

Corporate Responsibility Report 2017



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 46,000 employees are key factors determining 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 2017:

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1

Responsibility in Banking

12.8%

look-through CET1 capital ratio at end-2017

806

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

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2

Responsibility in the Economy and Society

Around
CHF 158 bn

is Credit Suisse's volume of loans outstanding in Switzerland at end-2017

18,410

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

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3

Responsibility as an Employer

46,840

individuals from over 150 different countries work at Credit Suisse

48%

of our leadership roles were filled internally

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4

Responsibility for the Environment

11,000

hours of training on environmental management and health and safety were provided

76%

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

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Foreword



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

Dear Reader

2017 was a crucial year of delivery in the three-year restructuring plan we launched at the end of 2015. Our strategy is to be a leading wealth manager with strong investment banking capabilities. In a changing and often challenging operating environment, we made good progress against our five key strategic objectives during the year: We continued our efforts to (i) strengthen our capital position, (ii) deliver profitable growth, (iii) reduce our fixed cost base, (iv) right-size and de-risk our trading activities, and (v) resolve our key legacy issues. The indispensable and deep restructuring we engaged in requires us to take certain difficult decisions – particularly in the context of our cost program – as we transform our business and position it for long-term success. Where it is necessary to adapt the size of our workforce as part of these measures, we are committed to acting in a fair and responsible way.

A Business Founded on Trust

We work hard to earn the trust of our stakeholders day after day. Credit Suisse strives to be a reliable and professional partner to our clients around the globe and to generate attractive returns for our shareholders over the long term. At the same time, we recognize that for many stakeholders, a bank's reputation is today often as important as its performance. At Credit Suisse, we are committed to ensuring that we operate with integrity and have effective governance structures, as well as maintain a rigorous compliance and control framework. All our employees and members of the Board of Directors are obligated to adhere to Credit Suisse's Code of Conduct. In early 2017 we launched our new Conduct and Ethics Standards, which promote a shared understanding and expectations in terms of our culture and conduct across the Group.

Read on >

Underscoring the importance we assign to the area of compliance, we created in 2015 a Compliance and Regulatory Affairs unit operating as an independent Executive Board-level function and overseeing all compliance and regulatory matters at Credit Suisse.

Responsibilities Beyond Banking

We have a broad understanding of our corporate responsibilities as a global bank. In this context, we recognize the importance of international agreements such as the UN Global Compact that promote responsible business practices. We are also committed to addressing social challenges: In collaboration with selected partner organizations, we support initiatives that generate a positive economic or social impact in areas such as financial inclusion, microfinance and education. In addition to receiving funding, these partners benefit from the skills and expertise of our employees. We allow each employee to devote up to four days per year to support social projects. We are proud that in 2017, a total of 18,410 of our employees around the world dedicated more than 184,500 hours to volunteering.

2017 also marked the 15th anniversary of impact investing at Credit Suisse – a field in which we have long played a pioneering role. A milestone during the year was the establishment of our Impact Advisory and Finance Department in the CEO Office, which aims to facilitate projects and initiatives across the Group that have a positive economic and social impact, as well as generating a financial return – thus benefiting our wealth management, institutional and corporate clients.

Protecting the Climate and the Environment

Environmental and climate protection is one of the pillars of our corporate responsibilities. We strive to conduct our business in an environmentally sustainable manner. As part of these efforts, we apply internal policies and guidelines governing certain sensitive industries when assessing potential transactions and client relationships. Our approach is also reflected in the development of products and services focusing on green finance. At an operational level, we promote the efficient use of resources within our organization and reduce the direct impacts of our activities on the environment and the climate through our global environmental management system. We have been operating on a greenhouse gas neutral basis at all our locations around the globe since 2010.

Dialogue with Our Stakeholders

We believe that an active dialogue is essential to build relationships of trust. We listen to the views of our clients and cultivate an ongoing exchange of opinions with a wide range of other stakeholders, including regulators and policymakers, the media and non-governmental organizations, to gain a clear understanding of what they expect from us as a bank. In this way, we can gauge the topics that matter to them and we have an opportunity to present our own viewpoint. This Corporate Responsibility Report is designed to be part of this constructive dialogue and we welcome your comments on any of the topics discussed here.

Best regards

Urs Rohner
Chairman of the Board of
Directors

Tidjane Thiam
Chief Executive
Officer

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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 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 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

Structure of the Report

The Corporate Responsibility Report is structured in accordance with the four areas outlined above: 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 standards set out in the [Global Reporting Initiative \(GRI\)](#). In addition, we report on the progress we have made in implementing the ten principles of the [United Nations \(UN\) Global Compact](#) and provide examples of how we can contribute to the realization of the [Sustainable Development Goals \(SDGs\)](#). Further information and data on our GRI indicators are available online at:

credit-suisse.com/gri

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↘ see p. 69–70

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Our Understanding of Corporate Responsibility



Responsibility in Banking

- Trust and Expertise
- Risk Management and Sustainability
- Responsible 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. Competence, 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 business.



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.

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 to be able 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. We also develop products and services that incorporate environmental aspects for our clients.

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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 | 13–20, 21–27, 51–52 |
| 2 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 | 13–20, 38–43 |
| 3 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 | 13–20, 38–43, 58 |
| 4 Consumer and Investor Protection | | ↑ Suitability and appropriateness / data security / privacy / transparency of fees | 13–20 |
| 5 Digitalization / Fintech | | ↑ Blockchain / fintech / digital transformation / big data, automation | 20 |
| 6 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 | 21–27, 62–68 |
| 7 Corporate Governance | | □ Operational structure / governance framework / management team / voting rights | 12–20 |
| 8 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 / deployments to Business Delivery Centers | 51–60 |
| 9 Responsible Investments | | ↑ Sustainable products and services / impact investing (incl. microfinance, conservation finance) / integration of environmental, social and governance (ESG) issues in products and services / Principles for Responsible Investment (PRI) | 28–36, 62–64, 68 |
| 10 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 | 21–27 |
| 11 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 | 21–27, 62–68 |
| 12 Incentives and Compensation Policy | | □ Responsible approach to compensation / executive compensation / criteria for incentives / deferral, claw-backs | 59–60 |
| 13 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 | 19–20, 28–36, 46, 51–53 |
| 14 Contribution to the Economy | | □ Purchasing, sourcing / tax contribution / lending to small and medium-sized enterprises (SMEs) and start-ups | 38–43 |
| 15 Social Commitments | | □ Philanthropy / supporting social and humanitarian projects / employee engagement, including skills-based volunteering / "militia" system of politics in our Swiss home market | 32–34, 41, 44–49 |

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

* Expected future importance for Credit Suisse (based on stakeholder survey)
 ↑ Increasing importance
 □ No change

Detailed information on Credit Suisse Group's financial performance, corporate governance and compensation practices can be found in the Annual Report 2017.

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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 as well as to 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.

Further Information:
 ↘ see p. 10–11

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. In 2017, we therefore expanded the scope of our research and reached out to a larger number and broader range of external and internal stakeholders in all regions where we operate.

We engaged with our stakeholders through a structured survey comprising both quantitative and qualitative elements, complemented by a dedicated media analysis, independent research and information from our monitoring tools. Internally, we received feedback at various levels, including from leaders of relevant business units. This information also helped us to determine the impact of these material issues on Credit Suisse.

The stakeholders who provided direct feedback included clients, investors and analysts, policy-makers, non-governmental organizations (NGOs), local community organizations, suppliers, academia, sustainability professionals and employees.

The material issues and their respective definitions were determined, revised and enhanced in a comprehensive three-stage process comprising identification, prioritization and review. The outputs led us to slightly extend the previous list of material issues. The findings reflect average values of importance based on the assessment methodology. Furthermore, we analyzed the expected future importance of the material issues to our stakeholders to help us anticipate and identify emerging business issues.

We are committed to regularly undertaking a materiality assessment. We believe doing so will help us to identify new trends, evolve our strategy accordingly and tailor our reporting to align it to the interests and needs of our business and our stakeholders.

The materiality assessment is also available online at:

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

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Credit Suisse and the Sustainable Development Goals

The 17 Sustainable Development Goals (SDGs) adopted by the UN in 2015 form a core element of the UN Agenda 2030 for Sustainable Development. As they 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 of how we aim to support the realization of the SDGs include our impact investing activities across the bank and our corporate citizenship initiatives (see pages 30–31 and 44–49). At the same time, our focus on sustainability risk management can help us to reduce potential negative impacts of certain business activities on the realization of the SDGs (see page 21–27).



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 current challenging regulatory environment and in view of recent 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 involvement 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 approach helps us to identify their interests and expectations at an early stage, to offer our perspective and to help develop solutions to address current challenges wherever possible. At the same time, this exchange provides us with a more detailed understanding of our corporate responsibilities.

Further Information

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

credit-suisse.com/responsibility/dialogue

Further Information:

↳ see chart on p. 11

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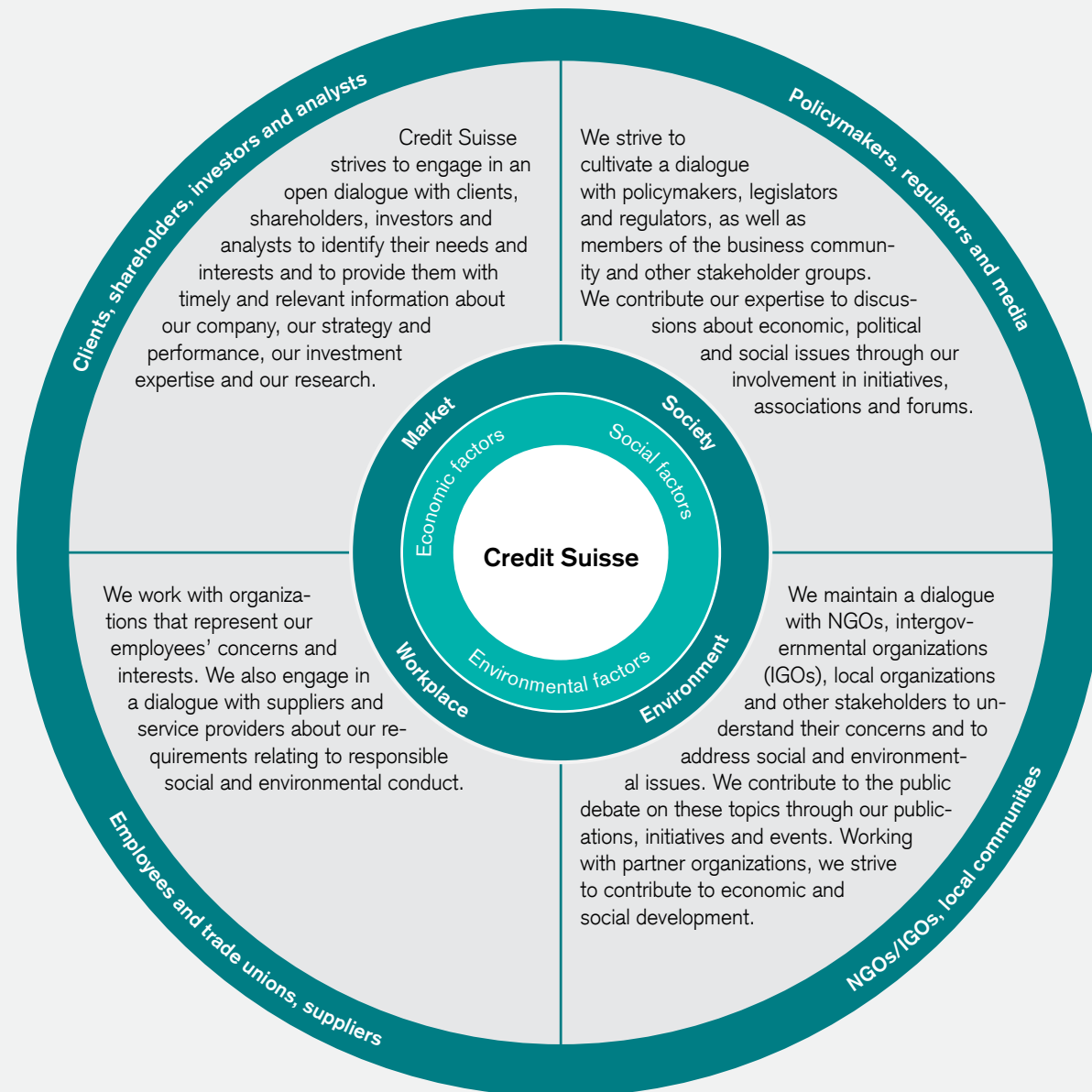
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Our Stakeholders





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Responsibility in Banking

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Trust and Expertise

Credit Suisse offers clients high-quality service and advice, supports efforts to increase financial stability and strives to maintain 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 increasingly complex wealth management and business needs of ultra-high-net-worth individuals (UHNWI) 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 also benefit our clients, employees and other stakeholders.

2017 was a crucial year of delivery in the three-year restructuring plan we launched at the end of 2015. We made strong progress against our key strategic objectives during the year. In particular, we advanced towards our goal of profitable growth, increasing our reported pre-tax income to CHF 1.8 billion and our adjusted¹ pre-tax income to CHF 2.8 billion for the full year 2017. In the

fourth quarter of 2017, we reassessed our deferred tax assets and recognized an associated tax charge of CHF 2.3 billion, primarily resulting from the US tax reform. This non-cash item led to a reported net loss attributable to shareholders for the year. However, our operating performance improved significantly.

During 2017, Credit Suisse also transformed and substantially strengthened its capital position after completing a rights issue, which closed in June 2017, as well as generating capital organically. At the end of 2017, our look-through common equity tier 1 (CET1) ratio was 12.8%. Our look-through tier 1 leverage ratio rose to 5.2% from 4.4% at the end of 2016. Thanks to our relentless focus on costs and our strategic approach to productivity gains, we achieved our 2017 cost target. Importantly, we have lowered costs while investing in our client franchise and improving our control framework. Our strategic decision to focus on UHNWI and

¹ Adjusted results are non-GAAP financial measures. For a reconciliation of the adjusted results to the most directly comparable US GAAP measures, see page 80.



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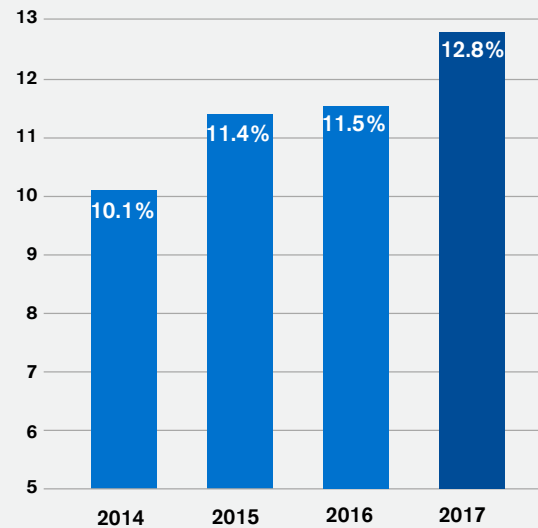
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Strengthening of Look-through CET1 Capital Ratio



entrepreneur clients and allocate more capital to our Wealth Management and connected businesses¹ is paying off. In 2017, we made strong progress towards our profit targets and attracted significant net new assets, ending the year with record assets under management in Wealth Management².

