

Corporate Responsibility Report 2018



Corporate responsibility at Credit Suisse

As one of the world's leading banks, we are committed to delivering our financial experience and expertise to corporate, institutional and government clients and to ultra-high-net-worth individuals worldwide, in addition to affluent and retail clients in Switzerland.

Founded in 1856, Credit Suisse today has a global reach with operations in around 50 countries. We believe that our responsible approach to business and the dedication and expertise of our over 45,000 employees are key factors that determine our long-term success. We have a broad understanding of our duties as a financial services provider, member of society, and employer. This approach is also reflected in our efforts to protect the environment. The following key figures show the diverse nature of our activities in the area of corporate responsibility in 2018:

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Responsibility in banking

Capitalization

12.6%

CET1 capital ratio at end-2018.

Risk management

942

transactions or client relationships were assessed for potential environmental and social risks.

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Responsibility in the economy and society

Supplier of capital

Over CHF

160 billion

was Credit Suisse's volume of loans outstanding in Switzerland at end-2018.

Employee engagement

18,694

of our employees around the world volunteered their time to help charitable causes.

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Responsibility as an employer

Workforce

45,680

individuals from 180 different countries work at Credit Suisse.

Internal mobility

48%

of our leadership roles were filled internally.

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Responsibility for the environment

Employee training

480

hours of training on environmental management and health and safety were provided to 11,200 participants.

Renewable energy

79%

of the electricity we consumed globally was generated using renewable energy sources.

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For the purposes of this report, unless the context otherwise requires, the terms "Credit Suisse Group", "Credit Suisse", the "Group", "we", "us" and "our" mean Credit Suisse Group AG and its consolidated subsidiaries. The business of Credit Suisse AG, the direct bank subsidiary of the Group, is substantially similar to the Group, and we use these terms to refer to both when the subject is the same or substantially similar. We use the term the "bank" when we are referring only to Credit Suisse AG and its consolidated subsidiaries.

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Foreword



Urs Rohner, Chairman of the Board of Directors (left) and Tidjane Thiam, Chief Executive Officer (right)

Dear Reader

Maintaining the trust of stakeholders is more important than ever during periods of profound change. At Credit Suisse, we were mindful of this throughout the three-year restructuring that we launched at the end of 2015 to increase the Group's resilience. As part of that restructuring, we defined three main objectives: First, we wanted to achieve sustainable, compliant and profitable growth – shifting our focus to wealth management and right-sizing our Global Markets activities. Second, we needed to reduce both risks and costs, as well as to strengthen our capital base. Our third goal was to significantly upgrade our risk and compliance capabilities and improve our culture. Thanks to the hard work and dedication of our employees and the support of our clients and shareholders, we achieved these objectives by the end of 2018. Credit Suisse is today a very different bank to when we began this journey in 2015.

In line with our strategy to be a leading wealth manager with strong investment banking capabilities, we strive to be a professional and reliable partner to our clients – offering expert service and advice to individuals, corporations and institutions around the globe. We believe that successful client relationships are not defined by performance alone: Integrity and ethical conduct are essential to inspire long-term confidence in our bank. This is why our 45,680 employees as well as the members of the Board of Directors are obligated to uphold our Code of Conduct. Our six Conduct and Ethics Standards are also key to promoting a shared understanding and expectations in respect of our culture and conduct. Since the end of 2015, Compliance has been set up as a stand-alone Executive Board-level function that oversees compliance matters across the Group, further underscoring the high level of importance that we assign to this topic.

Being responsive to the rapidly evolving needs of our clients is essential to securing their trust and maintaining a long-term relationship. For example, we recognise that investment products in the sustainable and impact investment space have grown in importance in recent years – especially for millennials and the next generation of investors. In 2017, we established our Impact Advisory and Finance (IAF) department, which aims to facilitate projects and initiatives that have a positive economic and social impact while delivering a financial return for clients. The IAF department generated significant momentum across both wealth management and corporate and investment banking in 2018, its first full year of operation.

Credit Suisse is playing an active part in codifying the relatively new but rapidly growing sustainable finance sector – including participating in an advisory capacity in the launch of the International Finance Corporation’s Principles for Impact Management at the International Monetary Fund meeting in October 2018 and becoming a founding member of the U.S. Alliance for Sustainable Finance in December 2018.

We recognise the importance of upholding international standards and best practices that promote responsible business conduct, such as the UN Global Compact with its Ten Principles in the areas of human rights, labour standards, environmental protection and anti-corruption efforts. We also strive to make a meaningful contribution to the realisation of the UN Sustainable Development Goals, which form a core element of the UN Agenda 2030 for sustainable development. We believe, for example, that there is a pressing need to protect the climate and environment for future generations. In addition to our efforts in the sustainable and impact investment space, we apply internal policies and guidelines for certain sensitive industries when assessing potential transactions and client relationships and we are working with other banks to develop methodologies for the alignment of credit portfolios with the Paris Climate Agreement. At an operational level, we strive to make more efficient use of natural resources within our organisation and to reduce the direct impacts of our activities on the environment and the climate through our global environmental management system. We have also been operating on a greenhouse gas neutral basis globally since 2010.

At Credit Suisse, we believe that our responsibilities go beyond banking, and we want to make a meaningful contribution to addressing social challenges across the different regions in which we operate. Working with selected partner organisations, we support initiatives that seek to generate a positive economic or social impact. 2018 marked the tenth anniversary of our global initiatives in the areas of financial inclusion and financial education. In addition to providing funding to our partners, we encourage our employees to leverage their skills and expertise for the benefit of their communities. Employees can, among other things, devote up to four days per year to supporting social projects run by our partners. A total of 18,694 Credit Suisse employees around the world dedicated more than 187,900 hours to volunteering in 2018. We also designate Charities of the Year for four different regions and conduct a wide range of employee and corporate fundraising campaigns to support them.

Our business works on the basis of trust. One important way for Credit Suisse to build trust is by communicating transparently with all our stakeholders and listening to their views and expectations. This dialogue encompasses a broad spectrum of topics – depending on whether we are engaging with clients, employees or shareholders, regulators or policymakers, the media or non-governmental organisations – as evidenced by the scope of this publication. This Corporate Responsibility Report is designed to be part of a continuous, constructive conversation between Credit Suisse and these different stakeholders. In this spirit of dialogue, we welcome your [comments](#) on any of the subjects discussed in this publication.

Best regards

Urs Rohner
Chairman of the Board of Directors

Tidjane Thiam
Chief Executive Officer

March 2019

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Our understanding of Corporate Responsibility

Corporate Responsibility at Credit Suisse

For Credit Suisse, corporate responsibility is about creating sustainable value for our clients, shareholders, employees and other stakeholders. We strive to comply with the values and standards set out in our Code of Conduct and our Conduct and Ethics Standards in every aspect of our work – including in our relationship with our stakeholders. We do so based on our broad understanding of our duties as a financial services provider and employer and as an integral part of the economy and society. Our approach also reflects our commitment to protecting the environment.

Our primary focus as a global bank is on running our business responsibly and successfully. We are aware of the high standards expected of us and we endeavor to engage in an open dialogue with our various stakeholders. This enables us to actively identify their needs and interests, to develop appropriate solutions and to take account of key challenges when evolving our strategy.

We believe that this dialogue and our responsible approach to business are key factors in determining our long-term success, and that they help to promote an understanding of the important role we play in the economy and society.

[credit-suisse.com/responsibility](https://www.credit-suisse.com/responsibility)

Structure of the report

The Corporate Responsibility Report is structured in accordance with the four areas outlined on the next page: our responsibilities in banking and in the economy and society, our role as an employer and our responsibility for the environment. Our reporting on corporate responsibility reflects the GRI Standards for sustainability reporting while also providing information on the progress we have made in implementing the Ten Principles of the United Nations (UN) Global Compact, as well as examples of how we can contribute to the realization of the UN Sustainable Development Goals (SDGs). Further information and our disclosure according to the GRI Standards is available online at:

[credit-suisse.com/gri](https://www.credit-suisse.com/gri)

Our understanding of Corporate Responsibility

Corporate Responsibility at Credit Suisse

Credit Suisse materiality assessment

Engaging with stakeholders



Our understanding of Corporate Responsibility

Responsibility in banking

- **Trust and expertise**
- **Risk management and sustainability**
- **Sustainable and impact investment products and services**

Our main responsibility is to ensure that we run our company successfully on a long-term basis for the benefit of our clients, shareholders, employees and society as a whole. We believe competence, client focus, compliance, diligence and responsible conduct are key to the success of our business. This includes taking account of social and environmental aspects when conducting our activities.

Responsibility in the economy and society

- **Our role in the economy and society**
- **Our social commitments**
- **Sponsorship**

As a global bank, we see ourselves as an integral part of the economy and society. We therefore aim to run our business in a way that creates value for all our stakeholders. Through our role as a financial intermediary, we support entrepreneurship and economic growth, and we make an economic contribution as an employer, taxpayer and contractual partner. We also support various humanitarian and charitable organizations and projects as well as cultural and sporting events.

Credit Suisse Code of Conduct

Responsibility as an employer

- **Credit Suisse as an employer**
- **Diversity and inclusion**

Qualified and motivated employees are a vital success factor. We want to be an employer of choice worldwide and therefore offer our people progressive working conditions and varied career opportunities in a multicultural environment in our efforts to attract the best talent.

Responsibility for the environment

- **Climate and biodiversity**
- **Environmental management**

We are committed to conducting our business with a long-term view to supporting environmental sustainability. We believe important pillars of this approach include our support for the transition to a low-carbon and climate-resilient economy as well as the protection of biodiversity. We therefore strive to promote the efficient use of resources and address sustainability issues when managing risks.

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Credit Suisse materiality assessment

Material issues	Importance (high to very high)	Definition and scope of terms	See pages
1 Culture of compliance and conduct		Compliance with laws and regulations / prevention of money laundering and terrorist financing / anti-corruption / combating financial market crime (e. g. fraud, anti-competitive practices) / sanctions compliance / tax compliance / corporate culture	12–17, 18–23, 42–45
2 Company performance and strategy		Business strategy / financial results / share price / dividends / capital, liquidity and funding position / stability of the company / operational risk (incl. business continuity management, technology risks) / cost efficiency / cost reductions	12–17, 31–35, 49
3 Environmental and social risk management		Environmental management system / assessment of sustainability risks in transactions / policies for sensitive industries / impacts on ecosystems and landscapes (incl. biodiversity, agriculture and forestry) / responsible supply chain management	18–23, 51–56
4 Financial and political system stability		Systemic risk / capital and liquidity / total loss-absorbing capacity (TLAC) / legal entity structure / resolvability / political and economic stability / negative interest rates	12–17, 31–35
5 Corporate governance		Operational structure / governance framework / management team / voting rights	12–17
6 Digitalization / fintech		Blockchain / fintech / digital transformation / big data, automation	14, 27
7 Consumer and investor protection		Suitability and appropriateness / data security / privacy / transparency of fees	12–17
8 Climate change		Reducing the carbon footprint of own operations / greenhouse gas neutrality / managing climate risks / facilitating transition to a low-carbon and climate-resilient economy through product offering / climate-related disclosure	18–23, 51–56
9 Incentives and compensation policy		Responsible approach to compensation / executive compensation / criteria for incentives / deferrals, claw-backs	49
10 Quality and range of services and advice		Advisory process, relationship managers / range and quality of products and services / expertise (e. g. research, advisory) / performance and pricing of products and services / technology	15–17, 24–29, 38, 42–45
11 Human resources and talent management		Diversity and inclusion / non-discrimination / training and skills management / attracting and retaining talent / health and safety / work-life balance / employees over 50 years of age	42–49
12 Responsible investments		Sustainable products and services / impact investing (incl. microfinance, conservation finance) / integration of environmental, social and governance (ESG) criteria in products and services / Principles for Responsible Investment (PRI)	24–29, 51–53, 56
13 Human rights		Fair working conditions; no child labor, no forced labor / human rights aspects in supply chain and business relations / indigenous peoples' rights / positive contribution to the realization of human rights	18–23
14 Contribution to the economy		Purchasing, sourcing / tax contribution / lending to small and medium-sized enterprises (SMEs) and start-ups	31–35
15 Social commitments		Philanthropy / supporting social and humanitarian projects / employee engagement, including skills-based volunteering / "militia" system of politics in our Swiss home market	27, 33–40

Relevance to stakeholders (average)
 Impact on Credit Suisse
 Range of external stakeholder views

Detailed information on Credit Suisse Group's financial performance, corporate governance and compensation practices can be found in the Annual Report 2018.

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Credit Suisse materiality assessment

We aim to focus our corporate responsibility reporting activities on topics that are relevant to our business and our stakeholders. We therefore regularly undertake a materiality assessment in order to identify critical economic, environmental and social issues that may either have a significant impact on the company's business performance or substantively influence the assessments and decisions of our stakeholders. We believe that doing so will help us to identify new trends and evolve our strategy accordingly, as well as tailor our reporting to align it with the interests and needs of our business and our stakeholders.

The materiality assessment is based on our ongoing dialogue with stakeholders across all parts of our business. We strive to ensure that the list of material issues identified in the past remains relevant and that important new topics are addressed. Having reached out to a larger number and broader range of stakeholders through a structured survey in 2017, we revised and updated the list of material issues in 2018 in a process that included the analysis of information from monitoring tools, a dedicated media review, as well as the views of internal experts who participate in an ongoing dialogue with relevant stakeholder groups. This allowed us to take into account the perspective of clients, investors and analysts, policymakers, non-governmental organizations (NGOs), employees and other stakeholders. Based on the results of this analysis, we updated and adjusted our materiality assessment for 2018, taking account of the changing relative importance assigned to the issues identified. The findings reflect average values of importance based on the assessment methodology.

The materiality assessment is also available online at:

credit-suisse.com/materialityassessment



Credit Suisse and the Sustainable Development Goals

The 17 Sustainable Development Goals (SDGs) adopted by the United Nations in 2015 form a core element of the UN Agenda 2030 for Sustainable Development. As the SDGs are based on a participatory process, responsibility for achieving them will be shared among states, the private sector, the scientific community and civil society. Credit Suisse contributes to the realization of the SDGs in various ways, including in our role as a financial intermediary and employer. Further examples include our sustainable and impact investment products and services as well as our global initiatives in education and financial inclusion, whose tenth anniversary we celebrated in 2018 (see pages 24–29 and 39). At the same time, our focus on sustainability risk management can help us to reduce potential negative impacts that certain business activities might have on the realization of the SDGs (see pages 18–23).

credit-suisse.com/sdg

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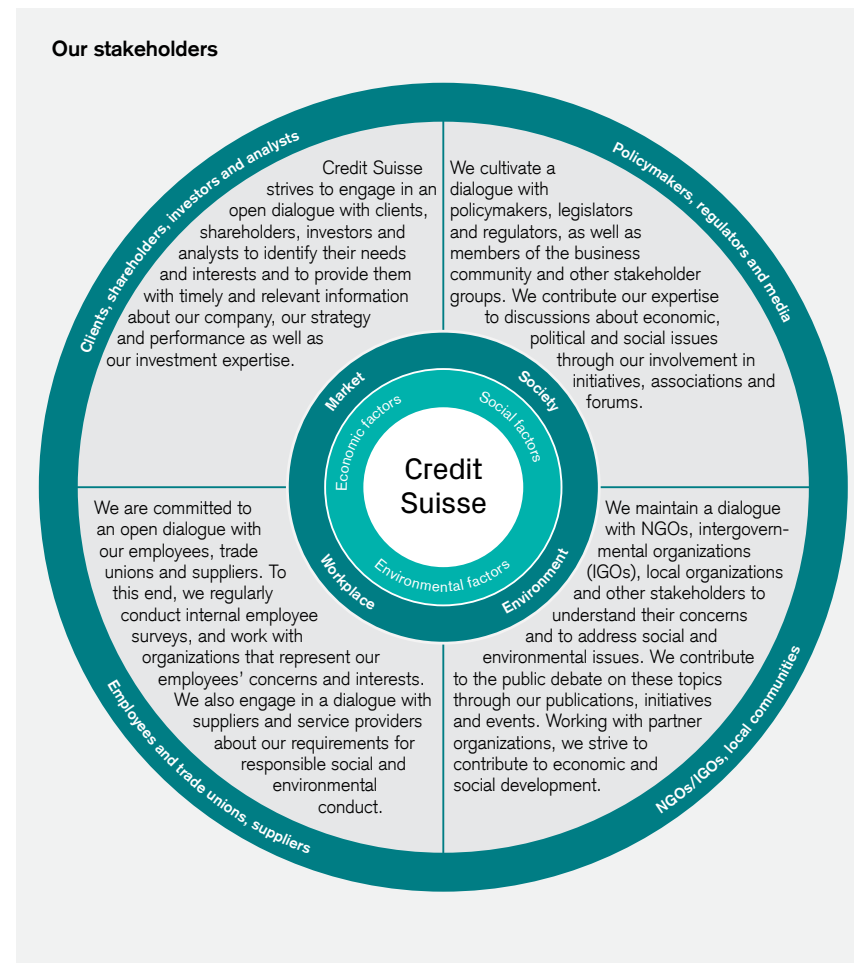
Engaging with stakeholders

Our business works on the basis of trust: Our long-term success depends to a significant extent on our ability to inspire confidence in our stakeholders. In the ongoing challenging regulatory environment and in view of the developments in the area of financial market policy, it is essential that we take steps to safeguard and maintain trust in our company. We therefore regularly engage in a dialogue with clients, shareholders, investors and employees as well as with regulators and policymakers, NGOs and other stakeholders. This dialogue – combined with the insights we gain through our participation in initiatives, associations, forums and professional bodies, as well as the findings of surveys – strengthens our understanding of the different, and sometimes conflicting, perspectives of our stakeholders. This encourages us to identify their interests and expectations at an early stage, to offer our own perspective and to help develop solutions to address current challenges wherever possible. At the same time, this exchange allows us to develop a more detailed understanding of our corporate responsibilities.

Further information

Information about our engagement with stakeholders, as well as our range of publications designed to contribute to the public debate, can be found online at:

credit-suisse.com/responsibility/dialogue





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Risk management and sustainability

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Sustainable and impact investment products and services



Trust and expertise

We strive to conduct our business responsibly and efficiently – offering clients high-quality service and advice, supporting efforts to increase financial stability, and maintaining a rigorous compliance and control culture to inspire trust in our bank.

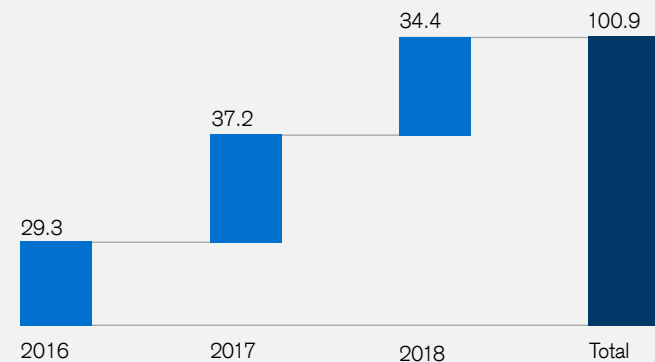
Credit Suisse is committed to operating professionally and with integrity to gain and maintain the trust of our stakeholders. Our strategy is to be a leading wealth manager with strong investment banking capabilities. We aim to capture the opportunities available to us as a provider of integrated solutions that address the private wealth and business needs of ultra-high-net-worth (UHNW) individuals and successful entrepreneurs around the globe. To achieve this, we are taking a balanced approach between mature and emerging markets. We believe that our strategy will generate significant value for our shareholders and benefit our clients, employees and other stakeholders.

2018 was the final year of the three-year restructuring we launched at the end of 2015 with the aim of making the bank more resilient in challenging times by reducing risks, cutting costs and strengthening our capital base. We also aimed to grow our Wealth Management-related revenues and relatively stable income streams and to return to profitable, compliant and quality growth. At the same time, we wanted to right-size our Global Markets activities and deal resolutely with our largest legacy issues. These objectives were broadly achieved by the end of 2018.

