CREDIT SUISSE

Sustainability Report 2020

Preface

Urs Rohner
Chairman of the
Board of Directors

Hear more from Urs Rohner on our approach to governance

▷ Watch video

“

I have had the immense privilege of being Chairman of Credit Suisse for ten years. In that time, societal expectations have grown for corporations, and rightfully so. We are called upon to play an active role in tackling the pressing environmental, social and governance issues that will set the course for future generations.

I am proud of our progress on sustainability, particularly in the last year. It reflects the spirit of innovation and responsibility that has been in our bank’s DNA since its creation over 160 years ago. This report highlights our deep commitment to advancing our ESG strategy by serving our clients and reducing our own carbon footprint. I am delighted that my colleague Iris Bohnet is serving as the first Sustainability Leader within the Board of Directors to ensure a governance structure that helps us deliver our ambitions.

Our success starts with our people. This Sustainability Report confirms our firm belief that having a diverse workforce and inclusive culture strengthens our ability to generate best-in-class sustainable solutions.

Preface

Thomas Gottstein
Chief Executive Officer

Listen to Thomas Gottstein talk about the power of being a purpose-led bank

▷ **Watch video**

“Sustainability is essential to good business strategy. ESG considerations have become even more critical due to the widespread economic and social disruption caused by the COVID-19 pandemic.

In 2020, we enhanced our sustainability strategy at Credit Suisse, determined to meet the needs of our clients, our employees, our shareholders and the communities in which we operate. We adapted our organizational structure to drive accountability for ESG with the creation of the Sustainability, Research & Investment Solutions organization, with Executive Board leadership. We strengthened our own commitments to Diversity & Inclusion and launched our first-ever purpose statement to infuse our values into our daily working lives.

I am delighted to share this updated Sustainability Report to underscore how our purpose will propel our efforts. This is my commitment, and I look forward to raising the bar even higher in 2021.

Foreword

“Financial institutions such as ours have an important role to play in society.

The year 2020 was unlike any other in our lifetimes. The COVID-19 pandemic had severe effects on families, markets, economies and society. It changed how we think about and deliver healthcare, education and technology, while reconfiguring how we engage with each other, our environment and our communities.

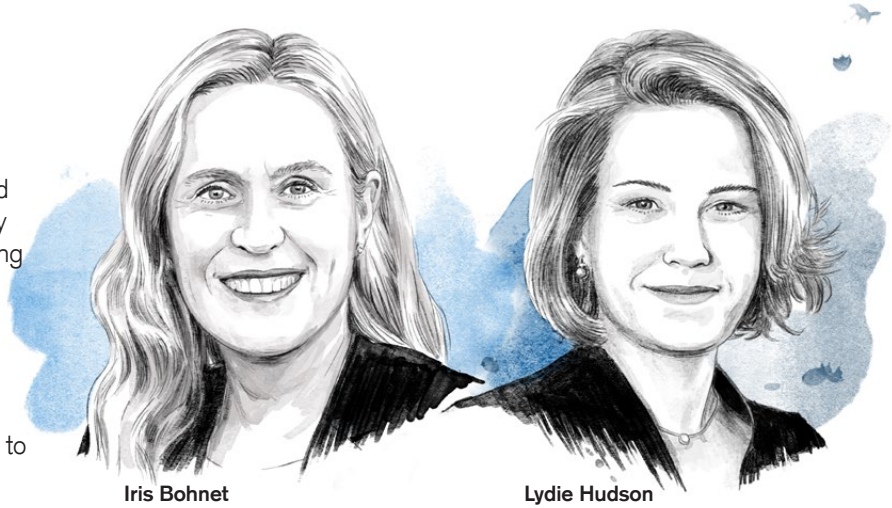
The crises of 2020 crystallized the importance of embracing Environmental, Social and Governance (ESG) standards not as an impediment to economic prosperity, but as an essential ingredient. Applying an ESG lens to business strategy is crucial to generating great results for clients, employees, shareholders and society at large.

As a global company operating in some 50 countries, we at Credit Suisse continuously reflect on our own place in the world, particularly in the past year. Financial institutions such as ours have an important role to play in society, whether it is providing capital, participating in financial markets, facilitating infrastructure development or managing wealth.

Persevering through 2020 for Credit Suisse included transitioning to a remote working readiness of around 90%, providing antibody testing to our staff, maintaining our liquidity and capital positions during the market disruptions and providing loans to small and medium-sized enterprises. We are also proud that our employees raised approximately CHF 25 million through a donor-matching program to support charities working to mitigate the hardship caused by the pandemic.

As we adapted to the challenges of the pandemic, we made important changes to our business strategy, including the creation of a single, global Investment Bank, the merger of the Risk and Compliance functions, and accelerated digitalization. Crucially, in July 2020 we created SRI – Sustainability, Research & Investment Solutions – elevating our efforts around ESG in order to deliver a comprehensive, systematic strategy across the bank.

This report is an integral part of our ongoing dialogue with stakeholders and we are delighted to share with you details of our ESG strategy in the context of our enhanced efforts that started in July 2020. Based on our engagement with stakeholders across the ESG ecosystem, this report has several new features to enhance our transparency regarding the TCFD (Task Force on Climate-related Financial Disclosures) recommendations and, for the first time, select SASB (Sustainability Accounting Standards Board) disclosures.



Iris Bohnet
Board of Directors
Sustainability Leader

Lydie Hudson
CEO Sustainability,
Research &
Investment Solutions

We have already made great progress thanks to the engagement and dedication of our colleagues around the world. We have much more to do in order to ensure we deliver on our ambitions that match the scale of the challenges we all face to secure a more sustainable planet, a more inclusive society and long-term economic prosperity.

Thank you for engaging with us as we continue to drive our sustainability strategy at Credit Suisse. We are excited to be on this journey together with you.

Iris Bohnet **Lydie Hudson**

Iris Bohnet and Lydie Hudson discuss the year in ESG at Credit Suisse:

▷ **Watch video**

2020 sustainability highlights at Credit Suisse

Created a new

Sustainability, Research & Investment Solutions (SRI) function

at the Executive Board level to accelerate our sustainability efforts and embed them across all client segments in order to deliver on our ambition to become a leader in sustainability

Established a new

Sustainability Advisory Committee

at the Board of Directors level

Decreasing our exposure to high-carbon and climate-sensitive business – introduced further financing restrictions for thermal coal extraction and coal power, as well as the

Client Energy Transition Frameworks

(CETF) to priority sectors

Announced in February 2021 a collaboration with BlackRock to develop

sustainable private markets client solutions

Announced goal to provide at least

CHF 300 billion

of sustainable financing to support transition strategies (renewables, Green/Blue/Transition bonds, low-carbon energy solutions and UN Sustainable Development Goals-aligned financings) over the next 10 years

Established the

new Credit Suisse APAC Foundation

to provide philanthropic support to organizations across the Asia Pacific region with a focus on the bank's main corporate citizenship topics of Financial Inclusion, Financial Education and Future Skills

Continued efforts to address the recommendations of the Financial Stability Board's

Task Force on Climate-related Financial Disclosures (TCFD)

for voluntary reporting on material risks and opportunities arising from climate change

Joined, as a founding member, the World Economic Forum's (WEF) coalition to tackle racism in the workplace through the

WEF's "Partnering for Racial Justice in Business"

initiative

Introduced

SASB

(Sustainability Accounting Standards Board) standards and accounting metrics

Download the TCFD Report 2020
Credit Suisse's climate-related financial disclosures are available for download at

credit-suisse.com/TCFD

2020 sustainability highlights at Credit Suisse

Sustainable Transition Bonds – partnered with the

Climate Bonds Initiative

in a landmark initiative to help create a framework for transition finance

Participated in voluntary

Swiss climate alignment

test based on Paris Agreement Capital Transition Assessment (PACTA) methodology to create greater transparency regarding the climate compatibility of financial flows

Became a signatory to the

Poseidon Principles

– a global framework promoting the integration of climate considerations into lending decisions in ship finance

Ongoing inclusion in leading sustainability indices such as the

Dow Jones Sustainability Index (DJSI)

Aligning our activities with the

Paris Agreement

objective of limiting global warming to 1.5°C

Joined global RE100 initiative, with a public commitment to source

100%

renewable electricity

across our entire global operations by 2025

We actively supported clean and renewable energy businesses and, by the end of 2020, had been involved in over

150 transactions

in this field with a value of more than USD 130 billion since 2010

"We build

lasting value

by serving our

clients

with care and entrepreneurial spirit."

Launched Credit Suisse **purpose statement** and refreshed values – all embedded in an updated Code of Conduct

Strong commitment to

Diversity & Inclusion

with targets set for Black Talent in the UK, US and gender representation

Commitment to develop science-based targets in 2021 and 2022, including our

commitment to achieve net zero

emissions from our operations, supply chain and financing activities

no later than 2050

with intermediate emissions goals for 2030

Credit Suisse response to COVID-19

Played a critical role in the bridging loan solution for Swiss companies, providing

approximately CHF

3 bn

in loans to over 16,700 Swiss SMEs in 2020

Introduced

paid family leave

in order to take care of close family members, which over 3,000 employees have taken advantage of

Credit Suisse provided in-kind

donations of masks

to hospitals and healthcare providers in a range of locations including Zurich and London

First-class global crisis management framework and business continuity management enabling around

90%

of our employees to work from home

Strengthened our

digital capabilities

to cater for our clients' needs effectively

Supported

employee wellbeing

with various initiatives and online resources introduced

Launched donor-advised matching program in support of charities working to mitigate the hardship caused by COVID-19 and to support those affected by inequality, raising approximately

CHF

25 million

Our Investment Bank financing business is actively engaged in the G20 and International Monetary Fund initiative on

debt forgiveness and relief

Offering our employees in selected locations a SARS-Coronavirus-2 antibody

test free of charge

Our real estate asset management business in Switzerland decided to

proactively support all tenants

that were impacted by the decision of the federal government to close all non-essential businesses in Switzerland. We therefore waived the rent of their businesses for 1 month without any conditions

Overview of chapters

9 Organization and Governance

Credit Suisse's values-based culture and our role in society

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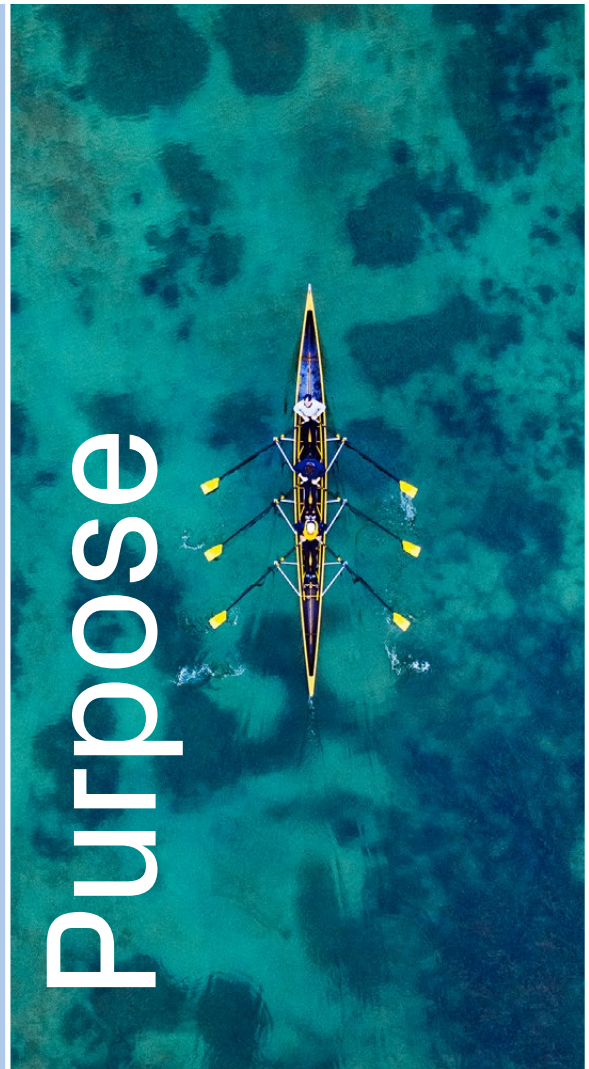
Purpose



Enabling a more environmentally sustainable economy

Go to chapter → 49

Planet

Diversity and inclusion at the heart of how we deal with human capital

Go to chapter → 62

People

76 Sustainable Products and Services

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Organization and Governance

We recognize the importance of good corporate governance and diligent risk management processes. We expect our employees to act professionally, with integrity and in compliance with applicable laws, regulations, due diligence requirements and industry standards.

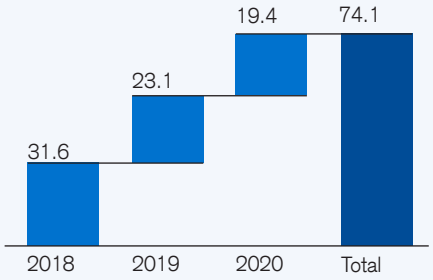
Our company

Our strategy is to be a leading Wealth Manager with strong global Investment Banking capabilities.

Facts and figures

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

Wealth Management net new assets[1] (in CHF billion)



12.9%
Common equity tier 1 (CET1) ratio at end-2020

6.4%
Tier 1 leverage ratio at end-2020[2]

CHF 0.2926
proposed cash distribution per registered share for the financial year 2020[3]

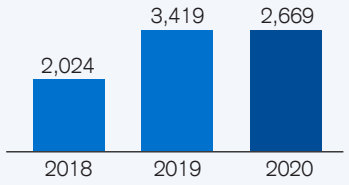
Up to CHF 1.5 billion
share buyback program approved by the Board of Directors for 2021[4]

[1] Combined net new assets for Swiss Universal Bank Private Clients, International Wealth Management Private Banking and Asia Pacific
[2] Leverage exposure excludes CHF 111 billion of central bank reserves, after adjusting for the dividend paid in 2020, as permitted by FINMA. Including cash held at central banks, our Tier 1 leverage ratio would have been 5.6%
[3] To be proposed by the Board of Directors to shareholders at the Annual General Meeting on April 30, 2021
[4] Subject to market and economic conditions

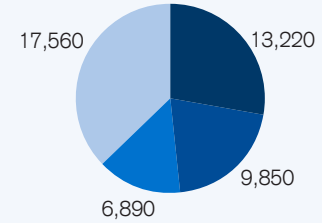
Balanced business portfolio

In 2020, our balanced business portfolio encompassed three regionally focused divisions. Furthermore, we created a global Investment Bank to build a client-centric global platform with critical scale for corporate, institutional and entrepreneurial clients. Our business divisions cooperate closely to provide holistic financial solutions, including innovative products and specially tailored advice.

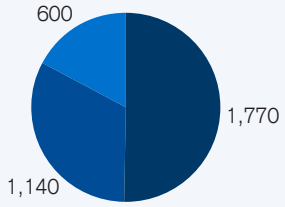
Net income attributable to shareholders (in CHF million)



48,770 employees (full-time equivalents)[5] as of end-2020



3,510 relationship managers as of end-2020



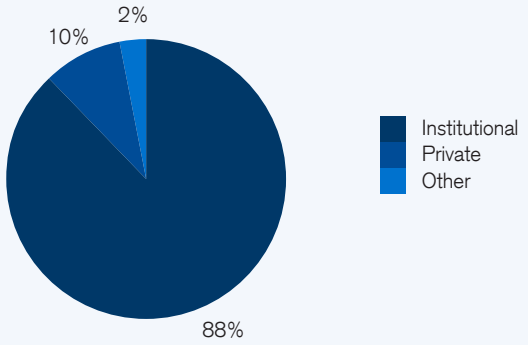
Swiss Universal Bank
International Wealth Management
Asia Pacific
Investment Bank

[5] Including 1,250 positions in the Corporate Center. Excluding fixed-term contracts

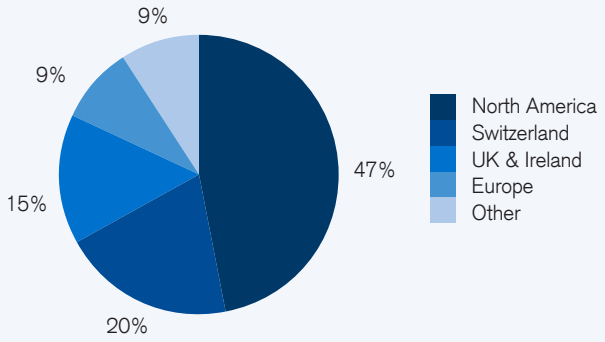
Shareholder base

Credit Suisse shares are listed on the SIX Swiss Exchange and on the New York Stock Exchange in the form of American Depositary Shares. We have a broad shareholder base, with the majority of shares owned directly or indirectly by institutional investors outside Switzerland. At end-2020, 101,560 shareholders were registered in our share register with 1,391,801,051 shares, representing 57% of the total shares issued.

Group shares by investor type



Institutional investors by region



Evolving our organization to support sustainability

We are committed to becoming a leader in sustainability in the financial industry across our Wealth Management-related and Investment Bank franchises. With this in mind, Credit Suisse launched an enhanced organization structure in 2020 to ensure that ESG standards are embedded across regions and divisions in our client-based solutions as well as in our own operations as a company.

Building on our progress in the last few years, we announced the launch of our unique Executive Board-level function **Sustainability, Research & Investment Solutions (SRI)** in July 2020. We believe this organization will allow us to drive a globally consistent approach and to meet the evolving needs of our clients, investors, employees and society in general.

Enabling sustainability

Sustainability, Research & Investment Solutions (SRI)

Integrate and centralize Securities Research, Investment Solutions & Products, **Sustainability Strategy, Advisory & Finance (SSAF)** and Marketing/Branding efforts **under one roof**

Provide **one single "house view"** with Supertrends and **sustainability at its core**

Increase **connectivity of Research with Chief Investment Officer (CIO) and sustainability** agenda; deliver market-leading thematic insights and content across public and private markets, leveraging data

Urs Rohner
Chairman of the Board of Directors

"We improved our governance structure around sustainability through the creation of SRI at the Executive Board level, the designation of our first Sustainability Leader at the Board of Directors, and the creation of a Sustainability Advisory Committee.

Urs Rohner on Credit Suisse's sustainability achievements:

▷ Watch video

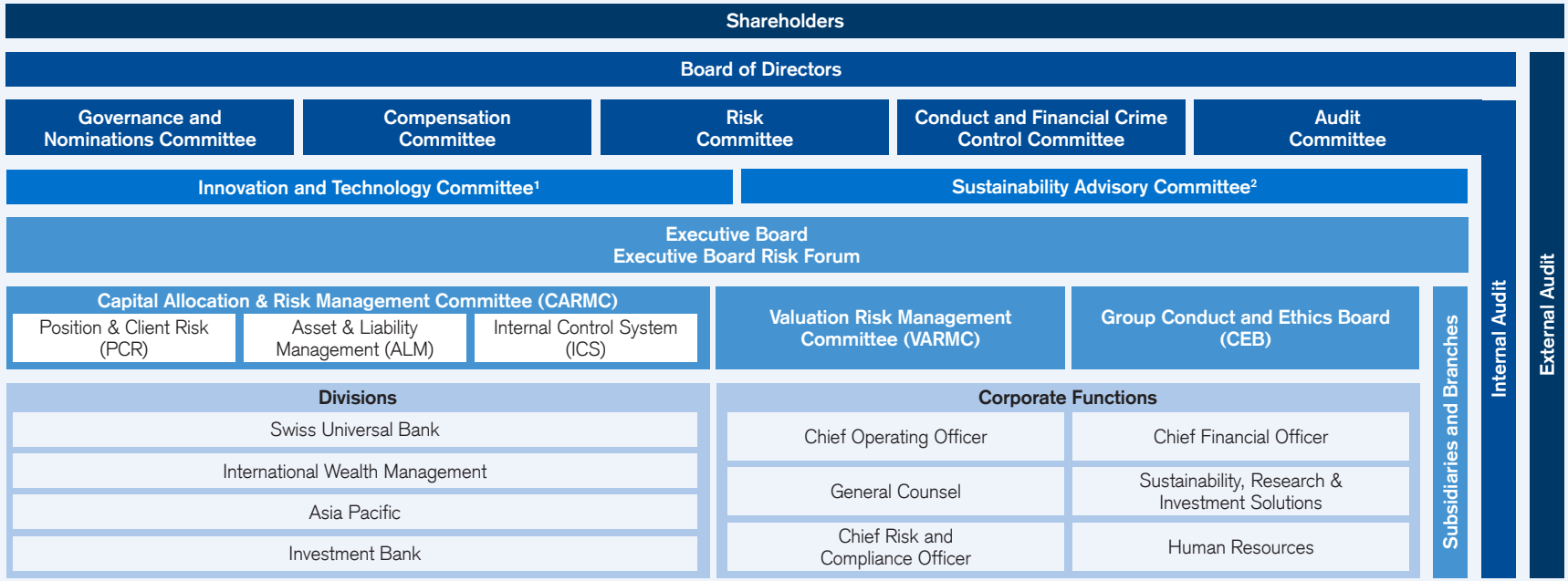
Through the launch of SRI, we have brought together our existing ESG activities, our CIO investment capabilities, our research teams and our branding and marketing activities under one umbrella in order to better deliver superior sustainable investment advice and solutions to our clients. Further, a new group entitled **Sustainability Strategy, Advisory & Finance (SSAF)** was established to support the creation of a cohesive and dedicated sustainability offering within SRI and across the bank.

Corporate governance

We have a strong corporate governance framework, reflecting our commitment to safeguarding the interests of our stakeholders. Our corporate governance complies with internationally accepted standards.

The Group's corporate governance framework consists of its governing bodies and its corporate governance policies and procedures that define the competencies of the governing bodies and other corporate governance rules, in line with Swiss corporate law and international best

Corporate governance framework



[1] Interdisciplinary advisory body formed by the Board of Directors, which consists of members of the Board of Directors and senior management, as well as external advisors.
[2] New advisory body approved by the Board of Directors in February 2021 and is currently being set up; members consist of Board of Director and Executive Board members and external advisors.

practice standards. In accordance with Swiss banking law the Group operates under a dual board structure, which strictly segregates the duties of supervision that are the responsibility of the Board of Directors from the duties of management that are the responsibility of the Executive Board.

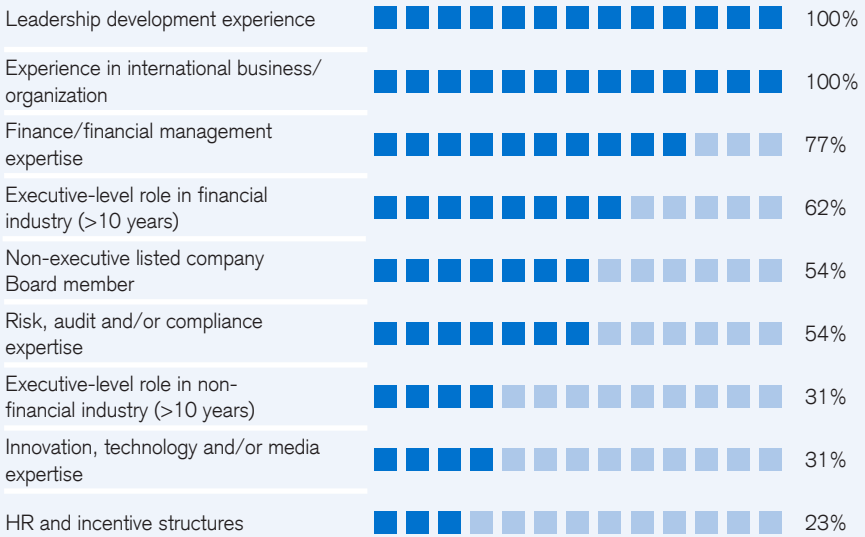
Board governance

The Board of Directors is responsible for the overall strategic direction, supervision and control of the Group. The Board has five standing committees, each with its own charter: the Governance and Nominations Committee, the Audit Committee, the Compensation Committee, the Conduct and Financial Crime Control Committee and the Risk Committee. In addition, the Board has two advisory committees, the Innovation and Technology Committee and the new Sustainability Advisory Committee launching in 2021.

The Board currently consists of 13 members. Board members are elected at the Annual General Meeting (AGM) by our shareholders individually for a period of one year and are eligible for re-election. Board members shall generally retire after having served on the Board for 12 years. The background, skills and experience of Board members are diverse and broad and include holding or having held top management positions at financial services and other companies in Switzerland and abroad, as well as leading positions in government, academia and international organizations. The Board is composed of individuals with wide-ranging professional expertise in key areas including finance and financial management, risk management, audit, innovation and technology, legal, compliance and regulatory affairs, advertising, marketing and media, and human resources and incentive structures. Further, Board members are well informed about environmental, social and governance topics as a result of their experience serving as non-executive directors and prior executive roles in listed companies with well-established corporate governance structures. Diversity of culture, experience and opinion are important aspects of Board composition, as well as gender diversity. While the ratio of female-to-male Board members may vary in any given year, the Board is committed to complying with the gender diversity guidelines in the new Swiss corporate law, which stipulate a representation of at least 30% of each gender on the board of directors of listed companies. The collective experience and expertise of our Board members as of the end of 2020 across those key areas considered particularly relevant for the Group is illustrated in the above chart.

Board member experience and expertise

(number and percentage of Board members)



Sustainability governance

Board of Directors

In 2020, the Board of Directors actively engaged with the Executive Board on designing the strategy for and establishing the new Sustainability, Research & Investment Solutions (SRI) function at Executive Board level. The Board continued to receive regular status updates on the implementation of SRI throughout the year, as well as on the progress of Credit Suisse's sustainability strategy. The Board furthermore received several briefings on the topics of sustainability and climate risks, covering both updates on external developments related to climate change, such as the increasing focus of global regulators on climate risks, as well as internal progress on specific initiatives supporting our sustainability strategy, such as the enhancement of our wealth management focused product and solutions offering with ESG integration.

In addition, our focus on culture is a standing agenda item for the Board of Directors, with culture, conduct and ethics updates being presented at each meeting. The Board of Directors also approved the new Credit Suisse purpose statement, cultural values and refreshed Code of Conduct. Further, a dedicated session on diversity, equity and inclusion was held as part of the annual strategy workshop and the strategy was endorsed by the Board.

Board Committees

Sustainability, culture and conduct-related topics are routinely addressed at meetings of the Board committees. For example, as part of its performance assessment of the Executive Board for the purposes of determining compensation, the **Compensation Committee** considers the achievements of Executive Board members not

Board committee memberships

Urs Rohner
Chairman of the Board
Chair of Governance and Nominations Committee
▲ 12 years

Christian Gellerstad
Chair of Conduct & Financial Crime Control Committee
▲ 2 years

Michael Klein
▲ 3 years

Seraina Macia
▲ 6 years

Kai Nargolwala
Chair of Compensation Committee
▲ 8 years

Joaquin Ribeiro
▲ 5 years

John Tiner
▲ 12 years

Iris Bohnet
Board of Directors Sustainability Leader
▲ 9 years

Andreas Gottschling
Chair of Risk Committee
▲ 4 years

Shan Li
▲ 2 years

Richard Meddings
Chair of Audit Committee
▲ 1 year

Ana Paula Pessoa
▲ 3 years

Severin Schwan
Vice-Chair and Lead Independent Director
▲ 7 years

Governance and Nominations Committee
Compensation Committee
Audit Committee
Risk Committee
Conduct and Financial Crime Control Committee
Innovation and Technology Committee
Sustainability Advisory Committee
▲ Board tenure at end of current term post-AGM 2021

only in terms of financial performance, but with respect to non-financial aspects as well, such as risk and compliance, conduct and ethics, and talent development. In addition, at meetings of the Compensation Committee and as necessary, members review and approve any sanctions imposed on senior employees' compensation for conduct-related matters.

The **Conduct and Financial Crime Control Committee** reflects the Group's priority to rigorously address financial crime risk and ensure that the highest standards of conduct and vigilance are maintained throughout the Group. The Conduct and Financial Crime Control Committee assists the Board in fulfilling its oversight duties with respect to the Group's exposure to financial crime risk. It is tasked with monitoring and assessing the effectiveness of financial crime compliance programs and initiatives focused on improving conduct and vigilance within the context of combatting financial crime.

Each time the **Audit Committee** meets, it is provided with a compliance update, covering aspects such as compliance trends, issues and developments, including information on the conduct risk framework. Critical compliance initiatives and specific conduct matters may also be reviewed jointly with the Conduct and Financial Crime Control Committee.

Climate change-related responsibilities are explicitly included in the Board's **Risk Committee** charter. In 2020, the Risk Committee conducted its annual review of our risk and sustainability framework, which included a discussion of key sustainability developments and steps taken by management to integrate sustainability considerations more closely into our risk assessment process. The Risk Committee also received a comprehensive briefing on the progress of the climate risk strategy, which, among other aspects, covered key external developments with respect to the management of climate risk at banks, as well as internal progress on the development of energy transition frameworks for corporate clients in industries impacted most by climate change, and progress against our existing commitments, such as the restriction of certain business activities in carbon-intensive sectors. As our journey progresses towards the setting of quantitative risk appetite metrics, we expect to update our reporting to include such metrics at the applicable governance levels. Furthermore, sustainability and climate risks feature in the monthly Group risk reports, which cover key risks to the firm and are provided to all members of the Board of Directors.

Sustainability Advisory Committee

At the Investor Update on December 15, 2020, the Group announced its intention to establish a Sustainability Advisory Committee at the Board level. In February 2021, the Board approved the set-up and constitution of the new committee, which will be chaired by Board Sustainability Leader Iris Bohnet and consist of at least two other Board members, three Executive Board members and also external advisors. From the Board and Executive Board, the committee members include the Chairman of the Board of Directors, the CEO, the CEO Sustainability, Research & Investment Solutions and the Chief Risk and Compliance Officer. Subject to his election at the 2021 AGM, the new Chairman, António Horta-Osório, will become a member of the Sustainability Advisory Committee. The process to select and appoint suitable external advisors is in progress. The Sustainability Advisory Committee will assist the Board, in an advisory capacity, in fulfilling its oversight duties in respect of the development and execution of the Group's sustainability strategy and targets, and monitoring and assessing the effectiveness of the respective sustainability programs and initiatives. Responsibilities include endorsing the sustainability strategy and ambitions and ensuring actions are being taken to accomplish them, advising on sustainability metrics and tracking and monitoring progress, and

bringing in external expertise, so as to provide a critical outside view across a variety of sustainability topics.

Executive oversight

The **Executive Board** is the most senior management body of the Group and is responsible for the Group's day-to-day operational management under the leadership of the CEO. The Executive Board currently consists of 11 members, appointed by the Board of Directors.

The Executive Board has several standing committees, which are chaired by one or more Executive Board members and meet periodically throughout the year and/or as required. These committees are:

- **The Executive Board Risk Forum:** The Executive Board Risk Forum is responsible for determining the management strategy for critical risk and compliance issues at the Group and/or cross-divisional level.
- **Capital Allocation & Risk Management Committee (CARMC):** CARMC is responsible for overseeing and directing our risk profile, recommending risk limits at the Group level to the Risk Committee and the Board, establishing and allocating risk appetite among the various businesses, reviewing new significant business strategies or changes in business strategies including business migrations, making risk-related decisions on escalations and for applying measures, methodologies and tools to monitor and manage the risk portfolio.
- **Valuation Risk Management Committee (VARMC):** VARMC is responsible for establishing policies regarding the valuation of certain material assets and the policies and calculation methodologies applied in the valuation process.
- **Group Conduct and Ethics Board (CEB):** Co-chaired by the SRI CEO and the Global Head of Human Resources, the Group CEB ensures robust oversight of culture and conduct topics. It oversees how conduct and ethics matters are handled within the divisions and corporate functions and ensures consistency and the alignment of practices across the Group. The Group CEB conducts reviews of employee sanctions and may perform subsequent evaluations for specific matters that have been escalated by the CEBs established for each division and the corporate functions. The Group CEB also oversees the activities of the conduct and ethics ombudsperson. The role of the conduct and ethics ombudsperson was created in 2018 as a result of a review of the Group's global approach to handling claims of sexual harassment. The ombudsperson is accountable directly to the CEO and the Group Conduct and Ethics Board. The ombudsperson's role is to serve as a point of immediate escalation when sexual harassment claims arise and to ensure there is appropriate awareness of and attention to such claims.

Further to the above Executive Board standing committees, a bank-wide **Sustainability Leadership Committee** has been established, chaired by the CEO of SRI and a newly created Chief Sustainability Officer (CSO) function. In the Sustainability Leadership Committee, senior representatives from each division and control function meet to drive and execute our sustainability strategy.

For more details on our broader governance, please refer to Credit Suisse's Annual Report 2020.