In Investment Banking & Capital Markets, we improved our share of wallet across all key products after rebalancing our product mix towards advisory and equity underwriting while maintaining our leading leveraged finance franchise. After right-sizing our Global Markets division, lowering its risk and capital consumption, we significantly strengthened its profitability in 2017 and we are on track to achieve our targets for the business in 2018.

¹ SUB, IWM, APAC WM&C and IBCM

² Combined assets under management for SUB PC, IWM PB and APAC PB within WM&C.

In our non-core Strategic Resolution Unit (SRU), we made significant progress in disposing of legacy positions and in de-risking. In 2017, we announced that we now plan to wind down the division by the end of 2018. This progress in the SRU is central to the restructuring of the Group as it helps to free up capital resources that can be redeployed to areas where we expect to produce higher returns such as our Swiss Universal Bank, International Wealth Management and Asia Pacific divisions.



Detailed information on our strategy and financial performance is provided in the Annual Report 2017 of Credit Suisse Group AG.

Adapting to the New Regulatory Landscape

The global implementation of extensive regulatory reforms continued in 2017 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 these new 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 the “Too Big to Fail” (TBTF) issue. In 2015, the Financial Stability Board (FSB) issued the final standard for



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total loss-absorbing capacity (TLAC), which introduced an internationally valid minimum standard for global systemically important banks (G-SIB). In Switzerland, the ordinances on the implementation of the TLAC standard entered into force in mid-2016. The Swiss capital requirements are substantially more stringent than the Basel minimum requirements, as is the amount of TLAC eligible bonds that is required to comply with the Swiss TLAC standard. In 2017, Credit Suisse issued an aggregate of USD 12 billion of bail-in bonds. In addition, in 2017 the FSB recognized the progress Credit Suisse has made to reduce its systemic impact and lowered the G-SIB required progressive buffer for Credit Suisse from 1.5% to 1%, taking Credit Suisse to the lowest tier of systemic importance.

Credit Suisse made significant progress in 2017 in evolving the Group's legal entity structure to address the TBTF issue and, additionally, the challenges presented by the expected withdrawal of the UK from the EU. As part of our implementation efforts, we continue to hold regular consultations with the Swiss Financial Market Supervisory Authority FINMA (FINMA) and other regulators.

In line with this work and in order to provide operational continuity of resolution-critical support services, Credit Suisse Services AG, the service company parent, became operational in Switzerland in July 2017, with the transfer of employees, net assets and our Business Delivery Center in Poland

from Credit Suisse AG. In addition, several branches of Credit Suisse Services AG were registered and became operational. In the UK, London branch became operational in June 2017. In India, Pune branch became operational in November 2017. In Singapore, Singapore branch became operational in January 2018. In the US, Credit Suisse Services (USA) LLC became operational in January 2017. The launch of service companies means that if one or more business entities were to fail, critical support services could continue to operate in a resolution period.

In February 2017, Credit Suisse (Schweiz) AG and Credit Suisse Asset Management International Holding Ltd (CSAM IHAG), with a participating interest of 49% and 51%, respectively, incorporated Credit Suisse Asset Management & Investor Services (Schweiz) Holding AG (CSAM Holding), a holding company domiciled in Switzerland. CSAM Schweiz was incorporated in February 2017 and received the Swiss-related asset management business from Credit Suisse AG through a transfer of assets in accordance with the Swiss Merger Act. All transfers of participations were made at the participations' Swiss GAAP carrying value as recorded by the transferor.

In the UK, we continued client migrations to Credit Suisse AG Dublin branch, as well as the strategic infrastructure build-out in Credit Suisse International



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Client Satisfaction Is Key

It is vital for Credit Suisse to gather unbiased and representative feedback from existing and prospective clients. This provides us with valuable insights into how we can improve our service in all aspects of the client experience such as personal advice, digital channels and the customer service center. As part of our continuing commitment to maintaining a strong dialogue with our clients about their needs and expectations, we are planning a client satisfaction survey in selected markets in 2018.

(CSi) and the development of our strategy to address the expected withdrawal of the UK from the EU.

In the US, we completed the first Comprehensive Capital Analysis and Review (CCAR) submission. We also further enhanced and strengthened data and infrastructure that support stress testing and capital planning capabilities in the US.

In 2018, work continues to implement our plans to address the expected withdrawal of the UK from the EU, building out the EU entity solution that should allow us to continue to access EU27 clients and markets in the event of a withdrawal of the UK from the EU without a deal in place to lessen the effects of the country leaving the single market. To achieve our EU strategy, we have identified key deliverables, including continuous engagement with home, European and local regulators.

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 (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 have maintained our focus on know-your-customer (KYC) and anti-money laundering (AML) rules and controls, given the ongoing prevalence of financial crime.

An emerging trend during 2017 was the support for the adoption of quasi-voluntary codes such as the standards published by the Fixed Income, Currencies and Commodities (FICC) Market Standards Board (FMSB) and the FX Global Code published by the Global Foreign Exchange Committee. For the FMSB standards, at the end of 2017 we acknowledged that the standards represent generally recognized good practice and confirmed that our applicable entities were committed to conducting their activities in a manner consistent with the core principles. Credit Suisse strongly supports the adoption of the Global FX Code by FX market participants and expects to sign the FX Global Code's Statement of Commitment on a global basis by mid-2018.



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Financial Integrity

Compliance and Regulatory Affairs 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 all compliance and regulatory matters for Credit Suisse and includes being a proactive, independent function that partners with the businesses by continuously challenging and supporting them to effectively manage compliance risk. The Internal Audit department uses a risk-based approach to assess whether the control environment enables compliance with internal and external standards, policies and guidelines.

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 in order to achieve compliant growth. In early 2017, we launched a [globally consistent approach to Conduct and Ethics](#) with a set of six standards – Client Focus, Meritocracy, Stakeholder

Management, Accountability, Partner and Transparency – to further embed expectations of good conduct in our employees.

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 to minimize the financial, regulatory, reputational and strategic impact of such incidents.

To protect against the risk of corruption, we have global standards in place related to corruption prevention. We also strive to prevent the improper use of products and services by third parties. As part of our efforts to fulfill our due diligence requirements, we issue policies governing topics such as business relations with politically exposed persons (PEP), the prevention of money laundering and terrorist financing, as well as the adherence to applicable economic and trade sanctions laws. We have a wide range of policies, procedures and internal controls, with requirements such as the screening of third parties who conduct business for or on behalf of Credit Suisse and dedicated controls related to gifts and entertainment, internships and other employment opportunities, charitable contributions and sponsorship, and conflicts of interests. Strict internal controls are used to monitor compliance with these policies. Furthermore, the bank is actively involved in the

**Further
information:**
↘ see p. 51–52



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development and implementation of industry standards to combat money laundering and corruption. One example is Credit Suisse's participation in the Wolfsberg Group, which reflects our commitment to implementing the latest anti-money laundering and anti-bribery standards while also staying abreast of important regulatory and market developments. In addition, employees must ensure that transactions that may impact on the reputation of Credit Suisse undergo our bank-wide standardized [Reputational Risk Review Process](#).

**Further
information:**
↘ see p. 22–23

Credit Suisse manages improper employee behavior and infractions through global escalation and disciplinary governance processes across three lines of defense. Our disciplinary process provides a structure that is designed to confirm that the bank's articulated standards of professional conduct, policies and procedures 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 decisions that may impact employee performance reviews and compensation. Additionally, employees have a duty to report concerns of potential legal, regulatory or ethical misconduct to their line managers or to Compliance and Regulatory Affairs. 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.

Credit Suisse adheres to its obligation 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 across borders. In connection with the move towards increased access to cross-border bank data by foreign tax authorities, Switzerland is one of a number of countries that have agreed to accept the Common Reporting Standard (CRS) developed by the Organisation for Economic Co-operation and Development (OECD), which represents the global standard for the Automatic Exchange of Information (AEI) in tax matters. Under the AEI, financial institutions are expected to provide information on assets and income for accounts held or controlled by clients who have a tax residence in a foreign participating country. The information will be reported to the bank's



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domestic tax authority to enable regulators in participating countries to share tax-relevant client data among each other. Switzerland belongs to the group of countries that started to collect tax-relevant data in 2017, with the first exchange of information in 2018.

As part of the efforts to build a tax-compliant and internationally accepted financial center, Switzerland reached a Model 2 intergovernmental agreement (IGA) with the US in 2013 that facilitated the implementation of the Foreign Account Tax Compliance Act (FATCA) in July 2014. This law aims to achieve a broad exchange of information and transparency regarding the offshore accounts of US taxpayers by requiring all participating non-US financial institutions worldwide to regularly and automatically provide reporting to the US authorities about the identity, income and assets of US persons. Credit Suisse adheres to the requirements of the IGA and continues to monitor developments in this space closely.

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 as well as 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](#). We also support the project to develop a Federal Financial Services Act, which is part of a larger legislative effort to create uniform competitive conditions for financial intermediaries, improve client protection and bring Swiss legislation in line with new or emerging international standards. This should ultimately also remove potential barriers to cross-border activities and to market access for Swiss financial services providers. The Federal Financial Services Act is expected to contain code of conduct provisions for financial services providers to improve investor protection.

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This chapter addresses the following issues

- ① Culture of Compliance and Conduct
- ② Financial and Political System Stability
- ③ Company Performance and Strategy
- ④ Consumer and Investor Protection
- ⑬ Quality and Range of Services and Advice

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Challenge and Response 2017

Challenge: How is Credit Suisse responding to the advance of digitalization?

Response: Digitalization is fundamentally altering our 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 Viva Kids in Switzerland in 2017. This new offering includes the digital piggy bank “Digipigi” and two apps, and it aims to increase the financial literacy of children. 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 the use of digital technology will help the Group

to further increase efficiency, to strengthen client loyalty, to simplify global access to our offering, and to address reputational and conduct risks at an early stage.



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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.

It is vital that we operate responsibly and demonstrate a high degree of risk awareness in all our business activities. Reflecting this commitment, all employees globally and the members of the Board of Directors are obligated to adhere to Credit Suisse's Code of Conduct. In addition, our Conduct and Ethics Standards that were rolled out in 2017 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 in this area. 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

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Reputational Risk Review Process

Credit Suisse carries out a series of measures to review business risks. If there are grounds to believe that a potential transaction or client relationship could pose an unacceptable risk or is not compatible with our existing agreements or internal guidelines, Credit Suisse conducts a Group-wide standardized [Reputational Risk Review Process](#).

Further information:
 ↘ see charts on p. 22–23

Potential risks may arise due to the nature and purpose of a proposed transaction or service, the identity or activities of a potential client or the regulatory or political context in which the business will be transacted.

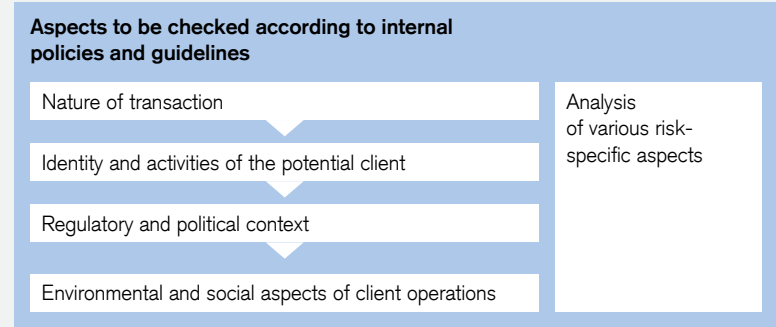
Environmental and social risks are some of the aspects considered in the Reputational Risk Review Process. Our internal specialist unit Sustainability Affairs evaluates whether the potential client's activities are consistent with the relevant industry standards and whether the transaction is compatible 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. In cases of particularly complex or cross-divisional transactions, the decision may be referred to the

Assessment of Sustainability Risks within the Reputational Risk Review Process

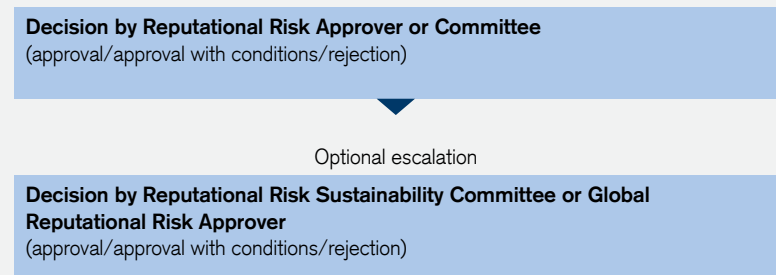
1. Risk classification and responsibility



2. Assessment and recommendation



3. Review and decision





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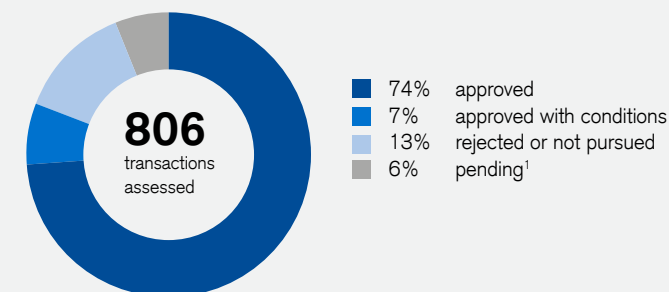
Reputational Risk Sustainability Committee (RRSC) or escalated to the Global Reputational Risk Approver. The RRSC, chaired by the Group's Chief Risk Officer, is the most senior governing body responsible for the oversight of review processes and policies and the discussion of reputational risks and sustainability issues. 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 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. These sector policies and guidelines cover topics including: 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; respect for the human rights of the local population; and business areas and practices that Credit Suisse explicitly will not finance. Sector policies and guidelines are regularly reviewed

Transactions assessed on the basis of potential environmental and social risks in 2017



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 bank's requirements and guidelines.

¹ As of January 31, 2018.

Sustainability risk assessments by sector in 2017

| Transactions assessed ¹ | 2017 | 2016 |
|------------------------------------|------------|------------|
| Metals and mining | 162 | 129 |
| Forestry and agribusiness | 58 | 53 |
| Oil and gas | 199 | 132 |
| Power generation and transmission | 68 | 72 |
| Chemicals | 31 | 24 |
| Defense | 32 | 24 |
| Infrastructure and transportation | 48 | 40 |
| Finance | 34 | 41 |
| Other | 174 | 143 |
| Total | 806 | 658 |

¹ Including Equator Principles (EP) transactions (2017: 5 transactions; 2016: 0 transactions). For a comprehensive disclosure in accordance with EP requirements, see:

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and updated to reflect the latest developments and challenges, for example in [areas such as climate change](#). In 2017, we consolidated our guidelines on power generation, which include restrictions on the financing of new mining projects to extract thermal coal and new coal-fired power plants. We also updated our due diligence framework for shale operations and engaged in discussions about how to more explicitly reflect the rights of indigenous peoples in company policies. Furthermore, we reviewed our risk assessment process with regard to the protection of UNESCO World Heritage Sites. A summary of our sector policies and guidelines can be found at:

☐ credit-suisse.com/sectorpolicies

Credit Suisse also follows the Equator Principles (EP) – a framework for the management of environmental and social risks that is based on standards defined by the International Finance Corporation (IFC) and is applied by more than 90 banks for specific types of finance for industrial and infrastructure projects. In 2017, Credit Suisse continued its active participation in the Steering Committee of the Equator Principles and acted as the regional representative for Europe within the Equator Principles Association. We also publicly expressed our support for [the recommendations of the Financial Stability Board’s Task Force on Climate-related Financial Disclosures \(FSB TCFD\)](#) at the One Planet Summit in Paris in December 2017. Furthermore, we are a participant

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in the Roundtable on Sustainable Palm Oil (RSPO) in the “Banks and Investors” category. The RSPO is the leading certification standard for palm oil and promotes the cultivation and use of sustainable palm oil products through global standards and by engaging stakeholder groups throughout the supply chain.

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 account of 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 financial institutions in 2011. In 2017, the Thun Group published its second discussion paper, which focuses on potential direct links to adverse human rights impacts in a corporate and investment banking context. Credit Suisse’s most direct link to human rights

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issues is in our own activities, especially in our working relationship with our employees, and this is consequently the area where we believe we can exercise the greatest influence. In addition, the provision of certain financial services may be linked to negative human rights impacts – particularly if they relate to business activities of clients that could potentially affect local populations. Using our Reputational Risk Review Process, we therefore perform detailed reviews of aspects of transactions that are sensitive from a human rights perspective. 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 rights, including our Modern Slavery and Human Trafficking Transparency Statement, can be found at:

[credit-suisse.com/humanrights](https://www.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 active participation in industry initiatives such as the Equator Principles and the Thun Group as well as in the Advisory Group to the OECD Responsible Business Conduct in the Financial Sector project – a multi-stakeholder group that aims to define practical approaches on how financial

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 thus better understand the associated risks. Further information is available at:

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



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institutions can integrate the provisions of the OECD Guidelines for Multinational Enterprises into their due diligence practices.

In 2017, Credit Suisse also hosted a roundtable discussion in Hong Kong on sustainable soft commodities such as palm oil, timber, pulp and paper, focusing on their environmental and social impacts and on related disclosures. Furthermore, we organized and hosted a two-day meeting between banks and representatives of civil society to discuss current topics related to biodiversity, human rights and climate change at our conference facilities outside of Zurich. For the seventh consecutive year, we organized a roundtable, which in 2017 took place in London, to engage with other global banks on environmental and social risks 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 200 employees in client-facing roles or relevant specialist units with training in sustainability risk management in 2017.

Further information:

↳ see p. 8

This chapter addresses the following issues:

- ① Culture of Compliance and Conduct
- ⑥ Environmental and Social Risk Management
- ⑩ Human Rights
- ⑪ Climate Change

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Challenge and Response 2017

Challenge: Sometimes Credit Suisse has to make decisions about controversial transactions where opinions about the potential environmental and social impacts can differ widely, depending on the perspective of each party. One such example is the Dakota Access Pipeline – an energy infrastructure project in the US – which attracted a high level of public attention and criticism in 2017. How does the Group address such challenges?

Response: Companies operating in sensitive sectors 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 the inhabitants of a specific area. To identify and manage these risks, Credit Suisse carries out a comprehensive analysis of potential trans-

actions with companies in the energy infrastructure sector and other sensitive industries. We have also defined sector-specific policies based on standards developed by international organizations such as the UN and the World Bank. To take account of differing viewpoints, we engage in a dialogue with NGOs and other key stakeholders, bilaterally or through events and multilateral discussions. Even if opinions differ, we believe that these exchanges encourage each party to see issues from a different perspective and promote mutual understanding. Examples of this dialogue in 2017 include our discussions with NGOs and indigenous peoples' representatives related to concerns about the Dakota Access Pipeline as well as our hosting of a two-day meeting with banks and civil society representatives to discuss topics related to biodiversity, human rights and climate change.

Further information can be found at:

[www.credit-suisse.com/
riskmanagement](http://www.credit-suisse.com/riskmanagement)



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Responsible Investment Products and Services

The demand from clients for products and services that consider environmental, social and governance criteria is rising steadily. At Credit Suisse, we offer investors a broad range of investment products and services that aim to benefit society and the environment.

A growing number of individual clients, charitable foundations and institutional clients such as pension funds are seeking to combine financial returns with positive social or environmental impacts. In 2017, Credit Suisse continued to expand its range of products and services that focus on environmental and social benefits. They also help to increase transparency through data on environmental, social and governance (ESG) factors as well as aiming to improve risk management in client investment portfolios.

Our responsible investment products and services cover a variety of asset classes and various risk/return profiles. To further facilitate projects and initiatives that have a positive economic and social impact, we established the [Impact Advisory and](#)

[Finance Department \(IAF\)](#) in 2017. We also partner with experts from research institutes, NGOs and leading think-tanks to enhance our approach, and we conduct in-house research related to sustainability topics. Furthermore, we provide training for relationship managers in this area, and we aim to contribute to international developments such as the UN Sustainable Development Goals (SDGs) introduced in 2015 and the Paris Agreement, which entered into force in 2016 and aims to strengthen the global response to climate change.

We design products and services that are based on our [Philanthropy & Sustainable Investment \(P&SI\) approach](#). The relevant teams help clients to consider social and environmental objectives when

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managing their wealth by, for example, investing in products in impact investing areas such as micro-finance, or by integrating sustainability criteria into their investment portfolios. At the end of 2017, **more than CHF 22.7 billion of assets were invested according to sustainability criteria at Credit Suisse.**

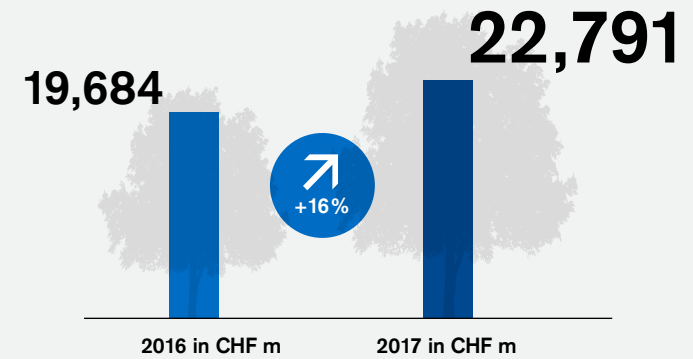
Further information:
 ↘ see chart

Sustainable Investment

Sustainable investment has been a fast-growing market segment in recent years, with an especially strong increase in demand from institutional investors, charitable foundations and younger clients. Institutional investors in particular have been identified in studies by think-tanks and academics as driving the increasing demand for sustainable investment.

Credit Suisse offers solutions that incorporate ESG criteria into the investment process and decisions as an integral part of our approach to wealth management. Our sustainable investment offering comprises portfolio solutions as well as products across a range of asset classes, including equities, fixed income, real estate, alternative investments, thematic investments and index solutions. We also provide strategic advice and portfolio health checks as well as investment advice based on sustainability criteria to clients, produce individual sustainability portfolio reports and organize events with clients and other stakeholders on the topic of sustainable investment.

Assets Invested According to Sustainability Criteria¹



¹ Includes assets that meet sustainability, or environmental, social and governance (ESG), criteria, including positive and/or negative screening, and that consider social and/or environmental impacts.

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. We are involved in organizations such as Swiss Sustainable Finance (SSF), Sustainable Finance Geneva and the Forum Nachhaltige Geldanlagen (FNG), a professional association for sustainable investments in Germany, Austria and Switzerland.

We also contribute to the dialogue on developments in the sustainable investment space. For example, in



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2017 we hosted an expert panel at our offices in Hong Kong. Its focus was on market trends and on policy and regulatory aspects of how the Zurich and Hong Kong financial centers can support the SDGs – especially in terms of promoting investment opportunities.

Credit Suisse also regards sustainability as an essential requirement in the management and development of the properties within our various real estate products. Credit Suisse Global Real Estate (formerly Real Estate Investment Management) has over CHF 44.6 billion of assets under management as of end-2017 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. 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. In addition, Global Real Estate takes account of global climate, energy and renewable energy targets, and it complies with the corresponding regulatory requirements.

To systematically assess its sustainability performance, Global Real Estate regularly participates in the Global Real Estate Sustainability Benchmark

(GRESB). Currently, more than 850 real estate fund managers and real estate companies benchmark their real estate assets through the GRESB platform, representing properties with a total value of over USD 3.7 trillion. In 2017, Global Real Estate achieved 14 GRESB Green Star awards in recognition of its sustainability performance.

Impact Investing

2017 marked the 15th anniversary of impact investing at Credit Suisse. The bank has played a pioneering role in this area, which is expected to grow significantly in the future. Impact investing is about actively placing capital in enterprises that generate a financial return and make a measurable, positive impact on society and/or the environment.

Credit Suisse's impact investing business includes around USD 3.3 billion of assets under administration¹ and over USD 670 million in client holdings. To mark our 15th anniversary of operating in this sector, we held around 40 events across the globe, including the Credit Suisse Salon, a thought leadership event, which in 2017 focused on the topic of achieving impact through philanthropic and investment activities.

In 2017, we established the Impact Advisory and Finance Department (IAF), which aims to facilitate projects and initiatives that have a positive economic and social impact as well as generating a financial return. IAF reports directly to the CEO and directs

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



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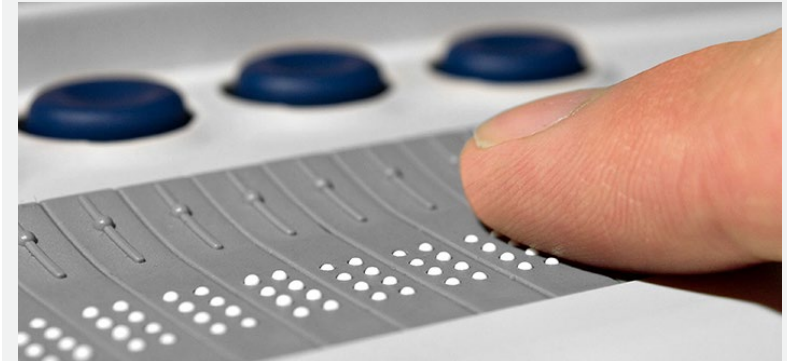


and coordinates activities across the Group. By enabling and advancing impact investing and sustainable business activities across the Group, IAF seeks to benefit wealth management, institutional and corporate clients.

Impact investing activities 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. Our six Higher Education Notes, the latest two of which were launched in 2017, are an example of these activities. In addition, we 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. Credit Suisse is also a co-founder of the Sustainable Finance Collective Asia initiative, which aims to accelerate the funding of circular economy, sustainable energy and positive social impact projects.

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 2016, we were one of the four founding members of a cross-sectoral initiative – the Coalition for Private Investment in Conservation (CPIC) – that is focused

Barrier-Free Access at Credit Suisse



We consider it vital to make our products and services accessible to all our clients. We therefore assign high priority to employee training to ensure that Credit Suisse employees can respond effectively to the needs of clients with disabilities. To make it easier to communicate with clients with hearing impairments at bank counters and in meeting rooms, all Credit Suisse branches in Switzerland are equipped with mobile induction loops that filter out background noise. We have also installed 491 talking ATMs across Switzerland. Voice output in English, German, French and Italian is triggered automatically when clients plug their headphones into one of the machines. At 74 locations across Switzerland, ATMs have been positioned at a height that makes them easily accessible to wheelchair users. We are also taking steps to adapt our premises to give people with restricted mobility barrier-free access to our branches and office buildings. In addition, Credit Suisse supplies bank statements in braille or large print upon request and – thanks to new technologies (e.g. magnification software) – offers barrier-free access to online information and applications for employees with visual impairments.

credit-suisse.com/accessibility



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Philanthropy & Sustainable Investment at Credit Suisse (P&SI)

Philanthropy

- **Individual or family charitable structures:** We offer solutions for the establishment and management of a client's charitable structure. These solutions may include input into the governance framework and services relating to investment strategy and asset management.
- **Charitable client foundations:** Accentus, Empiris, Symphasis and SymAsia: an alternative for clients to creating a charitable foundation of their own. This offering is targeted at clients who prefer to delegate the setting-up and management of their charitable foundation yet still wish to determine the projects supported. Credit Suisse assumes the foundations' operating costs. More information is available at: [credit-suisse.com/clientfoundations](https://www.credit-suisse.com/clientfoundations)

Social and environmental impact

Impact Investing

- **Financial inclusion:** The provision of access to financial services for people at the base of the income pyramid. We have been a leader in micro-finance and financial inclusion since 2002, with around USD 2.9 billion of assets under administration, of which around USD 413 million are client holdings that are used to fund microfinance institutions. This includes a range of investments for private and institutional clients. We also offer several global microfinance funds, structured products and a private equity fund of funds. More information is available at: [credit-suisse.com/financialinclusion](https://www.credit-suisse.com/financialinclusion)
- **Higher education:** Support for high-potential students from underprivileged backgrounds. We provide them with access to a college education through investment products, thus giving them better employment prospects and opportunities to earn a higher income. More information is available at: [credit-suisse.com/highereducation](https://www.credit-suisse.com/highereducation)
- **Conservation finance:** 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. More information can be found at: [credit-suisse.com/conservationfinance](https://www.credit-suisse.com/conservationfinance)
- **Fair agriculture:** We promote responsible production methods by supporting smallholder farmers in achieving better trading conditions and by guaranteeing a minimum price for their produce.
- **Social enterprises:** Financial support for small and medium-sized businesses that pursue social objectives.

Social and environmental impact + financial return

Sustainable Investment

- **Sustainable portfolio solutions:** Based on each client's values and objectives, we offer sustainable investment solutions that take account of sustainability criteria to combine the goals of financial returns with social and/or environmental impact. This offering includes strategic advice, portfolio health checks, advisory and discretionary mandate solutions and individual sustainability portfolio reports. When screening and constructing portfolios, we use a combination of sustainable investment approaches. The exclusion approach avoids investments in companies tied to certain areas of business that may be considered controversial from an ESG perspective, such as gambling. The norm-based approach reduces a portfolio's exposure to companies involved in controversial activities. The best-in-class approach identifies companies that perform well in terms of ESG criteria within a peer group by assessing their ability to successfully manage ESG issues such as CO₂ emissions or labor standards. The portfolio's sustainability profile may be further improved through investments that are related specifically to sustainability aspects such as energy efficiency, water, education or health care.
- To complement our solutions offering, we have also addressed the topic of sustainability through single **sustainable investment products**, such as the Credit Suisse (CH) Sustainability Fund Balanced CHF, the Credit Suisse (Lux) European Climate Value Property Fund, the CSIF (Lux) Equities Emerging Markets Sustainability Blue, and the CSIF III World ex CH Sustainability Index Blue – Pension Fund.
- Credit Suisse **Global Real Estate** (formerly Real Estate Investment Management) regards sustainability as an essential requirement when managing and developing its real estate holdings. Its active sustainability strategy is designed to address challenges in a business increasingly impacted by stricter regulation.



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on delivering novel investment blueprints to bring more private capital into conservation finance. As a member of the CPIC Steering Committee, we supported the coalition in its initial activities and co-led its efforts to develop investment blueprints in sustainable fisheries. In 2017, we held the fourth Annual Conservation Finance Conference in New York City, the biggest annual event in the sector. Furthermore, we have expanded our role as advisor to ultra-high-net-worth individuals in conservation finance.

We conduct a range of activities in green finance to achieve a positive impact on the environment while also creating financial value for our clients. For example, we helped the Swiss waste management company “Helvetia Environnement” to place its first corporate green bond in 2017, and we supported the Swiss Canton of Geneva in issuing the first municipal green bond denominated in Swiss francs. We also offer [green finance products and services](#) across a wide range of asset classes in wealth management and investment banking.

In 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 3.3 million people in 2017. We provide a range of advisory services and capital market transactions, as well as offering several global microfinance funds, structured prod-

ucts and 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). We also work with the Global Impact Investment Network (GIIN) on a number of projects, including in microfinance. 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 through our partnership with Accion’s fintech accelerator Venture Lab.

Philanthropy

In the area of philanthropy, Credit Suisse works with clients to help them incorporate their personal values and objectives into their philanthropic engagements and investment strategy. We provide a set of tools designed to contribute to making a measurable

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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 114 million to over 2,600 charitable initiatives worldwide, and in 2017 they carried out 330 projects in developing countries and in Switzerland. In Asia, SymAsia has received around USD 84 million of donor-advised funds and has gifted around USD 42 million since it was established in 2010.

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 areas such as solar, wind, geothermal, biomass, biofuels, fuel cells and energy efficiency. In 2017, Credit Suisse served as sole structuring agent and sole bookrunner on Sunnova's inaugural USD 255 million securitization, Dividend Solar's inaugural USD 129 million securitization, and Tesla Energy's USD 340 million solar securitization, the largest completed in the market to date. Credit Suisse

also structured and placed two additional securitizations in 2017 to reach a total of USD 1 billion of asset-backed securities issuance supported by loans, leases, and power purchase agreements. In addition, Credit Suisse put in place USD 600 million in solar asset-backed warehouse capacity.

Since 2009, a total of around USD 3 billion of capital has been committed to 22 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 2016 was a USD 300 million residential solar fund with SolarCity, which was subsequently acquired by Tesla. In 2017, we continued to deploy capital to commercial and industrial solar funds set up with Onyx and Tesla.

Research

Throughout 2017, we conducted sustainability-related research across our divisions. Investment Strategy & Research within Investment Solutions and Products – a division within International Wealth Management – published several research updates on sustainability topics. In May 2017, the team launched a set of research themes called Supertrends. These are long-term trends we expect to be of importance particularly to investors with a multi-year investment horizon. Many of these Supertrends span a range of sub-themes. For example, the Millennials Supertrend takes account of developments in the areas of



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sustainable businesses, clean energy and social enterprises. In addition to the Supertrends, Investment Strategy & Research also published an analysis of electric vehicles and maintains investment lists of companies that achieve high ESG ratings.

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 or 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 2017, one of our core research publications for clients 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 2016 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. Credit Suisse HOLT, a team in Equities 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. Investors gain insights into a firm's strategy, changes to that strategy and the quality of its board. The team is now extending its systematic scoring to look at a company's quality and valuation exposure to carbon emissions. This new tool aims to enable investors to assess the significance of companies' greenhouse gas emissions by gauging emission intensity and quantifying the impact of carbon costs on return on capital. The tool can be used to study individual companies, build custom scorecards around carbon metrics and financial metrics and analyze portfolios against benchmarks.

This chapter addresses the following issues:

- 9 Responsible Investments
- 13 Quality and Range of Services and Advice

□ credit-suisse.com/responsibility/banking

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information:**
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Challenge and Response 2017

Challenge: To make more balanced and sustainable use of the world's natural resources, there is a clear need to access new sources of energy, raw materials, and clean technologies. The financing of investments that support environmentally sustainable development – a sector known as green finance – is thus gaining 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. In the area of wealth management, for example, our offering 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 has been involved in around 100 transactions with a value of USD 77 billion in the area of renewable energy since 2010. Furthermore, we supported clients on a number of green bond issuances in 2017. 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. 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.



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Our Role in the Economy and Society

By conducting our business responsibly and efficiently, we create value for our clients and shareholders. Through our activities, we also seek to make an important contribution to the functioning of the economy and strive to play a constructive role in society.

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 an important 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. We are dedicated to serving private, corporate and institutional clients in Switzerland. Credit Suisse is a trusted financial partner to around 100,000 companies or around 1 in 3 businesses in Switzerland. The majority of Credit Suisse's corporate clients



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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 assist these companies through 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. In total, Credit Suisse had around CHF 158 billion of loans outstanding in Switzerland at the end of 2017, including mortgages and loans to private companies, the public sector and private clients. Credit Suisse is also a long-term strategic financial partner to a number of multinational foreign companies that are domiciled in Switzerland.

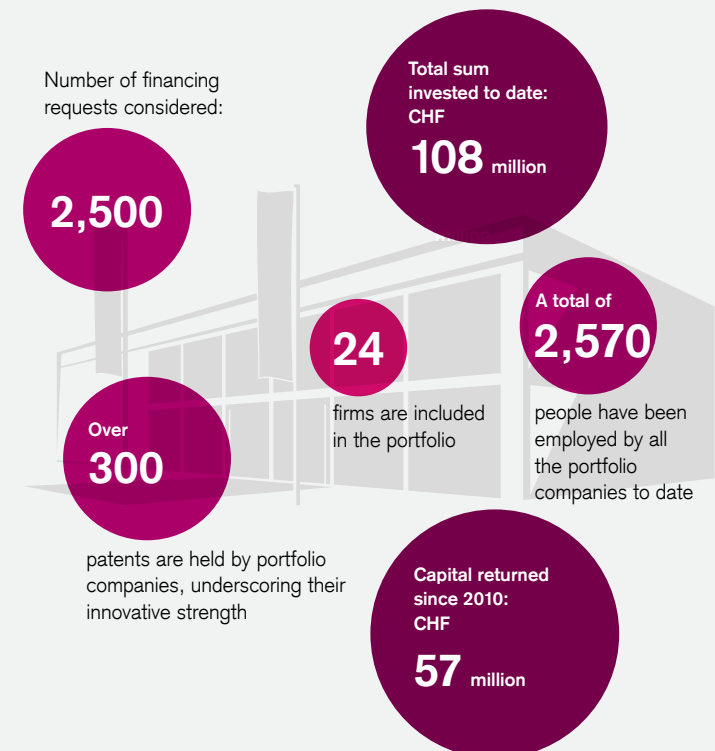
Risk Capital for Growth and Innovation

SVC – Ltd. for Risk Capital for SMEs was founded by Credit Suisse and the Swiss Venture Club in 2010. The Credit Suisse subsidiary invests venture capital in innovative small and medium-sized enterprises (SMEs) with growth potential. For seven years, SVC – Ltd. for Risk Capital for SMEs has helped to support and strengthen the Swiss entrepreneur landscape, producing positive overall results. It has provided a total of CHF 108 million of venture capital to 44 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 TradePlus24 Ltd., a fintech specialist lender that offers a simple new way for companies to increase their working capital and lend against their global accounts receivable in a fully automated way, and ScanTrust, which aims to put an end to product piracy with a copy-proof QR code. Both firms are now well prepared to further grow their business with the support of SVC – Ltd. for Risk Capital for SMEs. More information is available at:

svc-riskcapital.ch

SVC – Ltd. for Risk Capital for SMEs:

Key figures for 2010–2017





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As the “Bank for Entrepreneurs”, we offer a broad range of products and services such as business succession planning or international business transactions, as well as our entire expertise from across investment banking and wealth management, to serve both the corporate and private financial needs of entrepreneurs.

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 0.4 billion in 2017 alone.

We also make a contribution as a client and contractual partner. Credit Suisse purchased about CHF 5.9 billion of goods, services and licenses from suppliers around the globe in 2017. 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 now embedded in day-to-day sourcing

and vendor management processes to assess risks when conducting business with suppliers.

In addition, **Credit Suisse 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 46,840 employees in around 50 countries worldwide. Around 16,490 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](https://www.credit-suisse.com/network)

Further information:
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Further information:
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Supporting the Swiss Political System



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, Swiss members of parliament are not professional politicians and the parties do not receive state funding.

Credit Suisse helps to strengthen this system of politics and to promote political diversity by making financial contributions available to political parties that request funding, irrespective of their political agenda and position. This financial support does not give rise to any obligations among 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 cantonal and federal level: 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 functions of state. Credit Suisse makes a maximum of CHF 1 million of financial support available each year for this purpose. This commitment is reviewed regularly. This support is exclusive to Credit Suisse’s home market; Credit Suisse does not offer financial support to political parties in other countries. In the US, however, employees have the option of making voluntary private donations within the bank through a Political Action Committee.

Holders of Public Office

Credit Suisse offers working time arrangements to employees in Switzerland 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 around 380 employees who hold an elected public office. This annual event enables them to take part in workshops and to engage in discussions with their colleagues and Credit Suisse’s top management. In 2017, the event centered on the theme “Digital and Analog Challenges in Local Politics”. After a welcome speech by Urs Rohner, Chairman of the Board of Directors of Credit Suisse, the participants elaborated on various topics in workshops led by Credit Suisse’s Talent Development Team.



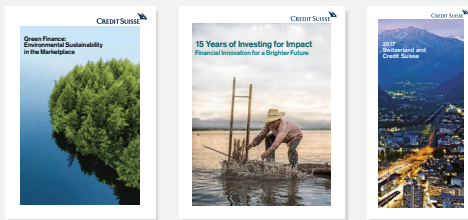
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We also contribute to the public debate by producing publications, analyses and specialist articles on economic, political and social issues, as well as by commissioning studies from independent research institutions on a range of topics. One example 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 2017 survey revealed that retirement provision ranks as the main worry among Swiss voters, followed by unemployment. More information on these publications is available at:

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



Publications on topics ranging from Green Finance to Credit Suisse's role in Switzerland are available at:

- credit-suisse.com/publications

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 three 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 Financial and Political System Stability
- 3 Company Performance and Strategy
- 14 Contribution to the Economy
- 15 Social Commitments

- credit-suisse.com/responsibility/society

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Further information:
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Combating Youth Unemployment

Check Your Chance is an association launched by the bank and the SVC Foundation for Entrepreneurship and six non-profit organizations in 2015 to continue the successful work of Credit Suisse's Youth Unemployment Initiative in cooperation with partner organizations. In 2017, Check Your Chance which is supported by the Swiss State Secretariat for Economic Affairs (SECO), provided assistance to around 1,100 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 as well as successful interview techniques. In this way, the association can help young people to avoid the financial and social challenges of long-term unemployment. In 2017, Check Your Chance successfully launched the first national helpline 0800 GO4JOB in order to establish early contact with young people at risk of unemployment and with their parents and teachers.

check-your-chance.ch

Challenge and Response 2017

Challenge: Developments surrounding the UK's expected withdrawal from the EU, the new Administration in the US and increased competition between financial centers shaped the global operating environment for banks worldwide in 2017. How did Credit Suisse contribute to the debate about these topics?

Response: We continued to engage in a constructive dialogue with regulators, policymakers, standard-setting bodies, trade associations and other relevant stakeholders in 2017. As part of these efforts, we published reports on topics including competitiveness and digitalization. We also participated in various working groups aiming at enhanced framework conditions in their respective jurisdictions. For example, Credit Suisse was a member of working groups in Switzerland and also in the UK where the focus was on challenges surrounding "Brexit". We additionally provided input on proposals about future financial market regulation made by the new Administration in the US.



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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 socio-economic 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 to contribute to the achievement of the United Nations' **Sustainable Development Goals (SDGs)** through our global and regional initiatives. We make effective use of our social and financial capital to not only have a positive impact on society but also on employees and our core business.

Further information:
↳ see p. 72

Social Impact: Inclusive Growth through Education and Access to Financial Services

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

Non-profit Board Service Program

At Credit Suisse we believe that by coupling financial contributions with the expertise of our employees, we are better able to strengthen the capacity of non-profit organizations (NPOs). Our Non-profit Board Service Program, which was launched in the US in 2009 and rolled out globally in 2015, offers training and placement assistance to employees interested in serving on the boards of NPOs, as well as additional support and resources for existing board members. Not only does non-profit board service add value to 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 2017, over 410 employees participated in our program, and 280 of them received training.



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Further information:
see boxes on p. 45–47

have the potential to increase our impact beyond the funding of long-term partnerships with selected organizations through our most valuable asset – our employees. As a result, we have defined three focus themes for our social commitments: **Education**, **financial inclusion** and **employee engagement**.

Employees: Expertise, Development, Commitment

Our employees play an integral part in our social commitments, dedicating over 184,500 hours of their time and expertise in 2017. As part of the bank's Human Capital Strategy, we allow each employee to devote up to four days per year to support social projects run by our partners in the communities where we live and work.

In 2017, 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 2017, our employees around the world dedicated over 65,700 hours to skills-based volunteering. These volunteering efforts also help to strengthen the bank'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 an increase in our employees' satisfaction at work.

Education

Education drives economic empowerment and social mobility. Our Global Education Initiative and our regional education activities support programs that improve access to and the quality of educational opportunities. For example, we support the KIPP Foundation in the US, City Year UK in the United Kingdom, and Teach For All in several countries in their efforts to provide new opportunities to disadvantaged young people. As part of our Global Education Initiative, we also partner with Plan International, Aflatoun International and – since 2017 – with our long-standing partner Room to Read on our Financial Education for Girls signature program. As a global financial institution, we see first hand how important financial skills are in allowing people to actively participate in the economy and society. The Financial Education for Girls program aims to improve the financial education and life skills of approximately 100,000 adolescent girls in Brazil, China, India, Rwanda, Sri Lanka and Tanzania, and to encourage them to transition through secondary school. 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 2014–2017

1,495

schools have benefited from our support

3,458

teachers have been trained

94,246

adolescent girls worldwide have benefited from financial education and life skills classes



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Increasing Impact through Our Core Business, Clients and Partners

The teams managing our two global initiatives in financial inclusion and education work closely with internal specialist units to provide philanthropic advice and services to our clients and develop impact investing products to further increase their combined social impact. 2017 marked the 15th anniversary of microfinance and **impact investing** at Credit Suisse, a field in which the bank has long been a pioneer. This achievement was celebrated with a series of approximately 40 events around the world, including the Credit Suisse Salon with Credit Suisse CEO Tidjane Thiam, human rights lawyer Amal Clooney and World Bank President Jim Yong Kim. Through impact investing, we give clients access to alternative investments that not only generate a financial return but also 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 and awareness-raising programs. In Switzerland, clients and employees also have the option of supporting selected partner organizations through Micro-Donations; 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. In 2017, we further extended the selection of participating organizations to 20.

Further information:
↘ see p. 30–33
and p. 48

Financial Inclusion

Credit Suisse is a leader in the field of financial inclusion and microfinance and, at end-2017, had around USD 2.9 billion of assets under administration¹ used for the financing of microfinance institutions. 2017 marked the 15th anniversary of Credit Suisse's commitment in this field (see pages 30–33 and 48). In addition to capital, microfinance institutions also need talent and know-how to be able to scale up their activities responsibly with diverse products and services. Our Financial Inclusion Initiative (FII; formerly Microfinance Capacity Building Initiative; renamed to reflect the increasingly diverse nature of the industry) focuses on strengthening these institutions' ability to serve the financially excluded through the development of financial products and services in areas such as financing for agriculture and smallholder farmers, the construction of homes and the funding of education as well as the provision of financial services for women. Further information can be found at:

☐ credit-suisse.com/financialinclusion



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



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This chapter addresses the following issues:

- 13 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

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 provides employees with the opportunity to leverage and develop their talents while at the same time building the capacity of our partner organizations in the areas of education and financial inclusion. Assignments in this leadership development program last from one week to three months and have become an important component of the bank's learning and development offering. Since its launch in 2010, more than 305 employees have gone on assignment in 50 countries around the globe. More information is available at:

credit-suisse.com/responsibility/gcp

Employee Engagement

Volunteering Worldwide – Selected Figures for 2017





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Driving the Sustainable Development Goals through Financial Services and Education

Since 2015, the public and private sector have joined forces to deliver the United Nations' SDGs. Although they do not constitute an SDG themselves, financial services – at both a micro and macro level – are key enablers of the goals. Financial innovation is needed to fill the USD 2.3 trillion funding gap at the macro level. At the same time, access to new and diverse financial services at the micro level is essential in order for low-income families to access education, health care, housing and employment. At Credit Suisse, we believe that we can make a positive contribution to financial inclusion by promoting better access to financial services and by supplying capital to companies whose offerings help to address global challenges through impact finance. Together with our partners, we develop both investment products covering a broad spectrum of themes and banking products for people at the base of the income pyramid.

Our Global Education Initiative and our Financial Inclusion Initiative funded by the Credit Suisse Foundation are two of the bank's programs that support the realization of the SDGs. Together, these initiatives and many of our investment vehicles serve thousands of clients and have billions of dollars of assets under administration. In addition, our employees share their expertise with our partners through programs such as the Global Citizens Program and Virtual Volunteering, thus facilitating the exchange of knowledge between the global financial world and local organizations. 2017 marked the 15th anniversary of microfinance and impact investing at Credit Suisse. To underscore our commitment to addressing social challenges through impact finance, we recently created an Impact Advisory and Finance Department, reporting directly to the Group CEO. This is expected to help expand our impact investing and sustainable development activities and allow us to continue to drive product innovation for our clients and society as a whole.



Challenge and Response 2017

Challenge: How does Credit Suisse make sure its activities have positive social impacts where they are needed most and, at the same time, are relevant to the bank and its clients?

Response: In a rapidly changing industry and society, we not only adapt to shifting requirements but also aim to play an active role in shaping them. For example, that 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 2017, for example, we joined forces with Pro Juventute, a charitable foundation dedicated to supporting the rights and needs of Swiss children and young people, to publish the first Swiss research study on pocket money in the context of the launch of Viva Kids. This new offering includes a digital piggy bank – “Digipigi” – and aims to increase the financial literacy of children. We also conducted a global research project to examine the most effective approach to improving the financial education and life skills of girls in particular, thus further strengthening our programs and advancing knowledge-sharing on this topic.



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Selected projects in 2017¹



Skills-Based Volunteering in Asia Pacific

In the Asia Pacific region, we strive to provide both extra hands and skills-based volunteering for our charity partners through our various employee engagement opportunities. In Singapore in 2017, for example, Credit Suisse supported an entrepreneurship program with the Halogen Foundation, an initiative aimed at improving the business skills of young people between the ages of 15 and 19 from disadvantaged communities. Over 100 Credit Suisse employees volunteered approximately 300 hours of their time over the course of 8 months to coach 36 students on their business plans and presentation skills, supporting them in acquiring skills that are expected to help them to enter the workforce and contribute to society. This is in line with Credit Suisse's commitment to supporting entrepreneurs at all levels.



Strengthening the Capacity of Non-profit Organizations in the US

In the US, we aim to strengthen the capacity of NPOs through a comprehensive range of volunteer and financial support. Building on our existing programs (see page 44), Corporate Citizenship Americas conducted a survey of the professional development requirements of our partner organizations and, together with Credit Suisse Leadership Development staff, developed a curriculum to meet these needs. Via the resulting five-part training program, a team of employees from Human Resources made their specialist skills available to our partners. The first of these workshops focusing on new managers was held in December 2016, with the bank staging a further four training sessions in the first quarter of 2017. The topics covered were: How to conduct difficult discussions, conflict management, people management during change processes, and coaching skills for managers. In total, 114 employees from 22 of our partner organizations participated in the training.



Partnering to Address Inequality in Arts Education in the UK

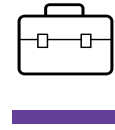
In the UK, our efforts focus on education and support for children and young people from disadvantaged backgrounds. Building on the bank's sponsorship relationship with the National Gallery and the Credit Suisse EMEA Foundation's founding partnership with City Year UK, Credit Suisse supported the design and delivery of a collaborative education outreach program to tackle the inequality that exists around access to the arts. The program gives disadvantaged young people access to the gallery's collection, facilitated by expert educators from the Gallery as well as trained City Year UK volunteers. Over 50 students participated in the program during the 2016–2017 school year. The benefits of the program are twofold – pupils are given the freedom to explore their creativity in ways that have a positive impact on their critical thinking skills and confidence, while City Year UK volunteers develop leadership and creative skills as well as their confidence in talking about art. The program has also inspired the National Gallery to review its educational offering, culminating in new thinking around working with targeted schools in disadvantaged communities.



Collaboration with Strategic Partners in Switzerland

In Switzerland, we work with over 80 NPOs to help those in need and to address major social challenges. Thanks to the dedication of our employees and clients, we are able to provide our partners with valuable professional skills, labor, and financial support in the form of donations. We have been cooperating with the Swiss Red Cross and Pro Juventute, particularly at the strategic level, in developing additional opportunities for volunteer work, for example. In connection with our core topic of financial education, we joined forces with Pro Juventute to publish the first comprehensive Swiss survey on pocket money. In addition, through various programs we are continuing our efforts to combat youth unemployment and to teach children and young people about financial matters and debt prevention.

¹ For a list of additional regional projects in 2017, see: [credit-suisse.com/responsibility/projects](https://www.credit-suisse.com/responsibility/projects)



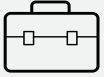
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Responsibility as an Employer

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 banking solutions and 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 for our clients.

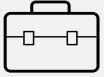
Conduct and Ethics Standards

The way we interact with clients, external stakeholders and each other is of key importance for the delivery of our strategy. At the same time, share-

holders, clients, employees, legislators and policy-makers are focusing increasingly on the ethics, behavior and integrity of banks. We have therefore implemented a new governance framework that defines how we manage conduct and ethics at Credit Suisse. This framework includes a Group Conduct and Ethics Board (CEB) as well as dedicated divisional CEBs and a joint CEB for our corporate functions. In early 2017, we introduced a set of [six Conduct and Ethics Standards](#) to the broader organization to ensure a common understanding and consistent expectations in respect of our culture and conduct. The initiative is sponsored by the Board of Directors and the Executive Board of Credit Suisse, underscoring its strategic importance to the bank.

Our Conduct and Ethics Standards are embedded in our core HR processes, such as performance management, recruitment, promotion, development and the disciplinary process. The Executive Board has participated in a series of videos offering its endorse-

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ment and views on each of the standards to all employees. Additionally, with the introduction of the Credit Suisse Employee Award based on our Conduct and Ethics Standards, we seek to recognize employee engagement and to drive the further implementation of these behavioral standards throughout the bank.

A Culture of Performance and Development

Our employees' performance objectives are aligned with the bank'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. In 2017, we replaced the existing competency model with the new Conduct and Ethics Standards to ensure employee performance is measured against our expectations in respect of conduct and culture. Our globally consistent performance management process better enables line managers to assess the performance, the behavior and the development potential of employees on an annual basis. In 2017, we again assessed the potential of our employees in order to effectively manage our pool of talent and support individual development. Line managers complete various training courses in which they learn how to give team members the best possible support to achieve their professional objectives. 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 and towards regulators. Our [compensation plans](#) are aligned with our strategic ambitions and developed in close consultation with shareholders and in accordance with regulatory requirements.

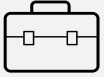
Leadership Development

Leading by example is of key importance when it comes to promoting a strong corporate culture and the achievement of our business objectives. In 2017, we introduced a new approach to developing our leaders. One of its key components is the Management Excellence Program, a mandatory program for all new managers at the bank. In addition, a global and cross-divisional curriculum provides targeted leadership development opportunities for experienced managers. All new programs are based on the Conduct and Ethics Standards and our Credit Suisse-specific leadership model, the Leadership Code. Both curriculum components provide a framework for expected leadership behavior, help to build the leadership culture at Credit Suisse and foster the development of leadership skills. The programs encompass a blend of modular classroom training, e-learning, mentoring and coaching, work in study groups, assessments and networking opportunities.

Client Skills and Compliance

Our training and development programs enable us to enhance the quality of our service and advisory

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offering, and to continuously adapt our business to evolving market and client needs. Our One Curriculum training program provides a comprehensive onboarding plan for our employees in our Swiss Universal Bank and International Wealth Management divisions, offering information and training about specific products, solutions and advisory, as well as giving an insight into compliance and risk. Our Conduct and Ethics Standards are also an integral part of this onboarding program.

Since 2017, our front-facing employees have been required to complete the Swiss Association for Quality (SAQ) certification. This intensifies the cooperation between Swiss banks and institutions in the area of professional development. To date, around 1,900 Credit Suisse employees have obtained SAQ certification and more than 500 candidates are currently going through the certification process. Credit Suisse offers its employees a wide range of training programs involving traditional classroom instruction, e-learning, video-based courses and online learning communities. Additionally, employees can complete training programs on their mobile devices, enhancing the user experience and offering short training sessions. In 2017, we launched over 70 new mandatory e-learning programs for regulatory topics such as financial crime, operational risk management, and compliance with our Conduct and Ethics Standards. Our relationship managers complete courses on cross-border business activities as

well as on changing EU requirements such as the EU Markets in Financial Instruments Directive (MiFID) II. In 2017, each employee completed at least six mandatory training modules, depending on their area of responsibility.

Talent Development in 2017

64,300 participants in instructor-led courses

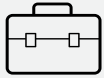
51,100 classroom-delivered training days

580 classroom leadership training sessions

17 hours of training per employee (average)

81% level of satisfaction among course participants (average)

741,400 participants in e-learning courses



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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 179 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. A list of the organizations, initiatives and events we supported in 2017, as well as further information, can be found at:

credit-suisse.com/responsibility/partnerships

Advancement of Women

We recognize the positive impact of gender diversity and we therefore want to ensure we have appropriate female representation in management positions. In June 2016, Credit Suisse signed the Women in

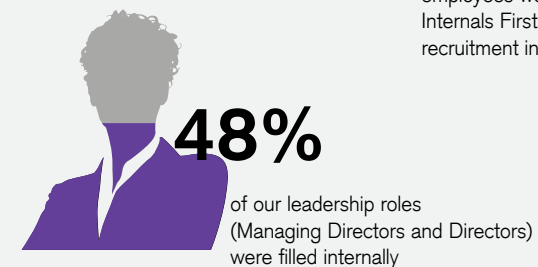
Finance Charter, a pledge to support the progression of women into senior roles across our UK legal entities. More information can be found at:

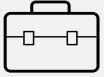
credit-suisse.com/responsibility/mentoring

Internal Mobility

Internal mobility is an essential part of building a career at Credit Suisse. We encourage our employees to explore opportunities in new business areas, to expand their knowledge of the bank by taking on new roles, or to move to a different country to continue developing their skills and interests. We strive to reward employees who are committed to our diverse cultural values, have a proven track record and are willing to take on new challenges.

Key Figures for 2017





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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. An example is our award-winning Steps to Success program, now in its fifth 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. We deliver university courses including the Financial Risk Analytics and Business Management course at BITS Pilani, India, and we conduct 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. Additionally, we develop and support our youngest employees. Credit Suisse apprentices went on assignment to Wrocław, Shanghai and New York in 2017 to work on projects and to increase their multicultural competencies.

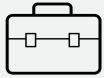
In 2017, we also ran coding competitions around the globe to encourage the best developers to embark on a career in financial technology. In our Swiss home market, where Credit Suisse is one of the country's biggest employers, we offer opportunities for a large number of young people who are interested in starting a career in banking.

Population of Young Talents and Campus Recruits in Our Swiss Home Market in 2017

| | |
|---------------------------------|--------------------------------------------------------------------------------------|
| 315 | students in a Career Start Program |
| 222 | internships (from 12 weeks to 6 months) |
| 601 | Young Talents ¹ (commercial and IT apprentices, HMS and Junior Banker) |
| 68 | high school graduates |
| 533 | commercial and IT apprentices ¹ |
| in total 1,138 | young people in education benefited from a structured training program ² |

¹ including Neue Aargauer Bank

² including Career Starter, internships, Junior Banker and apprenticeships



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Employee Facts and Figures

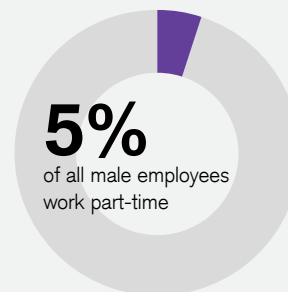
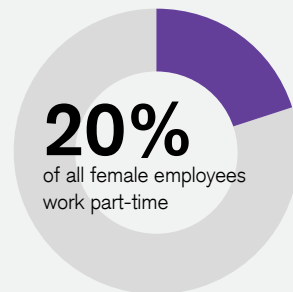
as of December 31, 2017

46,840 employees with permanent contracts (full-time equivalents)

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

38% proportion of female employees (number of employees)

20% proportion of women in senior management positions (Managing Directors and Directors)



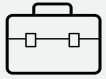
Proportion of women: Board of Directors/Executive Board

2 of 12 members of the Board of Directors

1 of 11 members of the Executive Board

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, allows employees to choose their workspace based on their needs at a specific point in time. Approximately 15,000 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 the safety of our office environment. Subject matter experts ensure that continuous safety improvements are put in place to ensure we are 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.



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In 2016, Credit Suisse in Switzerland was also recognized with the “Friendly Work Space” label from Health Promotion Switzerland (Gesundheitsförderung Schweiz), indicating the successful implementation of Corporate Health Management.

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

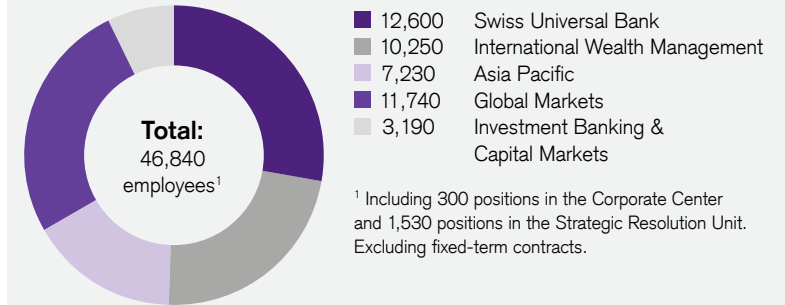
This chapter addresses the following issues:

- ① Culture of Compliance and Conduct
- ⑧ Human Resources and Talent Management
- ⑫ Incentives and Compensation Policy
- ⑬ Quality and Range of Services and Advice

Number of Employees

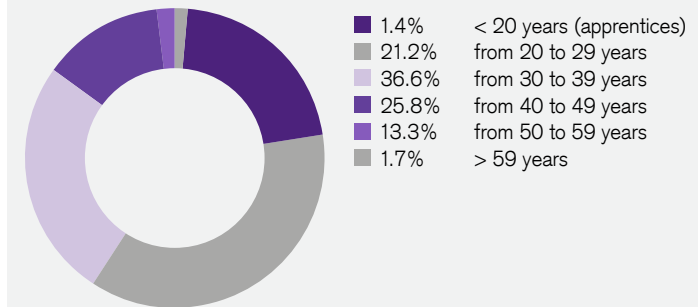
Full-time equivalents as of December 31, 2017

By division



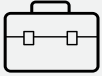
¹ Including 300 positions in the Corporate Center and 1,530 positions in the Strategic Resolution Unit. Excluding fixed-term contracts.

Employee age structure



Employee Turnover

| 2017: | | 2016: | |
|--------------|----------------------|--------------|----------------------|
| 11.1% | voluntary turnover | 10.0% | voluntary turnover |
| 5.1% | involuntary turnover | 5.6% | involuntary turnover |



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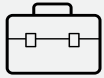
Impact of Cost Reduction Measures

When we outlined our new strategy in October 2015, we announced the implementation of targeted efficiency measures to reduce our fixed cost base, create operating leverage, and free up resources that can be reinvested in growth initiatives and in improving controls. At our most recent Investor Day in November 2017, we confirmed our 2018 adjusted operating cost base¹ target of less than CHF 17 billion, which would result in cumulative net savings¹ of over CHF 4.2 billion since 2015. These cost savings are to be realized through various workforce strategy initiatives, the reduction of business complexity and the exiting of activities that are not in line with our strategy. While lowering costs¹, we are continuing to invest in our client franchise, the implementation of regulatory and compliance requirements, and the further transformation of our technology through digitalization, robotics and automation, as well as in measures to increase efficiency. Credit Suisse aims to operate with a total adjusted operating cost base at constant foreign exchange rates¹ of between CHF 16.5 billion and CHF 17 billion in 2019 and 2020, subject to market conditions and investment opportunities within this range.

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 the search for a new position, 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 offer a good package of measures to assist affected employees. In 2017, we took steps to right-size our workforce in a number of business centers. At the end of the year, our Business Delivery Centers (BDCs) had a total of around 10,000 employees, corresponding to approximately 21% of the bank's global workforce. The BDC model is being further developed with a strategic focus on delivering bank-wide efficiencies.

¹ Our cost savings program is measured using an adjusted operating cost base at constant foreign exchange rates. Adjusted operating cost base at constant foreign exchange rates includes adjustments as made in all our disclosures for restructuring expenses, major litigation provisions, expenses related to business sales and a goodwill impairment taken in the fourth quarter of 2015 as well as adjustments for certain accounting changes (which had not been in place at the launch of the cost savings program), debit valuation adjustments related volatility and for foreign exchange. Adjusted results are non-GAAP financial measures.



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Responsible Approach to Compensation

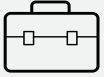
The objectives of the Group's compensation policy include attracting and retaining employees, and motivating them to achieve sustainable results with integrity and fairness.

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.

After we published the 2016 Compensation Report, some shareholders expressed concerns over the amount of variable incentive compensation proposed for the Executive Board. Recognizing these concerns, the Chief Executive Officer and each member of

the Executive Board voluntarily proposed to reduce both their 2016 STI awards and 2017 LTI opportunities by 40%. The Board of Directors also decided to maintain the proposed aggregate amount of Board compensation at the same level as approved by shareholders for 2015 and 2016. All revised compensation proposals were approved by shareholders at the AGM on April 28, 2017. However, the consultative vote on the 2016 Compensation Report resulted in only 58% of votes in favor. Against this background, after his appointment as the new Chair of the Compensation Committee, Kai S. Nargolwala held meetings with shareholders covering approximately 40% of our shareholder base during 2017 in order to understand better their concerns and views on compensation and to gain feedback on proposed changes to our compensation design. In its comprehensive review of our overall compensation framework, the Compensation Committee carefully considered the shareholder feedback and was also mindful of the objectives of our compensation strategy. The Compensation Committee decided that the overall compensation framework remained appropriate but refinements were required in certain areas, in particular with respect to the Executive Board, to strengthen the link between delivery of our strategy and our compensation outcomes. Further details on the changes, which are planned to take effect for 2018 and onwards, can be found in the 2017 Compensation Report.

In terms of the 2017 compensation outcomes for the Group, total variable incentive compensation awarded was CHF 3.2 billion, up 3% compared to 2016, after a downward adjustment was applied by the Compensation Committee to take into account →



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the impact of the US tax reform on the Group's 2017 results. In accordance with Swiss law, the Group will submit Board of Directors and Executive Board compensation recommendations for binding votes by shareholders at the AGM in 2018. Comprehensive information on the Group, Executive Board and Board of Directors compensation can be found in the 2017 Compensation Report.

Challenge and Response 2017

Challenge: Make responsible use of resources and ensure that our work is performed by employees in the most appropriate locations. What impact does this have on the structure of Credit Suisse?

Response: In view of the ongoing transformation of the financial services industry, as well as low interest rates and rising costs, we transferred additional services from regional headquarters to our captive Business Delivery Centers (BDCs) around the world in 2017. This meant that we reduced the number of positions in regional headquarters while at the same time moving functions and services to our BDCs, which now account for around 21% of our workforce. Targeted training to further enhance the expertise and management skills of our employees provides increased career development opportunities and helps us to attract and retain the best talent for our BDCs, actively strengthening their role by assigning them functions with greater responsibility.



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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 reduce our environmental footprint.

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. Our “Statement on Sustainability” explains our aims relating to the balancing of economic, environmental and social issues when performing our activities as a bank. [The UN Global Compact](#) and the [Sustainable Development Goals \(SDGs\)](#) adopted by the UN in 2015 are other important points of reference in this area.

Further Information:
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In our banking businesses, environmental aspects are considered when managing transaction-related risks. Applying our Reputational Risk Review Process, we assess whether projects or client activities could pose a major risk to the environment, the climate or biodiversity. To open up sources of capital for the development of future markets, Credit Suisse offers clients a broad range of investment products

and services with a focus on environmental and social themes.

Climate Change

The Paris Agreement to strengthen the global response to the threat of climate change entered into force in 2016. Its overarching aim is to limit the rise in the global temperature to well below 2° Celsius above pre-industrial levels. 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](#).

In addition to our wide range of activities in the area of [green finance](#), we continued to focus on climate issues in risk management in 2017. For example,

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Credit Suisse evaluated possible approaches to addressing the recommendations of the **Financial Stability Board's Task Force on Climate-related Financial Disclosures (FSB TCFD)** published in 2017 and co-signed a public statement of support.

Improving the energy efficiency of buildings is an important component of global efforts to tackle climate change. Around one-third of all global CO₂ emissions originate from the real estate industry. We have been operating on a greenhouse gas neutral basis at all our locations around the globe since 2010 in line with our **strategy to reduce, substitute and offset greenhouse gas emissions**. This allowed us to reduce our global net greenhouse gas emissions by 41% (99,400 metric tons of CO₂ equivalents) over the past two years.

We are confronted with the challenge of climate change not only when managing our operational premises but also in our capacity as a leading real estate investment manager with a global portfolio of properties worth over CHF 44.6 billion at the end of 2017.

To enhance energy efficiency and to reduce CO₂ emissions, Credit Suisse Global Real Estate (formerly Real Estate Investment Management) analyzes and optimizes its real estate portfolio systematically. Jointly with its long-term partner Siemens Switzerland AG, it implements specific building optimization measures. As a result of Global Real Estate's

systematic approach, the portfolio's CO₂ emissions have globally been reduced by 12.5% since 2010.

Credit Suisse Global Real Estate also operates the "greenproperty" quality seal, which had been applied to around CHF 3 billion of real assets by the end of 2017. In addition, Global Real Estate has a portfolio with approximately one million square meters that are certified according to the Swiss property label Minerogie as well as 200,000 square meters globally certified according to the LEED (Leadership in Energy and Environmental Design) standard. In recognition of the ESG performance of its property portfolio, Global Real Estate was recognized in 2016 by the Global Real Estate Sustainability Benchmark (GRESB) as "Global Sector Leader" and "Regional Sector Leader".

In 2017, we continued to participate in the dialogue about the development of strategies for sustainable, climate-friendly business practices. In Switzerland, we have for a number of years been hosting the Lifefair Forum event series that explores topics such as climate-related issues. At these events in 2017, experts from the business community, the political arena and NGOs engaged in discussions about digitalization and mobility, future energy, logistics and sustainability.

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

www.credit-suisse.com/climate

Further Information:
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Biodiversity and Natural Capital

The importance of financial services in promoting sustainability and biodiversity was underscored when world leaders reaffirmed their commitment to green finance at the One Planet Summit's "Climate Finance Day" in December 2017. At Credit Suisse, we view the protection of biodiversity as an integral part of our sustainability commitments.

To consider biodiversity-related issues in our risk management processes, we cover this topic in our sector-specific policies and guidelines. Our policy requirements for the forestry and agribusiness industry are aligned with sustainability initiatives for the relevant sectors, including the standards of 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 include restrictions on financing activities related to High Conservation Value Forests, 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.

Credit Suisse addresses the issue of environmental sustainability and sustainable land use in different ways. In 2017, we took part in a series of international workshops about sustainable land use, including workshops organized by the ASEAN Bankers Association and Bursa Malaysia on the topic of sus-


tainable finance. In addition, Credit Suisse organized the [Asia Pacific Land Use Forum \(APLUF\)](#) in Bangkok, at which various stakeholder groups discussed risks and possible solutions when planning and managing field- and forest-based agricultural activities. We also participated in a panel discussion with NGOs and other banks on the occasion of the launch of WWF's World Heritage Sites report "How banks can safeguard our world heritage" in London, and we expanded our role as an advisor to the Sustainable Palm Oil Transparency Toolkit (SPOTT), joining the Technical Advisory Group for the SPOTT Timber, Paper and Pulp tool development. Finally, we intensified our advisory activities for clients in this area.

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. In 2016, we co-founded the Coalition for Private Investment in Conservation (CPIC), which we led through 2017 in collaboration with the CPIC Steering Committee. This initiative aims to contribute to the preservation of eco-systems through the development of investment blueprints for new return-oriented investment products in the sector. For five 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.

Further information:

 [APLUF Bangkok](#)

Further information:

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Further 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. These efforts are focused on energy management because energy consumption is the area in which our operations have the greatest 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, which is certified globally in accordance with ISO 14001. In 2017, as in previous years, we concentrated on further improving energy efficiency and on reducing power and energy consumption. For example, we achieved approximately 6.4 gigawatt-hours (GWh) of energy savings in 2017 through the ongoing virtualization of our global server infrastructure across all our Enterprise Data Centers. Through our efficiency program in Switzerland, we were able to further lower our CO₂ emissions by reducing energy consumption by around 2.3 GWh and water consumption decreased by around 1,200 m³.

We also involve external service providers and suppliers in environmental management efforts where appropriate. In 2017, we once again passed the surveillance audit of our global environmental management system carried out by the external certification company SGS without corrective measures.

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 that context, around 1,900 employees worldwide were signed up to our regional Sustainability Networks as of end-2017. In addition, Credit Suisse once again took part in the symbolic Earth Hour climate campaign, with the lights being switched off for one hour in 48 Credit Suisse offices around the world on March 25, 2017. To increase awareness of environmental management as well as on health and safety, we provided 11,000 hours of training together with various service providers in 2017. Credit Suisse participated in the “bike to work” campaign for the tenth time in 2017, with 79 teams of employees in Switzerland cycling a total of around 118,566 kilometers – which is approximately equivalent to circumventing the globe three times.

For Credit Suisse as a global financial institution, business travel is a challenge we face in our efforts to reduce our environmental footprint. While it is often essential to maintain direct contact with clients, business travel accounts for around 36% of our global greenhouse gas emissions. We therefore encourage employees to travel by train when covering shorter distances, and to use telephone and video conferencing where this is possible. Consequently, the use of videoconferencing (desktop-based and in videoconferencing rooms) amounted to approximately 211,500 hours in 2017. For air travel, we purchase greenhouse gas neutral tickets that offset all the emissions from our flights through emissions



4 Responsibility for the Environment

4.1 Responsibility for the Environment

reduction certificates (ERCs). In 2017, this amounted to 46,200 metric tons of CO₂ equivalents.

To further increase our use of climate-friendly energy sources, we also acquired renewable energy certificates (RECs) for five Credit Suisse offices in Italy, Poland, the US, Hong Kong and India in 2017. As a result of systematically pursuing our four-pillar strategy, our net global greenhouse gas emissions decreased by 41% in comparison to 2015, and by compensating the remaining emissions through ERCs we again achieved greenhouse gas neutrality. Flexible working models that enable our employees

to work from home from time to time can help to reduce local emissions from regional commuter traffic. Finally, we reduce our environmental footprint through the use of paper produced from forests that are managed sustainably in line with Forest Stewardship Council (FSC) criteria; in 2017, this accounted for 92% of internal paper consumption in Switzerland.

This chapter addresses the following issues:

- 6 Environmental and Social Risk Management
- 9 Responsible Investments
- 11 Climate Change
- credit-suisse.com/responsibility/environment

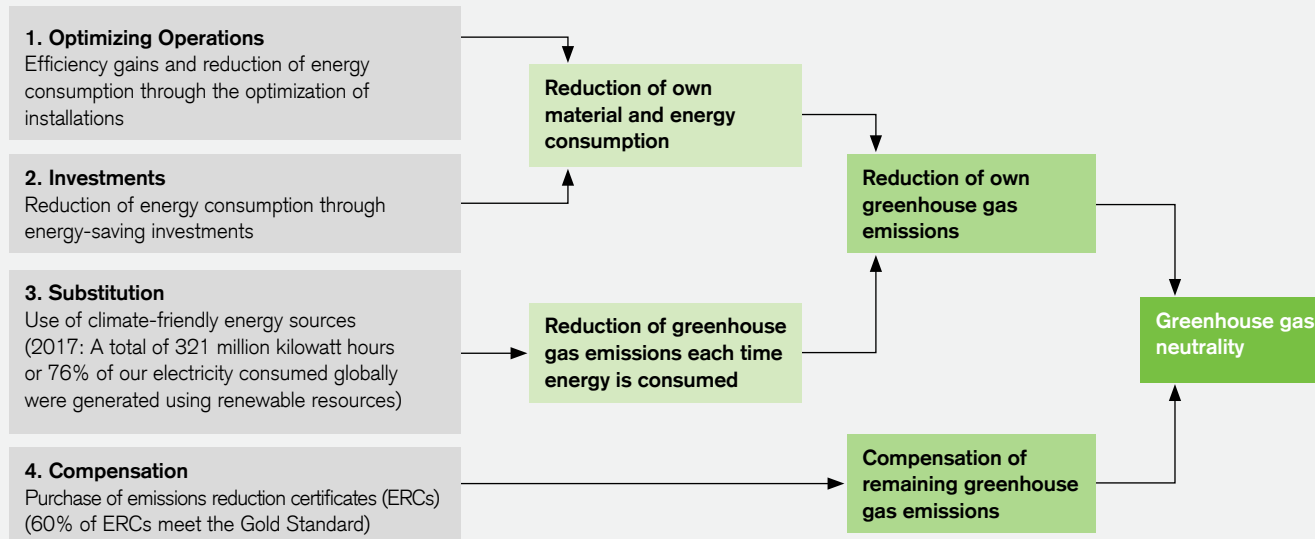
Further information:
 ↘ see p. 8

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, investments, the substitution of existing energy sources

through climate-friendly energy and through renewable energy certificates (RECs) and the compensation of remaining emissions through the purchase of emissions reduction certificates (ERCs). As a result, our net global

greenhouse gas emissions decreased by around 32% to 141,300 metric tons of CO₂ equivalents during the year compared to 2016. By implementing these measures, we achieved greenhouse gas neutrality.

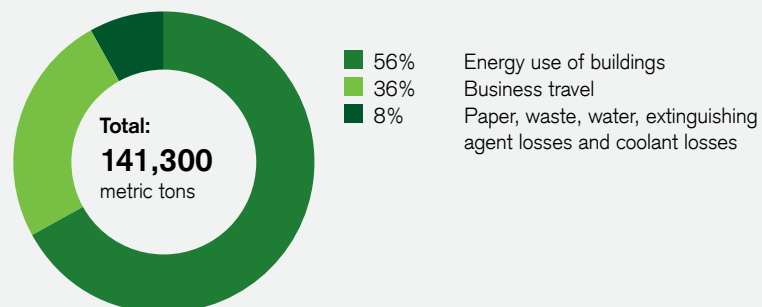




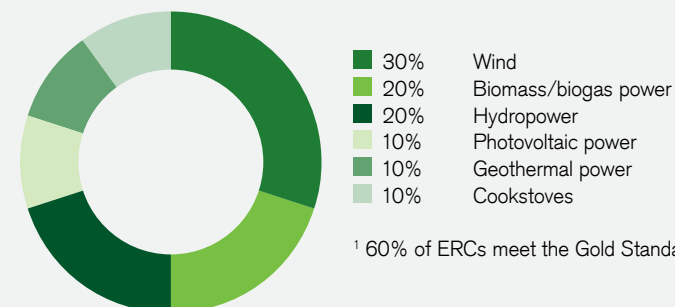
4 Responsibility for the Environment

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Credit Suisse's greenhouse gas emissions in 2017



Portfolio of purchased emissions reduction certificates (ERCs) 2017¹



Global key performance indicators for environmental management¹

| | 2017 | | 2016 ² | | 2015 | |
|-----------------------------------------------------------------------------------------|-------------|----------------------|-------------------|----------------------|-------------|----------------------|
| | Absolute | Per FTE ³ | Absolute | Per FTE ³ | Absolute | Per FTE ³ |
| Greenhouse gas emissions (CO₂ equivalents in metric tons)⁴ | 141,300 | 3.0 | 207,600 | 4.4 | 240,700 | 5.0 |
| Energy (MWh) | 495,700 | 10.5 | 520,500 | 10.9 | 558,000 | 12 |
| Business travel (km) | 418,900,000 | 8,850 | 432,124,000 | 9,100 | 552,430,000 | 11,400 |
| Paper (t) | 2,700 | 0.06 | 3,700 | 0.08 | 4,100 | 0.08 |
| Water (m³) | 943,700 | 20 | 904,210 | 19 | 1,023,000 | 21 |
| Waste (t) | 13,000 | 0.27 | 11,500 | 0.24 | 11,300 | 0.23 |

¹ According to VfU standard 2013 for the year 2015 and according to VfU standard 2015 for the years 2016 and 2017 (rounded figures).

² Minor adjustments made to 2016 basic data sets.

³ As of December 31 of the reporting year; employees (full-time equivalents)

⁴ Net greenhouse gas emissions.

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

credit-suisse.com/environmentalmanagement

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

credit-suisse.com/4pillarstrategy



4 Responsibility for the Environment

4.1 Responsibility for the Environment



Challenges and Responses 2017

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. Since the agreement entered into force in 2016, climate change has continued to be an important issue in both the public and private sectors. What is Credit Suisse's approach to 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 36). 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 (RRRP) (see pages 22-23). Within that process, we evaluate factors such as a company's CO₂ 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. Our updated policy on mining and guidelines on power generation include restrictions on the financing of new mining projects that extract thermal coal and new coal-fired power plants (see page 24).

Challenge: The Task Force on Climate-related Financial Disclosures (TCFD), established in December 2015 by the Financial Stability Board (FSB), is a business-led initiative to increase the understanding of and transparency on climate change in the financial markets. In 2017, the TCFD published its final report with recommendations for the voluntary reporting on material risks and opportunities arising from climate change. What does the TCFD mean for Credit Suisse?

Response: We expect the implementation of the TCFD recommendations to result in more comprehensive information about the financial impacts of climate change. Due to the complexity of the recommendations, their implementation is expected to take a number of years but is likely to result in more informed investment, credit and insurance underwriting decisions. In anticipation of the TCFD recommendations, in 2016, Credit Suisse piloted an approach to identifying and understanding portfolio-level climate policy risk for our coal mining and power generation credit portfolios. In early 2017, we participated in the consultation on the draft TCFD recommendations, and at the One Planet Summit in December 2017 in Paris, we joined a group of more than 200 companies to publicly express our support for this initiative. We have now established a work plan and a cross-functional project team to start implementing the TCFD recommendations in various workstreams over 2018 and 2019. In order to share experiences on the journey towards TCFD adoption, we have joined the Forum on Implementation of TCFD Recommendations convened by the Institute of International Finance (IIF).

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Reporting on Corporate Responsibility

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 the Group-wide “Statement on Sustainability”. They apply to all our activities and to our relationship with our stakeholders. Further information can be found at:

[credit-suisse.com/sustainabilitycommitments](https://www.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 2017. 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 2017. It also documents the measures we have put in place and the progress we

have made in implementing the ten principles of the [UN Global Compact](#), as well as our contribution to supporting the [Sustainable Development Goals](#).

The contents of the report, along with additional information, are also published on the internet. Comprehensive information about our efforts relating to corporate responsibility is available at:

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

Global Reporting Initiative

Our reporting on corporate responsibility reflects the standards set out in the Global Reporting Initiative (GRI) – a voluntary standard for reporting on sustainability. The GRI Standards 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 covers the issues classified as particularly important in the context of the [materiality assessment](#).

Further information:

↘ see p. 71–72

Further information:

↘ see p. 8

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Credit Suisse's 2017 reporting on corporate responsibility has been prepared in accordance with the GRI Standards: Core option. Our Corporate Responsibility Report 2017 will be reported voluntarily to the SIX Swiss Exchange in accordance with the new opting-in regulation for companies issuing sustainability reports. As in previous years, selected indicators of our GRI-based disclosure on corporate responsibility will be externally assessed and independently assured by SGS. Further details regarding our GRI indicators and the external review are available at:

 credit-suisse.com/gri



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Implementation of the ten Principles of the UN Global Compact

Over 9,600 businesses from 161 countries have pledged to uphold the ten principles relating to human rights, labor standards, environmental protection and anti-corruption efforts defined in the UN Global Compact. In 2000, Credit Suisse became one of the first companies to sign up to this leading international initiative on responsible business practices. Through our Corporate Responsibility Report, we communicate annually on the progress we have made in implementing the ten principles, and we are actively participating in the Global Compact Network Switzerland.



| 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"> Involvement in the formulation of sector-specific recommendations for the application of the UN Guiding Principles on Business and Human Rights (Thun Group of Banks) Statement on Human Rights | 24–25 24–25 |
| 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 | 21–27 23–24 |
| 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 | 57 57 |
| Principle 4 | the elimination of all forms of forced and compulsory labor; | <ul style="list-style-type: none"> Supply Management: Credit Suisse Supplier Code of Conduct and Third Party Risk Management (TPRM) Framework Modern Slavery and Human Trafficking Transparency Statement | 25, 40 25 |
| Principle 5 | the effective abolition of child labor; and | <ul style="list-style-type: none"> Sector-specific policies and guidelines Supply Management: Credit Suisse Supplier Code of Conduct and Third Party Risk Management (TPRM) Framework | 23–24 25, 40 |
| Principle 6 | the elimination of discrimination in respect of employment and occupation. | <ul style="list-style-type: none"> Diversity and Inclusion Barrier-free access | 54 31 |
| 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) | 62–63 21–27 23–24 29 |
| 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 | 62–68 65–67 31–33, 64 |
| Principle 9 | encourage the development and diffusion of environmentally friendly technologies. | <ul style="list-style-type: none"> Use of clean energy technologies in our operations Green finance Renewable energy project financing Active in the area of green real estate Co-initiator of the Coalition for Private Investment in Conservation (CPIC) | 62–68 33, 36 34 30, 63 31–33, 64 |
| 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 | 18 17, 19, 52–53 18 |



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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 adoption of the Sustainable Development Goals (SDGs) by the UN in 2015, we have been considering how we, as a global financial institution, can contribute to the realization of the SDGs. 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. | <ul style="list-style-type: none"> We promote access to education and help to improve the quality of education through our Global Education Initiative We run a financial education program for girls in Brazil, China, India, Rwanda, Sri Lanka and Tanzania We support regional education programs in collaboration with partner organizations | 45 45, 48 44–49 |
| Goal 5: Gender Equality | | |
| Achieve gender equality and empower all women and girls. | <ul style="list-style-type: none"> We foster diversity and inclusion within our organization We take measures to increase the representation of women in management positions within our organization 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 | 54 54 33, 44–49 |
| Goal 7: Affordable and Clean Energy | | |
| Ensure access to affordable, reliable, sustainable and modern energy for all. | <ul style="list-style-type: none"> We provide renewable energy financing We strive to use climate-friendly energy sources for our business premises and have buildings certified according to energy efficiency standards We run an ISO 14001-certified environmental management system | 34 65–67 65–67 |
| Goal 8: Decent Work and Economic Growth | | |
| Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. | <ul style="list-style-type: none"> We offer progressive working conditions for our employees We support economic growth and entrepreneurship through our role as a lender and financial intermediary We are an integral part of the economy and society in our role as an employer, client, contractual partner and taxpayer We support an initiative to combat youth unemployment in Switzerland We help to strengthen local economies in developing countries and emerging markets through our activities in the area of financial inclusion | 51–60 38–43 38–43 43 33, 44–49 |
| Goal 9: Industry, Innovation and Infrastructure | | |
| Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. | <ul style="list-style-type: none"> We supply risk capital to support growth and innovation, including through SVC – Ltd. for Risk Capital for SMEs in Switzerland We help to strengthen local economies in developing countries and emerging markets through our activities in the area of financial inclusion We provide renewable energy financing We focus on sustainability risk management and have sector-specific policies and guidelines in place | 39 33, 44–49 34 21–27 |
| Goal 11: Sustainable Cities and Communities | | |
| Make cities and human settlements inclusive, safe, resilient and sustainable. | <ul style="list-style-type: none"> We invest in real estate that meets "greenproperty" sustainability criteria We are committed to improving the ESG performance (environmental, social and governance performance), energy efficiency and carbon footprint of our real estate investment portfolio Credit Suisse (Lux) European Climate Value Property Fund | 63 30, 63 32 |
| Goal 13: Climate Action | | |
| Take urgent action to combat climate change and its impacts. | <ul style="list-style-type: none"> We have achieved greenhouse gas neutrality for all our operations globally We offer a range of green finance products and services for our clients We focus on sustainability risk management and have sector-specific policies and guidelines in place | 62–68 33, 36 21–27 |
| 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. | <ul style="list-style-type: none"> We are active in the area of conservation finance 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 We focus on sustainability risk management and have sector-specific policies and guidelines in place | 31–33, 64 64 21–27 |

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Sustainability Indices and Ratings Assigned to Credit Suisse in 2017

| 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 USD 87 trillion; its aim is to offer transparent guidance to investors on climate-related opportunities and risks for companies. | B (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. | BB (rating scale: AAA to CCC) |
| RobecoSAM | As part of its Corporate Sustainability Assessment, RobecoSAM analyzes the sustainability performance of over 3,400 listed companies every year. This involves assessing companies on the basis of environmental, social and economic criteria. | 69% (industry average: 40%) Economic dimension: 59%; Environmental dimension: 85%; Social dimension: 74% |
| 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) |

Sustainability Networks and Initiatives

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

| | | | |
|-------------------------------------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------------------------------------------------|--------------------------------------------------------------|
|  | Climate Bonds Initiative |  | Principles for Responsible Investment (PRI) |
|  | Coalition for Private Investment in Conservation (CPIC) |  | Roundtable on Sustainable Palm Oil (RSPO) |
|  | Equator Principles |  | UN Environment Programme Finance Initiative (UNEP FI) |
|  | Green Bond Principles |  | UN Global Compact |
|  | Oebu – Swiss Business Council for Sustainable Development | | |

Further information can be found online at: [credit-suisse.com/agreements](https://www.credit-suisse.com/agreements)



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Objectives/Achievements 2017 and Objectives 2018



Banking

Objectives 2017

- We remain focused on our key priorities to ensure we are well positioned to grow profitably and produce long-term value for our shareholders. We are committed to maintaining a look-through CET1 ratio of 11–12% in the course of 2017, excluding the impact of the planned partial IPO¹ of Credit Suisse (Schweiz) AG by the end of 2017. We aim to achieve an operating cost base of below CHF 18.5 billion by end-2017 as a result of cost discipline and management, while continuing to invest in strengthening our client franchises and improving our control framework. We will strive to make further progress with our restructuring program in 2017 and to capture profitable growth opportunities across our franchises and geographies.

- Continue implementation of the Legal Entity Program strategy and focus on the completion of the remaining major deliverables, including: launching service companies in the US, Switzerland, UK and Singapore, completing first non-public comprehensive capital analysis and review (CCAR) framework submission. In addition, the Legal Entity Program has been expanded to assess solutions following the expected withdrawal of the UK from the EU.

Achievements 2017

- In the second year of our three-year restructuring program, we remained focused on execution and delivered against a number of key objectives:
 - We substantially strengthened our capital position by raising CHF 4.1 billion in a rights offering while retaining full ownership of our Swiss business, and by generating capital from profitable organic growth and from the disposal of legacy assets and activities.
 - We ended the year with a look-through CET1 ratio of 12.8%, after deduction of approximately 45 basis points from increased risk-weighted assets relating to operational risk in the second half of the year. Our look-through tier 1 leverage ratio rose to 5.2%.
 - We generated profitable growth, increasing our reported pre-tax income to CHF 1.8 billion and our adjusted pre-tax income² by 349% compared to 2016 to CHF 2.8 billion in 2017.
 - Our positive operating leverage accelerated, with adjusted net revenues² 5% higher in 2017 and adjusted operating expenses² 6% lower, each as compared to 2016.
 - We achieved our 2017 cost target with an adjusted operating cost base at constant foreign exchange rates² of CHF 18 billion, bringing our total net cost savings² to CHF 3.2 billion over the two years since the start of the cost program. At the same time, we continued to selectively invest in technology, talent and controls.
 - We increased the adjusted return on regulatory capital year on year in all five of our operating divisions.
 - We made further significant progress in disposing of and de-risking legacy positions in the SRU, reducing its drag on Group profitability by 37% in 2017.
 - We will propose an all cash dividend to the Annual General Meeting for the financial year 2017, removing the dilution associated with the option to elect a scrip dividend.

- The execution of the program evolving the Group's legal entity structure to support the realization of our strategic objectives, increase the resilience of the Group and meet developing and future regulatory requirements has continued to progress, including:
 - Successfully launching service companies in the US, Switzerland, the UK, Singapore and India, supporting the operational continuity of resolution-critical services globally
 - In Switzerland, completing the transfer of our Swiss asset management business from Credit Suisse AG to Credit Suisse (Schweiz) AG
 - In the US, completing the first non-public comprehensive capital analysis and review (CCAR) framework submission
 - In the UK, continued client migrations to Credit Suisse AG Dublin branch
 - Continued work on strategy implementation relating to the expected withdrawal of the UK from the EU.

¹ In 2017, we decided not to pursue a partial initial public offering of Credit Suisse (Schweiz) AG, thus retaining full ownership of a historically stable income stream in our home market of Switzerland and avoiding complexity in the business structure and activities of a key division of the Group.

² Adjusted results are non-GAAP financial measures. For a reconciliation of the adjusted results to the most directly comparable US GAAP measures, see page 80.

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Banking

Objectives 2017

- Continue to engage with stakeholders on applying environmental and human rights considerations in risk management processes related to business transactions and client relationships.
- Participate in the consultation on the recommendations released by the Financial Stability Board's Task Force on Climate-related Financial Disclosures (FSB TCFD) and engage with industry associations and relevant internal functions to develop approaches to addressing the FSB TCFD recommendations.

Achievements 2017

- We have continued to engage in a dialogue with NGOs and other stakeholders in 2017 and have further strengthened the visibility of sustainability concerns in know-your-customer and onboarding processes. Furthermore, we have developed a process to identify engagements with companies in sensitive sectors, and we assign priority to their ongoing monitoring.
- We participated in the consultation on the draft TCFD recommendations in early 2017. After publication of the final TCFD report, we developed a plan to start to address the recommendations and joined the Forum on Implementation of TCFD Recommendations launched by the Institute of International Finance.

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 rates¹ 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 look-through CET1 ratio of over 12.5%.
 - Completing the wind-down of the 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 work-streams 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.

¹For further information on our cost savings and targets, see page 80.

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Economy and Society

Objectives 2017

- Maintain a close dialogue with relevant stakeholders on the topics of investor protection, tax rules, the stability of the financial sector and digitalization.
- Demonstrate how a financial services provider like Credit Suisse can leverage its capital, products and services, clients, employees and network of public and private partners to address society's most pressing challenges while delivering our strategy and strengthening our own institution. This will be highlighted by our 15 years of Investing for Impact anniversary in 2017.

Achievements 2017

- Credit Suisse held meetings with different stakeholder groups, including policymakers, to address these topics at different levels and across various regions. Furthermore, we published articles and white papers on a range of subjects, such as digitalization.
- In 2017 we further deepened our cooperation with non-governmental organizations (NGOs), governments, employees and clients in order to meet societal challenges and work together to contribute to the United Nations' Sustainable Development Goals (SDGs). With regard to SDG 4 (Quality Education), more than 2,640 employees dedicated their time and expertise to mentoring, teaching and tutoring activities benefitting children and youth. Additionally, we reached more than 596,250 enrolled school children and young adults through our Global Education Initiative, including our flagship program Financial Education for Girls and educational programs in all our regions. Through our Financial Inclusion Initiative, for example, we were engaged in topics such as access to finance for women, financing humanitarian aid and supporting fintech innovations in emerging markets. Moreover, around 40 events were held all over the world to mark the 15th anniversary of our work in impact investing – including the Credit Suisse Salon, which explored how we can contribute to the realization of the SDGs through philanthropic and investment activities. In Switzerland, we also expanded our Micro-Donations offering, increasing the number of beneficiary partners from 10 to 20 non-profit organizations.

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 are taking place in 2018.



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Employer

Objectives 2017

- Further embed the Conduct and Ethics Standards throughout our organization to ensure a common understanding as well as consistency about our expectations at Credit Suisse with regard to culture and conduct and to further drive alignment and standardization.

- Continue to attract, develop and retain employees to optimally support our business.

Achievements 2017

- In 2017, our Conduct and Ethics Standards were rolled out across the entire bank to ensure a common understanding and consistent expectations in respect of our culture and conduct. The initiative is sponsored by the Board of Directors and the Executive Board of Credit Suisse, underscoring its strategic importance for the bank. Our Conduct and Ethics Standards have been embedded into our core HR processes, such as performance management, recruitment, promotion, development and the disciplinary process. The Executive Board has participated in a series of videos offering its endorsement and views on each of the standards to all employees. Additionally, with the introduction of the Credit Suisse Employee Award based on our Conduct and Ethics Standards, we recognize our employees' engagement and drive implementation of these behavioral standards throughout the bank.

- In our performance management process, we ensure that the personal objectives of employees are linked to the bank's strategic goals, and that their performance and behavior is measured against the bank's new Conduct and Ethics Standards. To help employees with families achieve a good work/life balance, we provide parental leave in different locations and offer additional coaching and support for new parents who are returning to the workplace. We encourage all employees to make full use of their annual leave entitlement. We offer a comprehensive development curriculum to enable employees to learn new leadership and professional skills, including offerings in personal effectiveness, risk and client management training. We pursue a robust diversity and inclusion agenda on a bank-wide and divisional level, including training for managers to help them mitigate the impact of unconscious bias when making personnel-related decisions.

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.



Reporting on Corporate Responsibility

Global Reporting Initiative

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 2017

- Ensure a successful global ISO 14001 control audit under the direction of the certification company SGS.
- Adapt the processes and documentation related to our environment management system to the new ISO 14001 standard (valid from 2018) by revising the governance model across all management areas and levels involved.
- Deepen engagement with key external stakeholders in relation to sustainable land use management.

Achievements 2017

- We successfully passed the ISO 14001 control audit under the direction of the certification company SGS without any corrective measures – in 2017, the audit focused on buildings in Singapore, India and southern Switzerland.
- Our ISO 14001 documentation was updated to meet the requirements of the new ISO 14001:2015 standard in readiness for the planned 2018 audit of the transition of our environmental management system to the new standard. We systematically reviewed and addressed all the gaps identified in the analysis of our existing ISO 14001 arrangements and duly adapted the governance model in accordance with our organizational structure.
- We also further reduced the ecological footprint of our operating activities by 32% year on year to 141,300 metric tons of CO₂ equivalents – thanks, in particular, to the ongoing energy-related optimization of our premises, the further consolidation of the portfolio around buildings with a high level of energy efficiency, and the use of state-of-the-art IT infrastructure.
- By substituting existing energy sources through renewable energy certificates (RECs), we also generated 76% of our electricity from renewable energy in 2017, which represents a significant increase of 19% on the previous year.
- We achieved global greenhouse gas neutrality for the eighth year in succession.
- In 2017, we took part in a series of international workshops about sustainable land use, including workshops organized by the ASEAN Bankers Association and Bursa Malaysia on the topic of sustainable finance. In addition, Credit Suisse organized the Asia Pacific Land Use Forum (APLUF) in Bangkok. We expanded our role as an advisor to the Sustainable Palm Oil Transparency Toolkit (SPOTT), joining the Technical Advisory Group for the SPOTT Timber, Paper and Pulp tool development.

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.



Disclaimer/ Inquiries



Abbreviations

APAC – Asia Pacific; APAC PB within WM&C – Asia Pacific Private Banking within Wealth Management & Connected; FINMA – Swiss Financial Market Supervisory Authority FINMA; FX – Foreign Exchange; GM – Global Markets; IBCM – Investment Banking & Capital Markets; IWM – International Wealth Management; IWM PB – International Wealth Management Private Banking; SRU – Strategic Resolution Unit; SUB – Swiss Universal Bank; SUB PC – Swiss Universal Bank Private Clients; UHNWI – Ultra-High-Net-Worth Individuals; WM&C – Wealth Management & Connected

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, objectives, ambitions, 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, objectives, ambitions, targets, 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 US or other developed countries or in emerging markets in 2018 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 cost efficiency, income/(loss) before taxes, capital ratios and return on regulatory capital, leverage exposure threshold, risk-weighted assets threshold, return on tangible equity and other targets, objectives and ambitions;
- 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 on our business or operations;
- 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 proposed 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;
- the adverse resolution of litigation, regulatory proceedings, and other contingencies; 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 2017.

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.

As of January 1, 2013, Basel III was implemented in Switzerland along with the Swiss “Too Big to Fail” legislation and regulations thereunder (in each case, subject to certain phase-in periods). As of January 1, 2015, the Bank for International Settlements (BIS) leverage ratio framework, as issued by Basel Committee on Banking Supervision, was implemented in Switzerland by FINMA. Credit Suisse’s related disclosures are in accordance with its interpretation of such requirements, including relevant assumptions. Changes in the interpretation of these requirements in Switzerland or in any of Credit Suisse’s assumptions or estimates could result in different numbers from those shown herein.

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 look-through BIS tier 1 leverage ratio and CET1 leverage ratio are calculated as look-through 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.

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Adjusted results are non-GAAP financial measures that exclude goodwill impairment and certain other revenues and expenses included in our reported results. Management believes that adjusted results provide a useful presentation of our operating results for purposes of assessing our Group and divisional performance consistently over time, on a basis that excludes items that management does not consider representative of our underlying performance. Provided below is a reconciliation of our adjusted results to the most directly comparable US GAAP measures.

Reconciliation of adjusted results

(in CHF million)

| | 2017 | 2016 |
|--------------------------------------------|---------------|----------------|
| Net revenues | 20,900 | 20,323 |
| Real estate gains | 0 | (424) |
| (Gains)/losses on business sales | 13 | 58 |
| Adjusted net revenues | 20,913 | 19,957 |
| Provision for credit losses | 210 | 252 |
| Total operating expenses | 18,897 | 22,337 |
| Restructuring expenses | (455) | (540) |
| Major litigation provisions | (493) | (2,707) |
| Expenses related to business sales | (8) | 0 |
| Adjusted total operating expenses | 17,941 | 19,090 |
| Income/(loss) before taxes | 1,793 | (2,266) |
| Total adjustments | 969 | 2,881 |
| Adjusted income/(loss) before taxes | 2,762 | 615 |

Our cost savings program is measured using and adjusted operating cost base at constant foreign exchange rates. 2017 net cost savings represents the difference between 2015 "adjusted operating cost base at constant FX rates" of CHF 21.2 billion and 2017 "adjusted operating cost base at constant FX rates" of CHF 18.0 billion. "Adjusted operating cost base at constant FX rates" is a non-GAAP financial measure and includes adjustments as made in all our disclosures for restructuring expenses (CHF 355 million in 2015, CHF 540 million in 2016 and CHF 455 million in 2017), major litigation provisions (CHF 820 million in 2015, CHF 2,707 million in 2016 and CHF 493 million in 2017), expenses related to business sales of CHF 8 million in 2017 and a goodwill impairment taken in the fourth quarter of 2015 of CHF 3,797 million as well as adjustments for certain accounting changes (which had not been in place at the launch of the cost savings program) of CHF 170 million in 2017, debit valuation adjustments related to volatility of CHF 83 million in 2017 and for foreign exchange (CHF (319) million in 2015, CHF (293) million in 2016 and CHF (326) million in 2017). Adjustments for FX apply unweighted currency exchange rates, i.e., a straight line average of monthly rates, consistently for the periods under review.

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Credit Suisse (3, 4, 49), Getty Images (1, 41, 61),
iStockphoto (31, 37, 50) Mauritius Images (12)

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