We delivered on our goal of profitable growth with Group reported pre-tax income of CHF 3.37 billion in 2018, an increase of 88% compared to 2017. Net income attributable to shareholders totaled CHF 2.02 billion in 2018, representing our first annual post-tax profit since 2014.

The continued growth of our Wealth Management businesses remained a key focus during the year, as demonstrated by the CHF 34.4 billion of Wealth Management net new assets we attracted in 2018, bringing the total generated over three years to more than CHF 100 billion. Credit Suisse has today established itself as a leading wealth manager with strong investment banking capabilities. As a result, we believe that we are well positioned to take advantage of a number of macro trends that we expect to remain supportive over the long term.

Wealth Management¹ net new assets (in CHF billion)



¹ Relating to Swiss Universal Bank Private Clients, International Wealth Management Private Banking and Asia Pacific Private Banking within Wealth Management & Connected



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Our capital position has been significantly strengthened over the same period. As a result, we reported a common equity tier 1 (CET1) ratio of 12.6% and a tier 1 leverage ratio of 5.2% at end-2018. The transformation of our capital position has allowed us to allocate more resources to our historically more stable and capital-efficient businesses and away from our more volatile market-dependent activities. For 2019, the Board of Directors of Credit Suisse Group AG approved a share buyback program of Group ordinary shares of up to CHF 1.5 billion, reflecting the strength of our capital position. We expect to buy back at least CHF 1.0 billion in 2019, subject to market and economic conditions.

Credit Suisse's cost base has been transformed over the past three years, providing greater operational leverage across key businesses. At end-2018, we surpassed our target of less than CHF 17 billion for our adjusted operating cost base.

Through the Strategic Resolution Unit, which we closed on schedule at end-2018, we have dealt effectively with key legacy issues. We also made great progress in strengthening risk management, our controls and our compliance framework to ensure that the bank can focus on supporting and delivering high-quality financial solutions to clients around the globe and on achieving sustainable, compliant and profitable growth.

Detailed information on our strategy and financial performance is provided in the Annual Report 2018 of Credit Suisse Group AG

Adapting to the new regulatory landscape

The global implementation of extensive regulatory reforms continued in 2018 with the aim of further reinforcing the stability and integrity of the global financial system. Reforms in prudential regulation are intended to make banks less likely to fail as well as easier to resolve if the point of non-viability is reached. The effect of these reforms is that banks have generally increased capital, augmented liquidity, improved governance and controls, and adapted their legal entity structures to help ensure resolvability.

At Credit Suisse, we consider it important to actively help shape new regulatory standards. For example, we have

been working consistently with regulators, international standard-setting bodies and the finance industry for a number of years to help address legislation and regulations for systemically important banks. We have also adjusted our legal entity structure over the years in this context. In addition, we maintain resolution plans that demonstrate our resolvability. Credit Suisse has built up its total loss-absorbing capacity in line with stringent Swiss regulations. This includes the issuance of so-called bail-in bonds (gone-concern capital), which could be used by the authorities to stabilize the bank and support the execution of our resolution plans, which include the stabilization and financial restructuring of large parts of the Group, the continuation of Credit Suisse (Schweiz) AG, and the wind-down of certain trading businesses. As of December 31, 2018, Credit Suisse reported CHF 37.9 billion of gone-concern capital on a look-through basis.

An objective of regulatory reform is to strengthen banks while continuing to strengthen markets. In response to regulatory initiatives focused on derivatives, Credit Suisse has implemented mandatory clearing of over-the-counter derivatives in line with the rest of the market. Authorities are also working to make markets more efficient and fair, as seen with the EU Markets in Financial Instruments Directive II (MiFID II), which became effective on January 3, 2018. In the EU and other impacted jurisdictions, we implemented new provisions that increase investor protection and market transparency. We continue to invest in the development and implementation of robust anti-money laundering (AML) and know-your-customer (KYC) rules and controls in order to enhance transparency and help identify and prevent financial crime.

In the second half of 2017 and throughout 2018, Credit Suisse mobilized a central team to coordinate analysis and delivery of public attestations to the industry codes and standards published by bodies such as the Bank of International Settlements (attestation: May 2018), Fixed Income, Currencies and Commodities Market Standards Board (FMSB) (attestation: January and June 2018), London Bullion Market Association (attestation: May 2018), and the Bank of England (attestation:



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September 2018). All publications refer to generally recognized best practice standards in areas such as ethics, governance, execution, risk and compliance, information sharing, and operations and settlements. We are continuing to focus on new publications issued by the FMSB and are supporting ongoing compliance in our business-as-usual activities.

Financial integrity

Compliance operates as an independent Executive Board-level function, underscoring the high level of importance that Credit Suisse assigns to this topic. The function's mandate is to oversee compliance matters for Credit Suisse, and it includes being a proactive, independent function that partners with the businesses by continuously challenging and supporting them to effectively manage compliance risk. In addition, to reflect the growing significance of our relationship with regulators worldwide, the Regulatory Affairs function was separated from the Compliance organization and integrated into the CEO Office in the first quarter of 2019. The Internal Audit department forms an integral part of corporate governance at Credit Suisse by regularly and independently assessing the risk exposure of our various business activities, taking into account industry trends, strategic and organizational decisions, best practice and regulatory matters. Internal Audit uses a systematic and disciplined approach that is designed to provide independent and objective assurance with the goal of adding value by enhancing the effectiveness of Credit Suisse's risk management, control and governance processes. Internal Audit regularly benchmarks its methods and tools against those of its peers.

Recognizing the critical role of employees in helping to preserve financial integrity, we aim for the highest standards of personal accountability and ethical conduct from each member of our workforce. Credit Suisse employees at all levels of the organization, as well as the members of the Board of Directors, are obligated to adhere to our Code of Conduct. To ensure we are continuously informed of the latest regulations and industry standards, our employees are required to participate in an annual targeted and tailored training curriculum. It includes, but is not limited to, developments in the finance industry and

internal best practices for continued compliant growth. Since the launch of our six Conduct and Ethics (C&E) Standards in 2017, Credit Suisse has focused on confirming that the C&E Standards are firmly embedded in our processes throughout the bank and reinforced by a strong emphasis from senior management. The six C&E Standards – Client Focus, Meritocracy, Stakeholder Management, Accountability, Partner and Transparency – set the values and conduct expectations for employees. C&E is a core part of everything we do – from recruitment to performance management and our disciplinary process. Through comprehensive, top-down, consistent communications, we have sought to create awareness across the bank regarding C&E.

Credit Suisse has a company-wide Business Continuity Management (BCM) Program in place to support the maintenance of critical business processes in the event of a major internal or external incident. The aim of the BCM Program is to exercise a duty of care to employees, protect client and company assets and minimize the financial, regulatory, reputational and strategic impact of such incidents.

➤ **Further information:**
see p. 42

Capturing the potential of digitalization

Digitalization is fundamentally altering the finance industry and is therefore an important topic for Credit Suisse. For example, the evolving digital landscape is one of several factors transforming the way clients interact with their bank. We recognize that innovative concepts are essential to ensure we can continue to offer clients excellent products and services in the future via the channels they prefer.

Reflecting our efforts to expand our range of digital products and services along the client lifecycle, Credit Suisse launched a number of digital, client-centric initiatives across different geographies in 2018. At the same time, we recognize the potential of digital solutions to drive cost efficiencies across our organization and to support labor-intensive processes. Going forward, we expect that the use of digital technology will help the Group to further increase efficiency, strengthen client loyalty, simplify global access to our offering, and address reputational and conduct risks at an early stage. One of our most important initiatives in this context is the establishment of our Compliance Labs. In these design, process re-engineering and analytics centers, we have developed numerous state-of-the-art applications that actively contribute to mitigating employee and client risk. In 2019, we intend to expand the Compliance Labs to serve the rest of the Group in executing high-priority deliverables such as the re-engineering of credit processes, and credit and market risk analytics.



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Further information: see p. 18–20

We believe that protecting the integrity of the financial system is a core responsibility of banks. At Credit Suisse, we are committed to complying with all applicable financial crime laws and regulations in the jurisdictions in which we operate. We have established global policies and procedures in an effort to achieve more robust and consistent standards of compliance, including in relation to politically exposed persons (PEP), the prevention of money laundering and terrorist financing, bribery and corruption, as well as the adherence to applicable economic and trade sanctions laws. We are committed to only doing business with clients and third parties who meet and adhere to our standards. We have a wide range of policies, procedures and internal controls, with requirements such as the evaluation of third parties who conduct business for or on behalf of Credit Suisse and dedicated controls related to gifts and entertainment, employment opportunities, and charitable contributions. Credit Suisse maintains active participation in the Wolfsberg Group, a reflection of our continued commitment to understand the latest financial crime risks and controls, while also staying abreast of important regulatory and market developments. We expect threats related to the global financial system to grow and change, and we are actively developing and implementing risk management capabilities to combat financial crime. In addition, employees must ensure that transactions that may affect the reputation of Credit Suisse undergo our bank-wide standardized Reputational Risk Review Process.

Credit Suisse manages improper employee behavior and employee breaches through global disciplinary and escalation processes across three lines of defense. Our disciplinary process provides a structure that is designed to confirm that the bank's standards of professional conduct (including our C&E Standards and Code of Conduct), policies and procedures, and external laws, rules, regulations, standards and principles are adhered to and enforced on an ongoing basis, subject to local differences. Our Conduct and Ethics Boards provide an independent review of disciplinary matters and, where necessary, participate in or challenge disciplinary recommendations that may impact employee compensation and promotion opportunities. Additionally, employees have a responsibility to

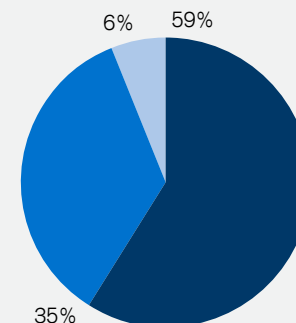
report concerns of potential legal, regulatory or ethical misconduct in a timely manner – in the first instance to their line managers or to Compliance. Employees worldwide also have the option of calling our Integrity Hotline, where they can report such issues anonymously, where permitted by local law.

Commitment to client tax compliance

Credit Suisse policies mandate that we do not accept or manage client assets if we know or become aware of information that would support a suspicion of tax non-compliance. To address the regulatory and reputational risks associated with undeclared assets held by private clients, Credit Suisse has, over the last several years, carried out comprehensive client tax programs and reviews covering clients in essentially all of our major markets. In addition, we have a Client Tax Compliance Policy that underpins our zero tolerance approach to tax evasion or the facilitation of tax evasion either by employees or third parties.

Spotlight on client satisfaction

The Credit Suisse Global Service Monitor Program measures client satisfaction and benchmarks it against the client satisfaction metrics of our main peers. Feedback from existing and prospective clients provides insights into how we can improve our service and advice. The results of the 2018 survey, which was conducted in selected markets, reveal consistently strong levels of satisfaction among our clients. For example, client satisfaction has increased in Switzerland, with 94% of private clients satisfied and 59% very satisfied with Credit Suisse.



94%

of our private clients in Switzerland are satisfied with our services.

- Very satisfied
- Satisfied
- Not satisfied



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Credit Suisse fully adheres to its obligations as a financial institution to collect information regarding the tax classification of clients in order to assist in the sharing of information by tax authorities. Credit Suisse participates in, and complies with, the requirements of the Foreign Account Tax Compliance Act and the Automatic Exchange of Information regime – measures designed and introduced by governments to combat tax evasion.

Governments' focus on client tax matters is now turning towards tax avoidance, most recently with the EU introducing measures in the new EU Directive (DAC 6) to require the exchange of information on certain arrangements that might encompass an element of aggressive tax planning. Credit Suisse is currently assessing the impact and requirements of the EU's rules in this area.

High-quality service and advice

When providing advice to our clients, we assess its suitability to help ensure that our clients have the requisite knowledge and experience to understand the associated risks and to make sure that our advice is in line with their risk profile and investment objectives. When executing orders on behalf of our clients, we assess the appropriateness of the transaction for them and address potential mismatches. The Credit Suisse advisory process helps us to understand our clients' circumstances, their risk profile and their financial needs and plans, and it incorporates sophisticated analytical tools that can identify counterparty risks and simulate potential returns in different scenarios to provide an objective basis for client investment decisions. Credit Suisse has been committed to strengthening investor protection for a number of years and has invested in the related systems, processes and employee training – including a mandatory certification program for relationship managers. Credit Suisse is fully dedicated to complying with the continuously evolving regulatory demands. In June 2018, the Swiss parliament adopted the Federal Financial Services Act (FFSA), which is part of a larger legislative effort to create uniform competitive conditions for financial service providers, improve client protection and bring Swiss legislation in line with new or emerging international

standards. We are currently reviewing existing processes and procedures in light of the draft ordinance for the FFSA published in October 2018. The goal is to maintain and strengthen the high standard of investor protection within Credit Suisse while having a consistent and transparent framework throughout the bank by enhancing the existing implementation wherever required in order to increase the quality of services provided to our clients.

This chapter addresses the following issues:

- 1 Culture of compliance and conduct
- 2 Company performance and strategy
- 4 Financial and political system stability
- 5 Corporate governance
- 6 Digitalization / fintech
- 7 Consumer and investor protection
- 10 Quality and range of services and advice

➤ **Further information:**
see p. 8

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Challenges and responses

Challenge: The Paris Agreement is considered a milestone in the global effort to mitigate the effects of climate change. It aims to limit the rise in global temperature to well below 2° Celsius above pre-industrial levels and has put in place a structure through which countries have committed to implement transition plans to lower their respective greenhouse gas emissions. Since the agreement entered into force in 2016, climate change has continued to be an important issue in both the public and private sectors. **How is Credit Suisse addressing the challenge of climate change?**

Response: At Credit Suisse, we believe that our role as a financial intermediary is to act as a reliable partner in the transition to a world that is less dependent on fossil fuels and to a low-carbon and climate-resilient economy. In addition to operating on a greenhouse gas neutral basis at all our locations around the globe since 2010, we have continuously strengthened our activities in the area of green finance (see page 29).

Our principles and our approach to climate protection are set out in our Statement on Climate Change, and they are also reflected in our Group-wide, standardized Reputational Risk Review Process. Within that process, we evaluate factors such as a company's greenhouse gas footprint or its energy efficiency targets, while some of our policies and guidelines require clients to have a plan in place to deal with climate change risks. Furthermore, our sector policies and guidelines include restrictions on the financing of new mining projects to extract thermal coal and of new coal-fired power plants.

In 2018, we established a climate change program with the overall goal of addressing the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). In that context, we have worked to formalize climate-related governance and definitions in our key policies and risk taxonomy and to define the principles for climate risk strategy and management. We expect our TCFD adoption efforts to provide us with further guidance for the transition to a world that progressively minimizes its dependency on fossil fuels. Moreover, we are working with other banks to develop methodologies for the alignment of credit portfolios with the Paris Agreement.

Challenge: The definitive Basel III regulations were finalized in December 2017. The Basel Committee on Banking Supervision foresees their entry into force in 2022, with transitional periods for certain sectors. The consistent implementation of the agreed standard across different jurisdictions will be crucial to achieve the objective of the capital reforms and to ensure a level playing field. **What steps did Credit Suisse take to help tackle this challenge?**

Response: In 2018, Credit Suisse – together with other relevant stakeholders – launched a constructive high-level dialogue with Swiss regulators and policymakers regarding the implementation of the new Basel III standard in Switzerland. As part of these efforts, Credit Suisse has actively contributed to the development of the implementation process in Switzerland. One of the priorities discussed so far is the objective of harmonized implementation with other comparable financial centers, from both a content and timing perspective. With regard to the implementation in other jurisdictions, Credit Suisse has – together with key policymakers – strongly emphasized the importance of a harmonized implementation approach and level playing field. Through trade associations and direct contacts, Credit Suisse has made the case against the fragmentation of global standards, including by means of a high-level conference in Brussels with key officials that included fact-based reports and analysis on the risks and costs of such an approach.



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Risk management and sustainability

To achieve long-term success, it is essential that we pursue a responsible approach to business. We expect our employees to act professionally, with integrity and in compliance with applicable laws, regulations, due diligence requirements and industry standards. We also take sustainability issues into account as an integral part of our risk review process.

We consider it vital to operate responsibly and demonstrate a high degree of risk awareness in all our business activities. Reflecting this commitment, all our employees globally and the members of our Board of Directors are obligated to adhere to Credit Suisse's Code of Conduct. In addition, our Conduct and Ethics Standards are designed to ensure that people throughout Credit Suisse share the same understanding and expectations in terms of our culture and conduct. Appropriate risk-taking, ensuring sustainability and acting responsibly towards society are key elements of these standards.

Sustainability as an integral part of our business

Our Statement on Sustainability defines the objectives and principles underpinning our approach to environmental and social issues in our business activities. It refers to international agreements that Credit Suisse has voluntarily pledged to uphold, such as the UN Global Compact with its Ten Principles in the areas of human rights, labor standards, environmental protection and anti-corruption efforts. More information on our sustainability commitments is available at:

credit-suisse.com/sustainabilitycommitments

Reputational Risk Review Process

Prudent risk-taking in line with our strategic priorities is fundamental to our business. Credit Suisse uses a wide range of risk management practices to address the variety of risks that arise from our business activities. Reputational risk is among the key risk types considered in that process. Potential reputational risks may arise from various sources, including, but not limited to, the nature or purpose of a proposed transaction or service, the identity or activities of a potential client, the regulatory or political context in which the business will be transacted, and any potentially controversial environmental or social impacts of a transaction.

Reputational risk potentially arising from proposed business transactions and client activity is assessed in the Reputational Risk Review Process. The Group's global policy on reputational risk requires employees to be conservative when assessing potential reputational impact and, where certain indicators give rise to potential reputational risk, the relevant business proposal or service must undergo the Reputational Risk Review Process.



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Environmental and social risks are some of the aspects considered in that process. For example, companies operating in sensitive industries frequently play a key economic role in the global supply of energy and commodities. They may also be a major employer in economically weak regions. At the same time, we recognize that the activities of these companies can, in some cases, have a significant impact on the climate, biodiversity, water resources or local communities.

To assess environmental and social risks, our internal specialist unit, Sustainability Affairs, evaluates whether the potential client's activities are consistent with the relevant industry standards and whether the transaction is compatible with Credit Suisse's policies and guidelines for sensitive sectors. Based on the outcome of this analysis, Sustainability Affairs submits its assessment to a Reputational Risk Approver, who is a senior manager independent from the area of business in question, or to the respective Reputational Risk Committees. They have the authority to approve, reject or impose conditions on our participation in a transaction or the establishment of a client relationship. In cases of particularly complex or cross-divisional transactions, the decision may be referred to the Reputational Risk Sustainability Committee (RRSC) or escalated to the Global Reputational Risk Approver. The RRSC, chaired by the Group's Chief Risk Officer, is the most senior governing body responsible for the oversight and active discussion of reputational risks and sustainability issues. At Board of Directors level, the Risk Committee and Audit Committee jointly assist the Board in fulfilling its reputational risk oversight responsibilities by reviewing and approving the Group's risk appetite framework as well as assessing the adequacy of the management of reputational risks. More information on this process is available at:

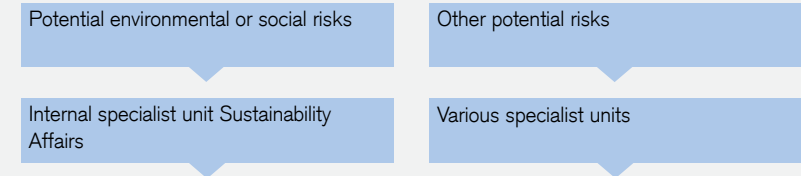
credit-suisse.com/riskmanagement

Sector policies and guidelines

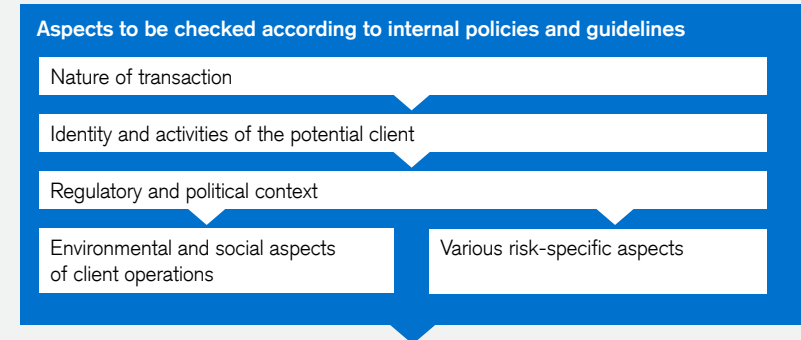
Certain industries are particularly sensitive from a social or environmental perspective. They include oil and gas, mining, power generation, and forestry and agribusiness, which covers

Assessment of sustainability risks within the Reputational Risk Review Process

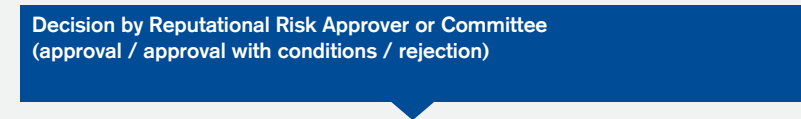
1. Risk classification and responsibility



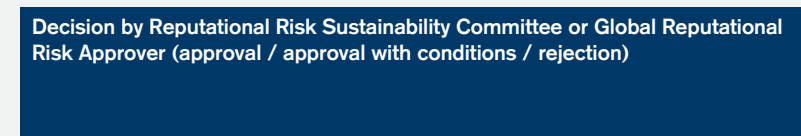
2. Assessment and recommendation



3. Review and decision



Optional escalation





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pulp and paper as well as palm oil production. To assess potential transactions with clients in these industries, we have defined specific global policies and guidelines, taking account of standards developed by international organizations such as the UN and the World Bank. Topics covered by our sector policies and guidelines include: Compliance with industry-specific, internationally recognized standards on the environment and human rights; measures to assess and reduce the environmental impact of operations; the protection of the health and safety of company employees and surrounding communities; and respect for the human rights of the local population.

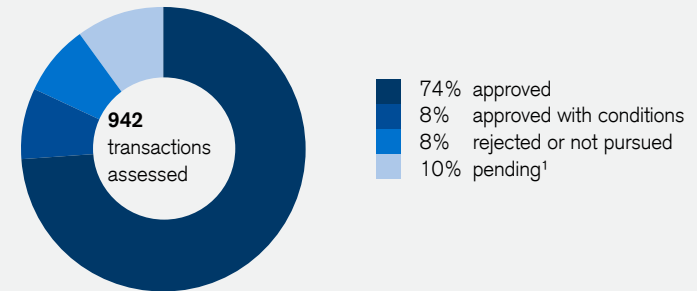
Our policies and guidelines also describe business areas and operational processes that Credit Suisse will not finance. For example, we apply restrictions on the financing of new mining projects to extract thermal coal and of new coal-fired power plants. Our sector policies and guidelines are regularly reviewed and updated to reflect the latest developments and challenges. A summary of our sector policies and guidelines can be found at:

credit-suisse.com/sectorpolicies

Credit Suisse has also adopted the Equator Principles. This framework for the management of environmental and social risks is based on standards defined by the International Finance Corporation (IFC) and is applied by more than 90 financial institutions for specific types of finance for industrial and infrastructure projects. 2018 marked the 15th anniversary of the Equator Principles, which have had a strong impact on the project finance market. In the same year, the Equator Principles institutions launched a process to update the Principles, and Credit Suisse actively contributed to these discussions. We also continued our active role on the Steering Committee of the Equator Principles and served as the regional representative for Europe within the Equator Principles Association.

We are also a member of the Roundtable on Sustainable Palm Oil (RSPO) in the “Banks and Investors” sector. The RSPO is

Transactions assessed on the basis of potential environmental and social risks in 2018



These statistics exclude potential transactions that were not formally reviewed as part of the risk review process because they were immediately identified by the relationship manager as being non-compliant with the Group's requirements and guidelines.

¹ As of February 28, 2019.

Sustainability risk assessments by sector in 2018

Transactions assessed ¹	2018	2017
Metals and mining	190	162
Forestry and agribusiness	84	58
Oil and gas	242	199
Power generation and transmission	89	68
Chemicals	32	31
Defense	22	32
Infrastructure and transportation	53	48
Finance	35	34
Other	195	174
Total	942	806

¹ Including Equator Principles (EP) transactions. For a comprehensive disclosure in accordance with EP requirements, see:

credit-suisse.com/riskmanagement



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the leading certification standard for palm oil and promotes the cultivation and use of sustainable palm oil products through global standards and the engagement of stakeholder groups throughout the supply chain. Consequently, our Forestry and Agribusiness Policy includes requirements regarding RSPO membership and RSPO certification that we expect our clients to observe.

Respecting human rights

We strive to assume our responsibilities in the area of human rights in accordance with the International Bill of Human Rights as well as the corresponding principles on human and labor rights set out in the UN Global Compact. We take account of these principles in our own policies and business activities. Our Statement on Human Rights describes the basis of our responsibility to respect human rights and the approaches, processes and tools we use to implement it. Equally, we expect our business partners to recognize and uphold human rights.

We also take into account the UN "Protect, Respect and Remedy" framework and the UN Guiding Principles on Business and Human Rights. To promote a better understanding of what the Guiding Principles mean for the banking sector, Credit Suisse co-initiated the Thun Group together with other banks in 2011. Since its inception, the Thun Group has worked on providing guidance for the practical implementation of the Guiding Principles in the development or structuring of banking products and services. The 2018 meeting of the Thun Group focused on topics such as the OECD Responsible Business Conduct guidelines, human trafficking and modern slavery, as well as current challenges in the context of effective due diligence and grievance mechanisms.

↘ **Further information:** see p. 42–49

We consider human rights issues in our risk management processes and are aware of our responsibilities as an employer. Furthermore, our Modern Slavery and Human Trafficking Transparency Statement sets out the steps that Credit Suisse is taking to prevent the occurrence of modern slavery and human trafficking in our business operations and within our supply chain. Further information on the topic of human

Implementing the recommendations of the Task Force on Climate-related Financial Disclosures

In 2017, the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) published its final report with recommendations for the voluntary reporting on material risks and opportunities arising from climate change. The implementation of the TCFD recommendations by companies is expected to take several years but is likely to result in more informed investment, credit and insurance underwriting decisions.

Credit Suisse has publicly expressed its support for the TCFD recommendations. Within the regulatory framework established by the Paris Agreement, we expect the outcome of our TCFD adoption to provide us with further guidance for the transition to a world that is progressively minimizing its dependency on fossil fuels.

In response to the TCFD recommendations, which are grouped in the four categories Governance, Strategy, Risk Management, and Metrics and Targets, Credit Suisse has established a climate change program with the overall goal to address recommendations related to external disclosures of climate-linked risks and opportunities. The program team has worked to formalize climate-related governance and definitions in key policies and our risk taxonomy, and to define the principles for climate risk strategy and management. With regard to Strategy, we have identified several key risks and opportunities, originating from either the physical or transition effects of climate change, and defined a 2° Celsius and a 4° Celsius climate scenario. We subsequently conducted a preliminary analysis of the impact of these scenarios on our business. In terms of risk management, we aim to leverage established risk management processes for the management of climate risk exposures by mapping the underlying climate risks to existing risk types such as credit risk, market risk, reputational risk, strategy risk and operational risk. Risk management of climate change exposure from our financial relationships presents a challenge owing to the long-term nature of the climate impacts versus the relatively shorter-term nature of banking portfolios. With regard to metrics and targets, we assess and provide information on the volume of greenhouse gas emissions (scope 1, 2, 3) from our in-house operations on the basis of an ISO 14001-certified environmental management system (see pages 53–56). We are also developing an initial set of internal metrics to assess our climate risk-related financial exposures. To share experiences on the path towards TCFD adoption, we have joined a working group convened by the Institute of International Finance.

Information on Credit Suisse's TCFD implementation efforts can also be found in our 2018 Annual Report.



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rights, including our Modern Slavery and Human Trafficking Transparency Statement, can be found at:

credit-suisse.com/humanrights

Dialogue, knowledge-sharing and training

Credit Suisse engages in an ongoing dialogue with a range of stakeholders on sustainability issues. This includes our continued active participation in industry initiatives such as the Equator Principles and the Thun Group. We are also a member of the multi-stakeholder Advisory Group to the OECD Responsible Business Conduct in the Financial Sector project, which aims to contribute to the development of best practices for human rights and environmental due diligence based on the provisions of the OECD Guidelines for Multinational Enterprises.

In 2018, we also discussed regulatory developments, climate risks and opportunities at a meeting in Frankfurt between banks and representatives of civil society. Furthermore, for the eighth consecutive year we organized a roundtable in London to engage with other global banks on environmental and social risk management practices in investment banking. To ensure that the expertise required to address environmental and human rights risks is firmly embedded within Credit Suisse, we provided more than 600 employees in client-facing roles or relevant specialist units with training in sustainability risk management in 2018.

↘ Further information: see p. 8

This chapter addresses the following issues:

- 1 Culture of compliance and conduct
- 3 Environmental and social risk management
- 8 Climate change
- 13 Human rights

credit-suisse.com/responsibility/banking

Supplier Code of Conduct and Third Party Risk Management (TPRM)

Credit Suisse works with numerous suppliers and service providers from a broad range of sectors. We expect these partners to address risks responsibly and to conduct their business in a socially and environmentally responsible manner. Our Supplier Code of Conduct aims to ensure that our external business partners respect human rights, labor rights, employment laws and environmental regulations. To manage financial, operational and reputational risks and to meet the increasing regulatory requirements governing business relationships with third parties, Credit Suisse introduced the Third Party Risk Management (TPRM) framework in 2016. Through TPRM, we assess potential environmental, social and labor law-related risks, among others, in connection with third parties. The framework also allows Credit Suisse to continuously monitor these relationships, to raise and track issues, and to demand actions for improvement from suppliers and service providers. More information is available at:

credit-suisse.com/suppliers



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Challenge and response

Challenge: 2018 marked the 70th anniversary of the Universal Declaration of Human Rights that was adopted by the United Nations in 1948. An important point of reference in this area is the UN Guiding Principles on Business and Human Rights, which marked a milestone in the clarification of corporate responsibility for human rights when they were introduced in 2011. What is Credit Suisse's approach to potential human rights issues in its business activities and client relationships?

Response: We strive to assume our responsibilities in the area of human rights in accordance with the International Bill of Human Rights. We are a member of the UN Global Compact, and we actively participate in the Thun Group that focuses on the integration of the UN Guiding Principles on Business and Human Rights into the policies and practices of banking institutions. Our Statement on Human Rights describes the basis of our responsibility to respect human rights and the approaches, processes and tools we use to address this responsibility. Equally, we expect our business partners to recognize and uphold human rights, as stated in our Supplier Code of Conduct.

Credit Suisse's most direct link to human rights issues is in our working relationship with our employees, and this is consequently the area in which we believe we can exercise the greatest influence. In addition, the provision of certain financial services may be linked to negative human rights impacts. While companies operating in sensitive sectors frequently play a key economic role in the global supply of energy and commodities and as an employer, the activities of these companies can, in some cases, have a significant impact on local or indigenous communities. In that context, the rights of indigenous communities may not be sufficiently protected by a state's laws and practices. We apply particular scrutiny when there is credible evidence that the proceeds of a transaction are used for activities which may negatively impact an area used or traditionally claimed by local or indigenous communities.

Using our Reputational Risk Review Process, we perform detailed reviews of business activities and transactions that are sensitive from a human rights perspective. We apply our internal sector-specific policies that include

aspects such as the protection of the health and safety of company employees and surrounding communities as well as a commitment to respect the human rights of local populations. Furthermore, to take account of differing viewpoints, we engage in an ongoing dialogue with NGOs and other key stakeholders. For example, our participation in the Advisory Group to the OECD Responsible Business Conduct in the Financial Sector project contributes to the development of best practices for human rights and environmental due diligence.



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Sustainable and impact investment products and services

Client demand for sustainable and impact investment opportunities has grown significantly in recent years. At Credit Suisse, we strive to create and facilitate investment products and services that generate environmental and social benefits as well as financial returns.

Sustainable investments have more than doubled in volume over the last five years, and the volume of impact investments has increased at an even faster pace. Credit Suisse has been active in this investment space for more than 16 years and, as a pioneer, continues to contribute substantially to the development of this market. Through our activities in this area, we also aim to support the realization of the UN's Sustainable Development Goals (SDGs). We have seen an especially strong rise in demand for sustainable and impact investment opportunities from institutional investors. In addition, private clients – particularly high-net-worth individuals, next-generation investors and millennials – are increasingly expressing their desire to use their capital to have a positive impact on the world. At the same time, charitable foundations are looking for ways to align their investments with their mission. These different client segments are all seeking ways to combine the achievement of financial returns with the generation of positive social and/or environmental impacts – whether the client's primary focus is on purpose or profit.

Return first versus impact first

At Credit Suisse, we differentiate between “return first” and “impact first” investments in the sustainable and impact investing space. In the case of return-first investments, investors primarily seek to achieve financial returns that are consistent with the traditional returns for a given asset class – combined with risk mitigation and portfolio diversification – while also taking account of environmental, social and governance (ESG) as well as impact criteria. In contrast, impact-first investments are focused primarily on generating environmental or social benefits and may produce concessionary (below-market) financial returns.

Impact Advisory and Finance

Our Impact Advisory and Finance (IAF) department was established in 2017 and combines all of Credit Suisse's sustainable and impact investing efforts around the globe within one organization, reporting directly to the CEO. The IAF department aims to facilitate investable projects and initiatives that have a positive economic and social impact while focusing primarily on generating a financial return for clients.



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Its mandate is to define, guide and coordinate all of the Group's activities in this sector for the benefit of institutional, corporate and wealth management clients. Its remit covers sustainable investments and impact investments where the primary focus is on generating a financial return.

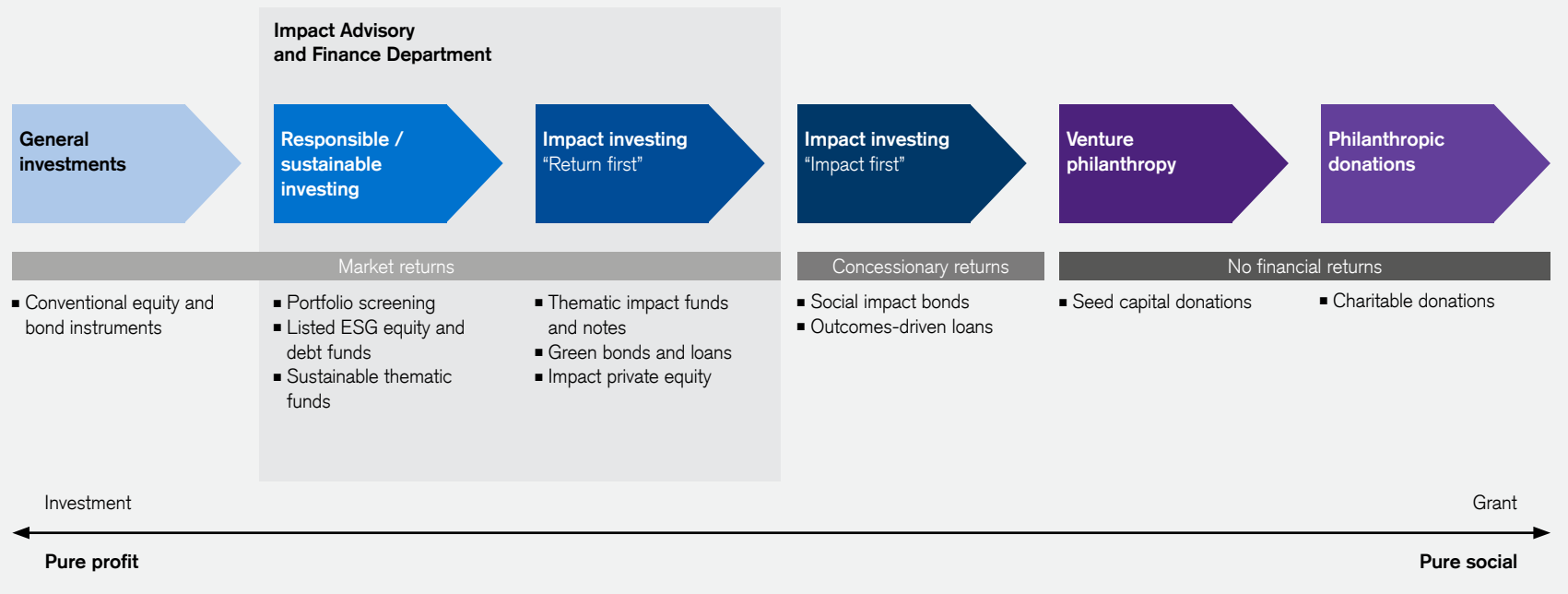
Sustainable investing

Credit Suisse's sustainable investment offering comprises portfolio solutions and products across a range of asset classes, including equities, fixed income, real estate, alternative investments, thematic investments and index solutions. We offer sustainable single and multi-asset solutions to private and professional clients across different regions, constantly broadening and aligning them more and more closely with the SDGs. Our solutions are designed to generate market rate returns in line with traditional portfolios while reflecting clients'

personal values. For example, our Private Banking Greater China team executed a USD 440 million fixed-income ESG mandate for a regional institutional client in 2018, and Investment Solutions and Products in Switzerland launched a discretionary multi-asset solution that aims to allow clients to invest sustainably and with impact. We also provide strategic advice and portfolio ESG screenings as well as investment advice based on sustainability criteria to clients. In addition, we produce individual sustainability portfolio reports and organize events with clients and other stakeholders on the topic of sustainable investment.

Our sustainable investment strategy considers ESG aspects in addition to traditional financial criteria. For single securities, we use a multi-strategy framework that allows our clients to translate their personal values into investment decisions.

The spectrum from environmental, social and governance (ESG) investments to philanthropy





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This new framework was created by a group of Credit Suisse specialists with expertise in the fields of sustainability, portfolio management and asset management, as well as by the office of the Chief Investment Officer and the IAF department. This group also regularly reviews the framework and suggests recommendations to align our approach with the latest industry developments.

Assets invested according to sustainability criteria at Credit Suisse rose to over CHF 25 billion by the end of 2018, reflecting continued growth in this area. In Asia, we surpassed the USD 1 billion mark for assets under management invested according to sustainability criteria. Reflecting our efforts to expand sustainable investing opportunities that generate a financial return for investors in Asia, Credit Suisse partnered with RobecoSAM in 2018 to launch the RobecoSAM Smart Mobility Strategy, which focuses on the electric vehicles value chain.

As part of our efforts in the area of sustainable investing, Credit Suisse is a signatory to the Principles for Responsible Investment (PRI), a voluntary, investor-led framework that promotes a better understanding of the implications of sustainability and the incorporation of ESG information into investment decisions. We also support the Green Bond Principles, and we are a partner to the Climate Bonds Initiative. Credit Suisse is involved in organizations such as Swiss Sustainable Finance (SSF) and Sustainable Finance Geneva. These organizations pursue the goal of strengthening Switzerland's position in the global marketplace for sustainable finance by informing, educating and catalyzing growth.

Furthermore, we contribute to the dialogue on developments in the sustainable investment space. For example, we consulted with the International Finance Corporation to launch the Principles for Impact Management at the International Monetary Fund meeting in October 2018. We are also a founding member of the U.S. Alliance for Sustainable Finance (USASF), which was launched in 2018 with the aim of providing the resources and expertise needed to identify and streamline existing climate finance initiatives, encourage greater transpar-

ency across climate-related financial risks and opportunities, and drive more capital to sustainable investments.

Impact investing

Compared to sustainable investing, which excludes non-sustainable areas or promotes leaders in ESG criteria, impact investing explicitly seeks to make a positive social or environmental impact in addition to generating a financial return. What sets impact investing apart from other sustainable investment practices is the intentionality of social and environmental impact and the measurement of these outcomes. Credit Suisse's impact investing business includes more than USD 7 billion of assets under administration¹ and over USD 2 billion in client holdings. Impact investing activities at Credit Suisse include investments in small and medium-sized businesses with a social or environmental mission and the development of financial products, such as those designed to support smallholder farmers and high-potential students in developing countries.

Education is one area of focus of our impact investing activities. Our six Higher Education solutions, the last two of which were launched in 2017, are an example of this focus. In 2018, we partnered with PG Impact Investments to launch an offering that aims to improve the lives of underserved individuals by addressing societal challenges while generating financial returns, with a global strategy that focuses on emerging markets in particular. We also act as the impact advisor to the Asia Impact Investment Fund I L.P., which invests in fast-growing businesses that address social challenges across Asia.

In the area of financial inclusion, investments are designed to provide economically disadvantaged people – especially those in emerging markets and developing countries – with access to financial services. Our activities in this area benefited over 3.1 million people in 2018. We provide a range of advisory services and capital market transactions, as well as offering several global microfinance solutions, structured products and

¹ Assets in investment funds and vehicles administered by Credit Suisse.



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a private equity fund of funds. We are a member (and have a seat on the Boards) of the European Microfinance Platform, a network of about 130 organizations, as well as the Swiss Capacity Building Facility, a public-private partnership between the Swiss financial sector and the Swiss Agency for Development Collaboration (SDC). In addition, our Financial Inclusion Initiative (FII; formerly the Microfinance Capacity Building Initiative) helps to drive market development and innovation in this sector. The initiative aims to strengthen the ability of financial services providers to serve the increasingly diverse financial needs of people at the base of the income pyramid. To this end, we support the development of new products and services focusing on education, agriculture and gender diversity, among other themes. We also make the expertise of our employees available to our financial inclusion and impact investing partners through several volunteering programs, and we invest in early-stage innovation and financial technology (fintech) through our partnership with Accion's financial technology accelerator Venture Lab. We are also a co-sponsor of the Global Impact Investment Network (GIIN), which seeks to accelerate the industry's development through focused leadership and collective action, by facilitating knowledge exchange, by highlighting innovative investment approaches, by building the evidence base for the industry, and by producing tools and resources.

Philanthropy Services

In the area of philanthropy, Credit Suisse works with clients to help them incorporate their personal values and objectives into their philanthropic engagements. We provide a set of tools designed to contribute to making a measurable impact and help tackle social or environmental challenges through philanthropy. We can also create subfoundations for clients under one of Credit Suisse's umbrella charitable foundations – Accentus, Empiris and Symphasis in Switzerland or SymAsia in Singapore. Since they were established, the Swiss umbrella foundations have distributed a total of more than CHF 128 million to over 2,800 charitable initiatives worldwide, and in 2018 they carried out 260 projects in developing countries and in Switzerland. In Asia, SymAsia has received around USD 104 million of donor-advised funds and has gifted around USD 71 million since it was established in 2010.

We are continuing to expand our activities in the area of conservation finance, a fast-growing environmental finance market focusing on the generation of long-term and diversified sources of revenue that can play a major role in ensuring biodiversity conservation and the health of natural ecosystems. In 2018, we held the fifth Annual Conservation Finance Investor Conference in New York City as well as our first Impact Roundtable in Lisbon that centered on marine conservation and the Blue Economy, whose aim is to create investment opportunities in this space. This provided a platform for a selected group of ultra-high-net-worth (UHNW) clients to engage in a discussion with leading global experts in this field. Furthermore, we have expanded our role as advisor to UHNW clients in conservation finance, and we are one of the founding members of the cross-sectoral Coalition for Private Investment in Conservation (CPIC), which aims to bring more private capital into this space.

We conduct a range of activities in green finance to achieve a positive impact on the environment while, at the same time, creating financial value for our clients. For example, in 2018 we successfully executed green bond transactions for GCL New Energy, Paprec Group, the North American Development Bank, Xcel Energy, Terna and ING. We are also active in the sustainability lending market and during 2018 we participated in a total of over USD 14 billion worth of sustainability-linked loans from a range of European borrowers. Through our Global Markets team, we launched our own Green Bond Index to complement our existing suite of corporate credit indices, reflecting the importance of the green bond product for buy-side clients. In addition, we offer green finance products and services across a wide range of asset classes in wealth management and investment banking.

↘ **Further information:**
see p. 29

Renewable energy project finance

Our Investment Banking & Capital Markets division and our Global Markets division serve clients through a range of products and services, including advisory services related to mergers and acquisitions, restructurings and spin-offs, as well as debt and equity underwriting of public offerings and private placements. Our expertise is diversified in renewable energy



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areas such as solar, wind, geothermal, biomass, biofuels, fuel cells and energy efficiency. In 2018, Credit Suisse served as structuring agent and bookrunner on Vivint Solar's inaugural USD 466 million solar securitization (the largest transaction of its kind completed in the solar asset-backed securities market to date), Sunrun's USD 379 million solar securitization, Sunnova's USD 263 million solar securitization, and CleanFund's inaugural USD 104 million commercial property-assessed clean energy (PACE) securitization. In total, throughout 2018, Credit Suisse participated in transactions with a total volume of over USD 1.4 billion of asset-backed securities issuance related to distributed generation solar and commercial PACE assets. In addition, we put in place over USD 1 billion in solar and energy-efficiency asset-backed warehouse capacity.

Over the past decade, a total of around USD 3.5 billion of capital has been committed to 24 renewable energy opportunities as a result of the collaboration between our Strategic Transactions Group and our Debt Capital Markets Solutions team. A milestone transaction in 2018 was the launch of a residential solar fund with Sunrun that finances residential solar panels across the US with a total capacity of 93 megawatts.

Research

Throughout 2018, we conducted sustainability-related research across our divisions. Investment Strategy & Research within Investment Solutions and Products – a division in International Wealth Management – published several research updates on sustainability topics. In June 2018, our Equity Research Zurich team published an extensive update on its research into themes called supertrends, including new data on the incipient boom in clean vehicles as part of the “millennials” supertrend. In October 2018, Equity Research Australia published “The Age of Plastic”, a study that examined the environmental impact of plastics and looked at different actors in the value chain.

The Credit Suisse Research Institute (CSRI) is Credit Suisse's in-house think-tank. It studies long-term economic developments that have a global impact within and beyond the financial services sector or may do so in the future. The CSRI

publishes original research on topics ranging from economics and monetary policy to gender equality and consumer behavior.

In investment research, we publish global economic assessments and market outlooks in a range of reports. In 2018, we revised one of our core research publications for clients, originally published in 2017, which examined the role of corporate governance in family-owned companies. Previously, we also conducted assessments of the important role gender diversity plays in corporate performance and published the findings in our Gender 3000 study.

Credit Suisse also addresses ESG topics through thematic research. Credit Suisse Global Markets Equity Research has developed a method to calculate the probabilities of achieving implied returns in infrastructure investments. In our Global Markets division, Credit Suisse HOLT, a team focused on corporate performance and the valuation of listed companies, offers a governance framework that systematically scores 2,500 incentive plans based on their alignment with wealth-creating principles and pay-for-performance best practices. Credit Suisse's HOLT team is incorporating data on carbon emissions into its equity research platform, with the aim of allowing investors to assess carbon intensity and carbon-adjusted returns in conjunction with operating performance. The framework is being extended to cover water withdrawal and waste production. In addition, tools are being developed to model the impact of environmental factors on equity valuation across different scenarios.

This chapter addresses the following issues:

- 10 Quality and range of services and advice
- 12 Responsible investments

credit-suisse.com/responsibility/banking

Further information: see p. 8



Responsibility in banking

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Trust and expertise

1.2

Risk management and sustainability

1.3

Sustainable and impact investment products and services



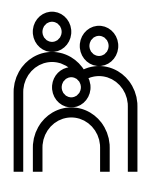
Challenge and response

Challenge: There is a clear need to access new sources of energy, raw materials, and clean technologies to make more balanced and sustainable use of the world’s natural resources. Investments that support environmentally sustainable development – a sector known as green finance – are thus growing in importance and scale. How does Credit Suisse contribute to green finance?

Response: Our green finance solutions cover a wide range of asset classes designed to positively impact the transition to a low-carbon and climate-resilient economy, drawing upon the expertise of various specialist departments across our divisions. Our offering in the area of wealth management, for example, comprises a number of funds focused on sustainability, green bond investments and sustainable real estate as well as products and services in conservation finance. In investment banking, we provide advice for buy-side and sell-side clients in mergers and acquisitions, project and corporate finance, as well as debt and equity underwriting of public offerings and private placements. Credit Suisse actively supports clean and renewable energy businesses and, until the end of 2018, had been involved in over 110 transactions in this field with a value of more than USD 94 billion since 2010. Furthermore, we supported clients on a number of green bond issuances in 2018. In our Global Markets division, Credit Suisse’s HOLT team is working on incorporating data on carbon emissions into its equity research platform, with the aim of allowing investors to assess carbon intensity and carbon-adjusted returns in conjunction with operating performance. Furthermore, Credit Suisse Global Real Estate takes account of sustainability criteria in the management and development of the properties within our various real estate products (see page 52). Finally, Credit Suisse Energy Infrastructure Partners, an investment manager specialized in investments in the European energy sector, focuses on direct investments in the capital-intensive elements of the value chain, such as energy transmission, generation, storage and efficiency.

Challenge: The coming decade is expected to see a wealth transfer of around USD 30 trillion, with millennials set to inherit a large portion of this amount. This next generation of investors has been found to assign greater importance to the alignment of their investment portfolio with their personal values and ESG considerations. How is Credit Suisse addressing this shift of focus?

Response: At Credit Suisse, we want to be close to our current and future clients and fulfill their needs. According to our research, more than 9 in 10 millennials state that social impact is key to their investment decisions. We therefore offer a broad range of products and services that give our clients the option to align their investments with their values. We strive to consistently expand our offering in this space and find ways to strengthen the infrastructure of the market for sustainable and impact investment products and services. As an example of our efforts to create new products and services that aim to help younger investors reach this goal, we partnered with PG Impact Investments in 2018 to launch an offering that aims to improve the lives of underserved individuals by addressing societal challenges while generating financial returns, with a global strategy that focuses on emerging markets in particular. In Asia, our partnership with RobecoSAM saw the launch of the RobecoSAM Smart Mobility Strategy, which focuses on the electric vehicles value chain. Furthermore, we hosted our first impact roundtable on marine conservation and partnered with the One Young World Summit, where young leaders meet to develop solutions to the world’s most pressing issues.



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- 2.2 Our social commitments 36





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Our role in the economy and society

We strive to conduct our business responsibly and efficiently to create value for our clients and shareholders. We also aim to make an important contribution to the functioning of the economy and to play a constructive role in society through our activities.

Our primary function as a global bank is to be a reliable and professional partner to our clients around the world, offering them a range of financial products and services to meet their individual needs. In this context, Credit Suisse also performs functions that are viewed as systemically relevant, including deposit-taking and lending. We play an important role as a financial intermediary, bringing together borrowers and lenders of capital globally – from companies and public sector bodies to private individuals and institutions. We supply businesses with the capital resources they need to expand their activities and finance innovation, thus helping to drive economic growth and job creation. By assuming market and credit risks, banks make an important contribution to the efficient functioning of the economic system. Effective risk management is a significant part of this process. In the credit business, for example, we analyze, measure and monitor credit risk exposures and charge appropriate interest rates on loans. Our capital policy is intended to ensure that we are capable of absorbing potential credit losses in a variety of stress scenarios.

Supporting growth and partnering with entrepreneurs

The importance of banks for the continued development and growth of the economy is demonstrated by our activities in our

Swiss home market. As the “Bank for Entrepreneurs”, we are dedicated to serving private, corporate and institutional clients in Switzerland. We provide a broad spectrum of products and services – ranging, for example, from bundled product solutions for daily banking needs to more complex business succession planning or international business transactions. In addition, we offer our entire expertise from across investment banking and wealth management to serve both the corporate and private financial needs of entrepreneurs.

Credit Suisse is a trusted financial partner to more than 100,000 companies or around 1 in 3 businesses in Switzerland. The majority of Credit Suisse’s corporate clients are small and medium-sized enterprises (SMEs) that generally have no direct access to the capital markets and are therefore often reliant on bank loans to fund working capital and/or investments. One of our goals is to support these companies with a fair, competitive and risk-adjusted lending policy. We are committed to providing our Swiss corporate clients with individual advice and the best possible support to help them run their businesses effectively, and we offer advice on strategic decision-making. In total, Credit Suisse had more than CHF 160 billion of loans outstanding in Switzerland at



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the end of 2018, including mortgages and loans to private companies, the public sector and private clients. Besides serving Switzerland's SMEs, Credit Suisse is also a long-term strategic financial partner to a number of multinational companies that are domiciled in Switzerland, providing them with a broad range of financial services and access to capital markets. In this way, we help to strengthen Switzerland's position as an attractive business location.

An integral part of the economy and society

We make a direct contribution to the economy and society in a variety of ways, including in our capacity as a taxpayer. Over the past five years, Credit Suisse has paid an annual average of CHF 0.6 billion in corporate income tax worldwide.

Credit Suisse is subject to further taxes unrelated to income, which totaled around CHF 0.3 billion in 2018 alone.

We also make a contribution as a client and contractual partner. Credit Suisse purchased about CHF 5.4 billion of goods, services and licenses from suppliers around the globe in 2018. Suppliers are required to meet strict standards in areas such as business ethics and integrity, employee health and safety, and environmental protection, as defined in Credit Suisse's Supplier Code of Conduct. The establishment of reliable relationships with these external partners helps to ensure the quality and value of the products and services we source. In addition, our Third Party Risk Management (TPRM) Framework is embedded in day-to-day sourcing

➤ Further information: see p. 22

Risk capital for growth and innovation

Credit Suisse Entrepreneur Capital AG (formerly SVC – Ltd. for Risk Capital for SMEs) was founded by Credit Suisse and the Swiss Venture Club in 2010. This Credit Suisse subsidiary invests venture capital in innovative small and medium-sized enterprises (SMEs) and, since 2018, also in financial technology firms with growth potential. For eight years, Credit Suisse Entrepreneur Capital AG has helped to support and strengthen Swiss companies. It has provided a total of CHF 127 million of venture capital to 52 companies during this time to help create or preserve jobs in order to sustainably strengthen Switzerland as a center of industry.

Recent success stories include its investment in the fintech firm Assetmax AG, one of the fastest growing IT platforms in Switzerland for independent asset managers and banks, as well as the medical technology company Ava AG, which provides physiological parameters for women to monitor their fertility and their health in general using an associated mobile app. Investments were also made in two innovative new drone producers, Wingtra and Perspective Robotics.

In February 2019, Credit Suisse announced plans to inject a further CHF 70 million of capital into its venture capital vehicle, bringing its total amount of capital to CHF 200 million.

More information is available at: credit-suisse.com/entrepreneurcapital

Credit Suisse Entrepreneur Capital AG:

Key figures for 2010–2018

Number of financing requests considered:

3,000

Total sum invested to date: CHF

127 million

29

firms are included in the portfolio

Capital returned since 2010: CHF

74 million

Over

300

patents are held by portfolio companies, underscoring their innovative strength

A total of

2,690

people have been employed by all the portfolio companies to date



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and vendor management processes to assess risks when conducting business with suppliers. Credit Suisse also plays an important role as an employer, offering progressive working conditions, competitive compensation and interesting career opportunities across a range of businesses to a total of 45,680 employees in around 50 countries worldwide. Around 15,840 members of our global workforce are based in Switzerland – making us one of the largest employers in our home market.

Maintaining a constructive dialogue

Credit Suisse considers it important to engage in discussions with various stakeholders – from clients, employees and investors to policymakers, legislators, regulators and representatives of the business community and society – in order to understand the issues that are important to them and to help find constructive solutions to current challenges. This exchange of views and ideas has grown increasingly important in recent years in view of international developments and discussions surrounding the role of the finance industry in the global economy. Reflecting our commitment to dialogue, we are a member of a number of industry associations, umbrella organizations and think-tanks. More information about our membership of industry bodies is available at:

credit-suisse.com/network

We also contribute to the public debate by producing publications, analyses and specialist articles on economic, political and social topics. One example is our study “Swiss Financial Center 2018 – From crisis to growth” whose aim is to contribute constructively to the discussion, as well as formulate specific proposals, about how various actors can jointly support the competitiveness of the Swiss banking sector. Another is the Global Wealth Report published by the Credit Suisse Research Institute, which provides comprehensive information on the development of global household wealth each year. For four decades, we have published the Credit Suisse Worry Barometer in Switzerland based on the findings of a representative survey of Swiss citizens to identify the issues that are of greatest concern to the public. The findings of the 2018

survey revealed that retirement provision ranks as the main worry among Swiss voters, followed by health care/health insurance. In addition, we commission studies from independent research institutions on a range of topics. In 2018, we also carried out our eighth Youth Barometer survey of around 1,000 young people aged between 16 and 25 in the US, Brazil, Singapore and Switzerland to provide an insight into the lifestyle, problems and attitudes of the younger generation. More information on our publications is available at:

credit-suisse.com/financialcenterstudy
credit-suisse.com/gwr
credit-suisse.com/worrybarometer
credit-suisse.com/youthbarometer

Broader social commitments

Credit Suisse views itself as an integral part of society and engages in a range of social initiatives across different regions to promote social cohesion and stability. These commitments take various forms – from our collaboration with selected partner organizations to the volunteer work of Credit Suisse employees around the globe. Sponsorship, which has been an integral part of our corporate strategy and culture for more than four decades, is a further example of our social commitments. We sponsor activities that focus on the areas of sports and culture, with particular importance being assigned to the promotion of young talent. More information about our sponsorship commitments is available at:

credit-suisse.com/sponsoring

This chapter addresses the following issues

- 2 Company performance and strategy
- 4 Financial and political system stability
- 14 Contribution to the economy
- 15 Social commitments

credit-suisse.com/responsibility/society

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Supporting the political system in Switzerland and beyond

In our Swiss home market, we not only engage in an open dialogue with policymakers that involves the regular exchange of information and ideas but also actively support the functioning of the Swiss “militia” system of politics, where Swiss citizens assume roles in political bodies at federal, cantonal or community level alongside their regular professions. Consequently, most members of the Swiss Parliament are not professional politicians and parties do not receive state funding.

Credit Suisse helps to strengthen this system of politics by making financial contributions available to political parties at the federal level that request funding, irrespective of their political agenda and position. This financial support does not give rise to any obligations for the political parties that receive it. The only factor that influences the support given by Credit Suisse is the number of parliamentary mandates held by each party at the federal level and in the cantons: To be eligible, a party must have at least five seats in the Federal Assembly (Swiss Parliament). This transparent approach – based on objective criteria – enables Credit Suisse to make a politically neutral contribution to support the work of the parties in performing the functions of the state. Credit Suisse makes a maximum of CHF 1 million of financial support available each year for this purpose. This support is exclusive to Credit Suisse’s home market.

In the European Union, Credit Suisse does not make any financial contributions to political candidates or parties. The bank constructively engages with EU policymakers on relevant financial services topics through legislative consultation processes and other channels. It discloses EU-related advocacy spend on an annual basis in the European Commission’s transparency register and abides by the EU’s Code of Conduct.

In the US, Credit Suisse does not itself make any direct financial contributions to candidates or political parties. However, like many other companies and organizations in the US, it offers employees the option of making their own voluntary private donations through a Political Action Committee (PAC). Employees can support candidates running for US Congress but not presidential candidates or specific political parties. These PAC donations take the form of a general contribution to the political system. The PAC then distributes the combined employee donations to members of relevant committees or districts, ensuring that the funds are shared evenly between Democratic and Republican candidates.



Holders of public office

In Switzerland, Credit Suisse offers working time arrangements to employees who hold an elected public office alongside their role at the bank. These employees can devote up to 20% of their working hours to a public role while receiving their full salary from the bank – irrespective of their party affiliation and views. Each year, Credit Suisse’s Public Affairs and Policy department organizes a meeting for the more than 300 employees who hold an elected public office. This annual event enables them to learn more about current policy issues that may be relevant to their day-to-day work as well as to their activities as elected representatives. It also gives them an opportunity to engage in discussions with their colleagues and Credit Suisse’s top management. In 2018, the event centered on the “aging society” supertrend. After a welcome speech by Alexandre Zeller, who then served as Chairman of the Board of Directors of Credit Suisse (Schweiz) AG, two keynote speeches and a panel discussion with subject matter experts and policymakers gave participants an insight into different aspects of the main theme of the event.



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Challenge and response

Challenge: How does Credit Suisse help to tackle social challenges such as youth unemployment?

Response: Credit Suisse is a financial partner of the umbrella association Check Your Chance, which we launched in 2015 together with the SVC Foundation for Entrepreneurship and six Swiss non-profit organizations. Check Your Chance, which is also supported by the Swiss State Secretariat for Economic Affairs (SECO), is continuing the successful work of Credit Suisse's Youth Unemployment Initiative and is an important partner for our bank in the area of youth development.

In 2018, Check Your Chance welcomed two new members and now represents a total of 13 non-profit organizations. During the year, they provided assistance to around 3,100 young adults who were unable to find first-time employment after completing an apprenticeship or finishing a degree or who had not yet obtained initial professional training. Check Your Chance intervenes at an early stage to offer them targeted support – including providing advice on choosing a career or completing job applications. In this way, the association can help young people to avoid the financial and social challenges of long-term unemployment. Check Your Chance also offers 0800 GO4JOB, the first national helpline for young people who are finding it difficult to enter the world of work. Parents, teachers and other individuals who want to help these young people can also obtain support from 0800 GO4JOB / 0800 464 562.

More information is available at:
check-your-chance.ch



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Our social commitments

Credit Suisse and our clients and employees have, for many years, been committed to fostering inclusive growth by addressing socioeconomic challenges. Together we support selected partner organizations by providing funding and professional expertise to enable social and humanitarian projects around the world.

Companies can only achieve long-term success if they operate in an economically stable and socially cohesive environment. To create a sustainable impact, we have established strategic partnerships that seek to contribute to the achievement of the United Nations' Sustainable Development Goals (SDGs) through our global and regional initiatives. We seek to make effective use of our social and financial capital to have a positive impact not only on society but also on employees and our core business.

Education and access to financial services for inclusive growth

We regard education and access to financial services as key drivers of growth and an effective means of empowering people to help themselves. We also have the potential to increase our impact beyond the funding of long-term partnerships with selected organizations through our most valuable asset – our employees. In addition to employee engagement, our social commitments therefore focus on the areas of financial inclusion (enabling access to formal financial services) and education.

Employees: expertise, development, commitment

Our employees play an integral part in our social commitments, dedicating over 187,900 hours of their time and expertise in 2018. As part of the Group's Human Capital Strategy, we allow each employee to devote up to four days

Education

Education drives economic empowerment and social mobility. This is why Credit Suisse is committed to enabling access to education through our regional education programs. For example, we support the KIPP Foundation in the US, City Year UK in the UK, and Teach For All in several countries in their efforts to provide new opportunities to disadvantaged young people.

Moreover, we also support financial education and life skills programs for girls through our Global Education Initiative. Partners in our global Financial Education for Girls signature program are Aflatoun International, Plan International and Room to Read. As a global financial institution, we see first-hand the importance of financial skills in allowing people to actively participate in the economy and society. The Financial Education for Girls program aimed to improve the financial education and life skills of over 100,000 adolescent girls in Brazil, China, India, Rwanda, Sri Lanka and Tanzania, and it is aligned with both the Financial Inclusion Initiative and the core business of Credit Suisse. More information is available at:

credit-suisse.com/responsibility/education

Global Education Initiative – spotlight on financial education 2014–2018

1,544 schools have benefited from our support.

122,100 adolescent girls worldwide have benefited from financial education and life skills classes.

3,620 teachers have been trained.



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↳ **Further information:** see p. 38

per year to support social projects run by our partners in the communities where we live and work. In 2018, we continued to place an emphasis on volunteering programs that promote the transfer of skills and knowledge between employees and partners. This enables our employees to use their expertise to make a difference and gives them the opportunity to enhance their own skills and professional development. In 2018, our employees around the world dedicated 58,687 hours to skills-based volunteering. Our employees' volunteering efforts also help to strengthen the Group's corporate culture and foster cross-team and cross-cultural collaboration. In addition, our internal surveys have shown that employee participation in volunteering programs results in higher levels of employee satisfaction at work.

Increasing impact through our core business, clients and partners

Our Corporate Citizenship teams work closely with internal specialist units to provide philanthropic advice and services to our clients and develop impact investing products to further increase our combined social impact. Through impact investing, we give clients access to sustainable investments that are intended not only to generate a financial return but also to produce a positive social and/or environmental impact – including in the areas of financial inclusion and education. Moreover, we are increasingly involving our clients in the development and delivery of volunteering, events and awareness-raising programs. In Switzerland, clients and employees also have the option of supporting selected partner organizations through

↳ **Further information:** see p. 26–27



Our global skills-based volunteering programs

Through our skills-based volunteering programs, we offer our employees around the world numerous opportunities to use their expertise to build capacity among our grant partners and to simultaneously enhance their own skills and professional development. Our signature programs include the Global Citizens Program, Board Connect and our virtual volunteering activities.

Global Citizens Program

The Global Citizens Program (GCP) is Credit Suisse's flagship international skills-based volunteering program. Designed to promote the transfer of skills and expertise between employees and social organizations, the GCP is building the capacity of our financial inclusion and education partners. Assignments in this leadership development program last from one week to three months and have become an important component of the Group's learning and development offering. They focus on the implementation of best practices in various fields, from specific assignments in the area of financial services – such as risk management, credit assessments and client research – to more general organizational topics such as IT infrastructure or the improvement of HR or operational effectiveness. Since its launch in 2010, Credit Suisse employees have completed over 350 assignments in more than 50 countries across the globe.

More information is available at: credit-suisse.com/responsibility/gcp

Board Connect

Our activities in the area of non-profit board service were launched in the US in 2009 and rolled out globally in 2015. In 2018, we continued these activities under one global program, "Board Connect". It connects Credit Suisse employees who serve or are looking to serve on non-profit boards with training, placement support, networks and other resources. Not only does non-profit board service add value to non-profit organizations (NPOs) and the community but our analysis has shown that serving on the board of an NPO helps employees improve their leadership, strategy and persuasion skills and enhances their ability to work under circumstances different from the ones they may encounter in the workplace. In 2018, over 820 employees participated in our program, and 549 of them received training.

Virtual Volunteering

Virtual Volunteering enables a greater number of interested employees to utilize their expertise and enthusiasm to support our partner organizations without having to take extended leave from personal or professional commitments. The program, which was originally developed in 2011 in conjunction with Accion's Center for Financial Inclusion (CFI), now includes a number of our regional and global partners across different topics. The partner organizations benefit from the support of highly qualified Credit Suisse employees who have a wide variety of skills (e.g. in project management, writing or research). In return, participating employees gain the opportunity to work alongside leading experts in the respective areas, to contribute to the end product, and to establish contact with colleagues from other divisions of the Group.



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Micro-Donations, where payments made by credit or debit card can be rounded up by a pre-defined amount. This amount, or the interest earned on their bank account, is donated to selected aid organizations and charitable institutions among our partners.

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This chapter addresses the following issues:

- 10 Quality and range of services and advice
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credit-suisse.com/responsibility/society

More information on our initiatives in the areas of financial inclusion, education and employee engagement is available at:

credit-suisse.com/responsibility/initiatives

Employee engagement

Volunteering worldwide – selected figures for 2018

18,694
volunteers

190
partners received both funding and skills-based volunteering support.

48
countries in which our partners are active.



Financial inclusion

Credit Suisse is a leader in the field of financial inclusion and microfinance and, at end-2018, had around USD 2.6 billion of assets under administration¹ used for the financing of microfinance institutions. In addition to capital, microfinance institutions and fintechs also need talent and know-how to be able to scale up their activities responsibly with diverse products and services. Our Financial Inclusion Initiative is designed to strengthen the capacity of these institutions so that they can serve the financial needs of clients at the bottom of the income pyramid as effectively as possible. Here, the focus is on developing financial products and services in areas such as financing for agriculture and smallholder farmers, the construction and improvement of homes, and the funding of education, as well as the provision of financial services tailored specifically to women.

In 2018, Credit Suisse also joined the Consultative Group to Assist the Poor (CGAP) that was set up by the World Bank in order to develop best practices in the area of financial inclusion and to establish global standards to improve the scalability of solutions that are designed to provide more people with access to energy. More information can be found at:

credit-suisse.com/financialinclusion

Selected figures for 2018

122 microfinance institutions and fintech start-ups have benefited from our support.

1,106 local employees of microfinance institutions have been trained.²

Over 226,300 people have access to new or improved products and services.

Through its investments our partner Accion Venture Lab generated an additional USD 97 million for financially inclusive fintechs.

Opportunity International's Education Finance team enabled USD 2.76 million³ education loans for affordable quality education.

¹ Assets in investment funds and vehicles administered by Credit Suisse

² Due to a change in measurement, 2018 numbers include only the number of trainers trained through our programs instead of employees trained by these trainers as in previous years. A comparison between the figures from 2017 and 2018 is thus not possible.

³ Accumulated and outstanding in 2018



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Milestones and awards in 2018

In 2018, Credit Suisse celebrated a number of anniversaries, awards and milestones relating to our social commitments. For example, 2018 marked the tenth anniversaries of our two global initiatives in the areas of financial inclusion and education. These initiatives are designed to promote inclusive growth and social development through partnerships with non-profit organizations. The combination of financial support from Credit Suisse and skills-based volunteering by our employees allows our partners to generate greater impact.

The Credit Suisse EMEA Foundation also celebrated its tenth anniversary in 2018. It aims to help young people from disadvantaged backgrounds within the region improve their educational attainment and employability, and aspire to more ambitious goals. Since it was founded in 2008, a total of 91 organizations across 30 countries have not only received a total of GBP 15 million of financial support but have also benefited from the skills and knowledge of Credit Suisse employees. Further, the Foundation has assisted more than 20,000 teachers and two million young people in the EMEA region. To mark its anniversary, the Foundation strengthened its role as a key driver of efforts to support early-stage organizations and launched the UK Small Grants Program to identify and assist the next generation of innovative organizations.

The establishment of a Credit Suisse Foundation for the Asia Pacific region, which was approved by the Executive Board in 2018, represents another milestone. The foundation aims to pilot a pre-tax income funding model and launch it by 2020. In 2018, Credit Suisse also received numerous awards and wide recognition for our social commitments, including being named "Best Private Bank – Corporate Social Responsibility" by the magazine "Asian Private Banker" in January 2018 and receiving the "Tiger Award" from Teach For All for our ten-year partnership relating to our Global Education Initiative. Our Financial Inclusion Initiative also received an award in connection with the tenth anniversary of the establishment of Accion's CFI, a think tank that promotes financial inclusion globally and of which Credit Suisse is the founding partner. In addition, Credit Suisse was honored by Big Brothers Big Sisters of New York City for its longstanding partnership. In 2018, Credit Suisse was also recognized for its longstanding support of the Henry Street Settlement, which has been a Credit Suisse Americas Foundation partner for over 20 years.

These milestones and awards demonstrate the value of the long-term partnerships we have established with charitable organizations around the globe, thereby also contributing to the realization of the UN SDGs. In particular, this includes Goal 17, which states that growth and development can only be achieved through a strong commitment to global partnerships and international cooperation.



Challenge and response

Challenge: How does Credit Suisse ensure that its social commitments reflect evolving social needs and changes within the financial services industry?

Response: In our rapidly changing society and industry, we not only adapt to evolving requirements but also aim to play an active role in shaping them at an operational level and through specific programs. For example, this means identifying trends and concerns at an early stage, designing our programs accordingly and fostering thought leadership on key topics such as financial expertise.

In 2018, we completed a thought leadership research project as part of our Financial Education for Girls program in order to better understand and articulate the contribution that financial education makes to girls' economic empowerment and how to design more effective training programs. The project included a global review of the impact that financial education has on girls' economic empowerment, and was accompanied by four country case studies that helped us to understand and address how to be fully effective in empowering girls economically in different contexts. Our findings also allowed us to further strengthen our programs and to advance knowledge-sharing in this area. Together with the Asian Development Bank, we published the research report "Inclusive Business Financing" that examines opportunities to finance sustainable companies in developing countries and emerging markets. By establishing local value chains, inclusive businesses in these countries can help to create long-term solutions to a series of interrelated problems such as poverty and a lack of financial inclusion.

At an operational level, we expanded the regional Corporate Citizenship team in the US in 2018 to our location in Raleigh, North Carolina, in order to better support its work. Since November 2018, we have offered our employees in Switzerland the opportunity to support charities and launch their own fundraising campaigns through the crowdfunding platform Copalana – Credit Suisse's new employee-designed portal to collect donations.



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Selected projects 2018¹

Our regional teams concentrate on topics relating to education, financial inclusion and employee engagement, thus making a positive contribution towards overcoming challenges in the communities in which we live and work. They also provide support through philanthropic grants and skills-based volunteering.



Skills-based volunteering in Asia Pacific

In 2018, 30 Credit Suisse employees spent two days in Hanoi to assist our partner organization REACH, which offers professional education and employment opportunities for disadvantaged young people in Vietnam. The volunteers brainstormed on how REACH could improve its financial sustainability through a cost-recovery model and strategic fundraising initiatives, and they practiced job interviews with around 70 REACH students. In Singapore and Hong Kong, Credit Suisse employees were also engaged in a series of mentorship programs for underprivileged young people, research projects, legal clinics for foreign domestic workers, financial analysis for a social enterprise in the Philippines and capacity building workshops for our partners.



Employee response in the Americas when disaster strikes

In addition to our focus on education, we have helped to provide disaster relief around the globe for over a decade. What began in 2005 with a group of employees who wanted to provide “boots on the ground” support to victims of the Asian tsunami has since developed into a tradition. Through the Disaster Relief Corps, employees now regularly travel to crisis-stricken areas to provide aid. In 2018, the Group’s financial support was bolstered by employee volunteers from across the Americas who supported disaster relief efforts in areas impacted by Hurricane Harvey and Hurricane Maria, which had a particularly devastating effect in Houston and Puerto Rico. Our Disaster Relief Corps embodies the spirit of our philanthropy, which in 2018 engaged over 90% of our workforce in the Americas.



Support for disadvantaged children and young people in the UK

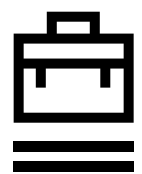
We believe that an individual’s social background should not lessen his or her chances of receiving an education and finding a job. Consequently, the Credit Suisse EMEA Foundation, which celebrated its tenth anniversary in 2018 (see box on page 39), lends its support to the charitable organization Frontline, of which it is a founding partner. Frontline runs a two-year program to recruit and train high-potential university graduates to become social workers. It also deploys a series of measures such as raising the profile of careers in social work, developing the leadership skills of social workers, and establishing a community to provide support for people from disadvantaged backgrounds. In 2018, we extended our partnership with Frontline for two years. Credit Suisse also supports the organization through the Global Citizens Program. For example, in 2018 we helped to establish a governance and risk framework for Frontline. Through our support, the organization has already been able to assist 48,000 families.



Strategic partnerships in Switzerland

In Switzerland, we work with over 100 charitable organizations. Through various skills-based programs, we are continuing our efforts to combat youth unemployment and to educate children and young people about finances and debt prevention. Examples include projects with our strategic partners Pro Juventute and the Swiss Red Cross, and with our education partners such as Ernst Schmidheiny Stiftung, Young Enterprise Switzerland, and the University of St. Gallen (HSG), as well as the umbrella association Check Your Chance. We were also able to donate more than CHF 120,000 to the 2018 Swiss Charity of the Year, Children’s Aid Foundation Sternschnuppe, thanks to a wide range of employee and corporate fundraising campaigns. These included the road cycling “Tour de Credit Suisse”, the Credit Suisse Interbranch & Inclusion Football Tournament, client-related corporate donations, as well as the “Birdies for Good” initiative as part of the bank’s golf sponsoring engagements. In 2018, we also strengthened our cooperation with Swiss Solidarity, extending its capacity to receive donation pledges on campaign days by routing calls to our Customer Service Center. As a result, close to CHF 1 million of donation pledges were received during several volunteering events.

¹ For a list of additional regional projects in 2018, see: [credit-suisse.com/responsibility/projects](https://www.credit-suisse.com/responsibility/projects)



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Our ability to inspire trust and generate client satisfaction is a basic prerequisite for our long-term success. We can only achieve this if we have skilled, responsible and motivated employees.

The success of our company ultimately depends on the skills, experience and conduct of our employees. For our business to perform well, we must offer our clients best-in-class financial solutions and banking services. This goal can only be realized if we can attract and retain the most talented professionals in our role as an employer of choice.

At Credit Suisse, we offer exciting careers, progressive employment conditions and wide-ranging training and development opportunities. As a result, our employees benefit from attractive long-term career prospects in an international working environment, helping us to retain their knowledge and experience within the bank and to derive maximum benefit from it in the interests of our clients.

Conduct and Ethics Standards

With the introduction of a set of six Conduct and Ethics Standards across the bank in 2017, we have sought to ensure a common understanding and consistent expectations in respect of our culture and conduct. The Conduct and Ethics Standards are underpinned by a governance framework consisting of a Group Conduct and Ethics Board (CEB) chaired by two of the Group's Executive Board members, as well as dedicated divisional CEBs and a joint CEB for our Corporate Functions. Our Conduct and Ethics Standards are

sponsored by the Board of Directors and the Executive Board of Credit Suisse, which underscores their strategic importance to the bank.

While continuing to reinforce the behavior we expect from employees, we achieved a solid baseline of awareness and understanding of the Conduct and Ethics Standards in 2018 as a result of consistent, sustained communication – both on a top-down basis from the Executive Board and through divisional and functional face-to-face dialogue. Our Conduct and Ethics Standards are an integral part of our core HR processes, including recruitment, onboarding and performance management. While reinforcing and strengthening the way we reward positive conduct and commitment, as demonstrated by the Credit Suisse Employee Awards, we also continue to address negative behavior through our repositioned and targeted disciplinary process.

Additionally, in 2018 we appointed a conduct and ethics ombudsperson within Credit Suisse who serves as an immediate point of escalation for any potential sexual harassment issues. This ensures appropriate senior management awareness and will have a direct impact on our ability to promote a culture of equal opportunity and fair treatment within the organization.

↘ **Further information:**
see p. 14





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A culture of performance and development

Our employees' performance objectives are aligned with the Group's strategy, which places clients at the center of all that we do. We measure our employees' performance based on their contribution to the achievement of our business goals and against our Conduct and Ethics Standards to ensure that the Group's expectations in respect of conduct and cultural behavior are reflected and embedded in our daily work. Our globally consistent performance management process enables line managers to assess the performance, behavior and development potential of employees throughout the year. The setting of clear objectives at the beginning of the year, followed by a mid-year and a year-end review, allows line managers to perform a comprehensive individual performance evaluation supported by global process standards and guidelines. Line managers complete various training courses in which they learn how to support team members in achieving their professional objectives. Furthermore, the performance assessment process allows us to identify the potential of our employees in order to effectively manage our pool of talent and support individual development.

We offer our employees market-driven and competitive rates of pay based on performance-related compensation structures. In doing so, we not only take account of employee interests but also consider our obligations towards our shareholders as well as regulatory expectations. Our compensation plans are aligned with our strategic ambitions and developed in close consultation with shareholders and in accordance with regulatory requirements.

Leadership development

We remain committed to investing in our future leadership at Credit Suisse. In 2018, we continued to run the Management Excellence Program and the Leadership Development curriculum to actively train and support the development of Credit Suisse leaders at various stages of their careers. All programs are based on the Conduct and Ethics Standards and our Credit Suisse-specific leadership model. In 2018, a total of 4,040 Credit Suisse managers participated in these programs. During the year, we launched the Senior Talent Program (STP), which is designed to further enhance the potential of our most talented senior leaders. The STP aims to accelerate the development of leadership skills and to prepare the next generation of Credit Suisse leaders. Participants enroll in three modules to learn about the challenges of the future, to deepen their understanding of all Credit Suisse businesses and to gain continuous exposure to the most senior leaders of our bank. Additionally, the program fosters personal development based on feedback from diverse sources as well as executive mentoring and coaching.

Talent development in 2018

70,700	participants in instructor-led courses
51,000	classroom-delivered training days
650	classroom leadership training sessions
14	hours of training per employee (average)
81%	level of satisfaction among course participants (average)
655,300	participants in e-learning courses



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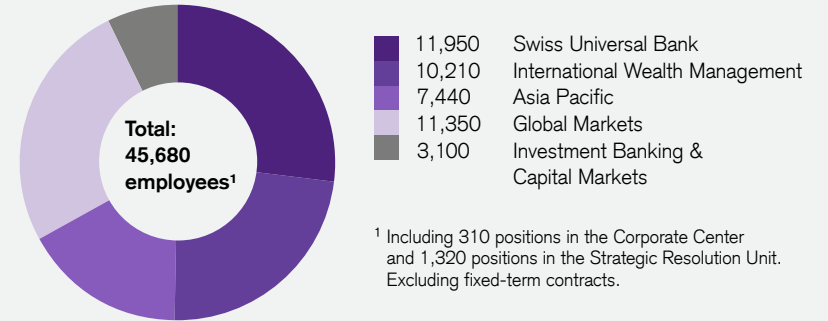
Client skills and compliance

Our training and development programs enable us to further improve the quality of our service and advisory offering, and to continuously adapt our business to evolving market and client needs. Our One Curriculum training program provides a comprehensive onboarding plan for employees in our Swiss Universal Bank and International Wealth Management divisions, delivering information and training about specific products, solutions and advisory offerings, as well as giving insights into compliance and risk. Our Conduct and Ethics Standards are also an integral part of this onboarding program. Since 2017, our client-facing employees have been required to complete the Swiss Association for Quality (SAQ) certification. This further increases the cooperation between Swiss banks and institutions in the area of professional development. To date, around 2,300 client-facing Credit Suisse employees have obtained SAQ certification and more than 500 candidates are currently going through the SAQ certification process.

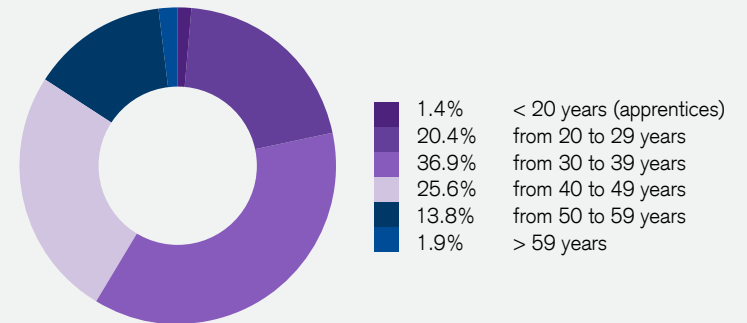
Credit Suisse offers employees a wide range of training programs involving traditional classroom instruction, e-learning, video-based courses and online learning communities. Additionally, employees can complete short training programs on their mobile devices, enhancing the user experience. Each employee completed at least four mandatory training modules in the course of the year, depending on his or her area of responsibility. In 2018, we launched over 60 new mandatory e-learning programs on regulatory topics such as financial crime, cyber security and information awareness, as well as compliance with our Conduct and Ethics Standards. Our client-facing employees complete courses on cross-border activities and on EU requirements such as the EU Markets in Financial Instruments Directive II (MiFID II). In addition, a new course on general data protection was conducted to train all relevant personnel before the new General Data Protection Regulation (GDPR) came into force in May 2018.

Number of employees Full-time equivalents as of December 31, 2018

By division



Employee age structure



Employee turnover

2018:		2017:	
11.4%	voluntary turnover	11.1%	voluntary turnover
5.0%	involuntary turnover	5.1%	involuntary turnover



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Employee facts and figures

as of December 31, 2018

45,680 employees with permanent contracts (full-time equivalents)

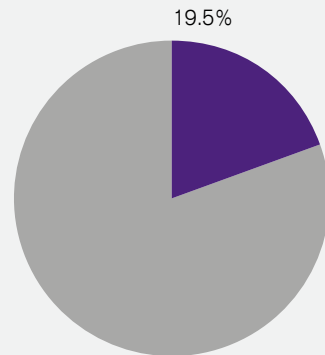
36% proportion of female employees (full-time equivalents)

38.5% proportion of female employees (number of employees)

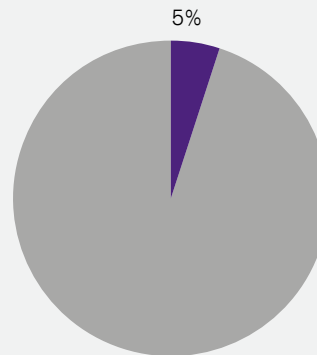
21% proportion of women in senior management positions (Managing Directors and Directors)

Part-time work

Female



Male



■ Part-time
■ Full-time

Proportion of women: Board of Directors/Executive Board¹

3 of 13 members of the Board of Directors

3 of 12 members of the Executive Board

¹ As per the changes announced on February 26, 2019.

Diversity and inclusion

The diversity of our workforce, including the different skills, mindsets, knowledge and experience of our employees, gives us a better understanding of our clients' expectations, cultural backgrounds and regional markets. Credit Suisse today employs people from 180 different countries. We are committed to providing and promoting equal opportunities, regardless of ethnicity, nationality, gender, sexual orientation, gender identity, religion, age, civil or marital status, pregnancy, disability, or any other characteristics protected by law.

Our internal experts work closely with our businesses across the globe to ensure that a diversity and inclusion framework is firmly embedded in our corporate culture. They partner with managers on the planning and implementation of initiatives to promote an inclusive working environment. We also consider it important to engage in a dialogue with external partners in the area of diversity and inclusion. In January 2019, Credit Suisse was once again awarded first place among participating institutions in the Diversity Index published by the Lucerne University of Applied Sciences and Arts. This underscores the Group's continuous commitment to diversity and inclusion in the workplace. Further information, including a list of the organizations, initiatives and events we supported in 2018, can be found at:

credit-suisse.com/responsibility/partnerships

2018 marked the fifth year of Real Returns, an initiative launched in 2014 in the US and then extended to the UK, Switzerland and Asia Pacific, that gives talented and experienced professionals who have taken an extended career break the opportunity to transition back into the workplace through a structured program. Real Returns enables participants to leverage their professional skills and networking capabilities through a program that combines challenging project work, training, mentoring and new networking opportunities. The program runs for approximately 12 weeks, and has seen the participation of 295 professionals in 17 classes since its launch. Over 60% of participants subsequently obtained a permanent position at Credit Suisse.



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Advancement of women

Recognizing the positive impact of gender diversity on the performance of teams and the business as a whole, we want to ensure appropriate female representation in management positions. We offer special programs to support the development of talented female professionals within and outside the organization. In February 2019, the Board of Directors approved the appointment of two more women to the Group Executive Board. These changes reflect the quality of the talent available at Credit Suisse and the diversity of backgrounds and experiences among our leaders. Moreover, Credit Suisse signed the Women in Finance Charter in June 2016 – a pledge to support the progression of women into senior roles across our UK legal entities. More information is available at:

credit-suisse.com/responsibility/mentoring

Internal mobility

At Credit Suisse, our emphasis on internal mobility enables our employees to benefit from interesting and varied career paths. We focus on building transferable skills and encourage our employees to continue advancing in their careers by gaining expertise across businesses and locations. Through this culture of sharing, we create opportunities for them to expand their skills, knowledge and networks across the bank, and to also enhance connectivity and collaboration across business lines.

Our programs to support internal mobility include Internals First, an initiative that involves a proactive approach to contacting employees about internal opportunities, matching their skill sets to open roles across the organization. Career forums are also held regularly, providing insights into different business areas and career paths.

Investing in Young Talent

We provide a wide range of attractive opportunities for young professionals and graduates who are interested in pursuing a career at Credit Suisse. Junior hires receive specific training, mentoring and career advice, aiding their transition to

full-time employment. We are also committed to promoting diversity within our campus programs. One example is our award-winning Steps to Success program, now in its sixth intake, which offers university scholarship funding for UK and US students from underprivileged and underrepresented backgrounds.

Credit Suisse collaborates with leading universities around the world to source graduate talent. For instance, we deliver university courses in India, including Financial Risk Analytics and Business Management classes at BITS Pilani, as well as Developer Skills classes at the College of Engineering in Pune. We run interactive webinars, such as case studies on impact investing and sustainability investments delivered by experts from our Asia Pacific division, to prospective campus recruits studying at universities globally. In Switzerland, we offer a course on private banking at the University of Zurich

Internal mobility: key figures for 2018

3,270
employees moved into a different role internally.

893
employees were hired through Internals First – our internal recruitment initiative.

48%
of our leadership roles (Managing Directors and Directors) were filled internally.



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Population of Young Talents and campus recruits in our Swiss home market in 2018

305	students in a Career Start Program
286	internships (from 12 weeks to six months)
583	Young Talents ¹ (commercial and IT apprentices, HMS and Junior Bankers) out of which
61	high school graduates
486	commercial and IT apprentices ¹
36	HMS/WMS trainees
in total	young people in education benefited from a structured training program. ²
1,174	

¹ Including Neue Aargauer Bank.

² Including Career Starter, internships, Junior Bankers and apprenticeships.

and partner with the University of St. Gallen (HSG) in offering a seminar where students analyze current business challenges. In addition, we provide lectures on various investment banking topics at several universities globally, showing students the range of opportunities available to them as they plan their careers. We harness technology and social media to ensure the visibility of our programs through webinars, Facebook live chats and virtual career fairs, helping us to reach the most promising students and future professionals.

We also develop and support our youngest employees. In Switzerland, Credit Suisse contributes to the dual education system and offers commercial and IT vocational training. Our apprentices went on assignments to Wroclaw, London and New York in 2018 to work on various projects and increase their multicultural competencies. We continue to invest in our apprentices after graduation: in 2018, 73% were offered a permanent position at Credit Suisse.

In 2018, Credit Suisse ran coding competitions around the globe to encourage the best developers to embark on a career in the fintech space. In our Swiss home market, where Credit Suisse is one of the country's biggest employers, we offer opportunities for a large number of students and undergraduates who are interested in entering a career in banking. For example, we recently introduced our Diversity Internship Program aimed at offering internship opportunities to students from various academic backgrounds, supporting our diversity ambitions. Credit Suisse has long been committed to fostering young talent: 2018 marked the 30th anniversary of our Career Start Program, which offers a combination of practical experience and structured on- and off-the-job training for graduates over a period of 12 to 24 months. Our Career Start Programs and internships cover 12 different job functions across all divisions and business areas.

Attractive working environment and flexible working

At Credit Suisse, we consider it important to offer our employees modern and flexible working models. Our office environment, which has been designed according to the Smart Working concept in many locations, allows employees to choose their workspace based on their needs at a specific point in time. Approximately 17,000 employees now work in Smart Working environments in our offices worldwide.

We also consider employee health and safety to be of the utmost importance, and we have internal policies in place to help guarantee a safe office environment. Subject matter experts ensure that continuous safety improvements are made in line with local legal requirements. In 2011, Credit Suisse became the first Swiss financial services provider to be awarded OHSAS 18001 certification (Occupational Health and Safety Assessment Series) for its operations in Switzerland. We successfully renewed this certification in 2018.

The Corporate Health Round Table initiates and coordinates all measures within the framework of Credit Suisse's corporate health management in Switzerland. In collaboration with various specialist units, we run events aimed at maintaining and promoting employee health at a national level across



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all divisions. Furthermore, in 2016, Credit Suisse in Switzerland was awarded the “Friendly Work Space” label from Health Promotion Switzerland (Gesundheitsförderung Schweiz), demonstrating the successful implementation of Corporate Health Management. Recertification is planned in 2019.

In consultation with various specialist units, we have developed several offerings that help our employees to combine their professional and private commitments as effectively as possible. In order to promote a dialogue that takes into account the collective interests of our employees, Credit Suisse has worked closely with organizations such as the European Works Council and the Credit Suisse Staff Council in Switzerland for many years. More information is available at:

credit-suisse.com/responsibility/flexibilityhealth

↳ **Further information:**
see p. 8

This chapter addresses the following issues:

- 1** Culture of compliance and conduct
- 9** Incentives and compensation policy
- 10** Quality and range of services and advice
- 11** Human resources and talent management

credit-suisse.com/responsibility/employer

Our experienced employees in Switzerland

The employment landscape is rapidly changing due to digitalization of work processes and demographic shifts. At Credit Suisse, we are committed to offering tailored support to employees in a later stage of their career to maintain a skill set that can respond to market needs, adapt to new environments and stay employable on the labor market.

We offer a comprehensive set of learning opportunities, including:

- the “VEP (Very Experienced Professionals) Network 45+”: This Diversity and Inclusion employee network offers tailored learning events and workshops and facilitates a dialogue between the generations. Topics range from the newest technology trends to scientific research on how the human brain works;
- the “Generational Mentoring” program: In this reverse approach, more senior employees engage in an exchange with their younger colleagues about how they handle their current work environment, which communication channels they prefer, and how they manage their daily challenges;
- and the external training program “Skills 4.0” provided by the “Challenge Your Potential” (CYP) learning organization: This program focuses on the new skills and the mindset required for the digital age, including self-assessment and personal coaching.

Furthermore, for our more senior managers over the age of 50 and with at least ten years of service, we offer an 80%-paid sabbatical of three months. We encourage them to take a break from daily business in order to focus on their personal and professional development. We believe that fully committed employees with the right set of skills and a good grasp of technology over the entire employee lifecycle are key success factors for the bank.



Challenge and response

Challenge: Ensuring continuous commitment and engagement of the workforce throughout the restructuring phase.

Response: We continued our effort within each division and function to lead an ongoing dialogue with our employees, focused on our strategy, the Conduct and Ethics Standards and the way we interact with internal and external stakeholders. In addition, we evolved our survey effort to regularly measure employee engagement, resulting in an encouraging engagement score of 90% positive responses in 2018.



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Impact of cost reduction measures

When we outlined our new strategy in October 2015, we announced our strategic cost transformation program with the aim of reducing our adjusted operating cost base, measured at constant 2015 foreign exchange rates, to below CHF 17 billion in order to achieve net savings of more than CHF 4.2 billion. We successfully completed the program at the end of 2018, surpassing our original target. These cost savings have been realized through various workforce strategy initiatives, the reduction of business complexity and the exiting of activities that are not in line with our strategy. With the successful completion of our ambitious three-year restructuring plan, we intend to continue with a disciplined approach to cost management across the Group, focusing on continuous productivity improvements that can release resources for growth investments while maintaining a strong operating leverage.

When carrying out any headcount reductions, we work closely with organizations that represent employee interests, such as the Credit Suisse Staff Council in Switzerland, to support individuals who are affected by these measures. We have a comprehensive process in place to assist these individuals in their search for new positions, and we strive to minimize the impact of the reduction in employee numbers through internal transfers and by taking advantage of natural employee turnover. The Credit Suisse Staff Council has confirmed that we are assuming our social responsibility and offering a good package of measures to assist affected employees.

Responsible approach to compensation

The objectives of the Group's compensation policy include attracting and retaining employees, and motivating them to achieve sustainable results with integrity and fairness. The key elements of the compensation framework for Group employees comprise fixed compensation (base salary, pension and other benefits) and variable incentive compensation, which is determined based on the Group's performance as well as individual performance evaluations. Variable incentive compensation is deferred for persons with a total compensation of CHF/USD 250,000 or higher, mainly in the form of share-based awards or Contingent Capital Awards (CCA). All deferred compensation awards contain provisions that enable the Group to reduce or cancel the awards prior to settlement under certain circumstances. For the Executive Board, variable incentive compensation comprises short-term incentive (STI) awards, which are linked to the achievement of performance objectives for the prior year, and long-term incentive (LTI) awards, which are based on future performance outcomes measured against predetermined performance targets over a period of three years. Maximum STI and LTI opportunity levels are determined for each Executive Board member and are each expressed as a multiple of base salary. At the end of the respective performance cycles, the maximum payout level for each award is capped at 100% of the opportunity level.

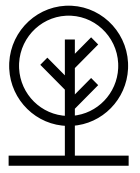
During 2017, we undertook several rounds of consultation to listen to shareholders and receive feedback on our compensation arrangements. Taking on board the views that we

heard, we announced a number of changes in our 2017 Compensation Report to address some key themes on compensation design for the Executive Board and Board of Directors (Board) raised by shareholders during this process. The consultative vote on the 2017 Compensation Report received 81% of votes in favor at our 2018 AGM, a material year-on-year increase. We are of course conscious that there remains room for improvement. With this in mind, we continued to engage with key shareholders and external stakeholders during 2018, both to listen to their views on the changes made in 2018, and to understand any thoughts they had on areas of focus for the Compensation Committee in future years. Going forward, shareholder engagement will remain a key pillar of our annual compensation design process, with discussions on potential future changes in the third quarter, further consultation towards the end of the year, and communication of the compensation framework and proposals in the lead up to the AGM.

During 2018, the Compensation Committee conducted its annual review of the overall compensation framework at Credit Suisse to ensure that it remains fit for purpose and aligned with the objectives of our compensation strategy. In particular, the Compensation Committee assessed the extent to which the framework (i) aligns pay and performance, (ii) supports a performance culture based on merit, (iii) attracts, retains, rewards and motivates the talented individuals needed for our long-term success as a client-focused and capital-efficient business, (iv) recognizes and rewards excellent short- and long-term performance, and (v) aligns with the Group's values. In addition, the Compensation Committee reviewed market developments to assess whether current practices remain appropriately competitive. As a result of this review, it determined that the overall compensation framework continues to be appropriate for 2019.

The Group's key financial and strategic achievements and overall performance during 2018 were taken into consideration by the Board in its approval of the following compensation decisions for the Group and the Executive Board. In addition to the Group's financial performance in 2018, the Board considered a range of other factors in determining the Group's variable incentive compensation pool. These included progress made against strategic objectives, relative performance, market position and market trends, as well as control, risk, compliance and ethical considerations. Market conditions in the second half of 2018 became more challenging for the financial services industry, with a significant drop in client activity resulting from a combination of factors including increasing trade tensions, rising US interest rates and greater geopolitical uncertainty. Against the backdrop of these conditions, the Compensation Committee decided to keep the Group variable incentive compensation pool stable to the previous year, notwithstanding an increase in adjusted income before taxes of 52% over the same period, to protect returns and profitability in light of downward pressure on revenues during the second half of the year.

In terms of the 2018 compensation outcomes for the Group, total variable incentive compensation awarded was CHF 3.2 billion, stable compared with 2017. In accordance with Swiss law, the Group will submit proposals on Board and Executive Board compensation for binding shareholder approval at the AGM in 2019. Comprehensive information on the Group, Executive Board and Board compensation can be found in the 2018 Compensation Report.



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Responsibility for the environment

We take environmental impacts into account when conducting our business by developing sustainable products and services and addressing sustainability issues in our risk management. The implementation of various operational measures helps us to improve our environmental performance.

Credit Suisse believes that it is in the interests of both our organization and our clients for us to develop and support measures that contribute to a more environmentally sustainable economy. Our commitments in this area are based on our Code of Conduct and our Statement on Sustainability, which explains how we aim to address environmental and social issues when performing our activities as a bank. The UN Global Compact and the UN Sustainable Development Goals (SDGs) are other important points of reference in this area.

↘ **Further information:**
see p. 58–59

Climate change

The Paris Agreement to strengthen the global response to the threat of climate change entered into force in 2016. Its overarching objective is to limit the rise in the global temperature to well below 2° Celsius above pre-industrial levels. Based on the agreement, countries have committed to implement transition plans to lower their respective greenhouse gas emissions. As a global financial institution, we recognize our share of responsibilities in combating climate change by supporting the transition to a low-carbon and climate-resilient global economy. Our principles and our approach to climate protection are set out in our Statement on Climate Change, which describes how we intend to address climate-related risks, mobilize

financial resources and reduce our own environmental footprint.

The transition to a low-carbon and climate-resilient economy will require significant amounts of capital. Credit Suisse therefore actively supports green finance solutions and renewable energy businesses, drawing upon the expertise of various specialist departments across our divisions. We also follow a sustainable investment approach for our real estate investment portfolio (see box on page 52).

↘ **Further information:**
see p. 27–29

In addition to our activities in the area of green finance, we continue to focus on climate issues in our risk management processes. To assess whether projects or client activities may pose a major risk to the environment, the climate or biodiversity, we apply our Reputational Risk Review Process. Our sector policies and guidelines govern the responsible provision of financial services to clients and define the relevant environmental and social aspects to be considered when assessing individual transactions.

↘ **Further information:**
see p. 18–20

In 2017, the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) published its final



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↘ **Further information:**
see p. 21

recommendations for voluntary reporting on material risks and opportunities arising from climate change. Credit Suisse publicly expressed its support for the TCFD recommendations and established a climate change program with the overall goal of addressing the recommendations related to external disclosures of climate-linked risks and opportunities.

In 2018, Credit Suisse continued to participate in the dialogue about the development of strategies for sustainable, climate-friendly business practices. For example, we hosted the launch event for WWF Hong Kong's publication "Climate Primer for Institutional Investors", which updates investors and investment managers on the science, policy, risks and opportunities associated with global climate change.

In June 2018, we hosted a Climate Forum of the Principles for Responsible Investment (PRI) in New York that focused on the TCFD recommendations and the transition to a low-carbon economy. In Switzerland, we have, for a number of years, hosted the Lifefair Forum event series that explores topics such as climate-related issues. At these events in 2018, experts from the business community, the political arena and NGOs engaged in discussions about multi-stakeholder partnerships in sustainable food chains and the circular economy, amongst other things.

Further information on climate-related topics and our Statement on Climate Change are available at:

www.credit-suisse.com/climate

Biodiversity and natural capital

At Credit Suisse, we view the protection of biodiversity as an integral part of our sustainability commitments. Biodiversity-related issues are considered in our risk management processes, and we cover this topic in our sector-specific policies and guidelines.

↘ **Further information:**
see p. 18–21

We also address the issue of environmental sustainability and sustainable land use in our dialogue with stakeholders.

Global Real Estate

The International Energy Agency (IEA) estimates that buildings and the construction sector are responsible for a little over one-third of global final energy consumption and nearly 40% of total direct and indirect CO₂ emissions. Improving the energy efficiency of buildings and taking account of various other sustainability considerations in real estate investment decisions are important components of global efforts to tackle climate change.

We regard sustainability as an essential requirement in the management and development of the properties within our various real estate products. Credit Suisse Global Real Estate had over CHF 47.3 billion of assets under management as of end-2018 and a portfolio of around 1,300 properties across 20 countries. Global Real Estate's commitment to sustainable real estate is reflected in its investment solutions and its sustainable investment approach to the whole portfolio.

To establish a comparable standard for all new buildings, Global Real Estate relies on the Credit Suisse greenproperty quality seal that has been applied to more than 120 properties across the portfolio. Other industry standards such as LEED, BREEAM, DGNB or Minergie are also applied.

To complement this approach, and to assess the energy and CO₂ performance of its portfolio, all managed properties are monitored and controlled by the building technology company Siemens Switzerland AG with the aim of ensuring transparency across the lifecycle of each property. As a result of Global Real Estate's systematic approach, the portfolio's CO₂ emissions have been reduced by 12.5% globally since 2010.

To comprehensively assess its sustainability or ESG performance, Global Real Estate has participated in the Global Real Estate Sustainability Benchmark (GRESB) since 2013. GRESB allows for the measurement of the ESG performance of each property portfolio, illustrates the potential for improvements, and benchmarks companies' performance against peer groups and across the industry. Today, more than 900 real estate companies representing USD 3.7 trillion of assets under management across 64 countries benchmark their real estate assets through the GRESB platform to evaluate their sustainability performance. Institutional investors use ESG data and GRESB's analytical tools to improve the sustainability performance of their investment portfolios, engage with investment managers and prepare for increasingly rigorous ESG obligations.



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In March 2018, for example, we contributed to a regional policy dialogue in Bangkok with government representatives, development agencies and the private sector. Organized by The Center for People and Forests, it focused on ways of mobilizing opportunities for forest landscape restoration in South Asia. We contributed to the publication “Connecting Finance and Natural Capital: Supplement to the Natural Capital Protocol” – and took part in its official launch in April 2018. This gave us the opportunity to share examples of how we address natural capital risks in our transactions while creating opportunities in this space through our products and services.

We have acted as a technical advisor to the Zoological Society of London’s Sustainable Palm Oil Transparency Toolkit (SPOTT) since its inception, and in 2018 we joined the Technical Advisory Group for the newly launched SPOTT Timber, Pulp and Paper (TPP) tool. It currently assesses 50 timber and pulp producers on the public disclosure of their policies, operations and commitments to environmental, social and governance (ESG) best practice. We also supported the needs analysis for the expansion of the SPOTT platform, which was completed in 2018, while being involved in the planning work to further expand the platform to include the natural rubber sector in 2019.

Credit Suisse has long been a pioneer in the conservation finance space. Conservation finance focuses on the creation of new, long-term and diversified sources of revenue that can play a major role in ensuring biodiversity conservation and the health of natural ecosystems. For six years, we have hosted the Credit Suisse Annual Conservation Finance Conference in New York, where specialists discuss solutions for further developing the conservation finance sector.

One aspect of conservation finance is marine conservation, which is addressed through the “Blue Economy”. Here, the focus is on business models that have a positive, long-term impact on the health of oceans. Recognizing the depth of interest in this topic, we organized the first Credit Suisse Impact Roundtable on Marine Conservation in Lisbon in 2018.

This conference aimed to promote the debate about the state of the world’s oceans and brought together marine conservation experts and practitioners, leading philanthropists and investors from around the globe.

More information is available at:
www.credit-suisse.com/conservationfinance

Environmental management

Credit Suisse strives to make more efficient use of natural resources and to reduce greenhouse gas emissions. We focus our efforts on energy management because energy consumption is the area in which our operations have a direct impact on the environment. In order to reduce environmental impacts and lower costs, we continuously implement a variety of measures through our environmental management system. In that context, we developed new environmental strategy concepts in 2018 that focus on utility strategy and procurement, as well as on operational environmental and sustainability targets.

Furthermore, we continued to concentrate on improving energy efficiency and on reducing the consumption of electricity and fossil fuels. Through our energy and water efficiency program in Switzerland, for example, we were again able to lower our CO₂ emissions by around 1.7 gigawatt hours (GWh) in comparison

Raising employee awareness of environmental issues

We give employees the opportunity to make a personal contribution to environmental protection, and we inform them about environmental issues. In this context, around 3,700 employees worldwide had signed up to our regional Sustainability Networks as of end-2018. In addition, Credit Suisse once again took part in the symbolic Earth Hour climate campaign in 2018, with the lights at 38 Credit Suisse offices around the world being switched off for one hour on March 24, 2018. To increase awareness of environmental management as well as health and safety topics, we provided 480 hours of training to 11,200 participants together with various service providers in 2018. Credit Suisse participated in the “bike to work” campaign for the eleventh time in 2018, with 101 teams of employees in Switzerland cycling to work in May and June, covering a distance of over 144,000 kilometers – which is equivalent to circumventing the globe more than three times.



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to the previous year. Furthermore, our water consumption decreased by around 9,900 m³. Globally, we achieved approximately 2.4 GWh of energy savings in 2018 through the ongoing virtualization of our server infrastructure across all our Enterprise Data Centers.

Our environmental management system is certified globally in accordance with the ISO 14001:2015 standard. In 2018, we once again passed the corresponding recertification audit carried out by the external certification company SGS. We also actively involve external service providers and suppliers in our continuous efforts to improve our environmental management measures where appropriate.

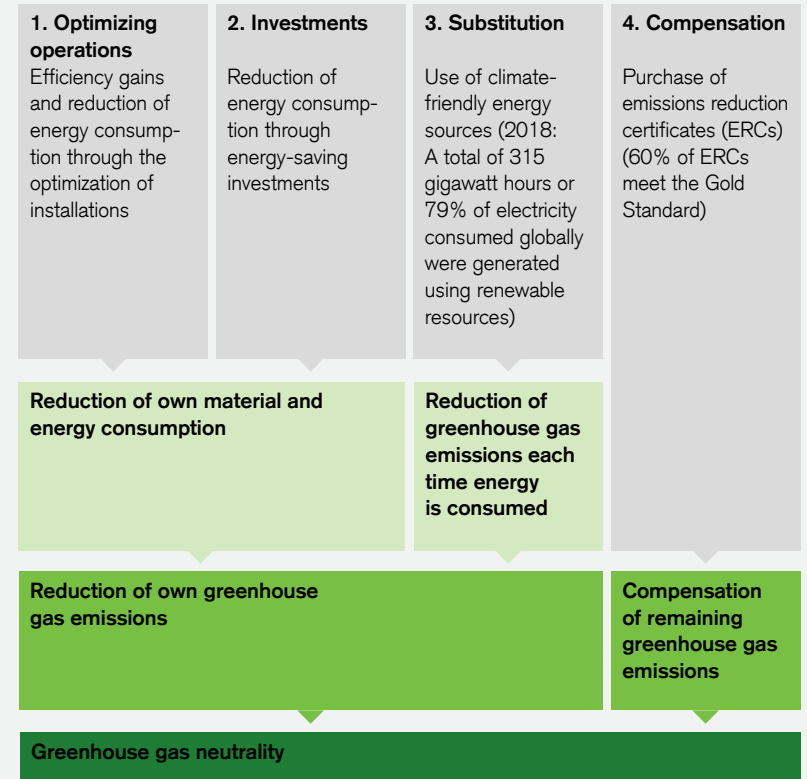
By systematically pursuing our four-pillar strategy to achieve greenhouse gas neutrality, we reduced our net global greenhouse gas emissions by around 38% compared to 2016. This achievement is based on continued energy efficiency measures across our premises. Furthermore, we purchased renewable energy certificates (RECs) for selected Credit Suisse offices in Italy, Poland, the UK and the US, Hong Kong and India to increase our use of climate-friendly energy sources. In Switzerland, we have been able to cover our entire electricity consumption with RECs from hydropower. As a result, 79% of our global electricity consumption in 2018 was certified as renewable. Finally, by compensating for the remaining emissions through emissions reduction certificates (ERCs), we again achieved global greenhouse gas neutrality in 2018.

Business travel continues to pose a challenge for Credit Suisse due to the global nature of our business. It is often essential to maintain direct contact with clients, which is why business air travel accounts for around 37% of our global greenhouse gas emissions. To reduce the number of flights taken, we encourage employees to travel by train when covering shorter distances, and to use telephone and video conferencing whenever possible. Consequently, the use of videoconferencing (desktop-based and in videoconferencing rooms) amounted to approximately 184,200 hours in 2018.

Global greenhouse gas neutrality – our four-pillar strategy

Credit Suisse has been greenhouse gas neutral globally since 2010. We systematically pursue our four-pillar strategy based on operational efficiency improvements, energy-saving investments, the substitution of existing energy sources through climate-friendly energy and RECs, and finally by compensating for the remaining emissions through the purchase of ERCs. As a result of the various measures taken across the first three pillars of our strategy, our net global greenhouse gas emissions decreased by around 38% to 129,100 metric tons of CO₂ equivalents in 2018 compared to the year 2016.

Four-pillar strategy





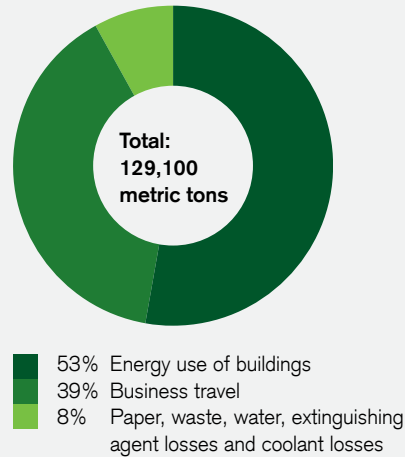
Responsibility for the environment

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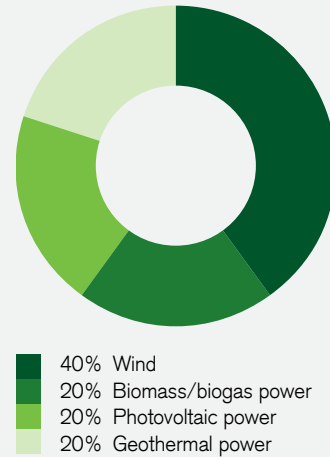
Responsibility for the environment



Credit Suisse's greenhouse gas emissions in 2018



Portfolio of purchased emissions reduction certificates (ERCs) 2018¹



¹ 60% of ERCs meet the Gold Standard.

Greenhouse gas emissions Overview of scope 1–3 emissions (rounded net figures; CO₂ equivalents in metric tons)

17,200	Directly through burning fuels and losses from coolants and fire extinguishers (scope 1) ²
42,700	Indirectly from energy production (scope 2 market-based) ²
152,400	Indirectly from energy production (scope 2 location-based) ²
69,200	Indirectly through sources such as energy precombustion, business travel, paper, waste and water (scope 3) ²

Global key performance indicators for environmental management¹

	2018		2017 ³		2016 ³	
	Absolute	Per FTE ⁴	Absolute	Per FTE ⁴	Absolute	Per FTE ⁴
Greenhouse gas emissions (CO₂ equivalents in metric tons)⁵	129,100	2.8	141,500	3.0	207,100	4.3
Energy (MWh)	483,500	10.5	511,100	10.8	526,500	11.0
Business travel (km)	417,700,000	9,070	418,900,000	8,850	432,100,000	9,100
Paper (t)	2,700	0.06	2,700	0.06	3,700	0.08
Water (m³)	753,100	16	943,700	20	904,200	19
Waste (t)	7,700	0.17	12,700	0.27	11,500	0.24

¹ According to VfU standard 2015 (rounded figures)

² For details of scope 1, scope 2 and scope 3 emissions, see environmental performance data for in-house operations at credit-suisse.com/crr

Further information on environmental management and examples of measures taken globally and in all our regions are available at:

credit-suisse.com/environmentalmanagement

³ Minor adjustments made to 2017 and 2016 basic data sets

⁴ As of December 31 of the reporting year; employees (full-time equivalents)

⁵ Net greenhouse gas emissions (excluding scope 2 location-based)

Detailed information on Credit Suisse's four-pillar strategy is available online at:

credit-suisse.com/4pillarstrategy



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For air travel, we purchase greenhouse gas neutral tickets that offset all the emissions from our flights through ERCs. In 2018, this amounted to around 47,500 metric tons of CO₂ equivalents.

Finally, we reduced our environmental footprint through the use of certified paper produced from forests that are managed sustainably in line with, for example, the Forest Stewardship Council (FSC) criteria; this accounted for 78% of paper consumption in 2018. Flexible working models that enable our employees to work from home from time to time can also help to reduce local emissions from regional commuter traffic.

This chapter addresses the following issues:

- 3 Environmental and social risk management
- 8 Climate change
- 12 Responsible investments

Further information: see p. 8

credit-suisse.com/responsibility/environment



Challenge and response

Challenge: The preservation of the world’s natural habitats is a vital challenge. The UN Sustainable Development Goal 15 (“life on land”) aims to protect, restore and promote the sustainable use of terrestrial ecosystems, while SDG 14 (“life below water”) focuses on conserving and sustainably using the oceans, seas and marine resources. How does Credit Suisse contribute to the achievement of these goals?

Response: Credit Suisse addresses the issues of environmental sustainability and sustainable land use in a variety of ways. In order to consider biodiversity-related aspects in our risk management processes, we have incorporated this topic into our sector-specific policies and guidelines. Our policy requirements for the forestry and agribusiness industry are aligned with relevant sustainability initiatives such as the Roundtable on Sustainable Palm Oil (RSPO) – of which we are a member – and the Forest Stewardship Council (FSC). To promote good forestry and agribusiness practices and to discourage net forest conversion, our policies also include restric-

tions of financing activities related to High Conservation Value Forests as well as provisions for the particular scrutiny of peatland operations and the prohibition of financial services for operations in protected areas such as UNESCO World Heritage sites. We continue to engage with key stakeholders on defining ways for the financial industry to contribute to preserving biodiversity and the world’s natural habitats (see pages 52–53).

Recognizing the need for capital in conserving ecosystems, we have been active in the conservation finance space, which focuses on the creation of new, long-term and diversified sources of revenue that can play a role in ensuring terrestrial as well as marine biodiversity conservation and the health of natural ecosystems. For example, in 2018 we once again hosted the Credit Suisse Annual Conservation Finance Conference in New York. On the topic of marine conservation, which is addressed through the “Blue Economy”, we organized the first Credit Suisse Roundtable on Marine Conservation in Lisbon. Furthermore, we included SDG 14 (“life below water”) in our own green bond framework that we launched in 2018.

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Through our reporting on corporate responsibility, we inform our stakeholders openly and transparently about the ways in which we address economic, environmental and social challenges in our daily business activities, as well as about the principles that guide us in our work. These principles are set out in our Code of Conduct and in our Conduct and Ethics Standards. They apply to all our activities and to our relationship with our stakeholders. Further guidance is provided by the Group-wide Statement on Sustainability.

See also: credit-suisse.com/sustainabilitycommitments

Scope of the report

This report forms an integral part of our Annual Reporting Suite and focuses on the financial year 2018. It explains how our commitments and aspirations in the area of corporate responsibility are put into practice as a key component of our operations, and it provides an overview of our principal activities and milestones in 2018. It also documents the progress we have made in implementing the Ten Principles of the UN Global Compact, as well the measures we have put in place to contribute to the achievement of the Sustainable Development Goals.

The contents of the report, along with additional information about our efforts relating to corporate responsibility, are also available at:

credit-suisse.com/responsibility

GRI Sustainability Reporting Standards

Our reporting on corporate responsibility addresses the growing importance of non-financial reporting and the increasing stakeholder demand for relevant information in this area. The GRI Standards provide a framework for voluntary sustainability reporting and help to increase transparency and comparability in this area. In line with the GRI Standards, Credit Suisse regularly conducts a materiality assessment in order to better understand the views and interests of our stakeholders. This report focuses on issues classified as particularly important in the context of the materiality assessment.

Credit Suisse's 2018 reporting documents on corporate responsibility reflect the GRI Standards for sustainability reporting (core option). Selected indicators of our GRI-based disclosure on corporate responsibility will be externally assessed and independently assured by SGS. Our Corporate Responsibility Report 2018 will be reported voluntarily to the SIX Swiss Exchange in accordance with the opting-in regulation for companies issuing sustainability reports.

Further details regarding our GRI indicators and the external review are available at:

credit-suisse.com/gri

↘ **Further
information:**
see p. 8–9



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Implementation of the Ten Principles of the UN Global Compact

Over 9,900 businesses from around 160 countries have pledged to uphold the principles relating to human rights, labor standards, environmental protection and anti-corruption efforts defined in the Ten Principles of the UN Global Compact. Credit Suisse has been a signatory to this leading international initiative since its inception in 2000, and we are an active member in the Global Compact Network Switzerland. Through our Corporate Responsibility Report, we communicate annually on the progress we have made in implementing the Ten Principles.



The Ten Principles of the UN Global Compact		Implementation at Credit Suisse	See pages
Human rights			
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	<ul style="list-style-type: none"> ■ Participation in the Thun Group to promote a better understanding of the UN Guiding Principles on Business and Human Rights for the banking sector ■ Statement on Human Rights 	21 21–23
Principle 2	make sure that they are not complicit in human rights abuses.	<ul style="list-style-type: none"> ■ Sustainability risk management ■ Sector-specific policies and guidelines 	18–23 19–20
Labor			
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	<ul style="list-style-type: none"> ■ Credit Suisse Staff Council in Switzerland (internal employee representation) ■ European Works Council 	48–49 48
Principle 4	the elimination of all forms of forced and compulsory labor;	<ul style="list-style-type: none"> ■ Credit Suisse Supplier Code of Conduct and Third Party Risk Management (TPRM) Framework ■ Modern Slavery and Human Trafficking Transparency Statement 	22 21–22
Principle 5	the effective abolition of child labor; and	<ul style="list-style-type: none"> ■ Sector-specific policies and guidelines ■ Credit Suisse Supplier Code of Conduct and Third Party Risk Management (TPRM) Framework 	19–20 22
Principle 6	the elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none"> ■ Diversity and inclusion 	45
Environment			
Principle 7	Businesses should support a precautionary approach to environmental challenges;	<ul style="list-style-type: none"> ■ Statement on Climate Change ■ Sustainability risk management ■ Sector-specific policies and guidelines ■ Signatory to the Principles for Responsible Investment (PRI) ■ Seek to address the Financial Stability Board's Task Force on Climate-related Financial Disclosures (FSB TCFD) recommendations 	51–52 18–23 19–20 26 17, 21
Principle 8	undertake initiatives to promote greater environmental responsibility; and	<ul style="list-style-type: none"> ■ Global greenhouse gas neutrality since 2010 ■ ISO 14001-certified environmental management system ■ Activities in the area of conservation finance ■ Impact Advisory and Finance Department (IAF) 	51–56 53–56 27, 29, 53 24–25
Principle 9	encourage the development and diffusion of environmentally friendly technologies.	<ul style="list-style-type: none"> ■ Use of climate-friendly energy sources for our operations ■ Green finance ■ Renewable energy project financing ■ Green real estate 	53–56 27, 29 27–28 52
Anti-corruption			
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> ■ Member of the Wolfsberg Group ■ Internal standards and training for employees ■ Integrity Hotline 	15 14–16, 42–44 15

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Our contribution to the realization of the Sustainable Development Goals

Sustainable development is a key aspect of our corporate responsibility. Since the introduction of the Sustainable Development Goals (SDGs) by the UN in 2015, we have been pursuing activities designed to contribute to the realization of the SDGs in our role as a global financial institution. In consultation with our stakeholders, we also identified ways to support the post-2015 development agenda of the UN. The following table provides an overview of our wide-ranging activities relating to selected objectives.



Objective	Our contribution	See pages
Goal 4: Quality education		
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	■ We promote access to education and help to improve the quality of education through our Global Education Initiative	36
	■ We run a financial education program for girls in Brazil, China, India, Rwanda, Sri Lanka and Tanzania	36
	■ We support regional education programs in collaboration with partner organizations	36, 39–40
Goal 5: Gender equality		
Achieve gender equality and empower all women and girls.	■ We foster diversity and inclusion within our organization	45–46
	■ We take measures to increase the proportion of women in management positions within our organization	46
	■ We promote access to financial services for women in developing countries and emerging markets through our financial inclusion activities and run a financial education program for girls	36–39
Goal 7: Affordable and clean energy		
Ensure access to affordable, reliable, sustainable and modern energy for all.	■ We provide renewable energy financing	27–28
	■ We use climate-friendly energy sources for our business premises and have buildings certified according to energy efficiency standards	53–56
	■ We run an ISO 14001-certified environmental management system	53–56
Goal 8: Decent work and economic growth		
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	■ We offer progressive working conditions for our employees	42–49
	■ We support economic growth and entrepreneurship through our role as a lender and financial intermediary	31–35
	■ We are an integral part of the economy and society in our role as an employer, client, contractual partner and taxpayer	31–35
	■ We support an initiative to combat youth unemployment in Switzerland	35
	■ We help to strengthen local economies in developing countries and emerging markets through our activities in the area of financial inclusion	26–27, 36–39
Goal 9: Industry, innovation and infrastructure		
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	■ We supply risk capital to support growth and innovation, including through Credit Suisse Entrepreneur Capital AG in Switzerland	32
	■ We help to strengthen local economies in developing countries and emerging markets through our activities in the area of financial inclusion	26–27, 36–39
	■ We provide renewable energy financing	28
	■ We focus on sustainability risk management and have sector-specific policies and guidelines in place	18–23
Goal 11: Sustainable cities and communities		
Make cities and human settlements inclusive, safe, resilient and sustainable.	■ We invest in sustainable real estate	52
	■ We are committed to continuously improving the ESG performance (environmental, social and governance performance), energy efficiency and carbon footprint of our real estate investment portfolio	52
Goal 13: Climate action		
Take urgent action to combat climate change and its impacts.	■ We are greenhouse gas neutral across all our operations globally	51–56
	■ We offer a range of green finance products and services for our clients	27, 29
	■ We focus on sustainability risk management and have sector-specific policies and guidelines in place	18–23
	■ We seek to address the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (FSB TCFD)	17, 21
Goal 15: Life on land		
Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.	■ We are active in the area of conservation finance	27, 53
	■ We have an ongoing advisory role to the Sustainable Palm Oil Transparency Toolkit (SPOTT) and joined the Technical Advisory Group for the SPOTT Timber, Paper and Pulp tool development	53
	■ We focus on sustainability risk management and have sector-specific policies and guidelines in place	18–23



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Sustainability indices and ratings assigned to Credit Suisse in 2018

Indices	Brief description	Credit Suisse
Dow Jones Sustainability World Index (DJSI World)	Global best-in-class approach: The top 10% of the 2,500 largest companies in the S&P Global Broad Market Index SM that lead the field in terms of sustainability.	Credit Suisse has been a constituent of the Dow Jones Sustainability World Index since it was launched in 1999.
Dow Jones Sustainability Europe Index (DJSI Europe)	European best-in-class approach: The top 20% of the 600 largest European companies in the S&P Global Broad Market Index SM that lead the field in terms of sustainability.	Credit Suisse has been a constituent of the European Index of the Dow Jones Sustainability Indices since it was launched in 2001.
FTSE4Good Index	Companies that meet globally recognized corporate responsibility standards.	Credit Suisse has been a constituent of the FTSE4Good Index Series since it was launched in 2001.

Ratings	Brief description	Credit Suisse
CDP	CDP represents institutional investors with invested assets of over USD 90 trillion; its aim is to offer transparent guidance to investors on climate-related opportunities and risks for companies.	C (rating scale: D- to A)
MSCI ESG Rating	MSCI ESG Ratings assess a company's performance based on environmental, social and governance (ESG) themes, focusing on key ESG issues identified for the industry.	BBB (rating scale: AAA to CCC)
RobecoSAM	As part of its Corporate Sustainability Assessment, RobecoSAM analyzes the sustainability performance of over 4,500 listed companies every year. This involves assessing companies on the basis of environmental, social and economic criteria.	Overall company score: 69 (rating scale: 1 to 100) (94th percentile) Economic dimension score: 55; Environmental dimension score: 90; Social dimension score: 73
Sustainalytics	The sustainability research carried out by Sustainalytics focuses on environmental, social and governance (ESG) criteria.	63 points (rating scale: 1 to 100) (80th percentile; rated 43 out of 211) ¹

¹ 2017 results

Sustainability networks and initiatives

Credit Suisse actively participates in a number of sustainability networks and initiatives worldwide.



Climate Bonds Initiative



Equator Principles



Green Bond Principles



Oebu – Swiss Business Council for Sustainable Development



Principles for Responsible Investment (PRI)



Roundtable on Sustainable Palm Oil (RSPO)



UN Environment Programme Finance Initiative (UNEP FI)



UN Global Compact

Further information can be found online at: credit-suisse.com/agreements

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Objectives 2018

- Our main priority in 2018 is to maintain strong business momentum while completing our restructuring. Our objectives include:
 - Driving growth and working towards the 2018 profit targets defined for each of our divisions.
 - Further strengthening collaboration between our wealth management and investment banking businesses.
 - Reducing our adjusted operating cost base at constant FX rates to below CHF 17 billion by end-2018 while continuing to selectively invest in the Group and in measures to improve efficiency and grow the franchise.
 - Maintaining a strong capital position, with a CET1 ratio of over 12.5%.
 - Completing the wind-down of the Strategic Resolution Unit (SRU) by end-2018, earlier than originally planned.
- Launch a cross-functional project to start implementing the recommendations released by the Financial Stability Board's Task Force on Climate-related Financial Disclosures (FSB TCFD) in various workstreams throughout 2018 and 2019 and share experiences in the Forum on Implementation of TCFD Recommendations launched by the Institute of International Finance.
- Roll out and test the recently developed approach to transaction reviews with clients active in sectors with medium sustainability risks.

Achievements 2018

- We completed our three-year restructuring program, broadly achieving our main strategic objectives by the end of the year. In particular, we:
 - Returned to profitable and compliant growth, delivering an 88% increase in Group annual reported pre-tax income to CHF 3.37 billion and posting our first annual post-tax profit since 2014 of CHF 2.02 billion.
 - Achieved continued revenue growth in our Wealth Management-related businesses and attracted CHF 34.4 billion of Wealth Management net new assets, bringing the total generated over three years to more than CHF 100 billion.
 - Further increased collaboration between our wealth management and investment banking businesses, e.g. through our International Trading Solutions business.
 - Maintained a strong capital position, reporting a CET1 ratio of 12.6% and a tier 1 leverage ratio of 5.2% at end-2018.
 - Reduced our adjusted operating cost base, surpassing the end-2018 target of less than CHF 17 billion. We did so while making selective investments in the business – including in our risk management and compliance functions.
 - Successfully closed the SRU, outperforming our end-state targets.
- In 2018, Credit Suisse initiated a program with the overall goal of addressing the TCFD recommendations related to external disclosures of climate-linked risks and opportunities. In that context, we updated key policies to incorporate important elements of climate risk management. We established an inventory of our climate risks and opportunities and started a pilot phase to define climate scenarios and impact pathways. We also joined a working group convened by the Institute of International Finance.
- We developed sustainability risk guidance for corporate banking relationships in sectors with medium sustainability risks, including a set of sustainability questionnaires to evaluate the relevant environmental and social risks.

Objectives 2019

- Continue our efforts to drive a robust compliance and control culture throughout the bank through targeted measures that take account of the changing operating environment.
- Take steps to address the implications of the UK's decision to leave the EU in order to minimize disruption to the business and to clients.
- Focus on generating capital in order to return it to shareholders; our long-term objective is to distribute around 50% of profits to shareholders for 2019 and 2020.
- Develop methodologies and tools for the alignment of credit portfolios with the Paris Climate Agreement, working with other banks.
- Launch pilot phase to define internal climate risk terminology and measure certain sector exposures against defined climate scenarios.
- Review and further develop Credit Suisse's sector policies and guidelines for sensitive industries.
- Continue to engage with peers and industry groups for the development of environmental and social (E&S) due diligence approaches and the improvement of E&S disclosure.

¹ For further information on our cost savings, see page 49.



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Economy and society

Objectives 2018

- Contribute to the future development of financial market regulation by providing thought leadership and engaging in a constructive dialogue with stakeholders.
- We aim to make a lasting, meaningful contribution to society and to continue contributing to the UN Sustainable Development Goals in key areas. To address the most pressing issues facing society, we utilize the bank's capital – its financial resources, products and services as well as the skills of our employees and our broad network of public and private partners. We aim to develop solutions that benefit society, our employees and Credit Suisse. These efforts include our two global initiatives in the areas of education and financial inclusion, whose tenth anniversaries took place in 2018.

Achievements 2018

- Credit Suisse contributed to a high-level dialogue with Swiss regulators and policymakers in 2018 regarding the introduction of the new Basel III regulations in Switzerland. In particular, we engaged with key policy-makers and underscored the importance of ensuring that implementation is harmonized with the approach in other comparable financial centers to ensure a level playing field. We also published the fourth edition of our study on the Swiss financial center. At the international level, we advocated regulatory cooperation to avoid fragmentation of global standards – both through our work in industry associations and through direct interventions. This included holding a conference in Brussels with key officials that included a fact-based report and analysis on the risks and costs of such an approach.
- We further deepened our cooperation with non-profit organizations (NPOs), governments, employees and clients in order to address major social challenges and work together to contribute to the SDGs. With regard to SDG 4 (Quality Education), more than 2,330 employees dedicated their time and expertise to mentoring, teaching and tutoring activities benefiting children and young people. In addition, through our regional education programs, we have reached more than 184,400 registered school children and young people and helped train more than 4,200 teachers. Moreover, we have engaged in issues such as access to financial services for women, financing humanitarian aid or supporting fintech innovation in developing countries in the context of our Financial Inclusion Initiative. To mark the tenth anniversary of our global initiatives to promote education and financial inclusion, we held three roundtable events in Zurich, London and New York. At these events, we discussed the successes and challenges of the last decade together with our partner organizations and talked about best practice approaches to achieving profound societal changes in the future based on long-term commitments and partnerships.

Objectives 2019

- Continue to engage in an active dialogue with policymakers and regulators in order to ensure the competitiveness and resilience of the financial sector.
- After the success of our global initiatives over the last decade and based on our long-running regional efforts, we want to build on our strengths and continuously adapt to changing needs within society. In 2019, we want to further develop our strategy and processes in the area of corporate citizenship in order to identify trends and issues at an early stage and to align our programs with them as effectively as possible. At the same time, we will strive to further optimize our internal resources.



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Employer

Objectives 2018

- Further strengthen leadership capabilities at Credit Suisse.
- Continue to embed the Conduct and Ethics Standards to ensure a common understanding of our expectations at Credit Suisse regarding culture and conduct.

Achievements 2018

- In 2018, we reached a 90% completion rate in our Mandatory Management Excellence Program for new managers and have successfully rolled out our first Senior Talent Program for senior leaders at Credit Suisse.
- One year after the introduction of the Conduct and Ethics Standards, we have established a solid baseline of awareness among our employees regarding our expectations in terms of conduct and behavior. The move to a single behavioral framework has allowed us to embed those standards in our core employee lifecycle processes, thus reinforcing the importance of positive conduct for Credit Suisse. A measurement framework has also been developed and will enable each of our divisional and function heads to effectively self-assess their Conduct and Ethics environment, ensuring continuous improvement. Additionally, in 2018 we appointed a conduct and ethics ombudsperson within Credit Suisse who serves as an immediate point of escalation for any potential sexual harassment issues.

Objectives 2019

- Strengthen systematic nurturing and development of diverse talent at Credit Suisse.
- Continue to foster collaboration and development of our leaders.



Reporting on corporate responsibility

GRI Sustainability Reporting Standards

Achievements and objectives in banking

Achievements and objectives in economy and society

Achievements and objectives as an employer

Achievements and objectives in environment

Environment

Objectives 2018

- Successful completion of the audit of our certified environmental management system in the framework of the transition to the new ISO 14001:2015 standard. Successful global re-certification in compliance with the new ISO 14001 standard.

- Continued global greenhouse gas neutrality.

- Develop and implement a framework for long-term objectives aiming to reduce our greenhouse gas emissions and to contribute to the overarching goal of the Paris Agreement, which is to limit the rise in the global temperature to well below 2° Celsius above pre-industrial levels.

- Further expand engagement and advisory services related to sustainable land use.

Achievements 2018

- We successfully passed the recertification audits according to the new ISO 14001:2015 Standard under the direction of the certification company SGS.

- In 2018, we achieved global greenhouse gas neutrality for the ninth year in succession. In that context, we were able to further reduce our global greenhouse gas emissions from operating activities by 5% to 129,100 metric tons of CO₂ equivalents compared to the previous year – thanks to ongoing energy-related optimizations of our properties, the further consolidation of our building portfolio, with a focus on properties with high energy efficiency, as well as through the use of state-of-the-art IT infrastructure and an increase in climate-friendly energy sources. Thanks to the substitution of existing energy sources through renewable energy certificates (RECs), we were able to further increase the share of electricity from renewable energy sources to 79%.

- We comprehensively reviewed our sustainability strategy for our operational processes and revised it, taking into account international efforts in the fight against climate change as well as best-practice developments for target-setting in environmental management.

- We continued our engagement with the Zoological Society of London on soft commodities by contributing to the review of the rubber sector standards and the development of a roadmap.

Objectives 2019

- Continue support for sustainable soft commodities, including industry standards, peer collaboration, client advisory and disclosure.

- Maintenance and further development of our ISO 14001 Environmental Management System (EMS) including continuous improvements in our environmental performance.

- Ensure a successful global ISO 14001 control audit under the direction of the certification company SGS.

- Continue to increase the green power share of electricity consumed in our operations.

- Further strengthen the strategy for managing the Group's operational footprint, including consideration of multi-year environmental targets.





Cautionary statement regarding forward-looking information

This report contains statements that constitute forward-looking statements. In addition, in the future we, and others on our behalf, may make statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the following:

- our plans, targets or goals;
- our future economic performance or prospects;
- the potential effect on our future performance of certain contingencies; and
- assumptions underlying any such statements.

Words such as "believes," "anticipates," "expects," "intends" and "plans" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. We do not intend to update these forward-looking statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. We caution you that a number of important factors could cause results to differ materially from the plans, targets, goals, expectations, estimates and intentions expressed in such forward-looking statements.

These factors include:

- the ability to maintain sufficient liquidity and access capital markets;
- market volatility and interest rate fluctuations and developments affecting interest rate levels;
- the strength of the global economy in general and the strength of the economies of the countries in which we conduct our operations, in particular the risk of continued slow economic recovery or downturn in the EU, the US or other developed countries or in emerging markets in 2019 and beyond;
- the direct and indirect impacts of deterioration or slow recovery in residential and commercial real estate markets;
- adverse rating actions by credit rating agencies in respect of us, sovereign issuers, structured credit products or other credit-related exposures;
- the ability to achieve our strategic goals, including those related to our targets and financial goals;
- the ability of counterparties to meet their obligations to us;
- the effects of, and changes in, fiscal, monetary, exchange rate, trade and tax policies, as well as currency fluctuations;
- political and social developments, including war, civil unrest or terrorist activity;
- the possibility of foreign exchange controls, expropriation, nationalization or confiscation of assets in countries in which we conduct our operations;
- operational factors such as systems failure, human error, or the failure to implement procedures properly;

- the risk of cyberattacks, information or security breaches or technology failures on our business or operations;
- the adverse resolution of litigation, regulatory proceedings, and other contingencies;
- actions taken by regulators with respect to our business and practices and possible resulting changes to our business organization, practices and policies in countries in which we conduct our operations;
- the effects of changes in laws, regulations or accounting or tax standards, policies or practices in countries in which we conduct our operations;
- the potential effects of changes in our legal entity structure;
- competition or changes in our competitive position in geographic and business areas in which we conduct our operations;
- the ability to retain and recruit qualified personnel;
- the ability to maintain our reputation and promote our brand;
- the ability to increase market share and control expenses;
- technological changes;
- the timely development and acceptance of our new products and services and the perceived overall value of these products and services by users;
- acquisitions, including the ability to integrate acquired businesses successfully, and divestitures, including the ability to sell non-core assets; and
- other unforeseen or unexpected events and our success at managing these and the risks involved in the foregoing.

We caution you that the foregoing list of important factors is not exclusive. When evaluating forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, including the information set forth in "Risk factors" in I – Information on the company in our Annual Report 2018.

Disclaimer/ inquiries



Important information about this publication

Information referenced in this Corporate Responsibility Report, whether via website links or otherwise, is not incorporated into this Corporate Responsibility Report.

Credit Suisse is subject to the Basel III framework, as implemented in Switzerland, as well as Swiss legislation and regulations for systemically important banks (Swiss requirements), which include capital, liquidity, leverage and large exposure requirements and rules for emergency plans designed to maintain systemically relevant functions in the event of threatened insolvency.

As of January 1, 2015, the Bank for International Settlements (BIS) leverage ratio framework, as issued by the Basel Committee on Banking Supervision, was implemented in Switzerland by FINMA.

Unless otherwise noted, leverage exposure is based on the BIS leverage ratio framework and consists of period-end balance sheet assets and prescribed regulatory adjustments. The BIS tier 1 leverage ratio and CET1 leverage ratio are calculated as BIS tier 1 capital and CET1 capital, respectively, divided by period-end leverage exposure.

We may not achieve all of the expected benefits of our strategic initiatives. Factors beyond our control, including but not limited to the market and economic conditions, changes in laws, rules or regulations and other challenges discussed in our public filings, could limit our ability to achieve some or all of the expected benefits of these initiatives.

References to Wealth Management mean Private Clients within Swiss Universal Bank, Private Banking within International Wealth Management, and Private Banking within Wealth Management & Connected in Asia Pacific or their combined results. References to Wealth Management-related businesses mean Swiss Universal Bank, International Wealth Management and Asia Pacific Wealth Management & Connected or their combined results.

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