Governance of crisis management

The Group has a crisis management framework and robust governance processes in place to enable the

effective management of crises. The crisis management framework includes the implementation of global and regional Crisis Assessment Teams (CAT) and Crisis Management Teams (CMT) consisting of representatives from senior management and specialist functions from across the firm. The Global CAT assesses the impact of a specific crisis event to the firm on a global level and provides recommendations for final decisions to the Global CMT, whose members include all members of the Executive Board. In the case of a specific crisis event, firm-wide business continuity management response measures are triggered and overseen by the Executive Board. At the Board level, oversight of business continuity management is within the responsibility of the Risk Committee. In any given crisis event, the Board may delegate certain responsibilities to a sub-committee of its members that is authorized to take actions that exceed the mandate of the Executive Board, in particular when decisions are needed in too short a time frame to convene the full Board. Such a crisis event could include, for example, a sovereign crisis, large single name default, cyber or other operational incident and global macroeconomic or market event or public health crisis, such as the COVID-19 pandemic. Once the crisis management process is invoked, multiple response measures are triggered, including Group crisis specific risk reporting, if necessary, and other potential steps, such as notification of regulators.

In February 2020, in response to the COVID-19 pandemic in countries and regions in which the Group operates, the Executive Board invoked our crisis management process, which remains in place as of the date of this report, given that the COVID-19 pandemic has not yet subsided and that renewed lockdowns and other restrictions have occurred across different countries in the latter part of 2020 and early 2021. Invoking the crisis management process meant that various response measures were put in place, including travel restrictions, a quarantine protocol, guidelines for client meetings, employee gatherings and working from home, and certain changes to the daily operations of critical processes, in order to ensure continuity of our business operations and to protect the health and safety of our employees. The crisis management process and related measures were continuously monitored and adapted throughout 2020 and early 2021, in light of changing circumstances, with daily Executive Board calls held following the initial outbreak of the COVID-19 pandemic in the first part of 2020. Specific crisis reporting was also developed, with regular updates provided to regulators and the Board. The Board has remained actively involved in the ongoing monitoring of the Group's response to market developments and operational challenges, including business continuity management and the effectiveness of the crisis mitigation measures put in place, and has engaged in regular dialogue with the Executive Board regarding these matters. In March 2020, the Board approved to establish the tactical crisis committee as a sub-committee of the Board, consisting of the Chairman and the Chairs of the Audit Committee and Risk Committee, for the purposes of enabling rapid decision-making on time-sensitive matters regarding risk, capital and liquidity management within the Board's authority, given the volatile market environment in particular during the first half of 2020. As markets stabilized in the second half of 2020, the Board decided that the tactical crisis committee was no longer needed in the context of the COVID-19 pandemic.

The tactical crisis committee was reactivated in March 2021 with the same members plus the Chair of the Conduct and Financial Crime Control Committee for the purposes of exercising close oversight and ensuring timely decision-making with respect to the resolution of the issues in connection with the Credit Suisse Asset Management managed supply chain finance funds.

Risk management/sustainability risk management

Reputational Risk Review Process

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

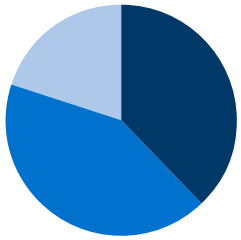
Reputational risk potentially arising from proposed business transactions and client activity is assessed in the bank-wide Reputational Risk Review Process (RRRP). The Group's global policy on reputational risk requires employees to be conservative when assessing potential reputational impact and, where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

As part of the RRRP, submissions are subject to review by senior managers who are independent from the business, and may be approved, approved with conditions, or rejected. Conditions are imposed for a number of reasons, including restrictions on the use of proceeds or requirements for enhanced monitoring of a particular issue relating to the client. Any conditions that are imposed as a condition of approval are assigned to a business owner and are systematically tracked to completion, including a four-eye review. Adherence with conditions is monitored to ensure timely completion, with any breaches potentially subject to disciplinary action.

During 2020, an updated governance structure was introduced to reduce complexity and fragmentation of decision-making around client risks. The reputational risk process is overseen by the Position & Client Risk (PCR) cycle of the Capital Allocation & Risk Management Committee (CARMC), which assumed the responsibilities of the former Reputational Risk Sustainability Committee (RRSC) in 2020. A transaction, activity, relationship or submission to the RRRP may be escalated to the Divisional Client Risk Committee (DCRC), or in specific cases, to the Global Client Risk Committee (GCRC), with escalation criteria established to define the necessary governance:

- The DCRCs are jointly chaired by the Divisional Chief Risk Officer and Divisional Chief Compliance Officer and serve as a discussion and decision-making senior management forum for reputational risk, sustainability risk and compliance (including Financial Crime Compliance, FCC). They serve as an escalation point for high-risk and complex clients or transactions. The

Reputational Risk Review Process cases in 2020



302
transactions assessed

38% approved
42% approved with conditions
20% rejected or not pursued

These statistics exclude potential cases that were not formally submitted into the review process because they were immediately identified as outside of Credit Suisse's reputational risk appetites, or that were terminated prior to a decision being taken. The cases approved with conditions gave rise to over 450 conditions recorded during 2020.

escalation criteria assess both qualitative and quantitative factors of individual client cases.

- The reputational risk process is overseen by the PCR cycle of CARMC, which delegates authority to the GCRC. The GCRC assesses complex or cross-divisional client and transaction risks arising from reputational risk, sustainability risk and compliance (including FCC) according to defined escalation criteria.

To ensure a more holistic perspective when managing the bank's client risks, the Reputational Risk organization was brought under the oversight of Credit Risk in September 2019, with changes to the governance structure and escalation process implemented during 2020. Further enhancements are being developed to create a common and transparent process across Compliance and Reputational Risk for the assessment of client risks through the development of a standardized onboarding template and an integrated case management solution.

Further information on this process is available at: credit-suisse.com/riskmanagement

Selected examples of reputational risk decisions
Credit Suisse rejected a financing request from a midstream oil and gas energy company with a track record of sustainability issues. The case was reviewed by the Global Client Risk Committee, which concluded that the company's sustainability improvements were insufficient and that the transaction would not align with the bank's commitments to energy transition.

Credit Suisse considered a role as joint bookrunner for a private placement for a telecommunications company. The transaction was rejected in the RRRP after taking into account feedback from the Financial Crime Compliance function and the assessment of risks related to the telecommunications company's largest shareholder having been subject to multiple civil sanctions and criminal fines, including for insider trading.

Governance

Acts as a governance and oversight function with respect to reputational and sustainability risk-related matters.

Assesses clients and transactions escalated based on **significant risk criteria** derived from (1) attributes deemed worthy of escalation across Compliance, Reputational Risk and Sustainability (including Climate) Risk and (2) previous transactions escalated to Senior Management.

Assesses clients and transactions escalated based on **moderate risk criteria** derived from (1) attributes deemed worthy of escalation across Compliance, Reputational Risk and Sustainability (including Climate) Risk and (2) previous transactions escalated to Senior Management.

Sustainability risk review

Our risk processes enable us to take account of the potential wider implications of our business activities and products and services, for example on the environment and society. Reputational, sustainability and climate issues are thus all considered as an integral part of our risk review process. These three areas are often not mutually exclusive, and are considered essential to obtain a full client risk picture, alongside other key areas including credit and compliance risk.

We evaluate factors such as a company's greenhouse gas footprint or its energy efficiency targets within our RRRP, while some of our policies and guidelines (↗ see pages 23-25) require clients to have a plan in place to deal with climate change risks. For example,

companies operating in sensitive industries frequently play a key economic role in the global supply of energy and commodities. They may also be major employers in economically weak regions. As such, responsible economic activity can be a significant driver for sustainable development. At the same time, we recognize that the activities of these companies can, in some cases, have a significant impact on the climate, biodiversity, water resources or local communities. We believe that working with our clients is essential to drive sustainable development. To this end, our policies and guidelines describe the environmental and social standards we expect our clients to adhere to but also describe business activities and operations that Credit Suisse will not finance.

The objective of sustainability risk reviews is to identify and prevent adverse impacts on the environment, on people or society through financial services provided for the activities of a bank's clients or prospective clients. Environmental impacts can include air or water pollution, contribution to climate change, deforestation and degradation of ecosystems and loss of biodiversity. Impacts on people or societies can include damage to the health and safety of a client's workers and contractors, or of communities adjacent to a client's operations, undermining the livelihood of communities, as well as violation of the human rights of indigenous peoples. This is the outward-facing approach to sustainability risk.

Banks are also increasingly aware of the issues that may arise when financial services are provided to clients whose activities lead to adverse environmental and social impacts. Unsustainable economic activities of clients could lead to delayed approvals from the authorities or to sanctions from regulators, or such clients may face protests from local communities, lengthy legal disputes, or additional costs due to accidents or insufficient planning. For a bank, such issues could materialize in the form of credit losses, the deterioration of clients'

Assessment of sustainability risks within the Reputational Risk Review Process

1. Risk classification and responsibility

Potential environmental or social risks	**Other potential risks**
Internal specialist unit Sustainability Risk	**Various specialist units**

2. Assessment and recommendation

Aspects to be checked according to internal policies and guidelines

- **Nature of transaction**
- **Identity and activities of potential and existing clients or prospects**
- **Regulatory and political context**
- **Environmental and social aspects of client operations**
- **Various risk-specific aspects**

3. Review and decision

Decision by **Senior Business Representative and Senior Risk Representative** (Divisional Reputational Risk Approver)

or

Escalation to **Divisional Client Risk Committee** or **Global Client Risk Committee** based on defined criteria (approval/approval with conditions/rejection)

valuations and collateral, reputational damage, and adverse impacts on relationships with shareholders and (other) clients or prospective clients. Guidance for banks on how to integrate such risks into their established risk management systems is evolving at a fast pace. Of particular note in this context are the recommendations of the Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosures, TCFD (↗ see pages 59-60), the OECD's Guidance on Due Diligence for Responsible Corporate Lending and Securities Underwriting, and the European Banking Authority's (EBA) Guidelines on Loan Origination and Monitoring.

Credit Suisse is actively working to adopt these recommendations and ensure our internal processes are in line with this guidance. We continue to support the development of such guidance in additional areas of sustainability risk, for example in relation to biodiversity. For example, as a rule, Credit Suisse will not finance or provide advice on activities undertaken by in-scope businesses within areas of High Conservation Value (HCV) that are subject to statutory local, national or international Protected Area designations, or areas that are undesignated but recognized by the international scientific community as having HCV areas. We also support multi-stakeholder initiatives that respect and protect biodiversity, including as a participant in the informal working group to establish a TNFD and in the project to further develop the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) tool for financial institutions

To assess risks to the environment, to people and to society, Credit Suisse pursues a risk-based approach. The current focus is on lending, capital markets and advisory transactions where Credit Suisse plays a significant role, as opposed to flow trading business, which is more dynamic in nature. Certain industry sectors, client operations or projects, countries of residence or operation, or financial services have been identified as carrying higher risks. Due diligence is therefore prioritized based on the scale (or gravity of an adverse impact), the scope (number of people affected or area impacted) and the irremediable character of an adverse impact. For transactions with potential sustainability risks, the internal specialist unit Sustainability Risk evaluates the nature of the transaction and our role in it as well as the identity and activities of the client (existing or new), reviews the regulatory and political context in which the client operates, and assesses the environmental and social aspects of the client's operations. The team assesses whether the client's activities are consistent with the relevant industry standards and whether the potential transaction is compatible with Credit Suisse's policies and guidelines for sensitive sectors. The evaluation is based on information published or provided by the client but also includes information from specialized ESG rating agencies and topic-specific databases, or an adverse news search. The process often involves questionnaires to clients or prospective clients to gather general information about their management of environmental and social issues, or to investigate specific issues a company may be faced with or may have had to deal with in the past.

Based on the outcome of this analysis, Sustainability Risk submits its assessment to the responsible business unit and/or enters it into the Reputational Risk Review system for evaluation (↗ see pages 18-19).

Governance for sustainable products and services

In addition to leading the bank's focus on developing and implementing its sustainability strategy, the Sustainability Strategy, Advisory and Finance (SSAF) unit within Sustainability, Research & Investment Solutions (SRI) is also responsible for setting internal standards relating to governance for sustainable products. This includes our

efforts to ensure we lead with credibility by embedding a centralized review of certain new products and client engagements that relate to the environmental, social and governance (ESG)/Sustainability theme to ensure we do not overstate or misrepresent our credentials in this area. This work is closely linked to the bank's existing RRRP and complementary to the bank's risk framework, which set out prohibitions on a sectoral/industry basis.

In addition, the SSAF is responsible for applying critical governance around our goal to provide at least CHF 300 billion of sustainable financing to support transition strategies (renewables, Green/Blue/Transition bonds, low-carbon energy solutions and UN SDG-aligned financings) over the next ten years. Over the course of 2021 we intend to release guidance on the Sustainable Activities Framework methodology we have developed to illustrate how we count transactions towards this target and provide insight on the associated criteria. This is complementary to the work we have already published on how we apply ESG criteria across investments (the Credit Suisse Sustainable Investment Framework) in an effort to bring transparency to this fast-evolving space.

In addition, we are aligned with industry best practice by following the International Finance Corporation (IFC) Impact Management Principles for any impact-related product, which includes external assurance by a third party. We also follow the International Capital Market Association (ICMA) for any Credit Suisse self-issued green bonds, which are also subject to third-party assurance review. Our commitment to good governance and third-party assurance is designed to ensure that we lead with credibility in this area.

Climate risk governance and organization

Climate-related risks are considered to be a systemic threat to the stability of the financial system due to their manifestation through a variety of different risks. Climate-related risks are embedded in our Group-wide risk taxonomy, supporting our risk identification efforts.

The Position & Client Risk (PCR) cycle of the Capital Allocation & Risk Management Committee (CARMC) is primarily responsible for acting as a governance and oversight function with respect to market, credit, reputational and sustainability risk-related matters, for Group and major Credit Suisse entities. As such, it assumes responsibility for the overall climate change strategy, jointly with legal entity board of directors risk committees where relevant.

The PCR cycle of CARMC meets on a bi-monthly basis, chaired by the Group Chief Risk & Compliance Officer,

Climate risk governance

with representation from the CFO, General Counsel, Chief Risk and Compliance Officer (CRCO) functions and business divisions. Among other responsibilities, those closely linked with climate risk include:

- Setting the strategy and risk appetite to market, credit, liquidity, reputational, sustainability, environmental, and social risks of a client or industry, across the various businesses within the Group, setting market-specific financial crime and reputational risk appetite for higher-risk markets, and serving as a risk appetite approval authority.

- Ensuring that the capabilities for the management of relevant long-term risk trends, such as climate risks, are established.

- Ensuring the Group-wide implementation of and compliance with the Group's sustainability and reputational risk policy commitments and serving as a decision-making body for environmental and social issues.

The PCR cycle of CARMC ensures appropriate oversight of reputational and sustainability risks through the Global Client Risk Committee (GCRC), which reports to the PCR cycle of CARMC and is responsible for assessing clients and transactions based on defined escalation criteria across compliance, reputational and sustainability risk. For example, transactions rated "High Risk" by Sustainability Risk and transactions with clients categorized as "Unaware" (i.e. clients with the lowest categorization in terms of transition readiness) under our Client Energy Transition Frameworks (↗ see pages 51-55) would require escalation to the GCRC.

A Climate Risk Strategy Steering Committee, established in 2019, provides overarching governance and guidance for Credit Suisse's Climate Risk Strategy program (↗ see pages 51-55 for more information) and is mandated to develop comprehensive strategies to address climate-related risks. This committee has senior management representation from our business divisions as well as from General Counsel, Risk & Compliance and the new Sustainability, Research & Investment Solutions function, with the participation of three Executive Board members, and it reports to PCR CARMC.

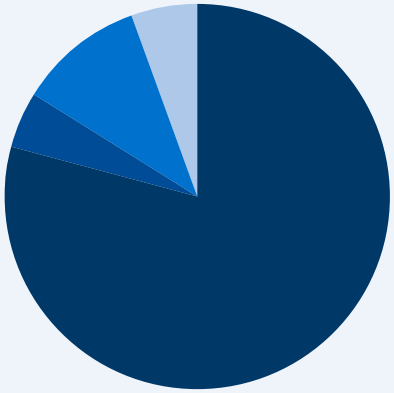
Furthermore, a Sustainability Risk Executive Leadership Committee chaired by the Chief Risk and Compliance Officer is in place to provide oversight on the implementation of the Group's strategy with respect to managing sustainability and climate-related risks. This committee reports to PCR CARMC.

A dedicated Climate Risk team has been established with the mandate to set risk appetite and strategic trajectories in order to protect the bank's portfolio from climate-related risks, across physical and transition risks, supporting our ambition to become a leader in this area. The Global Head of Reputational, Sustainability and Climate Risk, appointed in November 2020, brings extensive risk management experience from both wealth management and investment banking, including considerable knowledge of the risk appetite framework. Reporting directly to the Global Head of Credit Risk Management ensures that our Climate Risk Strategy is embedded in the broader risk management governance.

Sector policies and guidelines

Certain industries are particularly sensitive from a social or environmental perspective (including impacts on the climate). To assess potential transactions with clients or prospects in these industries, we have defined specific policies and guidelines that are globally applicable, taking account of standards developed by international

Transactions assessed on the basis of potential environmental and social risks in 2020



79.4% approved
4.7% approved with conditions
10.5% rejected or not pursued
5.4% pending[1]

963 transactions assessed

Out of several thousand transactions, client onboardings and account openings across the bank every year, these transactions have been reviewed in the RRRP or submitted specifically for a sustainability risk review pursuant to the Group's global policy on reputational risk and the policies and guidelines for environmentally and socially sensitive sectors. Front office staff normally apply a conservative approach and submit more transactions and client onboardings to a sustainability risk review than strictly mandated under applicable policies. For context, the large majority (i.e. 82%) of all 963 reviews conducted were deemed to carry low or low/medium risk in 2020. Where transactions were approved, risks were considered appropriately mitigated, based on the client's sustainability policies, capacities, and performance.

These statistics exclude potential cases that were not formally submitted into the review process because they were immediately identified as outside of Credit Suisse's reputational risk appetites or that were terminated prior to a decision being taken.

[1] As of January 31, 2021.

organizations such as the United Nations, the World Bank or the International Finance Corporation (IFC). These policies and guidelines cover the sectors oil and gas, mining, power generation, and forestry and agribusiness, which includes pulp and paper, as well as palm oil production. They address a range of topics such as: compliance with industry-specific, internationally recognized standards on the environment and human rights; measures to assess and reduce the environmental impact of operations, including on the climate and on biodiversity and ecosystems; the protection of the health and safety of company employees, contractors and surrounding communities; and respect for the human rights of the local population, with particular attention on project-related impacts on indigenous peoples (↗ see pages 74-75).

Our risk management framework incorporates an assessment of whether a transaction or client relationship under review is in line with our sector policies and relevant industry standards and good practice. The sector policies and guidelines also form an important component of our Group-wide Climate Risk Strategy program.

Our policies and guidelines describe business activities and operations that Credit Suisse will not finance. Following our announcement in 2019 that we would no longer provide any form of financing specifically related to the development of new coal-fired power plants, we announced a number of new restrictions in 2020. In particular, they included:

- No lending or capital markets underwriting to any company deriving more than 25% of its revenue from thermal coal extraction[1]
- No lending or capital markets underwriting to any company deriving more than 25% of its revenues from coal power[2]
- No financing related to offshore and onshore oil and gas projects in the Arctic region

[1] Direct lending; Unless such transaction is to help the company specifically transition and the use of proceeds is tied to such transition strategies aligned with the Paris Agreement; for greater certainty, these exclusions do not apply to metallurgical coal
[2] Direct lending; Unless the company can demonstrate decreasing share of coal in generation portfolio consistent with our Energy Transition Framework or such transaction is to help the company specifically transition and the use of proceeds is tied to such transition strategies (and will continue our policy of not financing the development of new coal-fired power plants)

As a result of the latest financing restrictions, Credit Suisse declined to participate in a number of transactions, including a bond issuance for a large thermal coal mining and power generation company, a bond refinancing for a mid-sized power generation company, a bond issuance for an electricity producer, and a buy-side mandate for an energy company with thermal coal mining activities.

Unrelated to the newly introduced fossil fuel financing restrictions, but in connection with our enhanced sustainability and climate commitments, we also rejected transactions related to a new oil pipeline, the renewal of a revolving credit facility for a pipeline operator, a loan for trading with coal, and three transactions related to oil from areas with high biodiversity.

Our sector policies and guidelines are subject to a bi-annual review and update process to take account of the latest developments and new challenges in the relevant areas. In step with the stated sustainability ambitions of Credit Suisse, we expect to introduce further restrictions over time.

A summary of our sector policies and guidelines is available at:
credit-suisse.com/sectorpolicies

In the context of sustainability risk management, Credit Suisse has applied the **Equator Principles** (EP) since 2003. This framework for the management of environmental and social risks, which is now in its fourth iteration (EP 4), is based on standards defined by the IFC and is applied by around 110 financial institutions for specific types of finance for industrial and infrastructure projects.

Recognizing the importance of environmental sustainability and sustainable land use, we are also a member of the **Roundtable on Sustainable Palm Oil** (RSPO) in the "Banks and Investors" sector. 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 the engagement of stakeholder groups throughout the supply chain. Consequently, our Forestry and Agribusiness Policy includes requirements regarding RSPO membership and RSPO certification that we expect our clients to observe.

In 2020, Credit Suisse signed the **Poseidon Principles**. This global framework for responsible ship finance promotes the integration of climate considerations into lending decisions with the aim of enhancing the role of maritime finance in addressing global environmental issues and advancing the decarbonization of the international shipping sector. We participate in a number of sustainability networks and initiatives worldwide.

Sustainability risk assessments by sector in 2020

Transactions assessed [1]	2020	2019
Metals and mining	178	157
Forestry and agribusiness	104	85
Oil and gas	211	125
Power generation and transmission	97	105
Chemicals	25	20
Defense	6	13
Infrastructure and transportation	69	64
Finance	95	53
Other	178	177
Total	**963**	**799**

[1] Including Equator Principles (EP) transactions.

For a comprehensive disclosure in accordance with EP requirements, see:
credit-suisse.com/riskmanagement

Key developments in 2020

The sustainability risk process is regularly updated, and it is supported with technological approaches. With the rollout of the Client Energy Transition Frameworks (CETF), assessing the energy transition readiness of clients or prospects in the in-scope sectors has become an element of the sustainability risk review process. In general, transactions with companies whose energy transition readiness is insufficient (categorized as "Unaware") are not approved. For companies categorized as "Aware" or higher, Credit Suisse strives to support their transition towards lower-carbon production methods and products and services with the expertise and financial services coordinated by the Sustainability, Research & Investments Solutions corporate function.

We also strive to make our processes more systematic, consistent and streamlined. To this end we have introduced a chatbot for the use of front office and control functions. The chatbot provides clear guidance about whether a sustainability risk review is required for a specific private banking relationship. If a review is required, the chatbot states which information is needed and asks the front office or control function to contact a sustainability risk specialist.

In order to keep the level of awareness and the functional knowhow high, periodic training on sustainability risks is important. Classroom training was impeded by restrictions implemented as a result of the COVID-19 pandemic in 2020. However, through virtual remote training, over 1,300 employees were trained throughout the year on sustainability risk in specific industry sectors, or on the application of the CETF for in-scope sectors. Sustainability risk training often occurs in collaboration with the respective divisional reputational risk function.

Dialogue and knowledge-sharing

As Credit Suisse continues to develop its sustainability risk management practices, we engage in dialogue with a range of stakeholders. This includes our ongoing exchange with NGOs and other actors in the conversation on sustainability risk management and climate change topics (↗ see pages 50-51), as well as our active participation in industry initiatives such as the Equator Principles, the Thun Group, and the Paris Agreement Capital Transition Assessment (PACTA) pilot project. We also served as a member of the multi-stakeholder advisory group established by the OECD, which aims to develop best practice guidance for human rights and environmental due diligence based on the provisions of the OECD Guidelines for Multinational Enterprises. The advisory group supported the development of the OECD Due Diligence Guidance for Responsible Corporate Lending and Securities Underwriting published in October 2019. The OECD guidance provides recommendations for banks on how they can identify, respond to and publicly communicate on environmental and social risks associated with products and services provided to their clients or prospects.

Compliance

In 2020, the Compliance and Risk groups were unified under the Chief Risk & Compliance Officer (CRCO). The integrated Risk and Compliance organization allows us to improve the control environment for Credit Suisse, leveraging the expertise of corporate functions. The function manages the continuum of financial and non-financial risks, enabling an integrated prioritization and management of risks for the firm.

Financial crime prevention

Financial crime can cause serious social and economic consequences, and we believe in strong collaboration in the fight to make the financial system a hostile environment for criminal activity. Financial Crime Compliance supports our approach towards the objective of enabling sustainable business by ensuring we not only seek to eradicate criminal and unethical business practices but also focus on achieving the best possible outcomes for our clients in line with the applicable rules and regulations in the markets in which we operate.

We recognize our responsibility to help protect the integrity of the global financial system. In order to fulfil that responsibility, we have made, and continue to make, significant investments in our ability to detect, deter and report financial crime. We continue to partner with governments and other banks to advance our mutual interests in reducing the risks of financial crime.

Credit Suisse is also a proud member of the Wolfsberg Group, the industry-leading forum on Financial Crime risk, as well as the United for Wildlife Financial Task Force, and is committed to tackling issues such as illegal wildlife trade. We seek to detect environmental crimes by ongoing development of potential red flags for transaction monitoring purposes in order to detect potentially suspicious transactions, and sharing intelligence and good practices across public and private partnerships.

Our work in Financial Crime Compliance continues to be consistent with our strategic priority of safeguarding our clients and enabling sustainable business via utilizing industry-leading financial crime capabilities. We are continuing to evolve our approach to financial crime risk management, supported by advanced analytical capabilities designed to help us target illicit conduct with greater sophistication and precision. We have established a

Anti-Money Laundering and Counter Terrorist Financing program components

Governance	Managing client risk (including KYC)	Ongoing monitoring	Reporting	Testing
Credit Suisse maintains Board-level engagement in managing financial crime risk through the dedicated Conduct and Financial Crime Compliance Committee (CFCCC) (see also page 15) of the Board of Directors. This committee reviews the status of related programs, key risk and performance indicators, new or emerging industry and regulatory trends, as well as regulatory exams and audits.	Our Global Anti-Money Laundering (AML) Policy, supported by Global Client Due Diligence (CDD) standards, establishes the requirements through which we assess the risk of financial crime associated with our clients and transactions. We apply a risk-based approach, and the Global AML Policy sets out the KYC processes that must be applied based on the risk associated with clients at onboarding, and during the rest of the client lifecycle. Our KYC processes are consistent globally, incorporating additional local requirements as applicable.	Credit Suisse monitors transactions to identify unusual or suspicious activity, behaviors or patterns of activity across the jurisdictions in which we operate. We review any transactions that raise alerts in our processes or systems and investigate as appropriate to ensure the transaction has a legitimate business reason in line with the expected activity of our clients.	Credit Suisse maintains a global risk assessment of financial crime risk, which is refreshed annually. We present the results of the risk assessment to the Board of Directors and senior management forums, and use the results to inform our programs and testing regimes. We submit suspicious activity reports as required to the local authorities.	We maintain a global Monitoring & Testing team across the regions in which we operate that is responsible for periodic risk-based monitoring and testing of key controls associated with the management of financial crime risk. The team works closely with our divisional compliance teams, but acts autonomously to ensure independent oversight.

Financial Crime Compliance Framework which governs how we prevent, detect and report money laundering, terrorist financing, sanctions breaches, and bribery and corruption. All employees are required to complete mandatory Financial Crime Awareness training annually.

Anti-money laundering and counter terrorist financing
Credit Suisse operates a risk-based, global anti-money laundering and counter terrorist financing (AML/CTF) program designed to comply with all applicable laws and regulations relating to the prevention of money laundering and terrorist financing in all jurisdictions in which the firm operates. The AML/CTF components of the Financial Crime Framework are based on key components spanning governance, managing client risk, including Know Your Customer (KYC), ongoing monitoring, reporting and testing. All key components are supported by underlying metrics, data and training required to support an effective Financial Crime program.

Sanctions
Credit Suisse operates a global sanctions program designed to comply with key sanctions regimes including (but not limited to) the regimes of the US, UK, and EU. We have a policy of zero tolerance on sanctions breaches, with robust screening for sanctions exposures.

Anti-bribery and corruption
Credit Suisse has no tolerance for any form of bribery or corruption, and the Global Anti-Bribery & Corruption Policy outlines the key requirements for all employees in the bank to manage the risk, both internally and externally for our clients.

Professional integrity

Our Code of Conduct outlines the expectation that Credit Suisse employees hold themselves to the highest standards in everything we do and say – in all facets of their work, whether that be the effort we put in or the results we achieve. The Code of Conduct was updated in early 2021 to align with our revised values framework and newly launched purpose statement (↗ see also page 39).

Our Code of Conduct clearly states it is the responsibility of all employees to be familiar with compliance requirements, and to conduct themselves in accordance with the relevant laws, guidelines, policies and processes that apply to them. The bank in turn has an obligation to help employees understand the applicable rules and to provide training, technology and digital solutions with the aim of helping Credit Suisse achieve compliance. To ensure that 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. The training program includes, but is not limited to, developments in the finance industry and internal best practices for continued compliant growth.

Credit Suisse manages improper employee behavior and employee breaches through global disciplinary and escalation processes across three lines of defense. Our disciplinary process provides a structure that is designed to confirm that the bank's standards of professional conduct (including our Conduct and Ethics Standards historically and now our cultural values and Code of Conduct), policies and procedures (including on the prevention of money laundering, terrorist financing and bribery and corruption), and external laws, rules, regulations, standards and principles are adhered to and enforced on an ongoing basis, subject to local differences. Our Group and divisional and functional Conduct and Ethics Boards provide an independent review of

disciplinary matters and, where necessary, participate in or challenge disciplinary recommendations that may impact employee compensation and promotion opportunities.

Escalation and whistleblowing

A global whistleblowing framework that ensures independence, confidentiality and thorough investigation processes is an essential component of good governance at Credit Suisse.

Credit Suisse is constantly enhancing its global framework to apply best-in-class practices and fulfil regulatory expectations. Over the last three years such enhancements have included the launch of a web-based Integrity Line, which allows anonymous two-way communication between reporters and the bank; enhanced governance and involvement of the Credit Suisse conduct and ethics ombudsperson for matters concerning allegations of sexual harassment; and a centralized approach to tracking and reporting of escalated concerns to closure.

The Audit Committee oversees the bank's escalation framework and is kept apprised on key developments, risk themes and outcomes of matters via an annual in-depth presentation and recurring consolidated reporting through the quarterly Compliance Risk Report. Other governance forums are also regularly kept informed regarding developments of the escalation framework and the handling of matters. The items raised are not limited to disciplinary proceedings where relevant, but also include root cause and lessons learned where applicable. Employees globally have been educated about the escalation framework through a multitude of communication measures, presentations to internal committees, and trainings featuring the requirement and encouragement to speak up. Employees are also provided with clear guidance regarding the investigation process including confidentiality and protection against retaliation.

Consumer and investor protection

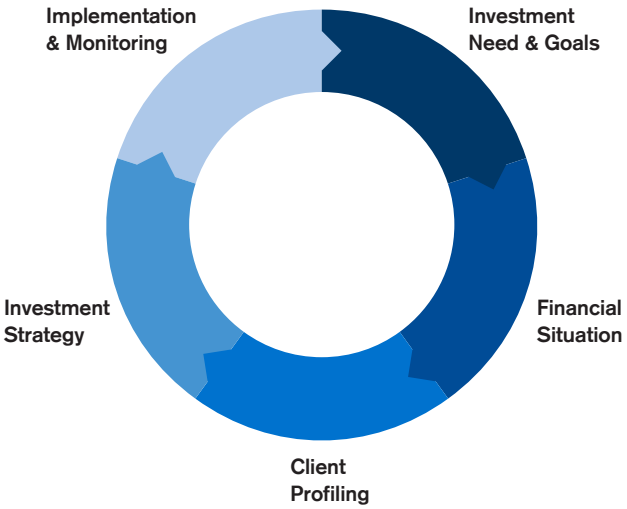
High-quality service and advice
Our relationship managers, investment consultants, and sales teams offer expert global financial advice, personalized services and tailor-made solutions. First-hand knowledge of international markets through a local, specialized, and experienced investment services team complements our customized services. Credit Suisse believes in establishing long-term relationships based on trust and integrity between our relationship managers and clients.

The Credit Suisse advisory process helps us to understand our clients' needs and plans, their financial circumstances, as well as their risk ability and risk tolerance. The advisory process incorporates sophisticated analytical tools that can – among other capabilities – identify counterparty concentration risks and simulate potential returns based on different scenarios, providing an objective basis for client investment decisions.

A high level of investor protection
When providing advice to our clients regarding one or more transactions involving financial instruments, we assess the suitability and appropriateness of such transactions. This suitability and appropriateness assessment ensures that our clients have the necessary knowledge and experience to understand the relevant product characteristics and associated risks and to make sure that our advice is in line with their investment objectives.

Credit Suisse has established best execution arrangements that describe the principles, duties, and

The five-step Credit Suisse advisory process



responsibilities that apply when Credit Suisse either manages client portfolios, or executes or receives and transmits client orders in financial instruments. When executing orders on behalf of our clients, we assess the appropriateness of such transactions and communicate potential mismatches.

For many years, Credit Suisse has been committed to strengthening investor protection and has invested in related systems, processes and employee training – including a mandatory certification program for relationship managers. Credit Suisse is fully dedicated to complying with the continuously evolving regulatory demands. The Federal Financial Services Act (FinSA), as well as its implementing ordinance the Financial Services Ordinance (FinSO), entered into effect on January 1, 2020. Most of the provisions have a transition period of two years and need to be applied as of January 1, 2022. FinSA regulates the provision of financial services in Switzerland, including to Swiss clients from abroad on a cross-border basis, as well as the offering of financial instruments, and the admission to trading of financial instruments, in Switzerland. FinSA is part of a larger legislative effort to create uniform competitive conditions for financial service providers, improve investor protection and bring Swiss legislation in line with new or emerging international standards.

Privacy and data security

Safeguarding the data within our stewardship throughout its lifecycle and ensuring ongoing compliance with data protection regulations globally remains a key priority for Credit Suisse. At the time of collection, we make transparent to individuals through a range of appropriate Privacy Statements what data is being collected, for what purpose, and how it will be used. Supported by training annually for all employees, our Data Confidentiality, Protection and Privacy Policy sets out the principles of how data should be used and protected, requiring strict adherence to the “Need to Know” principle. We operate a series of controls to provide further protection assurance, including robust validation of system access and obligations on third-party vendors who may have data access. Should a data loss incident occur, we assess the resulting risks to individuals and take action as appropriate. Under the stewardship of the Data Protection Officer, reporting under this framework is embedded into governance groups at the highest level of management, comprising legal entity boards of directors and the Data Protection Sub-Committee of the Executive Board, to provide the necessary management oversight.

Relationship with suppliers

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. Credit Suisse's Third Party Risk Management (TPRM) framework was established to manage financial, operational and reputational risks and to meet the increasing regulatory requirements governing business relationships with third parties. 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 regularly monitor these relationships, to raise and track issues and, if necessary, to demand actions for improvement from suppliers and service providers. Credit Suisse is also working on reducing our environmental impact across the supply chain (↗ see pages 50-51). We expect to achieve this through programs to reduce energy, carbon emissions, environmental impacts and waste. We plan to deliver a 50% carbon reduction across our suppliers by 2030. We aim to drive forward 100% renewable energy procurement and source carbon emissions removals to deliver a net zero ambition overall.

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

Tax

Our approach to tax is designed to be aligned with our purpose, broader strategic goals and the needs of all our stakeholders, including clients, shareholders, regulators, tax authorities and the communities in which we operate.

Tax principles

The Credit Suisse Tax Principles set out our approach on tax matters:

- Credit Suisse is committed to ensuring that its tax affairs are conducted in compliance with all applicable tax laws and practices, and will engage with tax authorities in a cooperative and transparent manner.
- Credit Suisse will only undertake on its own behalf, or facilitate for clients or third parties, tax planning and transactions which support genuine commercial activity or which we believe to be consistent with the relevant tax authorities' expectations and practice.
- Credit Suisse has a zero tolerance approach to tax evasion. Credit Suisse will not assist clients or other third parties in any attempt to evade taxes, including any attempt to circumvent reporting regimes such as the US Foreign Account Tax Compliance Act (FATCA) and the Automatic Exchange of Information (AEI).

Compliance with tax law

We are committed to tax compliance. Credit Suisse seeks to ensure accurate and timely compliance with tax laws in the jurisdictions in which we operate. We seek to respect both the letter and the spirit of the law by taking

reasonable steps to determine and follow the intention of the legislature.

We follow relevant international tax standards, including OECD Guidelines, which seek to ensure taxes are paid where economic value is created.

Tax is a complex and changing area and uncertainty can arise in respect of our final tax liabilities given the complexity of our business and of applicable tax laws. In situations where there is significant uncertainty or complexity, we seek advice from reputable advisers as appropriate.

Engagement with tax authorities

We seek to maintain relationships with tax authorities based on respect and mutual trust.

There can be instances when we interpret tax laws and their application differently from tax authorities. Where possible, we seek to resolve such situations directly with tax authorities on a proactive basis. For example, in countries where there are established cooperative compliance frameworks, we seek to engage in regular and open dialogue with tax authorities and seek to achieve early identification and resolution of issues and differences in opinion.

Where differences in opinion and disputes arise, we aim to resolve them in a constructive manner. If we are unable to reach an agreement with tax authorities via these avenues, we may have to test the application of the law through the relevant courts.

Taxation of economic value creation

We operate in a significant number of jurisdictions and we are committed to paying tax in the jurisdictions in which we generate economic value in accordance with the OECD arm's-length principle. Since 2016, we have undertaken country-by-country tax reporting to tax authorities in accordance with OECD and national standards first on a voluntary and subsequently on a statutory basis.

Tax governance

Tax matters and risks are governed in line with our enterprise-wide risk management frameworks and practices.

The Group's tax affairs are overseen by the Board of Directors of Credit Suisse Group AG via its Audit Committee. At an operational level, the tax affairs of the group are managed by the Group Tax function.

Significant tax matters and risks are reported to the Audit Committees of Credit Suisse Group AG and its material subsidiaries in accordance with applicable corporate governance standards.

Maintaining safe and stable operations – Business Continuity Management

Operational resiliency is a focus topic for regulators and the financial industry. Credit Suisse has launched a Group-wide Operational Resilience initiative sponsored by the Group COO and the CRCO and has implemented an Office of Resiliency combining critical elements such as cybersecurity, technology and third-party risk management and business continuity management in order to enhance preparation for and response to the evolving threat landscape.

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

In 2020, Credit Suisse had to address the challenges created by the global COVID-19 pandemic, which affected the entire industry. The resulting crisis required a globally coordinated response within Credit Suisse. Overseen by the Executive Board, local Crisis Management Teams implemented response plans in accordance with applicable local regulations. Measures implemented (e.g. building up infrastructure to support the new enhanced levels of remote working arrangements, measures for staff wellbeing, split operations) have ensured continued operations throughout the different waves of the pandemic.

Technology and cybersecurity risk has been elevated due to the prolonged work from home environment and cyber threats remain high and continue to increase. The bank maintains a robust set of controls, in line with industry standards, to manage cybersecurity threats, including both technical and process controls to identify, defend, detect, respond to and recover from a cybersecurity event. Credit Suisse also provides training and awareness campaigns for employees regarding cybersecurity, including realistic phishing tests.

Compensation

We are committed to ensuring that compensation contributes to the achievement of the Group's objectives in a way that does not encourage excessive risk-taking or the violation of applicable laws, guidelines or regulations, taking into account the capital position and economic performance of the Group over the long term. Our focus on equality, diversity and inclusion is reflected in our approach to compensation.

The objectives of the Group's compensation policy include creating sustainable value for the Group's shareholders and motivating employees to achieve results with integrity and fairness. The key elements of the compensation framework for Group employees include fixed compensation (base salary and allowances, pension and other benefits) and variable incentive compensation, which is determined based on the Group's performance, product area, as well as individual performance, market position and trends.

A further objective of the compensation policy is to ensure that the proportion of variable compensation is appropriate to the employee's role and encourages appropriate behaviors and actions. A percentage of the discretionary variable incentive compensation is deferred for persons with a total compensation of CHF/USD 250,000 or

higher (or local currency equivalent), mainly in the form of share-based awards with vesting periods of at least three years. 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 pre-defined annual performance objectives, and long-term incentive (LTI) awards, which are based on future performance outcomes measured against pre-defined performance targets over a period of three years. Maximum STI and LTI opportunity levels for each Executive Board member are clearly pre-defined based on market competitive compensation for the role and communicated at the start of the performance cycle, expressed as a multiple of base salary. The maximum payout level for each award is capped at 100% of the opportunity. At the end of the respective performance cycles, performance against the pre-defined objectives is disclosed in the Compensation Report, which is part of Annual Report.

ESG considerations are integrated into various stages of the compensation process:

- Group variable incentive pool: the Compensation Committee considers audit, disciplinary, risk and regulatory-related issues, among other factors, in order to determine appropriate adjustments to the Group, divisional and corporate functions pools. In addition, one of the key drivers of bonus pool development at the divisional level is economic contribution, which factors in the level of risk taken to achieve profitability;

- Executive Board annual STI awards: the non-financial component of Executive Board annual awards includes the consideration of ESG factors, particularly the integration of ESG into investment processes, client satisfaction, corporate responsibility, talent management, diversity and inclusion, compliance, risk management, and conduct and ethics; and

- Equal pay policy: Credit Suisse does not tolerate any form of discrimination, in particular discrimination based on ethnicity, nationality, gender, sexual orientation, gender identity, religion, age, marital or family status, pregnancy, disability, or any other status that is protected by local law. We recognize and value diversity and inclusion as a driver of success. Our policies and practices support a culture of fairness, where employment-related decisions, including decisions on compensation, are based on an individual's qualifications, performance and behavior, or other legitimate business considerations, such as the profitability of the Group or the division and department of the individual, and the strategic needs of the Group. Consistent with our long-term commitment to fair pay, the Compensation Committee reviews our pay practices on a regular basis to identify potential areas requiring more attention.

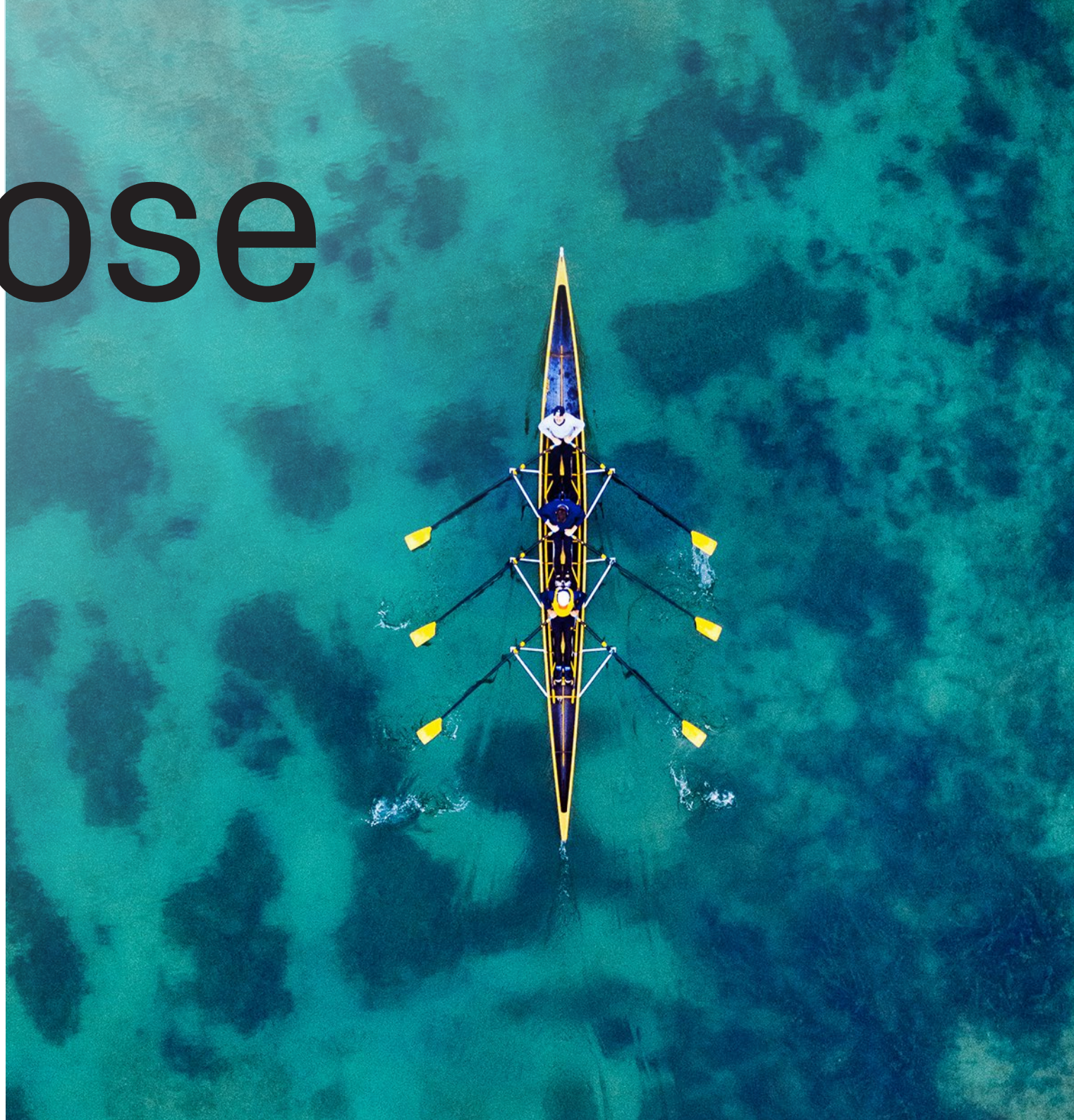
The compensation framework and practices set out in the Group's compensation policy are reviewed and assessed by the Compensation Committee as a part of the annual review. During 2020, we were actively engaged with shareholders, regulators, and other stakeholders, both to listen to their views on our current compensation design, and to understand any thoughts they had on areas of focus for the Compensation Committee in future years. In its annual review of the overall compensation framework at Credit Suisse, the Compensation Committee took into account the feedback received from external stakeholders, as well as market developments to assess whether current practices remain appropriately competitive. As a result of this review, it determined that the overall compensation framework continues to be broadly fit for purpose, with some refinements for 2021.

In determining the Group's variable incentive compensation pool for 2020, the Compensation Committee reviewed the Group and divisional financial performance, relative performance versus peers, market position and market trends, as well as the current social and economic conditions and risk, control, compliance and conduct and ethics considerations. The total variable incentive compensation awarded for 2020 was CHF 2,949 million, 7% lower than the prior year, and reflects a balance between lower reported results, impacted by significant items, and an increase in adjusted income before taxes excluding significant items, as well as a response to the COVID-19 pandemic and resulting economic environment. Total Executive Board compensation was 12% lower than the prior year, mainly due to the 30% decrease in the amount of annual STI variable compensation awarded. This decrease was primarily driven by the higher provision for credit losses, increased major litigation provisions and the York impairment. After careful consideration, the Compensation Committee decided not to modify any of the performance conditions or features of "in-flight" awards. Therefore, the Compensation Committee decided not to exercise any discretion (positive or negative) to modify the Group or Executive Board variable compensation outcomes.

In accordance with Swiss law, the Group will submit proposals on Board of Directors and Executive Board compensation for binding shareholder approval at the AGM in 2021. More information on the Group, Executive Board and Board of Directors compensation can be found in the 2020 Compensation Report.

Purpose

Our purpose is at the core of everything we do. It underpins the value we create for our clients and other stakeholders. Through our diverse activities, we aim to play a constructive role in the economy and society.



Our purpose

We recognize the power of purpose to enable our strategy, engage our employees, and deliver for our clients and stakeholders. On December 15, 2020, we announced our inaugural bank-wide purpose statement: “We build lasting value by serving our clients with care and entrepreneurial spirit.” This announcement was the culmination of a year-long effort by our employees to capture the true essence of what energizes our teams every day and motivates them in their work. With it, we capture the essence of “why” we exist as an organization. While many of the elements of our purpose have been part of how we operate since the bank’s foundation in 1856, this is the first time we have adopted and published a bank-wide purpose statement. In 2020, the importance of being clear with our stakeholders about our purpose became a priority.

How the Credit Suisse team created the purpose statement

A year-long effort by our employees

▷ **Watch video**

As a bank, we provide capital, manage and protect wealth, participate in markets and facilitate infrastructure development. These activities allow us to contribute to sustainable economic growth. Clients want to do business with an organization that has a purpose they believe in, employees choose to work for an organization where the purpose motivates them and, finally, regulators are beginning to question the direction of banks in general that lack a clearly articulated purpose. For all these reasons and in view of the positive impact that clarity of

Thomas Gottstein
Chief Executive Officer

“Through extensive engagement with our employees, we articulated a clear purpose statement that captures for all our stakeholders why we exist and what motivates our people every day: ‘We build lasting value by serving our clients with care and entrepreneurial spirit.’

Thomas Gottstein on our purpose and values:

▷ **Watch video**

purpose has on performance, our purpose statement is a critical pillar of our revised culture strategy.

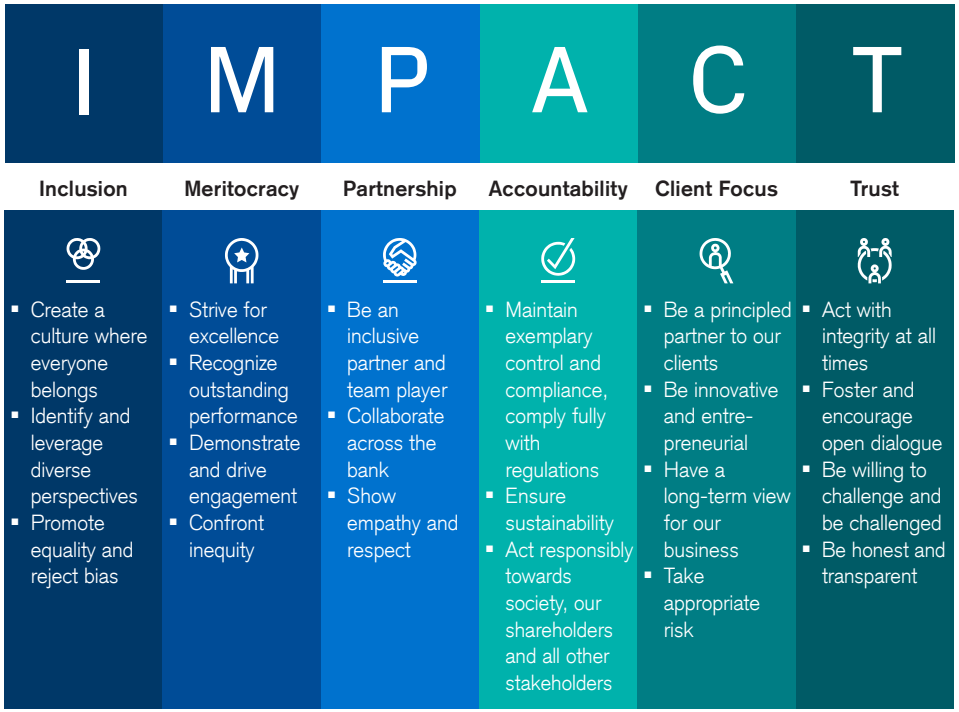
Credit Suisse has been in business for more than 160 years. We have evolved from our creation as a Swiss bank financing the national railway system to a truly global bank operating in around 50 countries. Over this time, we have learned that our success and the success of our clients and shareholders goes hand-in-hand with the success of those around us – the communities we operate in. We believe that focusing on serving our clients and building lasting value for them will naturally lead to the broader delivery on our role as a bank. Lasting value for our clients will also have a positive impact on other important stakeholders, through investments in growth, protection of wealth and financing of business.

Putting our clients at the center of our purpose is authentic to how we operate at Credit Suisse. Serving them with care and entrepreneurial spirit expresses the committed and diligent way we go about our business and the sustainability of the results we want to achieve for our clients. We are focused on long-term success and the wellbeing of our communities.

A values-based culture

While our purpose answers "why" we exist, we define "how" we work with our values – Inclusion, Meritocracy, Partnership, Accountability, Client Focus, and Trust. Together, these values form the statement "IMPACT" and provide the framework by which we reinforce good behaviors and address poor behaviors.

In parallel to the writing and launch of the purpose statement, the defined values are the result of a refresh



of the framework we had used previously (Conduct and Ethics (C&E) Standards). The C&E Standards served us well for four years – providing global consistency across Credit Suisse as a single, behavioral framework and a clear message of accountability and ethical behavior. At the same time, over the last four years, the world has evolved and our learning has developed, and with the advent of our purpose statement it was an opportune moment to further review and refresh our approach.

Our purpose statement and refreshed cultural values ensure a common understanding and consistent expecta-tions in respect of our culture and conduct. Our culture is underpinned by a governance framework (as detailed in the "Corporate governance" section, ↗ see pages 12-17),

which ensures Board oversight and clear accountability at the executive level. In fact, our Board of Directors was instrumental in the final review and approval of the purpose statement and values framework. The values and associated behaviors are now implemented throughout our performance management and promotion tools, and will serve as the framework in which we evaluate our work. The culture agenda is a key priority, with high importance being assigned to the recognition of positive behaviors and preventative training, as well as to ensuring appropriate governance and sanctions for negative conduct.

The importance of Credit Suisse's values, according to the employees

▷ **Watch video**

Code of Conduct

Given the enhancements explained above, we revised our Code of Conduct in early 2021 to be fully aligned with our new purpose and cultural values. Our Chairman was personally involved in the process of rewriting the content. The Code has been fully endorsed by the Executive Board and the Board of Directors and is available here. The Code underpins many of our control and human capital processes and policies at Credit Suisse. It reflects what we expect from employees and what our stakeholders expect from Credit Suisse, as well as explaining how we want to interact within Credit Suisse and with the world around us. The Code of Conduct applies to all employees at Credit Suisse (including the Executive Board) as well as to members of the Board of Directors. We believe that the revised Code of Conduct will support us in acting responsibly and successfully, for the collective benefit of the bank, our stakeholders and our communities.

COVID-19 bridging loan program in Switzerland

In March 2020, the Swiss federal government and commercial banks launched a joint bridging loan program for companies facing liquidity problems due to the COVID-19 pandemic. Credit Suisse played a leading role in setting up the program and was one of the main lenders in the initiative. In total, Credit Suisse provided approximately CHF 3 billion in loans to over 16,700 Swiss SMEs in 2020. We announced that we would donate any possible net profit generated as a result of the program to projects to support Swiss companies in need.

CHF ~3 billion
in loans to over 16,700 Swiss SMEs

Supporting the economy

Contributing to economic growth as a financial services provider

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.

The importance of banks for the continued development and growth of the economy is demonstrated in particular by our activities in our Swiss home market, where we are a trusted financial partner to private individuals, corporate clients of all sizes and institutional clients.

Support for SMEs
Credit Suisse serves more than 100,000 companies in Switzerland, mainly comprising small- and medium-sized enterprises (SMEs) that generally have no direct access to the capital markets and are often reliant on bank loans to fund working capital and/or investments. One of our goals is to support these companies with a fair, competitive and risk-adjusted lending policy. We are committed to providing our Swiss corporate clients with the full range of banking products, needs-oriented advice and the best possible support, and we advise them on strategic decisions to help them run their businesses effectively or with regard to succession planning. At the end of 2020, Credit Suisse had over CHF 168 billion of loans outstanding in Switzerland, including mortgages and loans to private companies, the public sector and private clients. This includes loans provided as part of the COVID-19 bridging loan program (↗ see box on page 39).

Economic contribution as a taxpayer
We make a direct contribution to the economy and society in a variety of ways, including in our capacity as a significant taxpayer. Details of our income taxes paid for 2020 are captured in our Annual Report in the Group's consolidated statements of cash flows and tax note 29. For further details of our approach to tax please refer to the Organization and Governance chapter. As part of our ongoing desire to enhance transparency regarding our tax matters, we intend to publish further insight on our tax contribution in the course of 2021.

Risk capital for growth and innovation – supporting SMEs and promoting entrepreneurship

Credit Suisse Entrepreneur Capital Ltd., a 100% subsidiary of Credit Suisse (Switzerland) Ltd., provides SMEs as well as young entrepreneurs with access to capital, knowhow and networks. It aims to create a favorable environment where innovative companies can incubate, develop and grow their activities. In this way, it is also actively helping to strengthen Switzerland's position as a center for innovation, economic growth and entrepreneurship.

Since it was founded in 2010, Credit Suisse Entrepreneur Capital has invested a combined sum of more than CHF 150 million of capital – from a total of up to CHF 200 million – in 62 companies. These investments focus on established companies requiring capital to grow as well as innovative start-ups in the areas of automation and robotics, digitalization, life sciences and medtech whose business models have gained market acceptance.

Since many SMEs in Switzerland were severely impacted by the COVID-19 crisis, Credit Suisse Entrepreneur Capital has helped various portfolio companies to bridge liquidity gaps via follow-on investments and has offered advice on how to successfully navigate these challenging times.

Economic contribution as a client/contractual partner
Credit Suisse purchased about CHF 4.8 billion[1] of goods, services and licenses from suppliers around the globe in 2020. 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

[1] This figure represents a non-exhaustive view of global spend.

partners helps to ensure the quality and value of the products and services we source. In addition, our Third Party Risk Management (TPRM) framework is embedded in day-to-day sourcing and vendor management processes to assess risks when conducting business with suppliers.

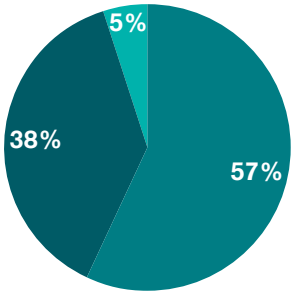
Economic contribution as an employer
Credit Suisse plays an important role as an employer, offering progressive working conditions, competitive compensation and interesting career opportunities across a range of businesses to 48,770 employees (full-time equivalents) in around 50 countries worldwide as of December 31, 2020. A total of 16,040 members of our global workforce are based in Switzerland – making us one of the largest employers in our home market.

Focus on clients

Our focus on clients is front and center of our purpose-led approach in both words and in actions. It is no coincidence that "serving our clients" is at the core of our purpose statement. We believe that when we serve our clients and enable their success, they in turn have the opportunity to further positively impact society.

Measuring client satisfaction
The Credit Suisse Client Experience Monitor measures client satisfaction and benchmarks it against the client satisfaction metrics of some of our peers. Feedback from existing clients provides insights into how we can improve our service and advice. The results of our most recent survey, which was conducted in Switzerland in 2020, revealed consistently strong levels of satisfaction among our clients – with a total of 95% of private clients surveyed indicating that they were satisfied or very satisfied with Credit Suisse overall.

Spotlight on client satisfaction



95%

of private clients[1] surveyed in Switzerland are satisfied or very satisfied with Credit Suisse overall.

Very satisfied
Satisfied
Not satisfied

[1] High-net-worth individuals, affluent clients and retail clients

In Switzerland, Credit Suisse uses a range of tools to gauge client satisfaction, including the Client Experience Monitor that measures overall satisfaction among high-net-worth individuals, affluent clients and retail clients. To assess client satisfaction based on interactions or transactions, Credit Suisse uses different approaches and tools, e.g. Client Instant Feedback, Service Excellence Study and a Call Robot.

Complaints handling processes
In addition to complaint handling processes mandated by local regulatory requirements, we aim to ensure that complaints are handled and reported correctly, as this is essential to fulfil our commitment to our clients (including prospective and former clients). We strive to respond to complaints promptly and in a manner that meets our high standards of integrity, fair dealing and independence. We believe that if clients submit a complaint, they are giving the bank an opportunity to regain or even increase their trust in Credit Suisse. At the same time, complaints

enable the bank to rapidly identify cases where there is a need to improve products or services, to change processes, or to offer additional training for employees.

Further information
can be found on our **website**

Our role in society

Dialogue with stakeholders

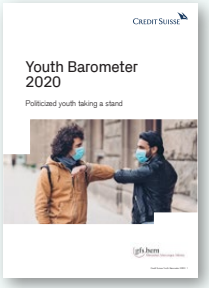
Credit Suisse considers it important to engage in discussions with various stakeholders – from clients, employees and investors to policymakers, legislators, regulators and representatives of the business community and society – to understand the issues that are important to them and to help find constructive 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. We are a member of a number of industry associations, umbrella organizations and think tanks where we discuss topics such as developments in financial market regulation and sustainable finance policy, among other subjects. In addition, we are open to engaging in a constructive dialogue with critical stakeholders about their concerns.

More information about our membership of industry bodies is available at:
credit-suisse.com/network

Support for the 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 municipal level alongside their regular professions. Consequently, most members of the Swiss Parliament are not professional politicians and parties do not receive state funding.

Research: Gauging public opinion



We leverage our in-house research capabilities and work with independent research institutions to produce a broad range of publications, reports, analyses and specialist articles on economic and socio-political topics. This includes the suite of Credit Suisse Barometers published in collaboration with an independent research institute based on representative surveys conducted in our Swiss home market and/or in selected countries around the globe. For example, the Credit Suisse Worry Barometer identifies the main concerns of the Swiss population and gauges voters' views on current political and economic issues – making an important contribution to the public conversation about socio-economic issues in Switzerland. In 2020, the survey found that the COVID-19 pandemic is the greatest concern for the Swiss electorate, followed by worries about old-age and survivors' insurance/retirement provision.

In early 2020, we published our second Progress Barometer – this time with an international focus – to measure the desire for progress among voters in 16 nations. The study focused on economic, social and political themes ranging from e-mobility to work/life balance to development aid. Meanwhile, our Credit Suisse Youth Barometer captures the views of young people across different regions of the world – giving an insight into the lifestyle, problems and attitudes of the next generation.

More information on our publications is available at:
credit-suisse.com/gwr
credit-suisse.com/worrybarometer
credit-suisse.com/youthbarometer
credit-suisse.com/progressbarometer

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

In the European Union (EU), Credit Suisse does not make any financial contributions to political candidates or parties. The bank constructively engages with EU policymakers on relevant financial services topics through legislative consultation processes and other channels. It discloses EU-related advocacy spend on an annual basis in the European Commission's transparency register and abides by the EU's Code of Conduct. Following the UK's withdrawal from the EU, the bank has continued its constructive engagement with policymakers in the UK who are now reviewing both the rules and the process of formulating new financial policy. Credit Suisse is participating in the policy dialogue on a range of issues from trade and sustainability to financial regulation.

In the US, Credit Suisse does not itself make any direct financial contributions to candidates or political parties. However, like many other companies and organizations in the US, it offers employees the option of making voluntary private contributions through a Political Action Committee (PAC). The PAC then distributes the combined employee donations to members of relevant committees or districts, ensuring that the funds are shared between Democratic and Republican candidates. These funds are not used for presidential elections. With Compliance's approval, employees may also participate by individually supporting congressional and presidential candidates or political parties of their choice.

In the EU, Credit Suisse does not make any financial contributions to political candidates or parties. The bank constructively engages with EU policymakers on relevant financial services topics through legislative consultation processes and other channels.

Holders of public office
In Switzerland, Credit Suisse offers working time arrangements to the almost 300 employees who hold an elected public office alongside their role at the bank. These employees can devote up to 20% of their working hours to a public role while receiving their full salary from the bank – irrespective of their party affiliation and views.

Commitments to our communities

We believe that as a bank, we have an important role to play in supporting our communities and, as such, we also seek to contribute above and beyond our core activities. The Corporate Citizenship & Foundations team works with

selected partner organizations, provides funding through our global and regional foundations and facilitates the sharing of professional expertise to catalyze social innovation, enable inclusive futures and support those in need. We do so in the communities where we live and work, as well as further afield, to overcome the social and economic inequalities disadvantaging young people and communities worldwide in alignment with the United Nations' Sustainable Development Goals (SDGs).

We strive to make effective use of our social and financial capital to have a positive impact not only on society but also on employees and our core business. In 2020, we maintained our support for our long-term partners and initiatives while also developing immediate responses and mechanisms to help them and others cope with the pandemic and to strengthen racial justice and other equality and inclusion movements.

Empowering people through financial inclusion, financial education and future skills

Our social commitments focus on three themes: Financial Inclusion (enabling access to formal financial services), Financial Education and Future Skills, as well as capacity building of these sectors and the organizations within them. We want to build a better day-to-day reality and a more inclusive future where all people can access the resources and develop the financial, entrepreneurial and other skills they need to thrive in the economy and society. We regard education and access to financial services as critical to empowering individuals to succeed and to enabling sustainable growth at community level. 2020 emphasized the impact of systemic inequality in access to education and financial services on young people, businesses and communities.

In 2019, Credit Suisse announced the launch of a new theme for the bank's longstanding commitments to global education: Future Skills. In light of this, one of our main

Financial education

Education is a driver of economic empowerment and social mobility. Financial education in particular teaches young people how to save and manage money and to think about basic business and entrepreneurship concepts. These skills are of key importance for young people around the world – especially girls and young women in low-income communities within developing countries who are at higher risk of being marginalized.

Since 2014, Credit Suisse has promoted financial education and life skills programs for girls through our Financial Education Initiative. Partners in our global Financial Education for Girls signature program are Aflatoun International, Plan International and Room to Read. The Financial Education for Girls program aims to increase the financial knowledge of girls and to raise awareness of their social and economic rights – thus helping them to build a better reality and future for themselves. The program, funded by the Credit Suisse Foundation and strengthened by the skills and knowledge of our employees, is working to improve the financial education and life skills of over 100,000 adolescent girls around the world with programs currently running in Brazil, China, Sri Lanka and Tanzania.

Financial Education Initiative – selected figures 2014–2020

1,551 **schools have benefited from our support**

144,489 **adolescent girls worldwide have benefited from financial education and life skills classes**

3,989 **teachers have been trained**

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

Financial inclusion

Financial inclusion encompasses the provision of small loans, savings accounts and other financial services to excluded parties, such as microentrepreneurs and individuals in emerging and developed economies. Financial services such as these are key in accessing many other essential needs and services in the formal economy, including healthcare, education and nutritional food.

Credit Suisse has been a leader in the field of financial inclusion and microfinance for nearly two decades. Established in 2008, the Financial Inclusion Initiative (FII) complements our impact investing business and strengthens the financial inclusion sector by providing financial and human resources to train the management of microfinance institutions, and to drive further market development and innovation to serve the increasingly diverse financial needs of clients living at the base of the income pyramid. Grants from the Credit Suisse Foundation are made to five carefully selected partner organizations and are complemented by the skills and expertise of Credit Suisse employees (see box on page 46).

Selected figures for 2020

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

2,637 local employees of microfinance institutions have been trained[1]

83,231 people have access to new or improved products and services

Through its investments, our partner Accion Venture Lab generated an additional USD 105 million for financially inclusive fintechs.

Opportunity International's Education Finance team enabled over USD 184 million[2] in education loans for affordable quality education.

[1] Number of trainers trained through our programs
[2] Accumulated and outstanding in 2020

More information can be found at:
credit-suisse.com/financialinclusion

Future skills

Through Future Skills, we want to provide young people with the opportunity to reach their full potential as adults. By supporting access to education and training, we are committed to ensuring that a young person's success is not dictated by their or their family's socio-economic status. Our Future Skills work supports programs that close the education to employment gap.

The Future Skills theme is a natural evolution of our longstanding commitment to education in the communities where we live and work. It is also a direct response to the challenges and concerns faced by young people in a fast-changing world. Grants to NGOs and social organizations in our local communities are funded by our local foundations and grant-making bodies: the Credit Suisse Americas Foundation, the Credit Suisse APAC Foundation and our India 2% CSR Regulatory Spend, the Credit Suisse EMEA Foundation, and the global Credit Suisse Foundation, which also covers grantmaking in Switzerland. In 2020, we established new partnerships and will continue to do so in coming years to further develop the Future Skills theme. For example, since July 2019, the Credit Suisse Americas Foundation has been working with HERE to HERE, a career pathways non-profit based in the Bronx, New York City. The USD 1 million commitment supports CareerWise New York, an employer-led, student-focused youth apprenticeship system based on a model widely used in Switzerland with the aim of improving the pathways from education to employment. In 2020, Credit Suisse laid the groundwork to welcome new apprentices in its offices in 2021. In January 2021, the Credit Suisse Americas Foundation also contributed financially to the bank's partnership with the United Negro College Fund to support Black scholars in completing their education and accessing employment.

Selected figures for 2020

77 Future Skills partners

80 Future Skills programs

215,501 young people benefitting from Future Skills programs funded by Credit Suisse

More information can be found at:
credit-suisse.com/futureskills

Employee engagement

Volunteering worldwide – selected figures for 2020

8,416 volunteers[1]

177 partners received both funding and skills-based volunteering support

50 countries in which our partners are active

[1] COVID-19 has impacted overall numbers as in-person volunteering was not possible. Whenever feasible, virtual assignments were offered instead.

goals in 2020 was to adapt our partner portfolios and to identify new organizations working in this space. Our Future Skills work focuses on programs that close the education to employment gap and give young people from all socio-economic backgrounds the opportunity to realize their full potential as adults – especially by securing employment (↗ see box on page 45).

Employees: expertise, development, commitment

Within our three main themes, we focus in particular on building the capacity of our partners. Our employees are essential to this approach and to our broader commitment to society, and they dedicated over 58,300 hours of their time and expertise in 2020 through volunteering activities. As part of the bank's human capital strategy, we allow each employee to devote up to four days per year to support our global partners or social initiatives in the communities where we live and work. In light of the COVID-19 pandemic, we further developed our virtual volunteering programs that promote the transfer of skills

Our global skills-based volunteering programs

Through our skills-based volunteering programs, we offer our employees around the world numerous opportunities to use their expertise to build the capacity of our partners and to simultaneously enhance their own personal and professional skills. Our signature Corporate Citizenship programs include the Global Citizens Program, Board Connect and Virtual Volunteering.

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 builds the capacity of our partners in the fields of financial inclusion and education. Assignments in this leadership development program last from one week to three months and have become an important component of the Group's learning and development offering. Since the GCP's launch in 2010, Credit Suisse employees have supported over 440 assignments in more than 50 countries across the globe. Assignments consist of both in-person international and virtual components and, in 2020, seamlessly converted to fully virtual.

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

Board Connect

Our activities in the area of non-profit board service were launched in the US in 2009 and rolled out globally in 2015. In 2020, we continued and grew these activities mostly virtually through our global Board Connect program, which provides training, placement support, networks and other resources for Credit Suisse employees who want to serve on non-profit boards. Not only does this form of employee volunteering add value to non-profit organizations (NPOs) and the community, but it also helps employees to improve their leadership, strategy and stakeholder management skills, enhancing their ability to work in different environments. In 2020, more than 1,100 employees participated in our program, and 768 received training.

Virtual Volunteering

Virtual Volunteering provides an opportunity for employees to use their expertise and enthusiasm to support our partner organizations without having to take extended leave from personal or professional commitments. The partner organizations benefit from the support of highly qualified Credit Suisse employees who have a wide variety of skills (e.g. in project management, writing or research). In return, participating employees gain the opportunity to work alongside leading experts and organizations around the world, to contribute to the end result and to collaborate with colleagues from other divisions of the Group. In 2020, we tested a new online platform to strengthen and grow this program, which we will roll out globally in 2021.

and knowledge between employees and partners. In 2020, Credit Suisse employees around the world dedicated over 32,400 hours to skills-based volunteering. COVID-19 made it more difficult for employees to volunteer and engage with our partners, but we are proud of the fact that 26% of our employees globally participated (via both volunteering and other activities) in our Corporate Citizenship programs in 2021.

Increasing impact through our core business, clients and partners

Sharing the bank's broader purpose of serving our clients with care and entrepreneurial spirit, our Corporate Citizenship teams work closely with colleagues across the bank to advance and innovate the philanthropy and impact investing sectors through research, public-private partnerships and expertise. Together, we are able to further increase our social impact and create lasting value for both clients and society at large. Moreover, we also involve our clients in the development and delivery of fundraising, events and awareness-raising programs. In Switzerland, clients and employees can support selected charities through Micro-Donations, where payments made by credit or debit card can be rounded up by a pre-defined amount to be donated. Charity trading days in the Investment Bank division focus on partnering with our clients to raise funds for the causes we care about.

Philanthropy

In the area of philanthropy, Credit Suisse works with clients to help them incorporate their personal values and objectives into their philanthropic engagements. We can create sub-foundations 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 150 million to over 3,300 charitable initiatives worldwide, and in 2020 they carried out 251 projects in developing countries and in Switzerland. In Asia, SymAsia has received USD 150 million of donor-advised funds and has gifted around USD 111 million since it was established in 2010.

To further support organizations committed to charitable goals, the bank is running a Competence Center for Charitable Foundations, which bundles the bank's internal expertise from a wide range of areas in order to create a practice-led offering for charitable foundations domiciled in Switzerland. The aim of the advisory service of the

Supporting our communities and partners during the pandemic

25 million

CHF raised for charities through bank-wide donation campaign

The pandemic has put a large strain on communities and on charitable organizations in particular as they continued to serve the often increased needs of their target beneficiaries while having to cope with the new situation themselves. In April 2020, the Chairman, the Chief Executive Officer and the Executive Board launched a bank-wide donation campaign in response to the pandemic to match individual employee charitable contributions. The campaign raised approximately CHF 25 million and supported more than 1,400 charitable organizations worldwide trying to alleviate the impact of the pandemic and support those affected by inequality.

In addition, we offered to support our longstanding charitable partners in a variety of ways to ensure they could continue to serve their target populations while building their own resilience in coping with the long- and short-term impacts of the pandemic. Where needed, we adjusted existing programs to fit the new circumstances. We also committed to continuing all existing and planned funding while providing flexibility in reporting and use of funds. Where possible, we also provided additional funding to close gaps and provide emergency relief at a time when charitable organizations experienced a critical income drop.

2020 milestones

Launch of Credit Suisse APAC Foundation: In February 2020, the Credit Suisse APAC Foundation was launched: a strategic community investment vehicle for Credit Suisse's Corporate Citizenship activities in the APAC region that focuses on improving the employability, aspirations and financial education of disadvantaged young people and the financial inclusion of underprivileged populations across Asia Pacific.

Leveraging employees' expertise and commitment: In Switzerland, we have given employees the opportunity to support charities and to launch their own fundraising campaigns through the crowdfunding platform Copalana – Credit Suisse's new employee-designed portal to collect donations. In addition to its fundraising capabilities, Copalana will also be used to match employees willing to volunteer with NGO partners that need support in a specific area.

Charity Trading day in EMEA: In EMEA, the Charity Trading day in October 2020 raised GBP 1.5 million to benefit UK Charity of the Year, Cancer Research UK. This collaborative effort between the business, clients and Corporate Citizenship will support Cancer Research UK's pioneering immunotherapy research program.

Holiday Charity Initiative in the Americas: The 2020 Holiday Charity Initiative in the Americas region raised a total of USD 1.8 million in a mere five-week campaign.

These milestones demonstrate the value of the long-term partnerships we have established with charitable organizations around the globe, thus also contributing to the realization of the UN SDGs.

Competence Center is to help foundation clients determine the best way to convey their defined values and achieve long-term impact. The Competence Center Charitable Foundations provides services and solutions for the management of a foundation and its assets, and promotion of its charitable objectives.

Further information:
credit-suisse.com/responsibility/society

Planet

We are committed to enabling a more environmentally sustainable economy and we recognize climate change as one of the most significant risks facing our planet. In 2020, we set a new ambition to achieve net zero emissions by no later than 2050.

Our role in addressing climate change

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, and we acknowledge that financial flows also need to be brought in line with the objectives of the Paris Agreement. The Paris Agreement charts the course of the global response to the threat of climate change with its overarching objective to limit the rise in global temperature to 2°C above pre-industrial levels and to aim to achieve a rise of no more than 1.5°C. Based on the Paris Agreement, countries have committed to implement transition plans to lower their greenhouse gas emissions.

At the Investor Update in December 2020, we announced our ambition to align our activities with the Paris Agreement objective of limiting global warming to 1.5°C. As guidance towards this goal, we are committed to develop science-based targets in 2021 and 2022 for achieving net zero emissions from our operations, supply chain and financing activities by no later than 2050, with intermediate emissions targets to be set for 2030.

During 2021 and 2022, we will therefore be developing a robust roadmap, with the target reductions to be officially certified by the Science Based Targets initiative (SBTi) as a science-based target. By signing our commitment to the SBTi, we have confirmed that we are joining the global movement of leading companies aligning their business with the most ambitious aim of the Paris Agreement, to limit the global temperature rise to no more than 1.5°C above pre-industrial levels and transitioning to a net-zero emissions economy by 2050 for the best chance of avoiding the worst impacts of climate change.

Lara Warner
Chief Risk and Compliance Officer

> “In 2020 we set a new ambition: to achieve net zero emissions across our global bank by no later than 2050. We also confirmed that we are joining the global movement of leading companies aligning their business with the most ambitious aim of the Paris Agreement.

For information on our strategy to address climate change:

▷ **Watch video**

Our climate-related achievements have been recognized by CDP, an international non-profit representing institutional investors with invested assets of over USD 100 trillion. Its aim is to offer transparent guidance to investors on climate-related opportunities and risks for companies. Our score has increased to A- from B in 2019. Credit Suisse has thereby reached CDP "Leadership level", which is defined as "Implementing current best practices". We are also continuing our efforts to adopt recommendations by the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) (↗ see pages 59-60).

Credit Suisse is pursuing a three-pronged approach as part of our efforts to address climate change and climate-related risks. First, we are working with our clients to support their transition to low-carbon and climate-resilient business models, and we are working to further integrate climate change into our risk management models as part of our Climate Risk Strategy program. Second, we are focusing on delivering sustainable finance solutions that help our clients achieve their goals and contribute to the realization of the UN Sustainable Development Goals (SDGs) (↗ see pages 94-95); and third, we are working on further reducing the carbon footprint of our own operations (↗ see pages 56-59).

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 banking footprint. Furthermore, in 2019, Credit Suisse signed the UN Principles for Responsible Banking (PRB), which call for the banking sector to align with the objectives of the UN Sustainable Development Goals and the Paris Agreement. ↗ Details on our efforts to implement the PRB can be found on pages 96-101.

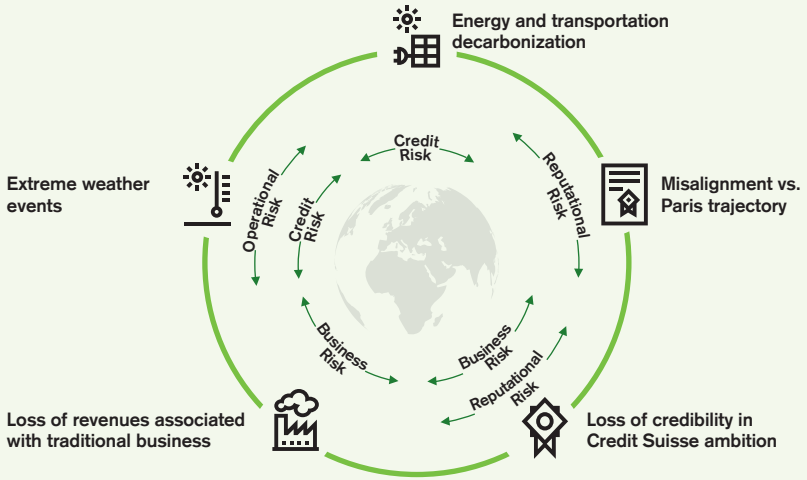
Climate Risk Strategy program

Climate-related risks are the potentially adverse direct and indirect impacts on the Group's financial metrics, operations or reputation due to transitional or physical effects of climate change. Climate-related risks could manifest themselves through existing risk types such as credit risk, market risk, non-financial risk, business risk or reputational risk. Beside risks, the measures required for addressing climate change and the materials and technologies necessary for the transition towards lower-carbon operations and products present various financing, investment and advisory opportunities across all our divisions.

In 2018, we established a climate change program to address the TCFD recommendations with respect to external disclosures on climate-related risks and opportunities. In 2019, we integrated our TCFD adoption program into a Group-wide Climate Risk Strategy program to deliver on the first prong of our approach to addressing climate change and climate-related risks. The mandate of this program is to develop comprehensive strategies to address climate risk. This includes supporting our clients' energy transition towards low-carbon operations, technologies and services, continuing the ongoing implementation of the TCFD recommendations as well as working towards the implementation of various industry recommendations and compliance with upcoming regulatory expectations. This program is sponsored by the Chief Risk and Compliance Officer (CRCO) and has senior management representation from our business divisions as well as from General Counsel, Risk & Compliance and the new Sustainability, Research & Investment Solutions function.

As part of our strategy, we have developed sector-specific Client Energy Transition Frameworks (CETFs). They consist of the identification of priority sectors/industries and a methodology to categorize clients that operate in

Climate-related risk manifestations



Energy and transportation decarbonization: Global policies (e.g. cross-border carbon tax) and/or technological breakthroughs might accelerate transition towards greener energy sources and products. This could trigger a wave of defaults and reallocation of capital.
Manifestation: Credit risk

Misalignment vs. Paris trajectory: Industry-wide trajectories, common metrics and pathways for financial institutions are currently being set. Credit Suisse actively promotes transition, but also depends on clients to engage, commit and deliver on commitments towards "net zero" in a collaborative effort.
Manifestation: Reputational risk

Loss of credibility in Credit Suisse ambition: We aspire to become leaders and we are striving to achieve that position, with significant management focus. The journey towards leadership will entail significant efforts on multiple fronts with potential execution risk, and includes external dependencies.
Manifestation: Reputational risk, business risk

Loss of revenues associated with traditional business: Credit Suisse's leadership position in sustainability may lead to rejection of transactions with clients that do not have a credible transition plan. This may result in loss of revenues associated with such transactions and assets under management if clients decide to move assets away. At the other end of the spectrum, a slow pivoting towards "green" may alienate clients who strongly support the transition, and thereby also lead to a loss of AuM.
Manifestation: Business risk

Extreme weather events: More frequent and severe weather events might lead to credit risk implications related to the financed portfolios as well as operational risks related to buildings and infrastructure owned by Credit Suisse as well as overall business continuity.
Manifestation: Credit risk, operational risk

these sectors according to their energy transition readiness. With this approach, we aim to actively encourage clients to transition along the CETF scale over time and to support them through financing and advisory services. At the same time, we aim to manage Credit Suisse's business and reputational risk exposure by assessing clients against the relevant CETFs before transacting with them. Financing for clients with the lowest categorization in terms of transition readiness, i.e. of "Unaware" clients, will be phased out over time. To date, we have rolled out CETFs for the highest priority sectors, such as oil and gas, coal mining and utilities/power generation (fossil fuel-based). Other sectors for which we are developing or planning to develop CETFs include shipping, aviation, commodities trade finance as well as manufacturing, construction/real estate, agriculture and forestry.

We have continued evolving risk identification processes following the guidance and examples outlined in the TCFD recommendations. We enhanced the mapping of the climate-related risks to existing risk categories by interacting with the regional and divisional teams. Based on the inputs received, we created a list of key items covering both physical and transition risks. This list aims to form an initial view that highlights the most material climate-related risks and their manifestations relevant to our risk management activity.

Adopting an enterprise view, we have identified key risks associated with climate change (refer to chart). We consider these risks against three different time spans of short term, medium term and longer term.

The identification of risks stemming from climate change is an ongoing process and we expect the granularity of the analysis to increase over time and be informed by our work on scenario analysis and stress testing.

We actively engage in industry forums to foster the development of industry standards. We have contributed to the development of transition risk and physical risk assessment models as part of the UN Environment Programme Finance Initiative phase II banking pilot. Through this engagement we have developed “heat maps” for the industry sectors most vulnerable to the transitional and/or the physical risks of climate change over the next three decades. Transition risks can arise from the process of adjustment towards a low-carbon economy through changes in climate policy, technological developments and disruptive business models, and shifting investor and consumer sentiment. Transition risks through climate change regulation, such as the introduction or increase of carbon prices or taxes, expected viability of low-carbon fuels or technologies and shifting consumer demand, were the key factors taken into account. Companies with carbon-intensive operations and production methods, or with carbon-intensive products, are expected to be most affected by these developments if they do not succeed in diversifying or transitioning towards lower-carbon operations and products. Pressure points from the physical risks of climate change arise primarily if a company’s operations (or those of its key suppliers or shipping routes) are in areas significantly affected by extreme weather events that are expected in increasing frequency in the future. These could include droughts or heatwaves leading to fires as well as flooding from heavy rains or from rising sea levels.

We also assessed climate-related risks by applying physical and transition models to our portfolios, starting with pilot exercises. The physical risk assessment focused on the flooding risk for the real estate portfolios financed by Credit Suisse. We covered the Swiss real estate portfolio and the UK portfolio, mapping property addresses to current flood risk maps. The results from this pilot exercise indicated a limited loss potential, mainly as a function of the maturity of our loans, vis-à-vis the longer-term nature of physical risk. The transition risk pilot covered the oil and gas portfolio financed by Credit Suisse. The results indicated that although the change is limited in the short term, it accelerates at an exponential rate and could be significant over the longer term.

Together with other banks, we participated in the Paris Agreement Capital Transition Assessment (PACTA) pilot project to test methodologies for measuring the alignment of credit portfolios to the objectives of the Paris Agreement developed by the 2° Investing Initiative. The analysis covered upstream oil and gas, coal mining and power generation portfolios financed by Credit Suisse. The pilot provided useful insights into the ways the alignment and diversification of a portfolio in terms of exposure to physical assets could be measured and monitored.

PACTA methodologies provide two main types of output:

- The alignment of the evolution of exposure over time to climate scenarios
- The diversification of a portfolio at a point in time in terms of exposure to physical assets

With respect to the alignment to climate scenarios, oil and gas portfolios demonstrated decarbonization trajectories comparable to projections for the global corporate economy, with certain parts of the portfolio outperforming those projections. The technology mix of the power generation portfolio financed by Credit Suisse was found to be less carbon-intensive than the global corporate economy.

In Switzerland, Credit Suisse participated in the voluntary climate alignment test of investment portfolios and Swiss mortgages for Swiss banks, asset managers, pension funds and insurance companies coordinated by the Swiss Federal Office for the Environment. We published the

summary of our individual results, as one of the few participating banks to do so.

Our outlook

The outcome of various pilot initiatives indicated that climate models and methodologies might have limited application in assessing the strategy resilience and might therefore require further development and evolution to ensure adequate risk coverage and capture. However, we consider them highly useful in monitoring the evolution of the topic, identifying areas to focus on and planning our next steps. We are actively using the heat maps produced by the United Nations Environment Programme Finance Initiative (UNEP FI) and aim to continue UNEP FI participation in 2021, having signed up for phase III of the corresponding program. Furthermore, we decided to participate in the voluntary pilot stress testing exercise championed by the Hong Kong Monetary Authority.

We are planning to strengthen our capabilities to meet our ambitions. We will be working to develop metrics that allow us to consistently measure and monitor our portfolios and our alignment against our climate commitments. We aim to work with our clients and provide them with detailed information on our CETFs in order to encourage them to engage with us in helping them with their own energy transitions, as well as to provide us with the requisite data we will need to accurately assess our overall portfolio transition. In addition, we are actively considering metrics in our management of climate risk, such as the carbon intensity of financed activities, transition preparedness, point-in-time versus through-the-year exposures, and counterparty-level stress testing for material exposures.

For a selection of these exposures, we believe that climate sensitivity should be integrated into future cash-flow analyses in a consistent manner at the time of loan origination to ensure that pricing and risk appetite considerations are appropriately reflected. We are performing pilot stress testing for important counterparties with high exposure to climate risk, such as in the oil and gas sector. A cash-flow-based approach is being tested, including stresses related to volumes, prices and production mix. This stress testing will leverage industry scenarios and available committed transition trajectories by counterparties.

We will also continue to evaluate our CETF methodologies to improve accuracy, whether through enhanced data gathering or through improved modelling techniques, as well as liaising with other market stakeholders to define and deliver comparable standards and outputs. The development of our internal capabilities aims to incorporate the tools and methodologies needed to meet our commitment to develop science-based targets in 2021 and 2022, and we will work to expand the sectoral coverage in line with the SBTi.

Industry-wide initiatives

2019

- **UNEP FI : Heat maps** – contribution to the transition and physical sectoral maps

2020

- **UNEP FI: transition risk** – US oil and gas portfolio pilot
- **UNEP FI: physical risk** – Swiss real estate and UK real estate pilots
- **2° Investing Initiative** – PACTA

2021

- **UNEP FI:** Portfolio Implied Temperatures
- **UNEP FI:** Supporting Client Transitions and Climate Risk Underwriting
- **UNEP FI:** Economic impacts of Climate Change
- **HKMA:** Climate Risk Stress Test

Global Real Estate in Credit Suisse Asset Management Switzerland

We believe that a sustainable approach to managing and developing properties is essential for real estate investments. Our sustainability strategy follows an environmental, social and governance (ESG) integration and impact investing approach to achieve a “net-zero” climate-neutral real estate portfolio. We focus on comprehensive ESG integration across the real estate life cycle and real estate value chain to create value for stakeholders, society and the environment. Our related risk management processes aim to avoid stranded assets and to ensure a real estate portfolio that takes climate-related risks into account. Our key initiatives focus on (i) building certificates, (ii) building optimization and (iii) ESG performance benchmarks. Global Real Estate has developed and established the greenproperty quality seal, a comprehensive ESG standard for new buildings. We rely on leading market expertise in the area of building optimization, and we measure the ESG performance of our real estate investment solutions through ESG benchmarks such as the Global Real Estate Sustainability Benchmark (GRESB), which has recognized us as both a “Global Sector Leader” and a “European Sector Leader”. Global Real Estate in Credit Suisse Asset Management Switzerland holds more than CHF 38 billion of assets and more than 1,200 properties across 14 countries.

Further information
can be found on our **website**

To ensure that climate risk is embedded within our risk culture, we will be working to enhance the Risk Appetite Framework (RAF) from the top down. This will require us to define and measure climate risks within our businesses and incorporate these risks within the RAF so that they are controlled and limited appropriately. Through the RAF we aim to steer our future portfolio exposure to align with our commitments of supporting the goals of the Paris Agreement by setting limits that encourage investment and divestment where appropriate over the medium to long term. We thereby aim to align our science-based targets to our business strategy, and to ensure that climate risk is part of the daily business decision-making process. In addition, we will look to expand our stress scenarios to assess the short term resilience of our portfolios and operations to potential physical or transitional economic shocks and adjust our risk appetite accordingly.

Reducing carbon emissions across our operations

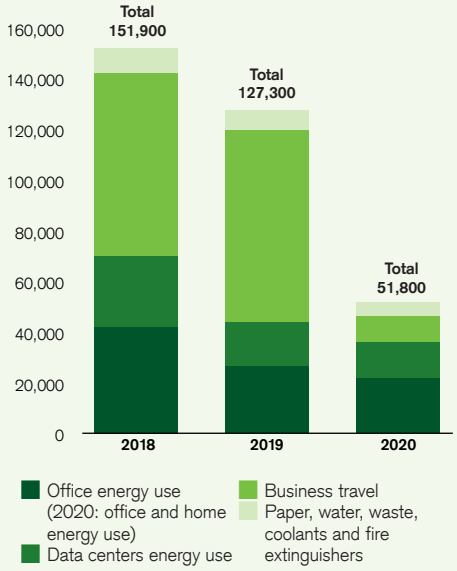
We have reduced our operational carbon emissions by 88% from our 2010 baseline year. This achievement has been driven by implementing energy efficiency measures across our premises, increasing renewable energy supply and reducing travel emissions. The COVID-19 pandemic had profound impacts on our operations in 2020, with a reduction in energy and paper consumption as well as business travel. The majority of our employees worked from home during most of the year, and for the first time we have included an estimate of emissions related to the energy used by our employees for remote working purposes within our reported carbon footprint.

In 2020, we committed to the global initiative RE100 to source 100% of our electricity globally from renewable sources by 2025. We now source 94% of all our electricity from renewable sources globally, with 99% renewable electricity across Europe and the US (an increase from 90% in 2019).

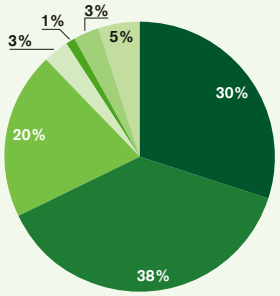
Our operations have been carbon neutral since 2010. Our first priority is to reduce emissions by investments in energy efficiency programs and new technologies that allow us to reduce carbon in buildings, data centers and travel. Each year, we compensate for the balance of emissions that we cannot reduce, by purchasing carbon credits to achieve a carbon neutral positon against our reported carbon emissions, which include office and data center energy use, water and waste, business travel and the estimated energy use from remote working.

Remote working emissions are calculated based on modelled home energy use, taking renewable energy into account and applying the VfU Indicators Standard 2018 Version 1.4 from December 2020.

Greenhouse gas emissions 2018–2020

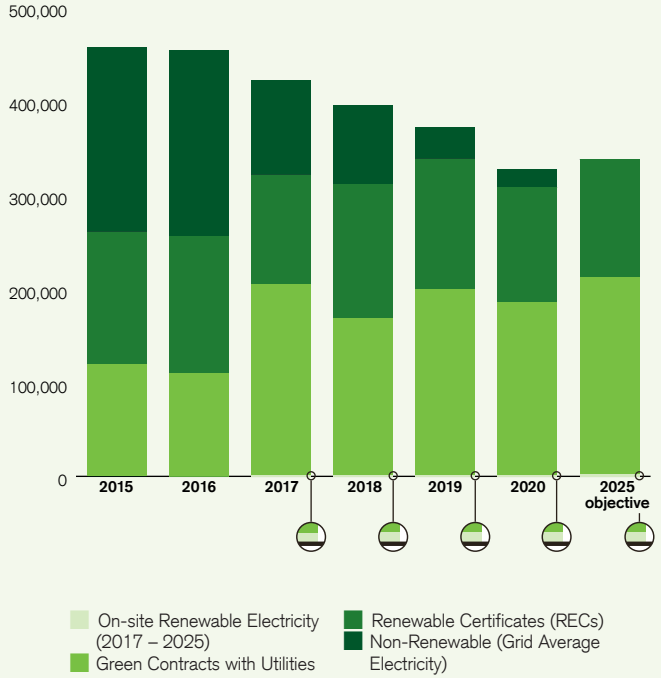


Greenhouse gas emissions 2020

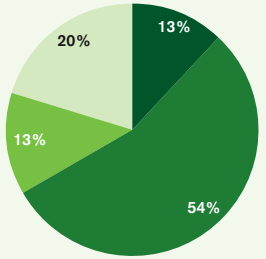


	CO_2 equivalents in metric tons
Electricity	15,951
Heating (gas and oil)	20,121
Business travel	10,107
Paper	1,426
Water	301
Waste	1,508
Coolants and fire extinguishers	2,384
Total	**51,800**

Pathway to RE100 electricity



Portfolio of carbon credits 2020



Geothermal power	10,000
Small hydro power	44,000
Solar power	10,000
Reforestation / Afforestation	16,000
Total	**80,000**

Carbon credit portfolio 2020:

Accreditation: 100% of all carbon credits purchased are approved by either the Gold Standard (GS), the Verified Carbon Standard (VCS), or both.

Type of carbon credits: 80% of carbon credits delivered carbon avoidance through geothermal, hydro or solar power.
20% of carbon credits delivered carbon removal through reforestation and afforestation

Geographic distribution: 55% of carbon credits are generated in Turkey; 37.5% are generated in China and 7.5% in Colombia.

KPIs 2018–2020: Global key performance indicators for environmental management [1]

	2020 [2]		2019 [3]		2018 [3]	
	Absolute	Per FTE [4]	Absolute	Per FTE [4]	Absolute	Per FTE [4]
Greenhouse gas emissions (CO_2 equivalents in metric tons) [5]	51,800	1.1	127,300	2.7	151,900	3.4
Electricity (KWh)	326,939,000	6,870	372,009,000	7,990	395,682,000	8,840
Heating (KWh)	81,937,000	1,720	82,520,000	1,770	84,067,000	1,880
Business travel (km)	55,022,000	1,200	437,417,000	9,400	420,579,000	9,400
Paper (t)	1,300	0.03	2,250	0.05	2,560	0.06
Water (m^3)	465,000	10	706,000	15	710,000	16
Waste (t)	4,500	0.10	6,500	0.14	7,500	0.17
Coolants and fire extinguishers (kg)	1,700	0.04	2,013	0.04	2,172	0.05

[1] VfU standard 2018 (rounded figures) applied to 2018–2020 data set.
[2] We have incorporated the electricity and carbon footprint of our modelled remote working in 2020 data.
[3] Rounded figures; minor adjustments made to 2019 and 2018 data sets.
[4] As of December 31 of the reporting year; employees (full-time equivalents).
[5] Net greenhouse gas emissions (scope 2 market-based) prior to offsets made to achieve greenhouse gas neutrality.

More details on key performance indicators in environmental management can be found at credit-suisse.com/emissions

Scope 1, 2 and 3 greenhouse gas emissions

Credit Suisse carbon emissions by region

Emission Scopes 1, 2 and 3

	GRI Reporting Standards	Switzerland tons CO_2e	Europe/Middle East tons CO_2e	Americas tons CO_2e	Asia-Pacific tons CO_2e	Global tons CO_2e	Change vs. 2019	Indicator per FTE kg CO_2e/FTE
▪ **Scope 1:** Direct emissions through burning fuels and losses from coolants and fire extinguishers	305-1	9,700	1,620	3,600	730	15,650	3%	330
▪ **Scope 2 (market-based):** Indirect emissions from energy production based on contract emissions	305-2	1,070	1,160	660	7,280	10,170	-48%	210
▪ **Scope 2 (location-based):** Indirect emissions from energy production based on grid average emissions	305-2	16,590	20,300	32,340	27,000	96,200	-15%	2,020
▪ **Scope 3:** Indirect emissions from business travel, waste, water, paper and energy transmission	305-3	7,970	6,560	6,000	5,440	25,970	-72%	550
Total net carbon emissions in metric tons of CO_2 equivalents per FTE	**305-1-3**	**18,740**	**9,340**	**10,260**	**13,460**	**51,800**	**-59%**	**1,090**
Carbon credits retired to achieve carbon neutrality	**305-1-3**	**(18,740)**	**(9,340)**	**(10,260)**	**(13,460)**	**(51,800)**		

Credit Suisse carbon emissions by year

Emission Scopes 1, 2 and 3

		Overall consumption tons CO_2e			Indicator per FTE kg CO_2e/FTE		
	GRI Reporting Standards	2020	2019	2018	2020	2019	2018
▪ **Scope 1:** Direct emissions through burning fuels and losses from coolants and fire extinguishers	305-1	15,650	15,220	17,400	330	330	390
▪ **Scope 2 (market-based):** Indirect emissions from energy production based on contract emissions	305-2	10,170	19,560	43,200	210	420	970
▪ **Scope 2 (location-based):** Indirect emissions from energy production based on grid average emissions	305-2	96,200	113,580	117,500	2,020	2,440	2,630
▪ **Scope 3:** Indirect emissions from business travel, waste, water, paper and energy transmission	305-3	25,970	92,540	91,300	550	1,990	2,040
Total net carbon emissions in metric tons of CO_2 equivalents	**305-1-3**	**51,800**	**127,300**	**151,900**	**1,090**	**2,730**	**3,390**
Carbon credits retired to achieve carbon neutrality	**305-1-3**	**(51,800)**	**(127,300)**	**(151,900)**	**(1,090)**	**(2,730)**	**(3,390)**

Notes

1) Carbon reporting methodology applies the GHG Protocol (Greenhouse Gas Protocol) and GRI Standards for sustainability
2) Carbon emissions calculations for 2020 and previous years 2019 and 2018 based on the VfU Indicator 2018 methodology
3) Estimated home energy usage is included in 2020

More details on key performance indicators in environmental management can be found at credit-suisse.com/emissions

Four-pillar strategy

We are pursuing a four-pillar strategy to achieve carbon reductions across our global operations

1. Optimize:

We aim to optimize all our business activities to reduce carbon emissions. In 2020, we continued to concentrate on improving energy efficiency and reducing the consumption of electricity and fossil fuels.

2. Invest:

We are investing in carbon reduction technologies across all our global premises. We invested significantly in online collaboration tools in 2020, and anticipate continued high usage as our working practices continue to evolve.

3. Substitute

We substitute, using a combination of green tariffs and Renewable Energy Certificates, fossil fuel energy sources with zero-carbon energy supplies. In 2020, we achieved 94% renewable electricity globally, and all power contracts signed in that year for Switzerland, the UK, Italy, Australia and Germany stipulate 100% renewable energy.

4. Compensate

To achieve carbon neutrality, we compensate the balance of our emissions through the purchase of carbon credits to fund projects that reduce or remove carbon emissions. In 2020, 100% of the carbon credits purchased were certified by the Gold Standard and the Verified Carbon Standard.

Reduction of own material and energy consumption

Reduction of greenhouse gas emissions each time energy is consumed

Reduction of own greenhouse gas emissions

Compensation of remaining greenhouse gas emissions

Greenhouse gas neutrality

ISO 14001

Globally certified Environmental Management System

We have a rigorous control framework in place to manage our environmental impact. A key component of this framework is our globally certified Environmental Management System (EMS), which has been implemented in accordance with the ISO 14001:2015 standard. In 2020, we successfully completed an EMS surveillance audit carried out by SGS. We also involve external service providers and suppliers in our continuous efforts to improve our environmental management measures.

2025 objectives

2025 goals

In 2020, we strengthened our commitment to environmental management and introduced environmental objectives to be achieved by 2025. We have made good progress on carbon reduction and renewable energy sourcing towards achieving our 2025 goals. Our initiatives for plastic and waste reduction have not progressed as fast as we had planned due to the impact of COVID-19 during 2020. We will be developing new science-based targets in 2021 and 2022 to support our future strategy to drive further reductions in our operational emissions and to start measuring and reducing our supply chain emissions in line with the Paris Agreement to limit global warming to 1.5°C.

Credit Suisse is on track to achieve its 2025 objectives

Progress as at December 2020

2025 Objectives	RAG Status (Red-Amber-Green)	2020 progress towards 2025 objectives
Reduce total GHG emissions by 75% compared with 2010 levels by 2025 on reported operational aspects	✓	88% reduction versus 2010 baseline achieved in 2020
Achieve 100% renewable electricity by 2025 (Renewables – RE100)	✓	94% achieved in 2020, on track to 2025 objective
Green label certification of Credit Suisse space (in m^2) to 50% of operational portfolio	›	44% achieved, further work planned
Energy efficiency improvement of 1.5% per year in all regions	✓	1.5% achieved in 2020
Reduce single-use plastic (SUP) items and increase the share of products made from recycled material and reusable materials	✗	▪ 2020 rollout postponed due to COVID-19 ▪ Established COVID-19 related plastic reporting
Paper consumption reduction of 10%, on per FTE basis, compared to 2018 baseline by 2025	✓	52% achieved in 2020, on track to reach 2025 objective
100% paper purchases carry an appropriate environmental label by 2025 (Baseline 2018: 78%)	✓	90% achieved in 2020, on track to reach 2025 objective
Water efficiency improvement of 10%, on per FTE basis, compared to 2018 baseline by 2025	✓	38% achieved in 2020, on track to 2025 reach objective

Task Force on Climate-related Financial Disclosures

Reflecting the financial sector's commitment to addressing climate change, the Financial Stability Board (FSB) established the industry-led Task Force on Climate-related Financial Disclosures (TCFD) in December 2015 to propose a set of recommendations for consistent disclosures that will help financial market participants understand their climate-related risks. The TCFD aimed to promote more informed investment, credit and insurance underwriting decisions, foster an early assessment of these risks, and facilitate market discipline.

In 2017, the TCFD published its final report with recommendations for the voluntary reporting on material risks and opportunities arising from climate change. The implementation of the TCFD recommendations by companies is expected to take several years.

Credit Suisse publicly expressed its support for the TCFD recommendations in 2017. Within the regulatory framework established by the Paris Agreement, we expect our TCFD adoption efforts to provide us with further guidance for the transition towards a world that is progressively less dependent on fossil fuels. Credit Suisse continued its TCFD implementation efforts in 2019 and 2020, following the recommendations across the four TCFD categories of Governance, Strategy, Risk Management, and Metrics and Targets.

This year, we are pleased to share our disclosures in accordance with the TCFD recommendations within the Sustainability Report.

Click here to generate a full extract of the TCFD Report.

Information on each of the TCFD recommendations can also be found within the Sustainability Report 2020 as follows:

- **Governance:** Organization's governance around climate-related risks and opportunities (↗ see pages 11, 14-16, 22-23, 25 and 51)
- **Strategy:** Actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning (↗ see pages 23-25, 51-54, 83-84 and 110)
- **Risk Management:** Organization's process to identify, assess, and manage climate-related risks (↗ see pages 18-26 and 54)
- **Metrics and Targets:** Assessment and management of relevant climate-related risks and opportunities (↗ see pages 56-59 and 104-110)

Biodiversity and natural capital

Credit Suisse recognizes the need to protect the range of habitats and species on Earth and to safeguard the natural ecological processes and the livelihoods they support. We are committed to playing our part in addressing biodiversity loss through our role as an intermediary between the economy, the environment and society. As a trusted financial partner, we aim to help our clients understand the risks from biodiversity loss and identify the opportunities associated with the conscientious management of natural capital and the conservation of biodiversity.

Biodiversity-related issues are considered in Credit Suisse's risk management processes, and we cover these topics in our sector-specific policies and guidelines (↗ see pages 23-25). Recognizing the need for capital in conserving ecosystems, we are also active in the conservation finance space, which focuses on the creation of new, long-term and diversified sources of revenue that can play a role in ensuring terrestrial as well as marine biodiversity conservation and the health of natural ecosystems (↗ see page 82). We are expanding our product offering in this space.

In order to provide more transparency about our approach to biodiversity, in 2020 we developed a public Statement on Biodiversity. The Statement describes how we address biodiversity by embedding it into our sustainability risk assessments (↗ see also pages 19-21), by facilitating investments into biodiversity protection, and through the physical footprint of our own operations.

Engaging employees

We give employees the opportunity to make a personal on-the-job contribution to environmental protection, and more than 3,500 employees worldwide have signed up to our regional Sustainability Networks as of end-2020. To increase awareness of environmental management as well as health and safety topics, we provided training on these topics together with various service providers throughout 2020. In addition, we launched an internal sustainability campaign designed to encourage employees to adopt sustainable practices in the office and at home, and to inform them about Credit Suisse's efforts and achievements in environmental management.

We also engage with stakeholders on defining ways for the financial industry to contribute to preserving biodiversity and the world's natural habitats. For instance, we have acted as a technical advisor to the Zoological Society of London's Sustainability Policy Transparency Toolkit (SPOTT) for a number of years, and are part of the Technical Advisory Group for the palm oil and the timber and pulp sectors. We have also hosted the Credit Suisse Annual Conservation Finance Investor Conference in New York for eight years.

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

People

We want to be an employer of choice. 2020 was also the year we decided to further advance diversity and inclusion in our company, our sector and society, leading to an increased range of commitments in this field.

Committed to equality, diversity and inclusion

At Credit Suisse, advancing our culture of inclusion and belonging continues to be a priority and in 2020 we took significant steps to strengthen our approach and enhance our strategy. We are committed to a culture in which everyone has access to opportunities that support their development and in which everyone can reach their potential without barriers. Furthermore, we recognize that 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. Ensuring our environment is one where everyone feels they belong and can bring the full scope of their talents to bear will drive our collective ability to innovate and deliver cutting-edge ideas, products and services to our clients.

With social justice at the forefront of our minds, equity, equality, diversity and inclusion must be part of our everyday priorities and we believe the urgency to accelerate change requires our participation and leadership. In order to maximize the impact of our Diversity and Inclusion (D&I) imperative across people management, culture development and our sustainability strategy, we elevated our global D&I function to report to two Executive Board members, to reflect a mandate that is tied not only to Human Resources but also embedded in our new Sustainability, Research & Investment Solutions function (↗ see page 11), providing enhanced oversight and executive focus.

Antoinette Poschung
Global Head of Human Resources

> “The exceptional year of 2020 — marked by a global pandemic and an array of social tensions around the world — only highlighted the responsibility that we have, as a corporation, to provide support to our employees and to address diversity and inclusion as an absolute priority.

On our commitment to a culture of inclusion and belonging:

▷ **Watch video**

Driven by the full commitment of the Credit Suisse Board of Directors, Executive Board and the senior leadership of all business divisions and functions, we set out additional commitments to accelerate our progress, including:

- **Establishing a comprehensive Black Talent Strategy** in the US and UK, a focused and targeted effort aimed at increasing the representation and advancement of Black Talent. We have publicly announced a US and UK target to double our Black Talent senior headcount and increase our overall Black Talent representation in those locations by 50% by 2024.
- **Continuing our global focus on increasing female representation** and advancement by setting a target to increase overall female representation to 42%.
- **Building the inclusive leadership competency** of managers and increasing active allyship among all colleagues through interactive educational programs across the globe.
- **Amplifying the voices of our diverse employees** and fostering a culture of open dialogue and an environment that allows room for innovation and progress.
- **Proactively engaging with external stakeholders** like our communities, clients, investors, suppliers, governments and regulators.
- Our work is underpinned by a **broader commitment to help eradicate racism in the workplace** as a founding member of the World Economic Forum's Partnering for Racial Justice in Business Initiative in 2021.

Additionally, as part of the broader evolution of our cultural values, "Inclusion" has been elevated to be one of our six core values – a testimony to how important this is to our culture (↗ see page 38). We also announced further steps toward our commitment by joining "The Valuable 500", a global movement to put disability on the business agenda, in January 2021. Moreover, Credit Suisse has been included in the Bloomberg Gender-Equality Index (GEI) for the second consecutive year in 2021, underscoring our commitment to transparency in gender-data reporting. In January 2021, we also celebrated our 16th consecutive year of achieving a score of 100% on the Human Rights Campaign Corporate Equality Index, which highlights our ongoing efforts to promote LGBT+ equality in the workplace.

Our approach and strategy

At Credit Suisse, we take a broad view of diversity and inclusion. We believe that identities are not definable by one word, but instead are multidimensional, including age, gender identity, race, ethnicity, physical and mental ability, belief, sexual orientation, style, work experience, education, marital and parental status, and even organizational dimensions like location and department. Our strategy, which is rooted in our global policy for equal employment opportunity and dignity at work, focuses on increasing representation of underrepresented talent and fostering an environment that is equitable and inclusive for all, through four key pillars:

Broaden D&I commitment	**Extend** external D&I stakeholder engagement	**Embed** D&I culture	**Ensure** accountability & impact

Our key initiatives

Promoting Black Talent in the US and in the UK
As a responsible employer, we have an obligation to play our part in supporting social justice. We want our employees and their families and communities to experience equality in their lives no matter where they are in the world. Our commitment and strategy are of equal importance and are a priority for all regions and our aim is for representation at the bank to better reflect our communities. The immediate and deep need to address the lack of adequate representation from Black communities is evident and this is why the Credit Suisse Executive Board has set the new target of increasing the representation of Black Talent at all levels of the bank, including our management levels:

Increase Black Talent representation by

50%

We have set a target to double our Black Talent senior headcount (Managing Directors, Directors and Vice Presidents) in the US and UK and increase our overall Black Talent representation in those locations by 50% by 2024. These targets rely on improvements in hiring, promotion and retention.

To reach this goal, we have established several workstreams supported by deep engagement of our leadership with Black employees and the external community. Supporting this work in January of 2020, we established the Black Talent Advancement Council, which consists of Black Managing Directors and other members of the Senior Management in the US. This team directly influences our leadership and strategy for inclusion and equity at the bank. In the UK, a working group similarly advises our UK leadership. Our work must extend outside the bank and on Martin Luther King, Jr. Day 2021, we announced a partnership with the United Negro College Fund to set up an endowment to support students at Historically Black Colleges and Universities in North Carolina to complete their education and meet the promise of their potential.

Increasing gender diversity
Equal opportunities for women remains a key focus for Credit Suisse. Through our own research, the Gender 3000 report of 2019, we recognize the positive impact of gender diversity on the performance of teams and the business as a whole. Therefore, increasing female representation in leadership supports our business strategy. We run special programs to foster the development of female professionals. In 2020, women accounted for 39% of our total workforce and 28% of our senior leadership (Vice Presidents, Directors and Managing Directors).

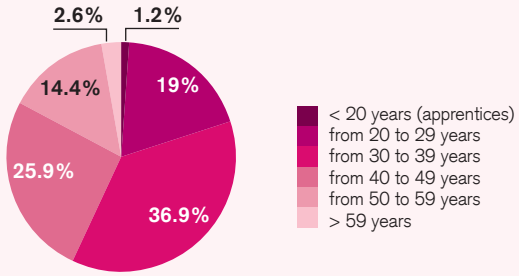
Increase the proportion of women at the bank to 42%

42%

We are committed to increasing the proportion of women in the leadership pipeline and management within the bank and have set the objective of increasing female representation to 42% of our overall workforce by 2024.

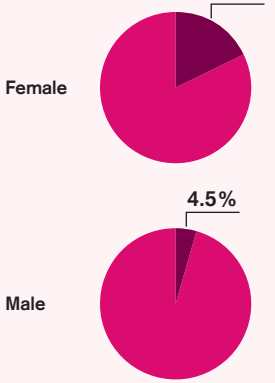
Employee facts and figures

Employee split by age



48,770 employees with permanent contracts (full-time equivalents)

Part-time work



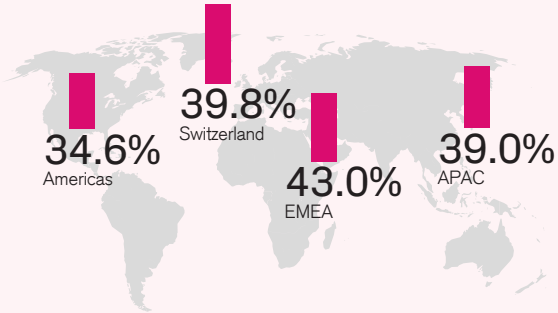
Gender representation as of December 31, 2020

39.4%
proportion of female employees (number of employees)

Women hold **27.8%**
of senior management positions (Managing Directors, Directors, and Vice Presidents)

Women hold **46.6%**
of all other professional roles (Assistant Vice Presidents and below)

Proportion of women by regions



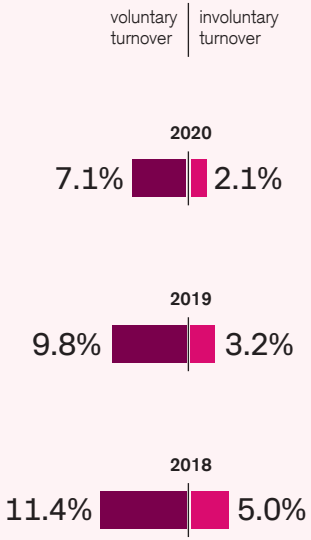
Proportion of women

23.1%
3 of 13 members of the Board of Directors*

27.3%
3 of 11 members of the Executive Board

* two further women nominated for election at the 2021 Annual General Meeting.

Employee turnover



Representation within 2020 Analyst (ANL) and Associate (ASO) Campus Classes as of December 31, 2020

US 2020 Analyst and Associate Campus Class

44% Female

4% Black or African American

8% Hispanic or Latinx

UK 2020 Analyst and Associate Campus Class

43% Female

2.4% Black, African, Caribbean or Black British

21% Black, Asian or Minority Ethnic (BAME)

The following footnotes apply to all diversity statistics:
1. Data includes all active Credit Suisse employees, i.e. on Credit Suisse employment contracts, counted individually as of December 31, 2020 (i.e. not based on full-time equivalents) and excludes outsourced roles, contractors, consultants and employees that are not on Credit Suisse employment contracts (Savoy Hotel Baur en Ville AG, Switzerland; Select Portfolio Servicing, Inc., USA).
2. Race/ethnicity data is based on employee self-identification; at this point in time we only collect race/ethnicity data from our US and UK employees. Our employee self-identification of race/ethnicity is currently 77.1% (77.5% in the US and 75.5% in the UK).

US demographic Data as of December 31, 2020

US categories are based on US Equal Employment Opportunity Commission categories

	Asian	Black or African American	Hispanic or Latinx	White	Other	Not Disclosed/ Avail
Senior Management (MD, DIR, VP)	23.1%	2.0%	3.9%	51.9%	1.5%	17.6%
All other Professionals	21.3%	7.0%	5,4%	36.5%	2.2%	27.6%
Total	**22.2%**	**4.5%**	**4.6%**	**44.3%**	**1.9%**	**22.5%**

UK demographic Data as of December 31, 2020

UK categories are based on UK Gov national census categories

	Asian/British Asian	Black, African, Caribbean or Black British	Mixed or Multiple ethnic groups	White	Other ethnic group	Not Disclosed/ Avail	BAME
Senior Management (MD, DIR, VP)	16.2%	2.1%	1.5%	58.2%	1.6%	20.4%	21.5%
All other Professionals	18.2%	3.0%	2.9%	40.7%	2.3%	32.8%	26.5%
Total	**16.9%**	**2.4%**	**2.0%**	**52.3%**	**1.9%**	**24.5%**	**23.1%**

Moreover, Credit Suisse is a signatory to the Women in Finance Charter – a pledge to support the progression of women into senior roles across our UK legal entities. The Executive Committees of the UK legal entities, and the leadership teams of each respective Executive Committee member, had aimed for a minimum of 35% female representation by 2020. As of January 2021, we exceeded this target with over two-thirds of committees having over 35% female representation and, in aggregate, 39% overall female representation across committees.

Inclusive leadership training
In 2020, we launched customized education to increase the inclusive leadership competencies of our senior leaders, including members of the Board of Directors and the Executive Board. This work is critical to ensuring we enhance our culture of inclusion. As of December 31, 2020, over 200 managers have completed the training. Our mandatory learning on Working with Respect continues to serve as baseline for all employees.

Courageous Conversations
The most difficult conversations are often the most important. We are firmly convinced that, especially in these times, it is crucial to foster a culture of open dialogue. However, speaking openly with each other is about more than simply expressing one's own views. Open dialogue means listening to others who have a different background, different views and different perspectives. At Credit Suisse, we are creating safe spaces for these conversations. Through the Courageous Conversations podcast, we encourage our colleagues to challenge difficult situations and issues. Led by our Group CEO, we have created listening circles with executives and colleagues at all levels of the bank to share their lived experiences. We want to foster an environment that allows room for innovation and progress. Across the bank we are challenging ourselves to engage in these conversations, to drive change and to strengthen our inclusive culture.

Employee networks and stakeholder engagement

Credit Suisse supports multi-dimensional internal employee networks worldwide that serve as a platform for the exchange of knowledge and experience, thus fostering mutual understanding and helping to strengthen our corporate culture. Employee networks play a critical role in embedding a diverse and inclusive culture, amplifying the voices of our diverse talent and their perspectives, and building empathy through the lived experiences of our employees. Our networks support and advocate for underrepresented talent at the bank and influence our Diversity and Inclusion strategy and initiatives. These networks – which are run by employees on a voluntary basis – are dedicated to women, families, lesbian, gay, bisexual and transgender individuals (LGBT+), people with disabilities, US veterans, multi-generations, and different races and ethnicities. In 2020, over 28,000 employees participated in our employee networks globally. We also continue to proactively engage with external stakeholders – clients, investors, governments and regulators – who all have a keen interest in how we think about diversity and inclusion and from whom we can learn to evolve our thinking.

Further information, including a list of the organizations, initiatives and events we supported in 2020, can be found at:
credit-suisse.com/responsibility/partnerships

Supporting our LGBT+ community
Credit Suisse takes pride in our dedication to and support of the LGBT+ community. Our LGBT+ employees and ally community have advocated for and championed LGBT+ equality for nearly 20 years, since the inception of our Americas LGBT+ OPEN in 2001. As our commitment has grown and extended across the globe, we have achieved the Gold Standard in the Hong Kong Community Business LGBT+ Inclusion Index, ranking 8th for our ongoing commitment to diversity and inclusion; and we ranked 27th in the 2020 Stonewall UK Workers Equality Index ranking. We currently have close to 5,500 LGBT+ allies across the bank and the number is growing.

In 2020, Credit Suisse released the "LGBT 350" report, seeking to deepen our understanding of the topic of enhanced diversity and corporate performance by focusing on LGBT+-inclusiveness, based on a market-cap weighted basket of around 350 LGBT+-inclusive companies. Among our findings, we determined that LGBT+-inclusive companies have outperformed the MSCI ACWI (excluding the "LGBT 350" constituents) since 2010. This further underscores our commitment to an LGBT+-inclusive culture at Credit Suisse, bolstered by the strength and contributions of our LGBT+ networks and ally programs.

Our experienced employees in Switzerland
At Credit Suisse, we are committed to helping employees realize their full potential at every stage of their career, including more mature professionals who bring considerable skills and experience to their roles – we call them "Very Experienced Professionals" (VEPs). We provide tailored support so that they can adjust their skill sets to changing market needs, adapt to new environments and remain fully engaged.

Our range of support and development opportunities include:

- Targeted guidance on life-long learning and development – including self-evaluation tools – and specific modules on our learning platform "Degreed".
- Factsheets on the key facts and figures around VEPs, providing guidance for managers and employees on how to foster a dialog on professional development, internal mobility and suitable work models.
- "MyPartTime 58+" – an attractive option to re-balance personal and professional priorities by reducing working time after the age of 58 – while keeping pension contributions and benefits unchanged.
- An employee network specifically for VEPs, offering tailored learning events and workshops and facilitating a dialog between generations. Topics range from the latest technology trends to advice on how to drive one's career using social media like "LinkedIn".
- The training program "Skills 4.0" by the external education provider "Challenge Your Potential", focusing on developing the skills and the mindset required for the digital age, including self-assessments and personal coaching.
- The Generational Mentoring program: in this reverse mentoring scheme, seasoned employees engage in an exchange with their younger colleagues about how they handle their current work environment, which communication channels they prefer and how they manage daily challenges.

Furthermore, we offer senior executives aged above 50 and with at least ten years of service the opportunity to take a three-month sabbatical during which they receive 80% of their regular pay. We encourage these individuals to take a break from daily business in order to focus on their personal and professional development. We believe

that fully committed employees with the right set of skills and a good grasp of technology over the entire employee lifecycle are key success factors for the bank.

Advancing our human capital approach

Our ability to deliver on our purpose and the success of our company ultimately depends on the skills, experience and conduct of our employees. To deliver on this we must attract and retain the most talented professionals in our role as an employer of choice.

A culture of performance and development

Our employees' performance objectives are aligned with the Group's purpose, which places clients at the center of all that we do. We measure our employees' performance based on their contribution to the achievement of our business goals and against behavioral expectations. These expectations have been captured in our Conduct and Ethics Standards framework since 2017 and will now further evolve to our cultural values going forward. Our globally consistent performance management process enables line managers to assess the performance, behavior and development potential of employees throughout the year.

The setting of clear objectives at the beginning of the year, followed by mid-year and year-end reviews, allows line managers to perform a comprehensive individual performance evaluation in accordance with global process standards and guidelines. This performance assessment process allows us to identify the potential of our employees in order to effectively manage our pool of talent and promote individual development.

Consistent with our performance culture, we recognize the need to compensate our employees fairly and competitively, while complying with regulatory requirements and our cultural expectations (↗ see Compensation section on pages 33–35 for more details).

Our 2020 Pulse Survey was conducted in early summer and resulted in a high engagement score, with more than eight out of ten employees saying they are proud to work at Credit Suisse and are ready to go above and beyond in their job. For the 2020 survey, we added three specific questions relating to the COVID-19 pandemic, and we were encouraged to hear that 92% of our employees said that they felt their wellbeing had been supported during the pandemic and that they felt they had been well informed.

A paradigm shift in learning

2020 was an unprecedented year in many ways for learning and development at Credit Suisse: Not only did the pandemic accelerate the move towards more virtually delivered training, but we also introduced a single point-of-access virtual learning platform. This platform enables self-directed and personalized learning from everywhere and at any time. This marks a change towards a new way of continuous, life-long learning for employees and enables Credit Suisse to systematically build the capabilities required tomorrow.

Client skills and sustainability

Aligned with our purpose to build lasting value by serving our clients with care and entrepreneurial spirit, we have

Talent Development in 2020

830
classroom leadership training sessions

30,600
classroom-delivered training days

83%
level of satisfaction among course participants (average)

14
hours of training per employee (average)

63,600
participants in instructor-led courses

1,018,000
participants in e-learning courses

trained over 2,300 participants on our sustainability solutions in 2020, including on our Credit Suisse Sustainable Investment Framework. The training was delivered virtually across our Wealth Management-related divisions and the Investment Bank division. This training was a continuation of our 18-year track record and pioneering role in both sustainable and impact investing and underlined our strategic ambitions and responsibility towards society. Furthermore, in 2020, we launched over 70 mandatory e-learning programs on regulatory topics such as compliance, risk, financial crime, cyber-security and information awareness. Each employee completed at least ten mandatory training modules in the course of the year, depending on his or her area of responsibility.

Leadership and executive development

In 2020, we continued to focus on our commitment to leaders through our Leadership Development curriculum. In the context of the COVID-19 pandemic, we further emphasized the focus on capabilities required to lead in a remote environment and converted our offers to virtual classrooms and online content. In addition, we provided tailored offerings, such as internal coaching for line managers, to help navigate through the unprecedented challenges of the pandemic. We launched anti-bias and inclusion leadership training for our senior leaders, including the members of our Board of Directors and Executive Board (see page 67). All our leadership programs are rooted in our values and leadership code, ensuring alignment to our culture.

Continuing to invest in our internal talent, we delivered our Senior Talent Program (STP) for Managing Directors and completed our first cycle of the Emerging Leaders Program (ELP) for Directors, providing our high potential Credit Suisse leaders with key management skills, opportunities for self-reflection and exposure to members of the Executive Board.

Attracting talent

In 2020, our recruitment experts continued to collaborate with hiring managers to source from the external market, internal talent pool and through employee referrals. We managed to do so in a virtual environment, ensuring the health and safety of our employees and new hires amid the global pandemic. As such, we implemented video interviewing so candidates could interview from the safety of their own homes. We also introduced virtual Welcome Day orientation programs and adopted a virtual approach for collecting all necessary documentation and securing IT

access in order to support a seamless start on day 1 for our new joiners.

In 2020, Credit Suisse was recognized with over 50 awards, across recruitment, virtual recruitment, employer attractiveness, employer branding and diversity and inclusion categories, from institutions such as Forbes, Universum and eFinancial Careers.

Real Returns

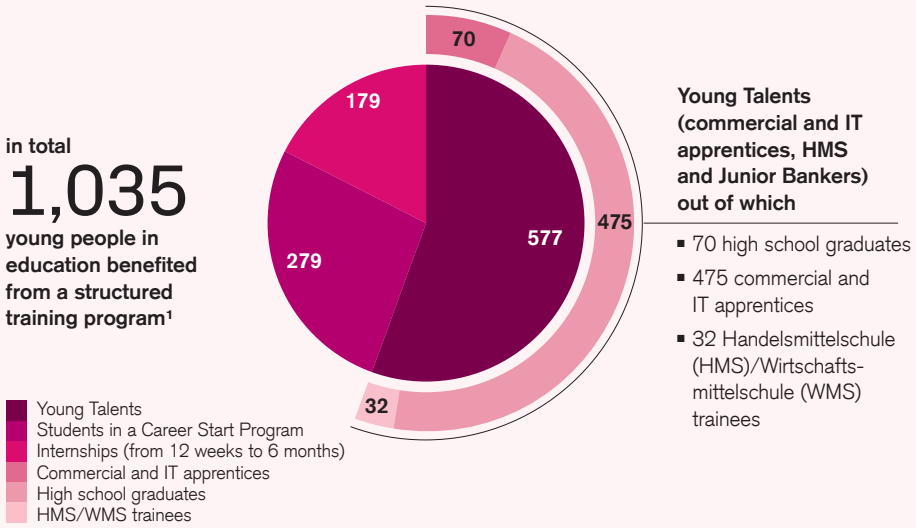
Credit Suisse was an early adopter of returnship schemes (which allow experienced professionals a chance to return to work for a ~12 week program, after an extended career break), having launched our own award-winning Real Returns program in 2015. Since then, 22 programs have been run globally with 360 participants. Over 60% of participants subsequently obtained a permanent position at Credit Suisse. In 2020, we welcomed our seventh cohort, running the program virtually due to the pandemic.

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, thus facilitating their transition to full-time employment. In 2020, as a result of the global pandemic, we were able to shift all of our spring and fall campus recruitment events to virtual formats, with no negative impact on our diversity pipeline. We remained connected with candidates, leveraging virtual technology to offer over 250 virtual candidate events, as well as conducting over 1,000 interviews globally. We also implemented a virtual summer internship program across most locations, maintaining the junior talent pipeline for the class of 2021.

Within our campus programs, we remain committed to promoting diversity across multiple areas, from social mobility to gender. In the UK, for example, our award-winning Steps to Success program is now in its eighth intake, offering university scholarship funding for students from underprivileged and underrepresented backgrounds. In early 2021, we signed the 10,000 Black Interns campaign in the UK. In the US, the Steps to Success program engages with students starting in their first year of college through their sophomore year, and focuses on exposure to careers in banking, professional development, mentorship and networking opportunities.

Population of Young Talents and campus recruits in our Swiss home market in 2020



[1] including Career Start Program, internships, Junior Banker and apprenticeships

In Switzerland, the Diversity Internship program ran for the third year and successfully encouraged female candidates in study fields outside of banking to join Credit Suisse. To support the Vocational Education System in Switzerland, 220 apprentices and high school graduates were hired and received introductory training. Our campus efforts were recognized with awards across the globe, including the Poland EB Award, as well as Top Employer in Wroclaw and RippleMatch Campus Forward Awards in the US.

Wellbeing and health management

The purpose of driving a holistic wellbeing strategy is to:

- Educate our employees to prevent ill health wherever possible
- Encourage positive wellbeing behaviors
- Provide tactical interventions to try to ensure rapid diagnosis, treat conditions quickly, and support all employees throughout their employment with Credit Suisse.

We provide a wealth of resources designed to raise awareness of wellbeing, reduce the stigma of mental health and encourage open, honest conversations. A key message for employees throughout the pandemic has been that the health and wellbeing of our colleagues remains the Executive Board's utmost priority and this has been complemented by offering advice to employees on how to access help, upskilling managers and providing tip sheets.

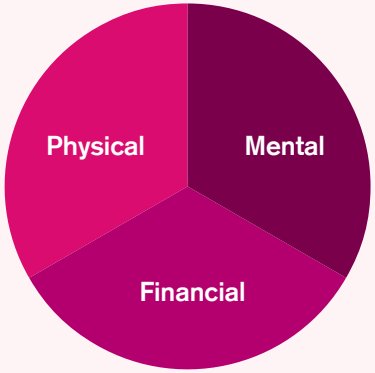
Wellbeing and health management

At Credit Suisse, the wellbeing and health of our people is key. As such, we have a structured approach with three key components:

Physical wellbeing: the energy needed to complete your daily living tasks – with a focus on personal health, sleep, fitness and nutrition.

Mental wellbeing: your attitude and reactions to everyday life – with a focus on purpose, drive, resilience, motivation and identity.

Financial wellbeing: your confidence to manage everyday and future finances – with a focus on security, freedom and growth.



Our aim is to encourage employees to build up their resilience in the face of an increasingly challenging environment and to support them with targeted measures. In Switzerland, the Corporate Health Management Committee (CHMC) initiates and coordinates a range of events and campaigns, and it provides digital tools. As a result of our various efforts in this space, Credit Suisse in Switzerland was awarded the "Friendly Work Space" label by Health Promotion Switzerland (Gesundheitsförderung Schweiz).

Internal mobility

Our commitment to internal mobility enables our employees to benefit from interesting and varied career paths; 30% of our leadership roles (Managing Directors, Directors and Vice Presidents) were filled internally in 2020. We focus on building transferable skills and encourage our employees to continue advancing in their careers by gaining expertise across businesses and locations. We hosted career forums, providing insights into different business areas and career paths, with over 1,600 employees attending in 2020. We fostered transparency by posting and advertising our jobs internally first and enabling our employees with self-service tools.

Internal mobility: key figures for 2020

2,832
employees moved into a different role internally

1,178
employees were hired through Internals First – our internal recruitment initiative

861
of our leadership roles (Managing Directors, Directors and Vice Presidents) were filled internally

Attractive working environment and new ways of working

At Credit Suisse, we consider it important to offer our employees modern and flexible working models. Our office environment, which has been designed according to the Smart Working concept in many locations, allows employees to choose their workspace based on their needs at a specific point in time. Approximately 30,000 employees now work in Smart Working environments in our offices worldwide. The COVID-19 pandemic continues to have a major impact on many areas of our society, including the way we work. In March 2020, work from home arrangements were implemented at Credit Suisse on a global scale, which resulted in minimal disruption to our businesses.

In July 2020, we launched a global program to experiment and prepare for the post-pandemic environment. This has enabled us to evaluate various work from home options and track the impact of these options on perceived productivity, teamwork, creativity, social interaction, work/life balance, compliance behavior, risks and environment/energy by reducing daily commuter traffic. Our findings and insights are expected to shape the optimal future working environment at Credit Suisse.

Freedom of Association

Credit Suisse's most direct link to human rights issues is in its working relationship with its employees, and this is also where we can exercise the greatest influence. Fair working conditions, equal opportunities, protection against discrimination, and the right to join a union are all important aspects of this relationship. 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. 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. In Switzerland, all of our employees are covered by the Swiss Staff Council.

Respecting human rights

Our focus on people is not limited to our staff. We consider our responsibilities in the area of human rights as fundamental to how we do business. We strive to assume our responsibilities in accordance with the International Bill of Human Rights, the corresponding principles on human and labor rights set out in the UN Global Compact, as well as the eight fundamental conventions of the International Labour Organization. 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 and processes we use to implement it. Equally, we expect our business partners to recognize and uphold human rights.

Supporting our employees during the pandemic

Over
90
additional health and safety measures have been implemented

The safety of our employees, clients and communities remained the highest priority throughout 2020. In response to the COVID-19 pandemic, we enhanced our internal policies to support a safe office environment and established a number of protocols that are flexible and adaptable to the specific requirements of local authorities. Over 90 additional health and safety measures have been implemented, including enhanced cleaning, Personal Protective Equipment (PPE) provision, building signage, protection screens, designated elevators, and temperature screening. In addition, we issued comprehensive guidance for visitor management and events involving clients and employees to ensure the utmost care and attention is applied at all times. In the unfortunate event of potential exposure to illness, we have established strong case management protocols to ensure appropriate risk assessments, PPE provisioning and sanitization. Moreover, we implemented an internal contact tracing procedure. Our employees also have access to a comprehensive Coronavirus Info Kit, which is regularly updated. To provide peace of mind to our employees, we have also rolled out access to PCR and anti-body testing, with 8,500 employees tested for anti-bodies in six countries. Moreover, the bank offered paid family leave for parents unable to work from home as long as schools were closed and rolled out a program supporting the reimbursement for purchases of chairs, monitors and laptops to enable the extended home working situation in all locations.

We also take into account the UN “Protect, Respect and Remedy” framework and the UN Guiding Principles on Business and Human Rights. To promote a better understanding of what the Guiding Principles mean for the banking sector, Credit Suisse co-initiated the Thun Group together with other banks in 2011. Since its inception, the Thun Group has worked on providing guidance for the practical implementation of the Guiding Principles in the development or structuring of banking products and services.

We consider human rights issues in our risk management processes, in the procurement of goods and services, and we recognize our responsibilities as an employer. The provision of certain financial services may be linked to adverse human rights impacts. While companies operating in sensitive sectors frequently play a key economic role in the global supply of energy and commodities and as an employer, the activities of these companies can, in some cases, have a significant impact on local or indigenous communities. In general, heightened attention is required when a client operates in a jurisdiction that experiences political instability, weak governance, or repression of minority groups, and when the bank is considering the financing of business activities in a conflict zone, developing financial products associated with vulnerable client segments, or providing financial services to a sector with known human rights issues. Credit Suisse therefore examines aspects of client relationships or transactions that are sensitive from a human rights perspective in our sustainability or reputational risk review processes. Both processes are supported by our industry-specific sector policies and risk appetite statements that contain specific provisions relating to human rights. For example, in 2020 we introduced a Reputational Risk Appetite Statement for business with governmental ministries of sovereign states, or for state-owned entities, that takes into account the respective country’s political risk, financial crime risk, and human rights and wider sustainability risk. Indicators on the human rights situation of a country are part of the country risk ratings assigned by the Compliance function.

Furthermore, our Modern Slavery and Human Trafficking Transparency Statement (as applicable to the respective in-scope legal entities) 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.

More information on the topic of human rights, including our Modern Slavery and Human Trafficking Transparency Statement, can be found at: credit-suisse.com/humanrights

Sustainable Products and Services

The growing need to combine prosperity with ESG considerations has started transforming businesses and the world of investing. With our sustainable finance and impact investing products, we generate returns and drive change.

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

“Attracting private capital into emerging sectors such as biodiversity requires breaking down investment barriers and originating bankable projects that create sustainable and inclusive opportunities for investors.

Michael Strobaek
Global Chief Investment Officer & Head of Investment Solutions & Products

“Clients need to invest their wealth where they have strong convictions and where they feel they will have an impact on the course of the world.

Helman Sitohang
CEO Asia Pacific

“Our approach is grounded in enabling our clients to become more sustainable, while also examining our own sustainability as a firm. They are two sides of the same coin, and each is necessary to deliver long-term, shared prosperity.

On our approach to sustainable products and services:

▷ **Watch video**

The sustainability evolution

Client demand for sustainable and impact investment opportunities has grown significantly in recent years, and we believe this trend is poised to accelerate further in the future. At Credit Suisse, we strive to create and facilitate investment products and services that generate environmental and social benefits as well as financial returns, and to support the changing needs of our clients, regulators and the markets in which we operate.

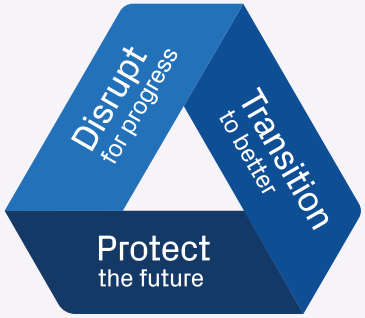
Climate change may very well be the greatest challenge of our lifetime, presenting tangible physical and valuation risk for investors, but it also offers significant returns potential from the inevitable shift to a low-carbon economy. Not only do we view climate risk as a material issue that needs to be integrated into our mainstream investment process, but also we seek to offer our clients opportunities to gain exposure to the sectors that are expected to benefit from this transition, such as green energy, sustainable and regenerative food production, smart cities and water access. In addition to the groundswell of interest in environmental factors, 2020 was the year that social themes came to the fore. Such social themes, including access to basic goods and services, for example healthcare and education, and diversity and inclusion, featured prominently on investors' agendas.

That is why, in July 2020, we established the Sustainability, Research & Investment Solutions (SRI) function at the Executive Board level, which allows us to accelerate and embed our sustainability efforts throughout all client segments. This new function is dedicated to supporting divisions across the bank in delivering innovative products, content and solutions to our wealth management, corporate and institutional clients. Our aim is to be a leader in our core competencies, providing bespoke advisory services to private and corporate clients, to develop proprietary sustainable investment solutions, to produce thematic industry research and to deliver best-in-class house views. Furthermore, we have set bold new objectives in line with our ambition to become a leader in sustainability – committing to at least CHF 300 billion of sustainable financing over the next ten years – while assisting our clients in their energy transition.

The key themes we use to guide our sustainable product and solutions focus are **Disrupt for progress, Transition to better** and **Protect the future.**

Enabling sustainability

Our focus areas for these products and solutions are **sustainable disruption,** supporting disruptors in making step changes, **transition to better,** enabling clients to transition current operations and out-dated business models, and **protect the future** for what is precious today.



Further information can be found on our **website**

"Growth spurt" for sustainable investing

Through our Research, CIO and advisory teams, we continue to expand our investment suite to provide clients with a larger and more diversified set of options across the spectrum of sustainable investing. Our investment strategies for managed accounts offer access to a full range of financial instruments, with a mix of mutual funds,

Sustainable solutions for private and institutional investors

- Thematic funds
- Impact funds
- ESG-integrated funds
- Exclusionary funds
- Sustainable index funds
- Structured solutions
- ESG indices and equity derivatives products

Financing sustainable businesses and social investments

- Green bonds, blue bonds, social bonds, transition bonds and sustainability-linked bonds
- Sustainability-linked loans
- Sustainable IPOs, sustainable private placement, follow-on offerings and SPACs
- Energy transition strategies
- Sustainable and renewable M&A advisory
- ESG shareholder defense strategies
- Renewables securitized products

Research

- Thematic research
- Company-specific ESG research
- HOLT ESG tools, includiing proprietary business sustainability ratings

exchange-traded funds (ETFs), customized environmental, social and governance (ESG) products, private equity and alternative investments that aim to generate attractive returns while integrating ESG criteria and specific impact themes. Our sustainable product offering takes ESG factors into consideration in the investment strategy as a baseline and our product shelf includes a suite of products that go further in seeking to deliver a positive social and environmental impact that is both measurable and intentional.

Looking back, it is clear that sustainable finance has come a long way. When we first embarked upon the sustainable investment journey with our clients nearly two decades ago, there were limited sustainable options available in the market and even fewer that proactively sought to address climate change. We have seen a significant shift over the past decade, with significant growth in sustainable and impact investing, driven in part by a greater recognition from the world's leading investors that exciting opportunities exist to tackle systemic challenges while also generating attractive returns.

A strong foundation

Our clients increasingly recognize the importance of incorporating ESG factors into their portfolios. However, there is the added complexity, given the fast-evolving nature of the sustainable investing market. Credit Suisse offers a multitude of funds and single instrument options that capture the broad climate thematic. Our goal is to continue to expand our investment suite to provide our clients with an increasingly larger, diversified set of options.

Our sustainable product offering is based on our Credit Suisse Sustainable Investment Framework (↗ see infographic on page 80), which outlines our investment approach across the sustainable investment strategies of exclusion, integration and thematic and impact-aligned and investing strategies. This framework has been developed by our specialists, who have deep expertise in sustainability and portfolio management. In 2020, we developed a comprehensive internal sustainability classification system for funds to indicate which investments are compatible with these sustainable investing strategies, providing transparency to clients and

Credit Suisse Sustainable Investment Framework

Client Journey (Advisory and Reporting)

Full transparency on portfolio exposure to "ESG-related" risks, opportunities and impact.

Active Ownership & Collaborative Leadership

Collaborative Leadership has the potential to transform our role from a capital allocator to an agent of change. Through corporate engagement, voting and collective action, we exert our influence and help corporate transitions towards more sustainable pathways.

(Hard) Exclusions (2*) Avoiding harmful investments	**Integration (3*)** Better informed investment decisions through integration of ESG insights	**Thematic (4*) & Impact (5*)** Investment solutions for the sustainable development goals
▪ Systematic avoidance of exposure to controversial areas or unethical behaviors ▪ Norms-based exclusions ▪ Values-based exclusions ▪ Exclusions based on business conduct (UN Global Compact breaches)	▪ Consideration of financially material ESG risks and opportunities ▪ Based on industry-specific sustainability expertise ▪ Reflects the Credit Suisse house view on ESG topics ▪ ESG integration in investment processes in combination with financial analysis ▪ Approach adapted to asset class, product features and investment objectives	**Thematic and impact aligned** ▪ Participation in sustainable growth themes ▪ Firms with positive contribution to the SDGs ▪ Mostly liquid strategies **Impact investing** ▪ Products that fully comply with the IFC definition of impact investing: measurable positive social or environmental impact, alongside financial returns ▪ Investor contribution to the impact of the enterprises via financing growth or active ownership ▪ Mostly illiquid strategies

* Numbers 2, 3, 4, 5 refer to our internal categorization of instruments as per our Sustainable Investment Framework. For completeness, 0 refers to the "not sustainable" category and 1 to traditional instruments.

allowing them to align their portfolios with their sustainability preferences. We also began the process to classify single securities along a sustainability spectrum to further assist our clients in identifying sustainability aware companies, sustainability leaders and those companies delivering deep impact.

Sustainable investment solutions for private and institutional investors

A range of solutions

As the infographic on this page shows, integrating ESG considerations throughout our investment process is an ongoing task, and we do not believe in a one-size-fits-all approach. ESG integration strategies focus on how significant ESG issues can be leveraged to achieve superior risk-adjusted returns. Examples include investments in renewable energy, sustainable agriculture, or gender and diversity leaders.

Thematic, impact-aligned and impact investments oriented towards the UN's SDGs seek to make a positive social and/or environmental impact while also generating a financial return. Strategies based on such investments offer clients exposure to fast-growing sectors such as electric vehicles, education and water. A growing number of investors are using the SDGs as a reference point to align investments and impact goals, and they are working with companies they invest in to measure the impact of their products and services.

Incorporating the "S" factor
With so many employees, clients and suppliers impacted by COVID-19, the pandemic has put a spotlight on companies' social policies toward these key stakeholders and the companies that have responded in a supportive manner. In addition, the protests in the US in the summer of 2020 quickly gained global traction and have rightly served to remind corporations across the world of their responsibilities to address inequity in society. Studies, such as the CSRI Gender 3000 report, have shown that a more diverse labor force generates a diversity of thought and thus increased innovation and growth. In a post-COVID-19 world, we expect investors that integrate ESG considerations to increasingly focus on the "S" factor (social) from both a risk management and opportunity standpoint, particularly as it relates to a company's policies toward all stakeholders.

As a result, we have made changes in our organization that reflect the increasing importance of the "S" factor. We appointed a Global Head of Social Sustainability for the SSAF unit in January 2021. Social Sustainability at Credit Suisse is a commercial enterprise to help clients along their journey of social transformation. It is also focused on increased stakeholder engagement. The mission of this role is to elevate business strategies and behaviors that reflect our social purpose through product innovation, stakeholder engagement, transparency and social stewardship to sustain long-term economic growth and meet social impact goals. This is consistent with our ESG framework and aligns with our overarching SRI sustainability strategy to deliver sustainable solutions, enable client transitions, set leadership standards and conform to our cultural values.

In addition, our Corporate Citizenship teams lead the bank's long-term commitment to local communities and advancing the SDGs to address inequity in society through education, gender equality and decent work with grant-funding and employee engagement. They also work closely with internal specialist units to provide philanthropic advice and services to our clients and help develop impact investing products to further increase our combined social impact (↗ see pages 43-47).

Bridging the financial services divide

An example of how we are incorporating the "S" factor is structuring sustainable and impact investments that are designed to provide economically disadvantaged people – especially those in developing countries – with access to financial services. By providing these essential services, we believe that we can help unlock inclusive growth. We offer higher education structured notes solutions that are designed to provide funding to talented students from frontier markets to get loans for advanced education, the majority of whom have no alternative source of funding.

We are a member of the European Microfinance Platform, a network of about 130 organizations, and have a seat on its board. We are also part of the Swiss Capacity Building Facility, a public-private partnership between the Swiss financial sector and the Swiss Agency for Development Collaboration (SDC). Our Financial Inclusion Initiative (FII) helps to drive market development and innovation in this sector. We support the development of new products and services focusing on themes such as education, agriculture and gender diversity. We also make the expertise of our employees available to our financial inclusion and impact and SDG-oriented thematic investing partners through several volunteering programs, and we invest in early-stage innovation and financial technology (fintech) through our partnership with Accion's financial technology accelerator Venture Lab.

Expanding our product reach

In 2020, we continued to expand our sustainable and impact thematic offering with funds targeting the UN SDGs. Recent fund launches have included Responsible Consumption and Production (SDG 12), Good Health and Wellbeing (SDG 3) and Quality Education (SDG 4).

We are also broadening the focus of the Supertrends, our long-term investment themes that reflect global societal trends and form a core part of our sustainable and impact thematic offering, as well as our house view. In addition to our existing themes (Anxious societies – Inclusive capitalism; Infrastructure – Closing the gap; Technology at the service of humans; Silver economy – Investing for population aging; and Millennials' values), we included Climate change – Decarbonizing the economy in 2020.

Credit Suisse also partnered with a leading Asian health-care impact fund manager to invest in potential Asian healthcare market leaders, including in healthcare networks, cancer diagnostics, hospital groups and pharma products. The fund aims to meet the increasing demand for healthcare infrastructure and access to high quality and affordable healthcare products and services in underserved markets.

At year-end 2020, Credit Suisse's sustainable assets under management (AuM) were CHF 108 billion, of which over CHF 16 billion comprised thematic and impact investment AuM.[1]

[1] Includes only AuM balances from managed solutions that to date have been mapped to a sustainability rating of 2 and higher, based on our internal ESG framework scale of 0-5 (see table Credit Suisse Sustainable Investment Framework on page 80)

In a sign that a sustainable investment focus need not mean sacrificing returns, our flagship liquid sustainability funds have all outperformed their respective benchmarks during 2020 or since their inception.

Safeguarding biodiversity and natural capital

In order to preserve the natural habitats and processes that are vital for the survival of human beings, animals and other species, significantly more capital will be required than has so far been deployed. Credit Suisse is active in the conservation finance space, which focuses on the creation of new, long-term and diversified sources of revenue that can play a role in ensuring terrestrial as well as marine biodiversity conservation and the health of natural ecosystems. Credit Suisse in 2020 continued its commitment to supporting nature conservation by expanding our financing structures and opportunities for investors.

Our investment products focused on SDG 14 aim to have a tangible impact on the health of our oceans by halting destruction of the ocean and simultaneously promoting restorative processes to protect this vital resource. Credit Suisse is also a member of the advisory network for the High Level Panel for a Sustainable Ocean Economy.

In 2020, we hosted the eighth Credit Suisse Annual Conservation Finance Investor Conference, providing a forum where investors, practitioners and philanthropists can discuss solutions to catalyze investments in the conservation finance sector.

Climate-aware solutions for wealth management clients

For those clients who seek a more holistic investment strategy, we introduced a new actively-managed discretionary solution in 2020, offering our clients with exposure to companies that contribute to efforts to adapt to and/or mitigate climate change. This solution provides clients with the opportunity to generate financial returns, while integrating ESG factors into the security selection process and focusing on climate themes that offer strong investment opportunities.

The solution covers five themes linked to climate change: water and the ocean; green energy; smart cities; food and agriculture; and health and inclusion. The mandate solution invests in climate leaders and helps support sustainable development and human prosperity. In terms of financial returns, the strategy seeks out opportunities arising from climate change by investing in companies already prepared for it.

Next to an active and carefully constructed tactical and strategic asset allocation (SAA), the mandate solution aims to add value through its special fund selection process in which each fund is directly allocated to one of the climate subthemes. The mandate also provides investors with dedicated climate reporting (i.e. theme allocation, market updates regarding new climate policies and sustainability metrics), access to a dedicated portfolio manager as well as a sustainability expert – all of which provide increased transparency to clients.

Financing a sustainable business world

Our Investment Bank division executes transactions across all industries in capital markets, supporting our corporate clients as they adapt, refine or transition their business models to a more sustainable world. This includes advising on mergers and acquisitions (M&A), restructurings and spin-offs, as well as debt and equity underwriting of public offerings and private placements. We help companies to identify new growth opportunities and sustainable finance solutions, accelerating the transformation of traditional industries and infrastructure systems.

Green and sustainable debt capital markets

Credit Suisse has a considerable pedigree in the green bond market, underwriting the first-ever green bond issuance in 2008 from development funding institutions.

Credit Suisse has long been a supporter of the Green Bond Principles and we are actively seeking to help mobilize more capital toward a “low carbon” economy. In this respect, Credit Suisse and the Climate Bond Initiative (CBI) joined forces in September 2020 and published “Financing Credible Transitions,” which presents a framework for defining ambitious and credible transition pathways for companies to collectively reduce global emissions in line with the goals of the Paris Agreement. Its aim is to support rapid growth of a transition bond market as part of a larger and liquid climate-related market, and to deliver confidence for investors, clarity for bankers and credibility for issuers.

Growth in green bond issuance
From 2013 to the end of 2020, we supported the issuance of over USD 49 billion of sustainable debt capital markets products such as green, social, sustainability, sustainability-linked and transition bonds as well as green certificates of deposits and commercial paper.

These activities include coordinating and underwriting a number of landmark and inaugural deals, including a sustainability-linked bond, with a USD 900 million sustainability-linked tranche (out of a USD 3.8 billion bond issuance) for a leading integrated US power company – the first sustainability-linked bond from a US issuer – as well as a USD 1.25 billion issuance from a global pharma company that marked the first sustainability-linked bond in the global pharmaceutical industry.

In Switzerland, Credit Suisse acted as global coordinator and bookrunner on the first green bond issued by a listed Swiss company. Furthermore, we acted as bookrunner on a number of green and SDG-linked bonds, notably with an issuance of the latter gaining industry recognition as the most innovative bond structure by the Environmental Finance news and analysis service.

We are also active in the sustainability lending market and during 2020 we participated in a total of over USD 34 billion worth of sustainability-linked loans, including loan renewals and extensions.

Accelerating renewable energy and other sustainable solutions
We have wide-ranging expertise across the area of renewables such as solar, wind, geothermal, biomass, biofuels, fuel cells and energy efficiency.

Capital for sustainable businesses

150 transactions
in clean and renewable energy businesses

Credit Suisse actively supports clean and renewable energy businesses and, by the end of 2020, had been involved in over 150 transactions in this field with a value of more than USD 130 billion since 2010.

USD 4.3 billion
of tax equity has been committed to 29 renewable energy opportunities warehouse capacity

Over the past decade, a total of approximately USD 4.3 billion of tax equity has been committed to 29 renewable energy opportunities as a result of the collaboration between our Strategic Transactions Group and our Debt Capital Markets Solutions team. Multiple transactions were closed in 2020, which included Credit Suisse's inaugural community solar investment.

USD 1.6 billion
of renewables asset-backed warehouse capacity

In 2020, Credit Suisse served as structuring agent and bookrunner on a number of solar securitizations, notably two totaling USD 571 million, as well as another USD 247 million solar securitization. Credit Suisse also served as placement agent for a USD 216 million residential solar portfolio and a portfolio of German transmission infrastructure assets of undisclosed size. In addition, Credit Suisse put in place an additional approximately USD 1.6 billion of renewables asset-backed warehouse capacity.

Ethical food
and sustainable farming

In 2020, Credit Suisse served as the bookrunner on the IPO for an ethical food company disrupting the US food system with its model of conscious capitalism focused on the humane treatment of animals and sustainable farming practices. We also worked with a number of companies in the electrical vehicles and mobility industry, including a Chinese smart electric vehicle company on its IPO.

Creating
sustainable businesses

In providing merger and acquisitions services we are creating sustainable businesses through transactions. For instance, we advised exclusively on the largest US residential solar merger.

ESG
energy transition and social impact

In 2020, we worked on a number of ESG, energy transition and social impact Special Purpose Acquisition Corporations (SPACs).

Research and insights into sustainability

Shedding light on a world in transition

Throughout 2020, we conducted sustainability-related research across our divisions. Research is a key part of our sustainable products and financing offering, helping explain and uncover both opportunities and risks as the global economy embarks upon a major transition to address and prepare for climate change.

Wealth management clients
In 2020, we elevated efforts to bring awareness to secular themes with an emphasis on sustainability topics. Our Supertrends thematic framework sheds light on long-term investment themes that reflect global societal trends.

Institutional clients
Over the last year, our research teams have explored many issues across the ESG spectrum, engaging the opinions of thought leaders and industry pioneers who are working to achieve solutions across an array of different sectors.

Forging ties to promote a new approach to financing

Credit Suisse is involved in a number of industry organizations seeking to promote and catalyze sustainable and impact financing. Our approach includes helping to set industry standards and participating in new sustainability initiatives worldwide.

Through these memberships, we can contribute to the dialogue on developments in the sustainable investment space. For instance, we are a member of the Global Impact Investing Network (GIIN), which seeks to accelerate the development of the impact investing industry by facilitating knowledge exchange, highlighting innovative investment approaches and producing tools and resources for market participants.

In Switzerland, we are also involved in organizations such as Swiss Sustainable Finance (SSF) and Sustainable Finance Geneva, which seek to strengthen the position of Switzerland in the global market for sustainable finance by informing, educating and catalyzing growth.

Credit Suisse believes that transparency and a common understanding of standards in impact investing are crucial to developing this market. Due to the lack of common standards and fund manager guidelines for best practice in the impact investment area, the International Finance Corporation (IFC) introduced the Operating Principles for Impact Management in 2019. As one of the original signatories, Credit Suisse in 2020 published its methodology and impact AuM according to the IFC's nine impact principles. Our impact management systems have received independent assurance from KPMG, and have been confirmed to align with the Operating Principles.

> “As a global bank, we consider it part of our responsibility and part of our opportunity to help facilitate a sustainable transition by mobilizing capital, and assisting our clients in their transition strategies.
>
> **Lydie Hudson,**
> CEO Sustainability, Research & Investment Solutions

In 2020, Credit Suisse Asset Management became a member of Climate Action 100+, an industry-wide investor initiative committed to reducing greenhouse gas emissions and fighting climate change. Credit Suisse also acts as a commissioner for the Energy Transitions Commission, a coalition of leaders from across the energy landscape committed to achieving net-zero emissions by 2050.

In corporate governance and reporting industry initiatives, Credit Suisse became one of the initial working group members of the Task Force for Nature-Related Financial Disclosures (TNFD), which aims to develop a framework for the reporting, metrics and data disclosure of global financial institutions to enable those institutions to better understand their risks, dependencies and impacts on nature. We also became a member of the International Corporate Governance Network (ICGN), an investor-led organization to promote effective standards of corporate governance to advance sustainable economies and efficient markets.

Additionally, we joined the FAIRR Initiative, a collaborative investor network that aims to raise awareness of the significant ESG risks and opportunities in sustainable agriculture and related supply chains.

We are also part of the Financial Services Task Force of the Sustainable Market Initiative, which was launched in 2020 by His Royal Highness The Prince of Wales together with the World Economic Forum. The initiative seeks to kick-start bold and imaginative action through programs and industry roundtables aimed at creating global engagement in sustainable markets.

Thought leadership

Delivering best-in-class, sustainable solutions to our clients starts with thought leadership. Credit Suisse produces regular thought leadership pieces and research to inform investors and the wider public on key sustainability issues, partnering with prominent practitioners in the field and drawing on our global network of analysts, strategists and economists. In 2020, we published a number of reports highlighting emerging sector trends and themes, including the rise of alternative proteins and in particular their increasing popularity in Asia, as well as our publications on investors and the blue economy, focusing on SDG 14:

Life Below Water
Click **here** to read the full report

When the COVID-19 pandemic struck in early 2020, we recognized that the great challenges it brought also made apparent the need to transform the education industry through education technology, highlighting trends and opportunities for investors as well as the positive impact of Education Technology (EdTech) in achieving UN SDG 4: Quality Education. We also launched our ongoing “Exploring Impact” series, in which we examine developments in the sustainable and impact investing sector.

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. The CSRI publishes original research on topics ranging from economics and monetary policy to gender equality and consumer behavior as well as sustainability. In 2020, the CSRI published sustainability-related reports on the long-term implications of COVID-19 on existing trends,

the impact of the pandemic on the distribution of wealth and the energy transition.

What Will Last? The Long-Term Implications of COVID-19: The report suggests that rather than radically changing the world, the COVID-19 pandemic has accelerated existing trends.

Click **here** to read the full report

Global Wealth Report 2020: The COVID-19 pandemic has triggered the worst global economic crisis since the Second World War and affected human life in boundless ways. The Global Wealth Report 2020 examined the impact of the outbreak on wealth and the distribution of wealth.

Click **here** to read the full report

Climate Change: The Energy Transition: CSRI organized a forum bringing together a dozen renowned specialists and members of Credit Suisse's top management to discuss these defining and current issues.

Click **here** to read the full report

Water Scarcity: Addressing the Key Challenges: Water scarcity, and the societal risks it poses, is one of the primary challenges faced by the world today. The report called for action to be taken on a coordinated global basis.

Click **here** to read the full report

Rethinking Retirement: The report took an in-depth look at the most important pension and retirement-related questions and trends.

Click **here** to read the full report

Global ESG Equity Strategy – Beyond the Pandemic: The Green-Shaped Recovery: This report uses our proprietary global policy database to construct sensitivity analysis, concluding that the market is underestimating the scale and impact of green stimulus at the global level. Breaking the stimulus into four key themes: Energy Transition; Transport & Infrastructure; Energy Efficiency; and the Circular Economy, we outline key drivers and key beneficiaries.

The Family 1000: Post the pandemic
On a long-term view, research to date has shown that family-owned businesses deliver higher levels of profitability and stronger revenue growth in all regions, particularly in Asia, mainly as they pursue a longer time horizon in their investment strategy. The study also reviews family businesses in the context of the COVID-19 pandemic and the findings indicate their business models to be fairly robust. Finally, the report examines family-owned companies against the backdrop of their ESG performance and it appears they also have slightly better outcomes than non-family-owned companies.

Credit Suisse Global Investment Returns Yearbook 2020
With its 120 years of financial history, the publication remains one of the most comprehensive sources of historical global investment returns, providing long-run return data and risk premium estimates for 23 national stock and bond markets. The 2020 edition included a dedicated chapter on ESG investing.

Collectibles: An integral part of wealth
The CSRI Collectibles report, published in collaboration with Deloitte Luxembourg, provides an overview and a first look at some popular collectible assets that have fuelled the imaginations of investors over the years. The publication also sheds light on the impact of the COVID-19 pandemic on the high-end collectibles market.

Disclosure Frameworks

Scope of the report

This report forms an integral part of our Annual Reporting Suite and focuses on the financial year 2020. It explains how our commitments and aspirations in the area of sustainability are put into practice as a key component of our operations, and it provides an overview of our principal activities and milestones in 2020.

It also documents the progress we have made in implementing the Ten Principles of the UN Global Compact and the Principles for Responsible Banking, as well as the measures we have put in place to contribute to the achievement of the Sustainable Development Goals.

For the first time, Credit Suisse also reports pursuant to the Sustainability Accounting Standards Board (SASB) Standards, underscoring our commitment to enhanced transparency and disclosure.

Furthermore, a separate GRI Content index is available at
credit-suisse.com/gri

The contents of the report, along with additional information about our efforts relating to sustainability, are also available at:
credit-suisse.com/sustainability

David Mathers
Chief Financial Officer

“Credit Suisse is committed to enhancing transparency with our own disclosures as part of our ESG journey. As a first step, we have upgraded our 2020 reporting by disclosing according to SASB metrics for the first time and considerably enhancing our disclosure against the TCFD framework.

David Mathers on our sustainability-related disclosures:

▷ Watch video

Materiality assessment

Our sustainability reporting activities focus on topics that are relevant to our business and our stakeholders. We regularly undertake a materiality assessment in order to identify economic, environmental and social issues that may either have a significant impact on the company's business performance or substantively influence the assessments and decisions of our stakeholders. We believe that this helps us recognize new trends and evolve our strategy accordingly, as well as align our reporting with the interests and needs of our business and our stakeholders.

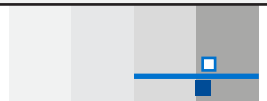
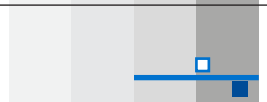
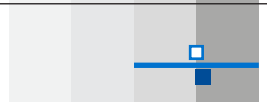
The materiality assessment is based on our ongoing dialogue with stakeholders across all parts of our organization. We strive to ensure that the list of material issues identified in the past remains relevant and that important new topics are addressed.

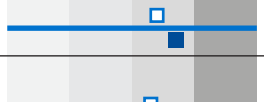
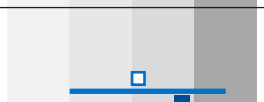
To explore our stakeholders' views on their perceived importance of issues for Credit Suisse, we conducted a structured online survey in 2019, reaching out to a broad range of external and internal stakeholders in all regions where we operate. Building on the results of this survey, the list of material issues was revised and updated in 2020 in a process that included the analysis of information from monitoring tools, a dedicated media review, as well as the views of internal experts who participate in an ongoing dialogue with relevant stakeholder groups. Throughout this process, we considered the perspectives of clients, investors and analysts, policymakers, non-governmental organizations (NGOs), employees and other stakeholders. The 2020 list of material issues is the result of this analysis and reflects average values of perceived importance.

The greatest increase in relative importance compared to the previous year was attributed to the issues of environmental and social risk management and human resources management. New topics included in the 2020 materiality assessment are: Corporate culture & values, Transparency & alignment to ESG frameworks, and Financial inclusion & accessibility.

The materiality assessment is also available online at:
credit-suisse.com/materialityassessment

Credit Suisse materiality assessment

	Material issues	Importance	Definition and scope of terms	See pages
1	**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	19-25 31 56-59 60-61
2	**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	26-29 31-32
3	**Climate Change**		Reducing the carbon footprint of own operations / greenhouse gas neutrality / managing climate risks / facilitate transition to a low carbon and climate resilient economy through product offering / climate-related disclosure	50-60 83-84
4	**Company performance and strategy**		Business strategy / financial results / share price / capital distribution (incl. dividends and share buybacks) / capital, liquidity and funding position / stability of the company / operational risk (incl. business continuity management, technology risks) / cost efficiency / cost reductions	10 33
5	**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	62-75
6	**Incentives and compensation policy**		Responsible approach to compensation / executive compensation / criteria for incentives / deferral, claw-backs	33-35
7	**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	10
8	**Digitalization / fintech**		Blockchain / fintech / digital transformation / big data, automation	40
9	**Responsible investments**		Sustainable products and services / impact investing (incl. microfinance, conservation finance) / integration of environmental, social and governance (ESG) criteria in products and services	76-88

	Material issues	Importance	Definition and scope of terms	See pages
10	**Company culture and values**		Corporate culture / values / company purpose / reputation / trust	36-39
11	**Consumer and investor protection**		Suitability and appropriateness /data security / privacy / transparency of fees	29-30
12	**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	29-30 76-88
13	**Corporate governance**		Operational structure / governance framework / management team / voting rights	12-16
14	**Transparency & alignment to ESG frameworks**		Paris Agreement / UN Sustainable Development Goals / Principles for Responsible Banking / Principles for Responsible Investment / national and international sustainable finance frameworks and regulations/ ESG disclosure requirements and standards / TCFD / EU Taxonomy	50-51 59-60 93-116
15	**Contribution to the economy**		Purchasing, sourcing / tax contribution / lending to small and medium-sized enterprises (SMEs) and start-ups	31-32 39-41 45
16	**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	23-25 31 74-75
17	**Financial inclusion & accessibility**		User-friendly banking services / accessibility for all to products and services / financial literacy among customers	43–48, 81
18	**Social commitments**		Philanthropy / supporting social and humanitarian projects / employee engagement, incl. skills-based volunteering / "militia" system of politics in our Swiss home market	42–48

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

Detailed information on Credit Suisse Group's financial performance, corporate governance, compensation practices, liquidity and funding management, capital management and risk management can be found in the Annual Report 2020

Implementation of the Ten Principles of the UN Global Compact

Over 12,000 businesses from around 160 countries have pledged to uphold the principles relating to human rights, labor standards, environmental protection and anti-corruption efforts defined in the Ten Principles of the UN Global Compact. Credit Suisse has been a signatory to this leading international initiative since its inception in 2000, and we are an active member of the Global Compact Network Switzerland & Liechtenstein. Through our Sustainability Report, we communicate annually on the progress we have made in implementing the Ten Principles.

"We recognize the importance of upholding international standards and best practices to promote responsible business conduct, such as the UN Global Compact with its Ten Principles on human rights, labor standards, environmental protection and anti-corruption efforts. I am happy to reaffirm our support for this important initiative again this year." – Thomas Gottstein, Chief Executive Officer.

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	▪ Participation in the Thun Group to promote a better understanding of the UN Guiding Principles on Business and Human Rights for the banking sector	26, 75
		▪ Statement on Human Rights	74-75
Principle 2	make sure that they are not complicit in human rights abuses	▪ Assessment of sustainability risks	18-26
		▪ Sector policies and guidelines	23-25
Labor			
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	▪ Credit Suisse Staff Council in Switzerland (internal employee representation)	74
		▪ European Works Council	74
Principle 4	the elimination of all forms of forced and compulsory labor;	▪ Credit Suisse Supplier Code of Conduct and Third Party Risk Management (TPRM) framework	31
		▪ Modern Slavery and Human Trafficking Transparency Statement	75
Principle 5	the effective abolition of child labor; and	▪ Sector policies and guidelines	23-25
		▪ Credit Suisse Supplier Code of Conduct and Third Party Risk Management (TPRM) framework	31
Principle 6	the elimination of discrimination in respect of employment and occupation.	▪ Commitment to equality, diversity and inclusion, including special programs, trainings and objectives	63-69

The Ten Principles of the UN Global Compact		Implementation at Credit Suisse	See pages
Environment			
Principle 7	Businesses should support a precautionary approach to environmental challenges;	▪ Group-wide Climate Risk Strategy program	51-55
		▪ Statement on Climate Change	51
		▪ Assessment of sustainability risks	18-26
		▪ Sector policies and guidelines	23-25
		▪ Signatory to the Principles for Responsible Banking (PRB)	96-101
		▪ Signatory to the Principles for Responsible Investment (PRI)	102
		▪ Addressing the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD)	59-60
		▪ Signatory to the Poseidon Principles	25
Principle 8	undertake initiatives to promote greater environmental responsibility; and	▪ Commitment to achieve net zero emissions from our operations, supply chain and financing activities no later than 2050, with intermediate emissions goals for 2030	50-51
		▪ Global greenhouse gas neutrality since 2010	56-58
		▪ ISO 14001-certified environmental management system	58
		▪ Activities in the area of conservation finance	82
		▪ Sustainability Strategy Advisory and Finance (SSAF)	21-22
Principle 9	encourage the development and diffusion of environmentally friendly technologies.	▪ Use of climate-friendly energy sources for our operations	56-59
		▪ Green finance	83-84
		▪ Renewable energy financing	84
		▪ Sustainable real estate	55
Anti-corruption			
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	▪ Member of the Wolfsberg Group	27
		▪ Internal standards and training for employees	69-70
		▪ Global whistleblowing framework including a web-based Integrity Line	29

Our contribution to the realization of the Sustainable Development Goals

The 17 Sustainable Development Goals (SDGs) adopted by the United Nations in 2015 form a core element of the UN Agenda 2030 for Sustainable Development. As the SDGs are based on a participatory process, responsibility for achieving them is shared among states, the private sector, the scientific community and civil society. Since their introduction, we have been pursuing activities designed to contribute to the realization of the SDGs in our role as a global financial institution. The following table provides an overview on our wide-ranging activities relating to selected objectives of most relevance to Credit Suisse, as also confirmed by stakeholder interactions. Furthermore, Credit Suisse published six case studies providing details on our SDG implementation efforts for selected SDGs, see: credit-suisse.com/sdg

SDG	Our contribution	See pages
Goal 4: Quality education		
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	▪ We support financial education programs for girls through our Financial Education Initiative in Brazil, China, Sri Lanka and Tanzania	44
	▪ We promote financial education and future skills through our respective regional programs	44-45
	▪ We offer our clients the opportunity to make a contribution to SDG4 through our higher education structured notes solutions	81
	▪ We invest in young talent as an employer by providing attractive opportunities for young professionals and graduates	71
Goal 5: Gender equality		
Achieve gender equality and empower all women and girls.	▪ We foster diversity and inclusion within our organization	63-69
	▪ We take measures to increase the proportion of women in management positions within our organization	65-67
	▪ We support the development of new products and services focusing on gender diversity	80-81
	▪ We address female empowerment across the globe through our Corporate Citizenship programs, such as our Financial Inclusion and Education Initiatives	44-46
Goal 7: Affordable and clean energy		
Ensure access to affordable, reliable, sustainable and modern energy for all.	▪ We provide renewable energy financing	84
	▪ We support our clients' energy transition toward low-carbon operations, technologies and services	51-55
	▪ We use climate-friendly energy sources for our business premises and have buildings certified according to energy efficiency standards	56-59
	▪ We run an ISO 14001-certified environmental management system	58

SDG	Our contribution	See pages
Goal 8: Decent work and economic growth		
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	▪ We offer progressive working conditions for our employees	63-75
	▪ We support economic growth and entrepreneurship through our role as a lender and financial intermediary	39-40
	▪ We are an integral part of the economy and society in our role as an employer, client, contractual partner and taxpayer	40-41
	▪ We help to strengthen local economies in developing countries and emerging markets through our activities in the area of financial inclusion	44-45, 81
Goal 9: Industry, innovation and infrastructure		
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	▪ We supply risk capital to support growth and innovation, including through Credit Suisse Entrepreneur Capital AG in Switzerland	40
	▪ We help to strengthen local economies in developing countries and emerging markets through our activities in the area of financial inclusion	44-45, 81
	▪ We provide renewable energy financing	84
	▪ We focus on sustainability risk management and have sector-specific policies and guidelines in place	18-26
Goal 11: Sustainable cities and communities		
Make cities and human settlements inclusive, safe, resilient and sustainable.	▪ We invest in sustainable real estate	55
	▪ We are committed to continuously improving the ESG performance (environmental, social and governance performance), energy efficiency and carbon footprint of our real estate investment portfolio	55

Our contribution to the realization of the Sustainable Development Goals

SDG	Our contribution	See pages
Goal 13: Climate action		
Take urgent action to combat climate change and its impacts.	■ We are committed to develop science-based targets in 2021 and 2022 for achieving net zero emissions from our operations, supply chain and financing activities no later than 2050	50-51
	■ We have a Group-wide Climate Risk Strategy program in place	22-24, 51-55
	■ We focus on sustainability risk management and have sector-specific policies and guidelines in place	18-26
	■ We are addressing the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD)	59-60
	■ We offer a range of green finance products and services for our clients	83-84
	■ We are greenhouse gas neutral across all our operations globally	58
	■ We are a signatory to the Poseidon Principles	25
Goal 14: Life below water		
Conserve and sustainably use the oceans, seas and marine resources for sustainable development.	■ We offer sustainable and impact products targeting ocean conservation	82-83
	■ We are a member of the advisory network for the High Level Panel for a Sustainable Ocean Economy	82
Goal 15: Life on land		
Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.	■ We are active in the area of conservation finance	82
	■ We have an ongoing advisory role to the Zoological Society of London's Sustainability Policy Transparency Toolkit (SPOTT)	61
	■ We consider biodiversity-related issues in our sustainability risk management process and have sector-specific policies and guidelines in place	60-61, 23-25

UNEP FI Principles for Responsible Banking

In 2019, Credit Suisse became a founding signatory to the Principles for Responsible Banking (PRB) of the UN Environment Programme Finance Initiative (UNEP FI). The PRB call for the alignment of the banking sector with the UN SDGs and the objectives of the Paris Agreement and represent a comprehensive framework for the integration of sustainability across all areas of banking. Signatories commit, among other things, to align their business strategy to contribute to individuals' needs and society's goals, and to set targets to continuously increase the positive impacts of their activities, products and services. By the end of 2020, more than 200 banks had signed up to the PRB. Credit Suisse has taken first steps towards PRB implementation as shown in our first reporting on progress below.

Credit Suisse reporting on the Principles for Responsible Banking

Principle 1: Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Reporting and self-assessment requirements	High-level summary of bank's response	References/relevant information
1.1. Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.	As one of the world's leading banks, we are committed to delivering our financial experience and expertise to corporate, institutional and government clients as well as 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 and a work force of over 48,770 employees. Our strategy is to be a leading wealth manager with strong global investment banking capabilities.	▪ Annual Report 2020, "Credit Suisse at a glance", p. 12 ▪ Sustainability Report 2020, "Our company", p. 10 ▪ Our company (Website)
1.2. Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.	Credit Suisse strives to create sustainable value for all its 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. This approach is supported by our Purpose Statement ("We build lasting value by serving our clients with care and entrepreneurial spirit") and our Code of Conduct. In 2020, we launched the new Executive Board-level Sustainability, Research & Investment Solutions (SRI) function to deliver on our ambition to become a leader in sustainability. We also established a dedicated Board of Directors Sustainability Leader on the Group Board of Directors, who will enable and help supervise the sustainability agenda. Since 2020, Credit Suisse has announced a number of commitments and measures in support of the Paris Agreement and the Sustainable Development Goals (SDGs).	▪ Code of Conduct (PDF) ▪ Statement on Sustainability (PDF) ▪ Statement on Climate Change (PDF) ▪ Statement on Human Rights (PDF) ▪ Sustainability Report 2020: – Evolving our organization to support sustainability, p. 11-12 – Sustainability governance, p. 14-17 – Our role in addressing climate change, p. 50-51 – Climate Risk Strategy program, p. 51-55 – Committed to equality, diversity and inclusion, p. 63-69 – Our contribution to the realization of the Sustainable Development Goals, p. 94-95 ▪ SDG Case Studies (Website)

Principle 2: Impact and Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Reporting and self-assessment requirements	High-level summary of bank's response	References/relevant information
2.1 Impact Analysis: Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements: a) Scope: The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis. b) Scale of Exposure: In identifying its areas of most significant impact, the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies. c) Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates. d) Scale and intensity/salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services. (your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d)) Show that, building on this analysis, the bank has ▪ Identified and disclosed its areas of most significant (potential) positive and negative impact ▪ Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts	Credit Suisse's impact analysis was conducted using the UNEP FI Portfolio Impact Analysis tool (UNEP FI Tool). For more information on the methodology, please refer to the UNEP FI "Guide to Holistic Impact Analysis" (October 2020). Following the UNEP FI Tool methodology, business lines covered include consumer, business, corporate and investment banking. Trading activity (cash and derivatives), private banking and asset management are currently out of scope as these are not yet covered by the UNEP methodology. Credit Suisse data was matched to the business lines as defined by the UNEP FI Tool described above. The geographical focus of the analysis for consumer and business banking was Switzerland, as this is our country of incorporation (home market) and the country from which we offer such services to our clients. With respect to corporate and investment banking, we included all countries of operation with a relevant footprint in our analysis (>15% exposure per analyzed portfolio or Top 3 position in relevant league tables). Credit Suisse's impact analysis was performed against the FY 2019 loan portfolio using potential exposure data. Based on the analysis, real estate was identified as the prominent sector in the consumer, business and corporate banking business lines, followed by the financial services sector. For investment banking, a very diverse set of sectors were identified, including civil engineering, electric power generation, fast-moving consumer goods (FMCG), IT and telecommunication, mining, oil and gas, pharmaceuticals, real estate and transportation. A number of significant impact areas for each business line have been identified based on Credit Suisse data (e.g. percentage of portfolio associated to a given sector), as well as the country needs and positive and negative impacts associated with relevant sectors and activities as defined by the UNEP FI Tool. Through the analysis of our different portfolios in Switzerland, housing and employment were identified as the two most prominent positive impact areas. Based on our analysis of the corporate and investment banking portfolio and based on our continued dialogue with relevant stakeholders (e.g. investors, clients, NGOs, regulators), we determined resource efficiency, climate, and biodiversity and ecosystems as areas with potential negative impacts. In line with the outcome of the impact analysis, Credit Suisse actively addresses climate change and biodiversity-related issues. For example, we have a Climate Risk Strategy program in place and we continue to work towards the implementation of the TCFD recommendations. Biodiversity-related issues are considered in our risk management processes and we have identified biodiversity as a strategic business opportunity in order to increase our positive impacts. We also engage with stakeholders in a regular dialogue on both topics, for example through our membership in sustainability networks and initiatives such as the Informal Working Group for the Task Force on Nature-related Financial Disclosures TNFD or our partnership with the Climate Bonds Initiative to help create a framework for transition finance.	▪ UNEP FI Portfolio Tool (Website) ▪ UNEP FI Guide to Holistic Impact Analysis (Website) ▪ Credit Suisse Business Divisions (Website) ▪ Sustainability Report 2020: – Evolving our organization to support sustainability, p. 11-12 – Dialogue with stakeholders, p. 42 – Our role in addressing climate change, p. 50-51 – Global Real Estate, p. 55 – Biodiversity and natural capital, p. 60-61 – Safeguarding biodiversity and natural capital, p. 82 – Climate-aware solutions for wealth management clients, p. 83 – Sustainability networks and initiatives, p. 102 ▪ Ongoing dialogue with stakeholders (Website)
Bank conclusion statement regarding impact analysis	We have conducted an impact analysis as required by the Principles. In the future, we aim to periodically update our impact analysis, focusing on the most relevant business lines.	

Principle 2: Impact and Target Setting

Reporting and self-assessment requirements	High-level summary of bank's response	References/relevant information
2.2. Target Setting: Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services. Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline. Show that the bank has analyzed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.	In 2020, we announced the goal to provide at least CHF 300 billion of sustainable financing to support transition strategies (renewables, Green/Blue/Transition bonds, low-carbon energy solutions and UN SDG-aligned) over the next ten years. In December 2020, Credit Suisse committed to develop science-based targets in 2021 and 2022, including our commitment to align our operations, supply chain and financing activities to net zero emissions by 2050. We also announced that we would align our financing with the Paris Agreement objective of limiting global warming to 1.5° C and to reposition our portfolio to mobilize capital towards our clients' transitions. In order to maximize the impact of our Diversity and Inclusion (D&I) imperative across people management, culture development and our sustainability strategy, we elevated our global D&I function to report to two Executive Board members, to reflect a mandate that is tied not only to Human Resources but also embedded in our new SRI function providing enhanced oversight and executive focus. We also set out additional commitments to accelerate our progress.	▪ Sustainability Report 2020: – 2020 sustainability highlights at Credit Suisse, p. 5-6 – Committed to equality, diversity and inclusion, p. 63-69
Bank conclusion statement regarding target setting	We have already set ourselves ambitious aspirations in the area of climate change, including announcing planned milestones (see 2.3).	
2.3. Plans for Target Implementation and Monitoring Show that your bank has defined actions and milestones to meet the set targets. Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.	Over the course of 2021, we intend to release guidance on the methodology we have developed to illustrate how we count transactions toward the target of CHF 300 bn of sustainable financing and provide insight on the associated criteria. In December 2020, Credit Suisse committed to develop science-based targets in 2021 and 2022, including our commitment to align our operations, supply chain and financing activities to net zero emissions by 2050, with intermediate emissions goals for 2030.	▪ Sustainability Report 2020: – 2020 sustainability highlights at Credit Suisse, p. 5-6
Bank conclusion statement regarding plans target implementation and monitoring	Credit Suisse has set up the internal governance structures and project teams to work on the implementation of its aspirations. We will report on our progress in our 2021 corporate reporting.	
2.4. Progress on Implementing Targets For each target separately: Show that your bank has implemented the actions it had previously defined to meet the set target. Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target. Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in (where feasible and appropriate, banks should include quantitative disclosures).	Credit Suisse has set up the internal governance structures and project teams to work on the implementation of its aspirations.	
Bank conclusion statement regarding implementing targets	Credit Suisse has set up the internal governance structures and project teams to work on the implementation of its aspirations. We will report on our progress in our 2021 corporate reporting.	

Principle 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

Reporting and self-assessment requirements	High-level summary of bank's response	References/relevant information
3.1. Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programs and actions implemented (and/or planned), their scale and, where possible, the results thereof.	In January 2021, we launched our new Code of Conduct, which describes our purpose and values and includes focus on serving our clients. Credit Suisse believes in establishing long-term relationships based on trust and integrity between our relationship managers and clients. When providing advice to our clients regarding one or more transactions involving financial instruments, we assess the suitability and appropriateness of such transactions. Our new Executive Board-level function Sustainability, Research & Investment Solutions (SRI) will allow us to drive a globally consistent approach and help us to meet the evolving needs of our clients, investors, employees and society in general. Further, a new group entitled Sustainability Strategy, Advisory & Finance (SSAF) was established to support the creation of a cohesive and dedicated bank-wide sustainability offering within SRI. Our risk processes enable us to take account of the potential wider implications of our business activities and products and services, for example on the environment and society. To assess potential transactions with clients or prospects in industries that are particularly sensitive from a social or environmental perspective (including impacts to the climate), we have defined specific policies and guidelines that are globally applicable.	▪ Code of Conduct (PDF) ▪ Sustainability Report 2020 – Consumer and investor protection, p. 29-30 – Focus on clients, p. 41-42 – Client skills and sustainability, p. 69-70 – Evolving our organization to support sustainability, p. 11-12 – Risk Management / Sustainability Risk Management, p. 18-26 – Sector policies and guidelines, p. 23-25
3.2. Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.	SSAF sets the bank's sustainability ambition and public commitments and is responsible for selecting the bank's core sustainability themes. It will also determine flagship initiatives, divisional sustainability metrics and lead the bank's public profile on sustainability. This includes establishing the governance processes and frameworks for the implementation of sustainability measures as well as joining forces with relevant initiatives (see references for examples). In the context of our sustainability risk reviews and our Climate Risk Strategy program (incl. the Client Energy Transition Frameworks), we engage with our clients to understand their approach to managing environmental and social risks as well as their transition strategy.	▪ Sustainability Report 2020: – Evolving our organization to support sustainability, p. 11-12 – Sustainability risk review, p. 19-21 – Governance for sustainable products and services, p. 21-22 – Climate Risk Strategy program, p. 51-55 – Sustainable products and services, p. 76-88 – Credit Suisse Sustainable Investment Framework, p. 80 ▪ Global ESG Investment Principles (PDF) ▪ Credit Suisse Engagement Policy Statement (PDF) ▪ Unearthing investor action on biodiversity (PDF)

Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

Reporting and self-assessment requirements	High-level summary of bank's response	References/relevant information
4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.	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 – to understand the issues that are important to them and to help find constructive solutions to current challenges. As Credit Suisse continues to develop its sustainability risk management practices, we engage in dialogue with a range of stakeholders. This includes our ongoing exchange with NGOs and other actors in the conversation on sustainability risk management and climate change topics, as well as our active participation in industry initiatives and contribution to thought leadership.	▪ Sustainability Report 2020 – Dialogue with stakeholders, p. 42 – Dialogue and knowledge-sharing, p. 26 – Thought leadership, p. 86-88 ▪ Ongoing dialogue with stakeholders (Website) ▪ Network & partnerships (Website) ▪ Sustainability networks and initiatives (Website)

Principle 5: Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

Reporting and self-assessment requirements	High-level summary of bank's response	References/relevant information
5.1. Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.	In July 2020, Credit Suisse established the new Sustainability, Research & Investment Solutions (SRI) function at the Executive Board level and announced the appointment of a dedicated Sustainability Leader on the Board of Directors, and the creation of the Board Advisory Committee as part of the Bank's ambition to integrate sustainability into its strategy. To complement this, and as part of the introduction of the Sustainability, Research & Investment Solutions (SRI) function, the Bank has also established a Sustainability Leadership Committee (SLC) with senior representatives from each division and control function to drive and execute our strategy. The SLC will be the governance sponsor to support the PRB implementation. In addition, CS appointed a Chief Sustainability Officer and a Group Head of Reputational Risk, Sustainability and Climate Risk in 2020. CS also created a new role and appointed a Global Head of Social Sustainability. The SRI function includes a Risk Management Committee (RMC) and Divisional Client Risk Committee (DCRC) to ensure strong review and challenge from across the second line of defense. In addition, the implementation of the Client Energy Transition Frameworks (CETF) serves to encourage clients in their energy transition but may also lead to decisions to decline certain transactions.	▪ Sustainability Report 2020: – Evolving our organization to support sustainability, p. 11-12 – Sustainability governance, p. 14-17 – Climate risk governance and organization, p. 22-23 ▪ Code of Conduct (PDF) ▪ Statement on Sustainability (PDF) ▪ Statement on Climate Change (PDF) ▪ Statement on Human Rights (PDF) ▪ Sustainability networks and initiatives (Website)
5.2. Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.	The Credit Suisse Code of Conduct underpins many of our control and human capital processes and policies at Credit Suisse. It reflects what we expect from employees and what our stakeholders expect from Credit Suisse, as well as explaining how we want to interact within Credit Suisse and with the world around us. To ensure that 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. The training program includes topics such financial crime compliance awareness, data security, as well as environmental management, health and safety and sustainability risk management.	▪ Code of Conduct (PDF) ▪ Sustainability Report 2020: – Talent Development in 2020, p. 70
5.3. Governance Structure for Implementation of the Principles Show that your bank has a governance structure in place for the implementation of the PRB, including: a) target-setting and actions to achieve targets set b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.	The Sustainability Leadership Committee, which is co-chaired by the CEO of Sustainability, Research & Investment Solutions (SRI), and the Chief Sustainability Officer is responsible for driving the development and implementation of the sustainability strategy and responsible for assessing progress against the Bank's strategic sustainability objectives and commitments including the PRB. The Sustainability Leadership Committee will report its decisions and key strategic updates to the Sustainability Advisory Committee.	▪ Sustainability Report 2020: – Sustainability governance, p. 14-17
Bank conclusion statement regarding Governance Structure for Implementation of the Principles	The Sustainability Leadership Committee has taken on the responsibility for the implementation of the Principles for Responsible Banking. Having the mandate to develop such strategic decisions, the SLC is well placed to guide and assess the progress of the PRB targets.	

Principle 6: Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

Reporting and self-assessment requirements	High-level summary of bank's response	References/relevant information
6.1. Progress on Implementing the Principles for Responsible Banking Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4). Show that your bank has considered existing and emerging international/ regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice. Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.	In 2020, Credit Suisse undertook a wide range of activities that reflect its commitment to sustainability, and we made a number of important achievements towards further embedding environmental, social and governance (ESG) considerations in various aspects of our business endeavors. Please see "2020 Highlights" (p. 5-6) for a list of examples, such as the creation of Sustainability, Research & Investment Solutions (SRI), our commitment to align our operations, supply chain and financing activities to net zero emissions by 2050 or strong diversity and inclusion commitments. In line with the PRB requirements, our first impact analysis was conducted in 2020 using the UNEP FI Tool. We have already set ourselves ambitious aspirations in the area of climate change and will consider setting further targets based on the outcome of our impact analysis and report on them in our 2021 corporate reporting. Furthermore, we set up a governance structure responsible for driving the development and implementation of the sustainability strategy and responsible for assessing progress against the bank's strategic sustainability objectives and commitments, including the PRB. Through our active participation in a number of sustainability networks and initiatives, we aim to ensure our alignment with international best practices. For example, as one of the original signatories of the International Finance Corporation (IFC) Operating Principles for Impact Management, Credit Suisse in 2020 published its methodology and impact AuM according to the IFC's nine impact principles. Also, in its Sustainability Report 2020, Credit Suisse is for the first time reporting pursuant to the Sustainability Accounting Standards Board (SASB) Standards, underscoring our commitment to enhanced transparency and disclosure.	▪ Sustainability Report 2020 – 2020 sustainability highlights at Credit Suisse, p. 5-6 – Evolving our organization to support sustainability, p. 11-12 – Sustainability governance, p. 14-17 – Sustainability networks and initiatives, p. 102
Bank conclusion statement regarding progress on PRB Implementation	We have made progress in implementing the PRB over the past 18 months. We have set up a governance structure for implementation of the principles, we have conducted our first impact analysis and we have undertaken a wide range of activities that reflect our commitment to sustainability.	

Sustainability indices and ESG ratings

The analyses and ratings produced by specialized sustainability rating agencies and index providers – which assess companies according to environmental, social and governance (ESG) criteria – provide guidance and serve as a point of reference to investors interested in environmentally and socially responsible investments.
Credit Suisse has been included in leading sustainability indices for a number of years and is assessed by ESG rating providers such as S&P Global (Corporate Sustainability Assessment), Sustainalytics, MSCI and CDP. In 2020, Credit Suisse was once again selected as an index component for both the Dow Jones Sustainability World Index (DJSI World) and the Dow Jones Sustainability Europe Index (DJSI Europe). Furthermore, our CDP climate change score improved to an A-, and Credit Suisse's MSCI ESG Rating increased to an A.

Further information can be found on our **website**

Sustainability networks and initiatives

Credit Suisse actively participates in a number of sustainability networks and initiatives worldwide, including the following:

- Climate Bonds Initiative
- ClimateAction100+
- Equator Principles
- FAIRR Initiative
- Global Impact Investing Network (GIIN)
- Green Bond Principles
- International Corporate Governance Network (ICGN)
- Oebu – Swiss Business Council for Sustainable Development
- Ocean Panel
- Operating Principles for Impact Management
- Principles for Responsible Banking (PRB)
- Principles for Responsible Investment (PRI)
- Roundtable on Sustainable Palm Oil (RSPO)
- Sustainable Finance Geneva (SFG)
- Swiss Sustainable Finance (SSF)
- Task Force on Nature-Related Financial Disclosures (TNFD)
- UN Environment Programme Finance Initiative (UNEP FI)
- UN Global Compact
- Wolfsberg Group

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

GRI Standards

Our reporting on sustainability addresses the growing importance of ESG disclosure and the increasing stakeholder demand for relevant information in this area.

The Credit Suisse Sustainability Report 2020 has been prepared in accordance with the GRI Standards: “Core option”. The GRI Standards provide a framework for voluntary sustainability reporting, helping to increase transparency and comparability. In line with the GRI Standards, Credit Suisse regularly conducts a materiality assessment to better understand the views and interests of our stakeholders. This report focuses on issues classified as particularly important in the context of the materiality assessment (see p. 92). Selected indicators in our GRI-based disclosure on sustainability are externally assessed and independently assured by SGS. Our Sustainability Report 2020 is reported to the SIX Swiss Exchange in accordance with the opting-in regulation for companies issuing sustainability reports.

Further details regarding our GRI indicators and the external review are available at:
credit-suisse.com/gri

WEF Stakeholder Capitalism Metrics

In early 2021, Credit Suisse announced its commitment to the “Stakeholder Capitalism Metrics” released by the International Business Council (IBC) of the World Economic Forum (WEF) in 2020. The IBC published this set of universal, material ESG metrics and recommended disclosures in September 2020, seeking to improve the ways that companies measure and demonstrate their contributions towards sustainable development. Building upon our existing disclosure efforts, we will consider how to best reflect the WEF core metrics in our future reporting.

TCFD Metrics and targets

Exposure to carbon-related assets and climate-sensitive sectors

Purpose: To provide transparency on financing to climate-sensitive sectors.

Coverage: Credit Suisse's corporate lending exposure, including mortgages, has been subject to a review (approx. $473 billion). The exposure view is based on the internal metric "Potential Exposure", not reflecting collateral and other credit risk mitigation.

Direction: Credit Suisse is working with clients to support their transition to low-carbon and climate-resilient business models. As a result, exposure to carbon-related businesses is expected to decrease over the years, albeit not necessarily in a linear fashion. The quantum of reduction on a yearly basis will depend on factors such as market drivers, developing science, client engagement and credit risk considerations.

Sector	Potential Exposure [mn $]	%
Oil & Gas	13,073	2.8%
Metals and Mining (Coal)	1,049	0.2%
Power Generation (Fossil Fuels)	7,279	1.5%
Metals and Mining (ex. Coal)	4,865	1.0%
Industrials – Cement or Concrete	620	0.1%
Industrials – Chemicals	12,998	2.7%
Industrials – Machinery and Equipment Manufacturing	9,799	2.1%
Industrials – Textiles & Clothing	401	0.1%
Transportation (incl. Automotive)	23,615	5.0%
Agriculture	645	0.1%
Non-power generating utilities – sewage, waste management	441	0.1%
Commodity Trade Finance [1]	8,212	1.7%
Mortgage Related Lending	164,736	34.8%
Other Lending	225,147	47.6%
Total Potential Exposure	**472,879**	**100.0%**

Key Takeaways

- Credit Suisse's total exposure to carbon-related sectors is approximately 4.5% of the total exposure[2]. Corporate lending to climate-sensitive sectors is approximately 17.6% of the total exposure, excluding mortgage related lending, or 52.4% including mortgage related lending.
- **Transition:** Reposition corporate oil & gas and coal business by reducing exposure to traditional business. Utilize our broader Client Energy Transition Frameworks to guide engagement with high carbon-emitting industries.
- **Restrictions:** No lending or capital markets underwriting to any company deriving more than 25% of its revenue from thermal coal extraction[3,4] or coal power[3,5]. No financing related to offshore and onshore oil & gas projects in the Arctic region.

Technical Corner

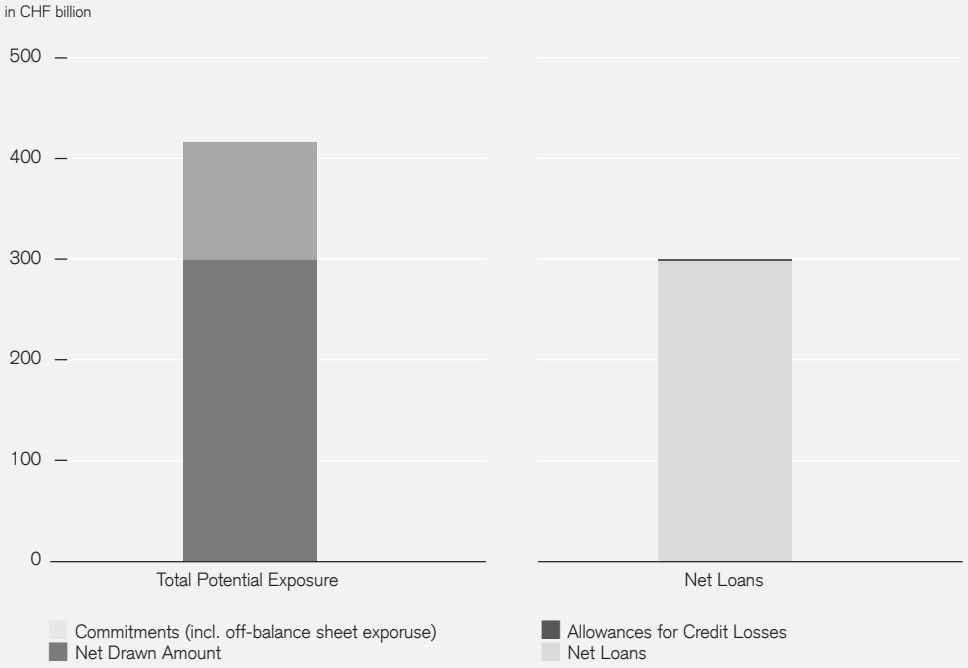
- The focus is to capture how much finance Credit Suisse provides to climate sensitive businesses, hence gross exposure is more appropriate than net exposure. We take into account both drawn and committed components.
- Carbon-related and climate-sensitive sectors are allocated based on client industry codes used in internal credit risk management processes (NAIC/NOGA).
- Due to the nature of the product, mortgages are assumed as climate sensitive and represented alongside.
- Exposure is captured via an internal risk management metric[6] as opposed to an accounting metric; this choice is in line with TCFD recommendations.

[1] Including wholesale of solid, liquid and gaseous fuels and related products
[2] Coverage was defined based on the first 3 sectors in the table. Please note that Commodity Trade Finance business includes, amongst others, activities which can be considered carbon-related. We are considering possible approaches on allocating these activities accordingly for the purpose of future disclosures
[3] Direct lending
[4] Unless such transaction is to help the company specifically transition and the use of proceeds are tied to such transition strategies aligned with the Paris Agreement; for greater certainty, these exclusions do not apply to metallurgical coal
[5] Unless company can demonstrate decreasing share of coal in generation portfolio consistent with our Energy Transition Framework or such transaction is to help the company specifically transition and the use of proceeds are tied to such transition strategies (and will continue our policy of not financing the development of new coal-fired power plants)
[6] The metric includes both on-balance sheet and off-balance sheet; no hedging assumed

Potential Exposure & Net Loans

Potential exposure is an internal credit exposure measurement metric used for credit risk management purposes.

- It provides a conservative estimate of the amount of exposure the Group may have to counterparties over time that could be lost in the event of a default of the client or counterparty.
- With respect to loans, the potential exposure reflects the aggregate of both drawn exposures and undrawn commitments. This assumes that all available credit lines get drawn at the same time to the maximum contractual amount, representing the worst case gross amount.
- Potential exposure from the Group's lending activities do not reflect collateral and other risk mitigations.
- The Group's Net Loans comprise loans held-to-maturity, which are carried at amortized cost less an allowance for credit losses. In addition, the Group elects certain of these loans held-to-maturity to fair value under the fair value option. Refer to 'Loans' in 'Note 1 – Summary of significant accounting policies' and 'Note 19 – Loans' and 'Note 20 – Financial instruments measured at amortized cost and credit losses' in 'VI – Consolidated financial statements – Credit Suisse Group' of the 2020 Annual Report.



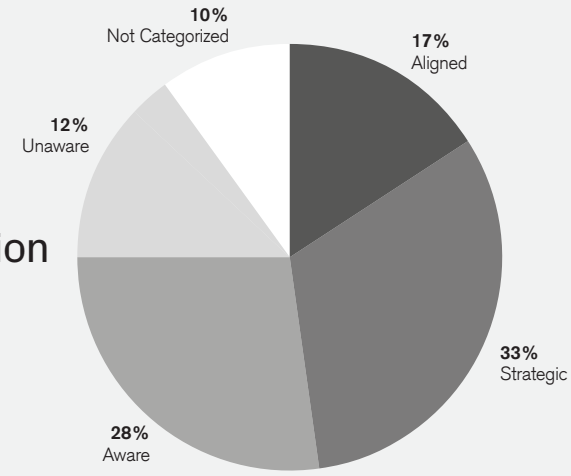
Client Energy Transition Framework[1] (CETF)

Client Characterisation[2]

Purpose: To support the transition of our clients toward Paris alignment.
Coverage: Oil & Gas, Coal Mining and Utilities/Power Generation clients, covering a $20.6 billion lending portfolio. Internal criteria, including a revenue-based threshold, are applied in order to define in-scope clients. As an example, companies with pure downstream operations (such as operating petrol stations) are out of scope. We use an exposure weighted measure to show the portfolio split across clients categories.

Direction: Financing to clients with the lowest categorization in terms of transition readiness, i.e., to "Unaware" clients, will be phased out over time. Furthermore, we expect an increasing number of clients to move from "Aware" to other categories, as they progress in their transition planning. The main goal of Client Energy Transition Framework (CETF) is to encourage our clients to transition to low-carbon activities.

USD 20.6 billion



Key Takeaways

- 90% of clients in the Carbon Intensive sectors have been categorized within the CETF framework; of which, 86% of the categorized clients are considered as Strategic, Aware and Aligned (78% of the entire client population).
- The development and roll-out of client energy transition frameworks for additional industry sectors is ongoing, with internal plans to extend coverage in 2021 to Shipping, Aviation, Commodities Trade Finance, Manufacturing, Construction / Real Estate, Agriculture & Forestry.
- Over 1,300 employees were trained on sustainability risk in specific industry sectors, or on the application of the CETF for in-scope sectors.

Technical Corner

- Financing of clients with the lowest categorization in terms of transition readiness, i.e., of "Unaware" clients, will be phased out over time.
- The results are computed based on the gross exposure of drawn and committed amounts.

[1] Incl. oil and gas, coal mining and utilities / power generation: fossil fuel based
[2] Unaware – Little to no evidence of steps towards transition; Aware – Identifies and manages risks; Strategic – Transition strategy in place; Aligned – Overall business is aligned to the Paris Agreement; Out of Scope – counterparty does not need to be tested against CETF criteria and only subject to usual risk management controls

Top 50 Loans to Upstream Fossil Fuel Producers
Weighted Average Carbon Intensity[1]

Purpose: To support transition towards lower carbon emissions and net zero 2050 by pivoting financing towards lower-carbon fuels.

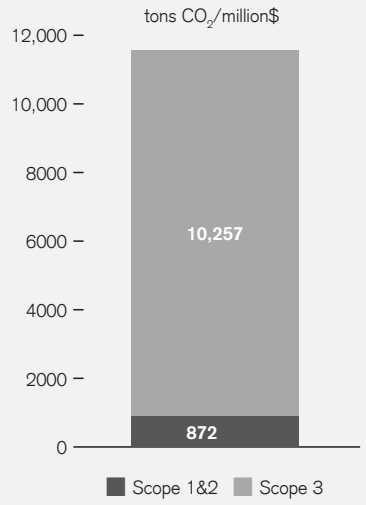
Coverage: Top 50 lending financing, ranked by exposure gross of credit mitigation (USD 6 billion), of which 34 counterparties with full data available (USD 4.7 billion), out of 242 counterparties (USD 14.1 billion) in Oil & Gas and Coal sectors (incl. downstream).

Direction: We expect the weighted average carbon intensity metric to decrease as we progressively reduce coal-related financing. This expected direction is consistent with our commitment to develop science-based targets in 2021 and 2022 for achieving net zero emissions from our operations, supply chain and financing activities no later than 2050, with intermediate emissions targets to be set for 2030. The Client Energy Transition Framework also supports the direction toward low-carbon financing.

Scope 1 covers direct emissions

Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed

Scope 3 covers supply chain and "end product emissions"[2]



Key Takeaways

- The metric shows the amount of CO_2 tons attributable to USD 1 million of revenues of companies financed by Credit Suisse in the sub-sector of upstream fossil fuel producers.
- This intensity metric builds on the TCFD recommendations. It applies an exposure-based weighted average across the top 50 names to provide a portfolio-level perspective.
- We have decided to include Scope 3 emissions covering the use of fossil fuel produced, which is key for this sub-sector, in order to drive our financing toward less carbon intensive products.
- Comparability is limited across peer banks, as Weighted Average Carbon Intensity has not been widely disclosed to date.
- We expect the metric to decrease through time, as we reduce financing toward coal production.

[1] WACI: $\frac{\text{Weighted Average Across Top 50 exposures}}{\sum\left(\frac{\text{Exposure}}{\text{Total Top50 Exposure}} * \frac{\text{Scope 1\&2\&3 } CO_2e}{\text{Company Revenues}}\right)}$

[2] End use scope 3 emissions refer to the scope 1 and scope 2 emissions of end users. End users include both consumers and business customers that use final products; e.g. emissions related to the electricity production based on the produced coal.

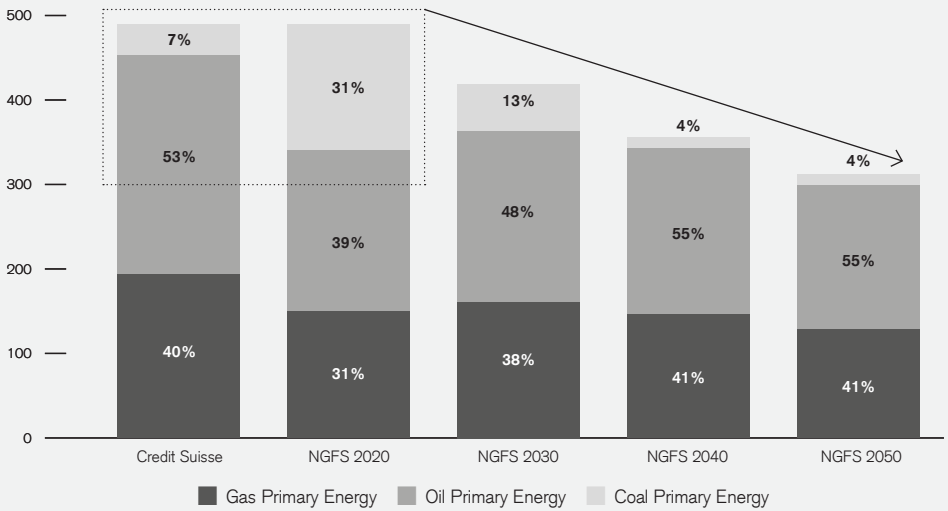
[3] A single case of a data point from 2018

Technical Corner

- Data gathering poses a key challenge. We have used data collected through public information (e.g. annual reports) and client questionnaires.
- Data coverage for emissions Scope 1&2 is 79% of the financing provided to the top 50 clients, mainly based on data publicly disclosed by clients. In addition, the revenues data coverage is 98%.
- For Scope 3, where a production based proxy is used, fossil fuel production data coverage is 94% of top 50 names, covering 98% of the financing provided.
- The data is largely based on the 2019 reporting[3].
- Scope 3 emissions, where not available, have been estimated applying conversion factors on production volume, following the Intergovernmental Panel on Climate Change (IPCC) approach.
- We expect portfolio coverage to increase through time. We expect clients in this sector to refine and expand emission reporting coverage, in turn enabling our transition journey further.

Top 50 Loans to Upstream Fossil Fuel Producers
Fossil Fuel Production Mix

Purpose: To support transition toward lower carbon emissions and net zero 2050 by pivoting financing toward lower-carbon fuels. Reduction of overall financing of upstream fossil fuel production is not reflected in this production mix metric, however it is illustrated by Network for Greening the Financial System (NGFS) scenarios[1].
Coverage: Top 50 lending financing, ranked by exposure gross of credit mitigation (USD 6 billion), of which 34 counterparties with full data available (USD 4.7 billion), out of 242 counterparties (USD 14.1 billion) in Oil & Gas and Coal sectors (incl. downstream).
Direction: Our Fossil Fuel Production Mix is ahead of the NGFS mix trajectory to reduce coal-related financing. Although this is an encouraging starting point, we recognize that absolute volumes will also need to decrease significantly to reach a "net zero" alignment. Targets toward "net zero" will be set by 2022 as announced in the context of the Science Based Targets initiative.



Key Takeaways

- Credit Suisse's mix of fossil fuel financed in relation to top 50 loans in this sub-sector is ahead of the overall alignment trajectory set by NGFS.
- NGFS scenarios require absolute amounts of financing to fossil fuel production to decrease from a total of 490 EJ[2] in 2020 to 312 EJ in 2050 in order to align to the Paris agreement.
- Constraints on both absolute financing and composition mix will be key to effectively drive the transition.

Technical Corner

- The NGFS Orderly transition scenario is taken as reference in order to describe a reference trajectory toward Paris alignment. This trajectory may change as science evolves, potentially moving toward a steeper reduction to protect the planet from 1.5 degree warming.
- In the chart, we have set 100% for NGFS scenarios in relation to 490 EJ in 2020 as an anchor to show relative reductions through the years to 2050.
- We are developing targets as part of the overall Science Based Targets initiative within Credit Suisse, which will allow for a more granular description of the future Credit Suisse path.
- The data is based on the 2019 reporting.

[1] See Network for Greening the Financial System, NGFS Climate Scenarios for central banks and supervisors, June 2020
[2] EJ – Exajoule, which equals 10^{18} Joules

Flooding Risk – Real Estate Financing

Number and value of mortgage loans by flood zone

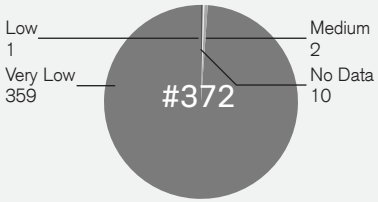
Purpose: In line with SASB recommendations, we believe that disclosure of climate change into lending analysis will allow shareholders to determine which mortgage finance firms are best positioned to protect value in light of environmental risks.

Coverage: Swiss and UK real estate financed portfolio. Swiss: 186k properties across over 3k postal codes with total exposure of CHF 139 billion. UK: 359 properties with total exposure of GBP 3.7 billion. The scope covers the vast majority of Credit Suisse's direct mortgage related lending portfolio, which is a large subset of the wider Mortgage Related Lending CHF 165 billion portfolio credit exposure.

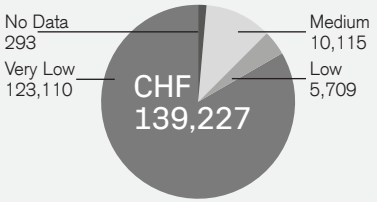
Direction: Largely dependent on how flooding risk probability maps evolve as physical risk becomes more prominent in a warming planet. Further developments in the measurement of physical risk are expected. This would include better data granularity, as well as the scope of physical risks.

Flood Risk Probability per Gross Exposure (UK)

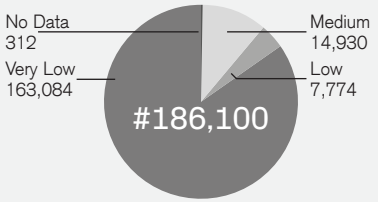
Flood Risk Probability per Count (UK)



Flood Risk Probability per Gross Exposure (CH)



Flood Risk Probability per Count (CH)



Key Takeaways

- Credit Suisse's financed mortgages are expected to be largely protected from flooding risk, as a result of geographical location in Switzerland and UK.
- The majority of the UK mortgages relate to properties in Central London, where a strong flooding protection system is in place; as a result, Credit Suisse's financed real estate displays lower flooding risk than UK real estate in general.
- According to the Notre Dame Global Adaptation Initiative (2018), Switzerland and UK have low vulnerability to physical risk, respectively 2nd and 8th safest countries in the world.

Technical Corner

- Mortgages financed by Credit Suisse have been linked to externally developed Flooding Risk maps.
- Where possible, data was collected at the street level for the Swiss located properties, while where the data was not available, postal code was used as a proxy.
- Postal code level data is used for the UK portfolio.
- Postal code level data might lead to potential inaccuracies.
- We are in the process of further refining measurement of flooding risk in collaboration with external partners.

Risk of Flood categories:
- High – each year, there is a chance of flooding greater than 1 in 30 (3.3%)
- Medium – each year, chance of flooding between 1 in 31 (3.3%) and 1 in 100 (1%)
- Low – each year, chance of flooding between 1 in 101 (1%) and 1 in 1000 (0.1%)
- Very Low – each year, chance of flooding of less than 1 in 1001 (0.1%)

Climate-related opportunities

#	Type	Climate-Related Opportunity*
1	Markets	Financing: Equity issuance (e.g., through sustainable capital markets transactions, private placements, or SPACs) aligned with the Credit Suisse Sustainable Activities Framework as well as M&A sell-side and buy-side advisory to support the transition of our clients to reach a stronger ESG performance.
2	Markets	Financing: Issue green debt financing instruments (private or public debt, structured notes) to fund projects or assets that mitigate climate change by reducing emissions, protect ecosystems, or otherwise have a positive environmental impact.
3	Markets	Financing: Lending to fund green or climate-related projects (e.g., renewable energy infrastructure, low-carbon public transportation) or technologies that are expected to play an important role in decarbonizing the economy ("green loans") or offering sustainability-linked loans whose pricing is based on the borrower's ESG score or overall sustainability achievements.
4	Markets	Financing: Evaluate new property investments also from an ESG perspective with respect to the impact on a property's current and potential future value as it relates to energy efficiency, public transport connectivity, use of sustainable materials, tenant wellbeing, and community engagement.
5	Products and Services	Investing: Actively exercise the bank's rights as shareholder in companies or on behalf of clients by voting at shareholder meetings and actively engaging with investee companies in order to preserve long-term shareholder value, enhance long-term returns, and influence companies' ESG performance.
6	Products and Services	Investing: Integrate environmental, social, and governance (ESG) criteria along the investment process consequently and broad-based with the objective to achieve an improved risk-return profile in clients' investment portfolios and make portfolios more resilient against financial market shocks resulting from climate risks.
7	Products and Services	Investing: Develop investment strategies premised on the view that a rapid shift in public sentiment and policy-making regarding the climate may lead to a large variation in the fortunes of companies that stand to gain from the resulting transition, and those that will lose.
8	Products and Services	Investing: Expand the product offering to investment strategies that are aligned with the Credit Suisse ESG Investment Framework, which allows clients to make a positive impact on society and the environment without sacrificing returns.
9	Products and Services	Advise: Provide financial advice and develop financing strategies that enable existing and prospective clients to move towards a low-carbon economy and reach a stronger ESG performance.
10	Products and Services	Advise: Provide investment advice to enable existing and prospective clients to better understand and manage their exposure to climate risks and enhance their resilience to both physical and transition risk.

We believe that climate transition opportunities are material in the short term, and will increase in prominence even further in the medium-long term. In addition, we expect the potential financial impact of these opportunities will be as follows:

- Increased revenues from financing or investments in low-carbon industries
- Better competitive position to reflect shifting stakeholder demand
- Increased portfolio diversification of financial assets
- Increased revenue through growth in financing activities to support the energy transition
- Increased revenue through demand for lower emission products or services
- Increased revenue through new solutions

#	Type	Climate-Related Opportunity	Horizon*
1	Resource Efficiency	Office Efficiency: Improve energy efficiency of current office space and capture cost-savings from optimization programs and investments in energy-efficient technologies and energy storage.	ST-LT
2	Resource Efficiency	Office Space Optimization: Optimize office occupancy rate by rationalizing down office space in a hybrid working model that is flexible to allow for increased levels of home working.	
3	Resource Efficiency	Office Lease: Develop sustainability criteria for office selection and green leasing policies for landlord-controlled spaces to create incentives for efficiency gains.	ST-LT
4	Resource Efficiency	Data Center Efficiency: Improve utilization and energy efficiency of in-house data centers and capture cost-savings from optimization programs and investments in energy-efficient technologies and energy storage.	ST-LT
5	Resource Efficiency	Data Center Optimization: Source third-party suppliers and cloud providers with improved energy and carbon performance aligned with industry best practice.	ST-LT
6	Energy Source	Renewable Electricity Supply: Source 100% of electricity from renewable sources for all data centers and office space.	MT
7	Energy Source	Transition Heating to Zero Carbon: Replace fossil fuel heating with efficient electrical systems using air source or ground source heat pumps powered by renewable electricity.	MT-LT
8	Energy Source	On-site and off-site generation: On-site and off-site generation for office buildings and parking lots (e.g., solar panels).	MT-LT
9	Energy Source	Vehicles: Shift leased, owned, and third-party fleets to low carbon vehicles, install on-site charging infrastructure for electric vehicles and introduce employee schemes for electric vehicles or low carbon alternatives.	MT-LT
10	Resilience	Procurement: Engage suppliers across our supply chain to improve carbon performance and introduce low carbon policies.	ST-LT
11	Resilience	Sourcing: Increase supply of renewable energy to offices and data centers and use electrical storage where possible.	MT-LT
12	Resilience	Employee Engagement: Encourage employees to take climate actions in office, expand employee training and benefit programs that enable employees to calculate their own carbon footprint, and reduce carbon emissions through a range of actions that include renewable energy, electric vehicles, and more efficient modes of travel.	MT-LT
13	Resilience	Data and Management Information: Develop management information dashboards structured on climate-impact data, to enable decision-making processes.	MT-LT

*ST = Short-term, MT = Medium-term, LT = Long-term

We believe that the opportunities in resource efficiency, energy source, and resilience have the potential to deliver financial and business benefit through:

- Cost savings from energy efficiency gains and reduced purchase of carbon removals to achieve net zero
- Improved business continuity through reducing risk of power outages in operations and in the supply chain
- Reduced future costs of meeting new carbon regulations and potential carbon taxes
- Improved competitive position through delivering better carbon reduction performance relative to peers
- Talent retention and acquisition as CS 'walks the talk' in reducing its own carbon footprint, and demonstrating its performance as a sustainability leader
- Market-leading branding & reputation through achieving carbon reduction targets across financing, operations and supply chain

Sustainability Accounting Standards Board (SASB)

In its Sustainability Report 2020, Credit Suisse is for the first time reporting pursuant to the Sustainability Accounting Standards Board (SASB) Standards. The SASB Standards are designed to identify a set of sustainability issues most likely to impact the operating performance or financial condition of a company and to enable communications on corporate performance on industry-level sustainability issues which is decision-useful to investors. Our SASB index can be found below.

SASB Index

Our disclosure relates to the three SASB industry standards within the "Financials" sector that we consider most relevant to our business: Asset Management and Custody Activities, Commercial Banks and Investment Banking and Brokerage. We do not currently disclose all metrics included in these standards and we anticipate enhancing our SASB reporting over time. In addition, given the scope, nature and geographical presence of our business we have sought to disclose against those SASB metrics that we feel will be most relevant to provide insight and transparency and left out metrics not deemed applicable to our overall business model. Unless otherwise noted, all data reported is as of and for the year ended December 31, 2020 and descriptions apply to Credit Suisse Group AG, and not just to the businesses or segments relevant to the particular industry.

Disclosures Included in Multiple Sector Standards

Topic	Code	Accounting Metric	Category & Unit of measure	References / Comments
Employee Diversity & Inclusion	FN-IB-330a.1 FN-AC-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	Quantitative Percentage (%)	For diversity representation, please refer to "People" section in the Credit Suisse Sustainability Report 2020: "Committed to equality, diversity and inclusion" / "Employee facts and figures" (pages 63 to 66). As part of our commitment to advancing diversity, inclusion, equity and belonging at the firm, we have published our diversity strategy, representation targets, and key initiatives in the Credit Suisse Sustainability Report 2020, see "People" section: "Committed to equality, diversity and inclusion" / "Our approach and strategy" / "Our key initiatives" (pages 63 to 65).
Business Ethics	FN-IB-510a.1 FN-AC-510a.1 FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Quantitative Reporting currency	Please refer to the 2020 Annual Report, "Note 40 – Litigation" in "VI – Consolidated financial statements – Credit Suisse Group" (pages 400 to 411) for information on the firm's aggregate litigation provisions and material legal proceedings.
	FN-IB-510a.2 FN-AC-510a.2 FN-CB-510a.2	Description of whistleblower policies and procedures	Discussion and Analysis	Details around the whistleblowing policies and procedures are included in the Sustainability Report 2020 chapter "Organization and Governance", sections "Compliance" (page 26) and "Escalation and whistleblowing" (page 29). Our escalation process is also available on the internet

Disclosures Included in Multiple Sector Standards

Topic	Code	Accounting Metric	Category & Unit of measure	References / Comments
Systemic Risk Management	FN-IB-550a.1 FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	Quantitative Basis points (bps)	The Basel Committee on Banking Supervision's assessment methodology for global systemically important banks (G-SIB) requires such banks to report on a prescribed set of indicators used by national supervisory authorities to assess their systemic importance. Credit Suisse Group, continued to be classified as a G-SIB in 2020, is required to disclose the twelve indicators under the five categories, on an annual basis. These indicators are used for the score calculation applied in determining the G-SIB add-on charge to the CET1 capital ratio requirements. Credit Suisse Group provides data for twelve indicators under the five categories, these include i) cross-jurisdictional activity ii) size iii) interconnectedness iv) substitutability/financial institution infrastructure and v) complexity to FINMA on an annual basis. The data submitted to FINMA on G-SIB indicators and categories is disclosed on the Credit-Suisse investor relations webpage (please refer to G-SIB indicators). The G-SIB add-on charge is disclosed in the 2020 Annual Report "Capital Management" in "III – Treasury, Risk, Balance Sheet and Off-balance sheet" (pages 122 to 125). BCBS requirements are minimum requirements that regulators must put in place in their respective jurisdictions. As the Swiss capital requirements for systemically important banks go beyond the BCBS requirements, including the G-SIB buffer, Credit Suisse Group is not affected by these additional G-SIB requirements.
	FN-IB-550a.2 FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Discussion and Analysis	Please refer to the 2020 Annual Report, "Evaluation and management of capital risk" in "III – Treasury, Risk, Balance Sheet and Off-balance sheet" (pages 148 to 149).

Asset Management and Custody Activities (FN-AC)

Topic	Code	Accounting Metric	Category & Unit of measure	References / Comments
Transparent Information & Fair Advice for Customers	FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers	Quantitative Reporting currency	Please refer to the 2020 Annual Report, "Note 40 – Litigation" in "VI – Consolidated financial statements – Credit Suisse Group" (pages 400 to 411) for information on the firm's aggregate litigation provisions and material legal proceedings.
	FN-AC-270a.3	Description of approach to informing customers about products and services	Discussion and Analysis	Please refer to the Sustainability Report 2020, chapter "Organization and Governance", section "Consumer and investor protection": High-quality service and advice (page 29) and "A high level of investor protection" (pages 29 to 30).

Asset Management and Custody Activities (FN-AC)

Topic	Code	Accounting Metric	Category & Unit of measure	References / Comments
Incorporation of ESG Factors in Investment Management & Advisory	FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	Quantitative Reporting currency	At year-end 2020, CS's sustainable assets under management (AuM) was CHF 108 billion, of which over CHF 16 billion was thematic and impact investment AuM (Includes only AuM balances from managed solutions that to date have been mapped to a sustainability rating of 2 and higher, based on our internal ESG framework scale (0-5). See table Credit Suisse Sustainable Investment Framework on page 80 of the Sustainability Report 2020).
	FN-AC-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	Discussion and Analysis	Please refer to the Credit Suisse Sustainable Investment Framework.
	FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	Discussion and Analysis	Please refer to the Credit Suisse Engagement Policy Statement and Active Ownership Report.
Systemic Risk Management	FN-AC-550a.1	Percentage of open-end fund assets under management by category of liquidity classification	Quantitative Percentage (%)	Following dialogue with SASB we understand this metric to be proposed for removal, and we will await further clarification from SASB to guide our disclosure for 2021.
	FN-AC-550a.2	Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management	Discussion and Analysis	Credit Suisse has a formal fund liquidity risk management framework and policy. We define portfolio liquidity risk as the risk that a fund is not able to meet redemption requests or cannot meet its liabilities without materially affecting the fund's net asset value (NAV) per share. Liquidity risk management is integrated into our portfolio investment process (1st Line) and fiduciary risk management oversight program (2nd Line). Our assessment commences prior to fund launch and during the product structuring phase to ensure underlying fund assets and liabilities (redemption terms and financing) are feasible/practical vs. offered fund liquidity terms. Portfolio construction, execution process, portfolio diversification, and asset allocation to liquid assets and cash are also evaluated including available credit facilities. Liquidity risk indicators including holdings, subscription and redemptions, investor type and concentrations, credit facility usage, and liquidity stress testing (e.g. material redemption withdrawals, etc.) are monitored by both portfolio management and independently by fiduciary risk management on an ongoing basis. This includes having a liquidity crisis playbook and protocol for escalation to senior management.
	FN-AC-550a.3	Total exposure to securities financing transactions	Quantitative Reporting currency	Please refer to the 2020 Annual Report, "Note 15 – Securities borrowed, lent and subject to repurchase agreements" in "VI – Consolidated financial statements – Credit Suisse Group" (page 300) and "Note 34 – Guarantees and commitments" in "VI – Consolidated financial statements – Credit Suisse Group" (pages 357 to 360).
	FN-AC-550a.4	Net exposure to written credit derivatives	Quantitative Reporting currency	Please refer to the 2020 Annual Report, "Fair value of derivative instruments" and "Credit derivatives" in "Note 33 Derivatives and hedging activities" in "VI – Consolidated financial statements – Credit Suisse Group" (pages 351 to 357).

Investment Banking & Brokerage (FN-IB)

Topic	Code	Accounting Metric	Category & Unit of measure	References / Comments
Incorporation of Environmental, Social, and Governance (ESG) Factors in Investment Banking & Brokerage Activities	FN-IB-410a.1	Revenue from (1) underwriting, (2) advisory, and (3) securitization transactions incorporating integration of environmental, social, and governance (ESG) factors, by industry	Quantitative Reporting currency	Please refer to the Sustainability Report 2020, chapter "Sustainable Products and Services": ▪ Bridging the financial services divide (p. 81) ▪ Expanding our product reach (p. 82) ▪ Safeguarding biodiversity and natural capital (p. 82) ▪ Climate-aware solutions for wealth management clients (p. 83) ▪ The green and sustainable debt capital markets (p. 83) ▪ Accelerating renewable energy and other sustainable solutions (p. 84)
	FN-IB-410a.2	(1) Number and (2) total value of investments and loans incorporating integration of environmental, social, and governance (ESG) factors, by industry	Quantitative Number, Reporting currency	Please refer to the Sustainability Report 2020, sections: ▪ Bridging the financial services divide (p. 81) ▪ Expanding our product reach (p. 82) ▪ Safeguarding biodiversity and natural capital (p. 82) ▪ Climate-aware solutions for wealth management clients (p. 83) ