has been actively engaged in new deals with the above mentioned clients.

On 3rd of February, 2017 Energy Transfer Equity L.P. (ETE) entered into USD 2.2 billion senior secured term loan agreement led by Credit Suisse (ID Number: BF2358146) in participation with other banks.

This loan was used to refinance amounts outstanding under the partnership's existing term loan facilities.¹

On 11th of January, 2017 Credit Suisse was a joint-lead manager of the books for 2 new long-term Senior Notes for Energy Transfer Partners L.P. (ETP) worth USD 1.5 billion, with maturities as far out as 2027 and 2047 (ID Number: AM1309864 and AM1305250).

On 16th of December, 2016, just after our meeting with the Sustainability team, Credit Suisse participated in a new issue for Sunoco Logistics Partners - a one year USD 370 million revolver (ID Number: BL2331173).

We see this ongoing relationship with the above mentioned clients as a continuous disregard for your internal policies and a lack of respect for the plight of the Sioux tribe and the situation on the ground.

Whilst a number of your global peers have publicly condemned² the situation on the ground, divested³,⁴ and have kept their promises to distance themselves⁵ from counterparties related to DAPL, the ongoing and significant provision of finance for these counterparties by Credit Suisse stands in sharp contrast.

Neither did the bank issue any statements to condemn the situation on the ground, nor did the bank stop the the banking relationship with the DAPL related counterparties. Instead, the bank led and participated in new finance issues.

In the meantime, the efforts of Credit Suisse Sustainability team went into issuing a very misleading discussion paper as part of Thun Group “on the implications of UN Guiding Principles 13 and 17 in a corporate and investment banking context”, published in January 2017. In this paper it states that “Under UNGP 13, a bank would generally not be considered to be causing or contributing to adverse human rights impacts arising from its clients' operations because the impact is not occurring as part of the bank's own activities.” We consider that the premises on which the paper is based are fundamentally flawed, and regret that it has either intentionally or unintentionally omitted to take into account authoritative guidance, including by the UN Office of the High Commissioner for Human Rights (OHCHR), the United Nations Environment Programme – Finance Initiative (UNEP-FI) and other relevant organisations. As such it represents an unhelpful intervention in view of the multi-stakeholder discussions being coordinated by the OECD Working Party on Responsible Business Conduct, in which the Thun Group of banks are engaged alongside signatories to this letter. Furthermore, in light of your ongoing banking relationship with DAPL related companies, it makes us very concerned about your view on your bank's accountability towards human rights violations of your clients.

The scale of disapproval with DAPL companies and banks lending to DAPL is growing. Just last week Seattle City Council has unanimously decided to sever its ties with Wells Fargo in protest to Dakota Access Pipeline - one of the banks related to financing DAPL.⁶ We believe that more divestment from responsible investors will follow suit.

¹ <http://mobile.reuters.com/article/idUSFWN1FO146>

² <http://www.reuters.com/article/dnb-pipeline-northdakota-idUSL8N1D80ZG>

³ Nordea excludes ETP, Sunoco Logistics and Phillips 66 from all investments due to latest decision to proceed with disputed route for DAPL <https://twitter.com/SasjaBeslik/status/829327801958465539>

⁴ <http://www.greenpeace.org/usa/news/another-major-norwegian-investor-divests-from-companies-behind-dakota-access-pipeline/>

⁵ The bank has informed ETE of its strict adherence to FPIC principles and, accordingly, its desire that an acceptable non-violent solution be found among all parties impacted by the construction of the DAPL, including the Standing Rock Sioux Tribe. If such a solution is not achieved, the ultimate consequence will be discontinuation of the relationship. In the meantime, ABN AMRO will not pursue any new business with ETE until there is clarity regarding the situation and an acceptable outcome has been achieved.

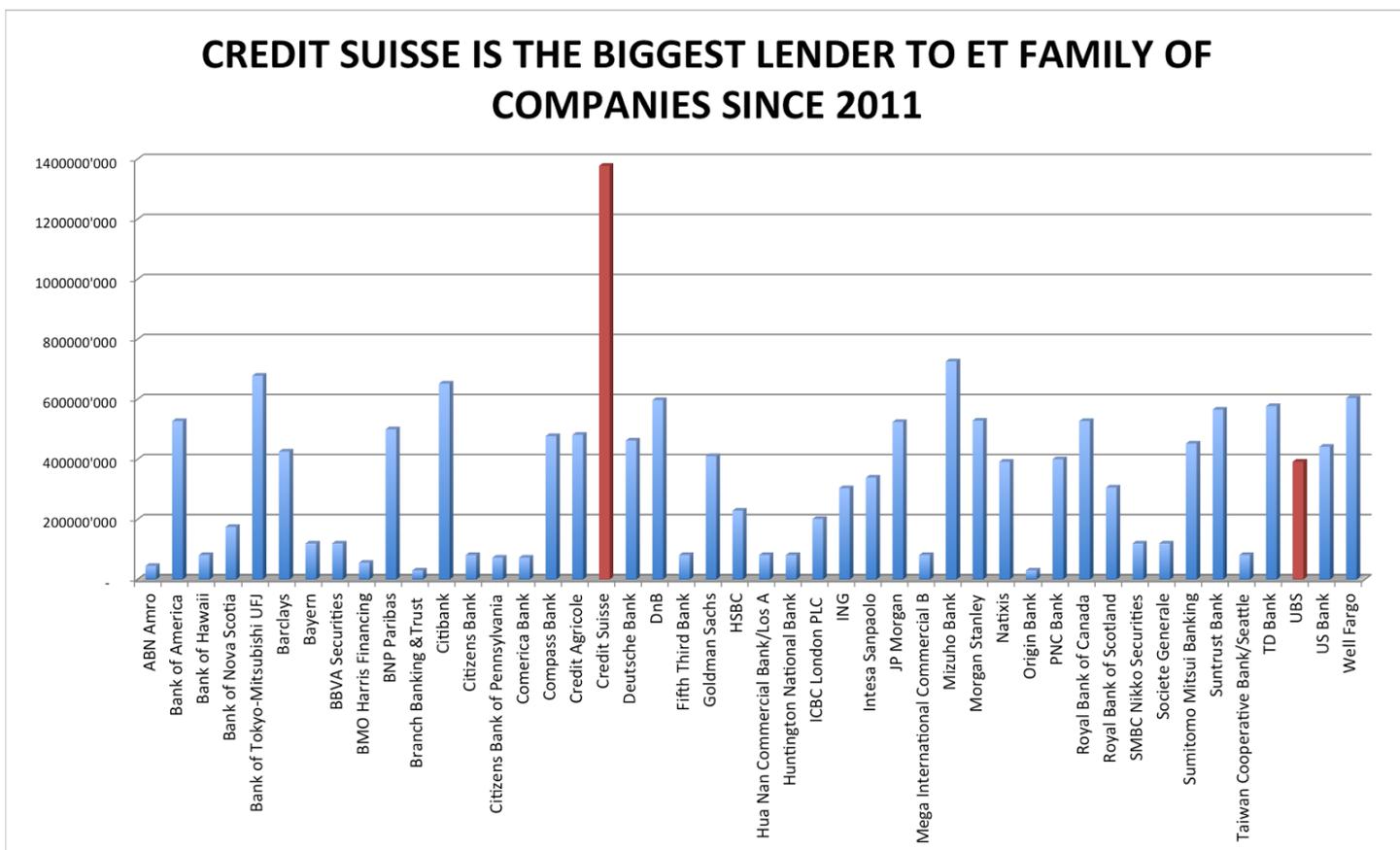
<https://www.abnamro.com/en/newsroom/newsarticles/2017/the-situation-regarding-the-dakota-access-pipeline-is-being-monitored-closely.html>

⁶ <http://www.latimes.com/nation/la-na-seattle-divests-from-wells-fargo-20170206-story.html>

Significance of Credit Suisse as a lender and advisor to DAPL related companies:

We also strongly feel that Credit Suisse Sustainability team has seriously downplayed the role of the bank. The fact that your team members said that Credit Suisse’s role in financing DAPL related companies is insignificant is simply not true. Greenpeace Switzerland has further investigated into the amounts of finance provided by Credit Suisse and compared it to the other banks’ role.

What we have found is that Credit Suisse has provided/participated in loan issues 7 times since 2011 (not including bond issues) and the total amounts to USD 1.38 billion, which is more than any other bank has provided (including allocations to DAPL project, and based on the information publicly available).



Loans (revolving credit lines, term loans, project loan for DAPL) provided to ET family of companies (Sunoco, ETP, ETE) since December 2011. Source of data: Bloomberg and SEC filings

Furthermore, the purpose of Credit Suisse USD 850 million loan to Energy Transfer Equity L.P., signed 03/05/2015 (ID BL1666603), Credit Suisse/ Cayman Islands being the agent and the sole lender, was “to finance acquisition of Bakken Assets”. The same month - on [May 26, 2015](http://ir.energytransfer.com/phoenix.zhtml?c=106094&p=irol-newsArticle&iD=2192121), after this loan was issued, Energy Transfer family of companies stated⁷ that a joint venture between Energy Transfer Partners L.P. and Sunoco Logistics Partners, L.P. called “Bakken Holding Company, LLC” - the majority owner of DAPL - was established. We believe that this loan was related to this deal and represents a direct financing of the equity portion of the Dakota Access Pipeline project.

⁷ <http://ir.energytransfer.com/phoenix.zhtml?c=106094&p=irol-newsArticle&iD=2192121>

Later on, as recent as August 2016, Credit Suisse was a financial advisor for the sale of a minority stake of Dakota Access Pipeline by Energy Transfer Partners and Sunoco Logistics to Enbridge and Marathon Petroleum (see SEC filing⁸).

All of the above leads us to conclude that Credit Suisse played a leading role in enabling and financing Dakota Access Pipeline and the DAPL related companies, and continues to do so via ongoing provision of finance, against international outcry and calls by NGOs and Sioux tribe to banks to stop their banking relationships with the DAPL related companies.

The DAPL case and many other cases where Credit Suisse internal guidelines and policies have been violated⁹ ¹⁰, points to a continuous organisational failure within the bank. We urge you to start a full organisational assessment of these failures and set new bank-wide processes and procedures to finally show rigid compliance with corporate governance policies related to environmental and social accountability.

Our demands:

Given your commitment to respect indigenous and human rights, and the reality on the ground we demand that you withdraw/sell all the credit facilities and finish all your banking relationship with the DAPL related companies immediately.

- 1. Stop client relationship with DAPL related companies and issue a public statement condemning their conduct in DAPL project and calling for the respect of the Sioux rights.**
- 2. Issue a public statement adhering to a strict Free Prior and Informed Consent (FPIC) and avoid business relation with partners that violate FPIC.**
- 3. Stop financing high carbon projects and align your business strategy with the goals of Paris Agreement.**
- 4. Change internal systems and processes inside the bank to have a rigid, bank-wide compliance with external and internal corporate governance/ ESG policies.**
- 5. Going forward have covenants/exit clauses in financial contracts that allow the Bank to dissolve contracts if business partners are involved in grave human rights violations, environmental damages.**

Given the urgency of the matter we seek a response from you at your earliest convenience, but no later than February 24th, 2017. We also request a meeting between the bank's Chief Risk Officer and our Executive Directors as soon as possible.

⁸ <https://www.sec.gov/Archives/edgar/data/1012569/000101256916000197/ex992-bakkenequitysalepres.htm>

⁹ Credit Suisse and Freshfields censured over Bumi deal
<https://www.ft.com/content/bf893190-83a8-11e5-8095-ed1a37d1e096>

¹⁰ SEC Probes Banks' Sale of Soured Mozambique Bond
<https://www.wsj.com/articles/sec-probes-banks-sale-of-soured-mozambique-bonds-1482924601>

For contact on this letter please use: katya.nikitenko@greenpeace.org

Yours sincerely,

Verena Mühlberger

Co-Executive Director

Greenpeace Switzerland

A handwritten signature in black ink, appearing to read 'VM', located to the right of the text for Verena Mühlberger.

Christoph Wiedmer

Co-Executive Director

Gesellschaft für bedrohte Völker, Schweiz

A handwritten signature in blue ink, appearing to read 'Wiedmer', located to the right of the text for Christoph Wiedmer.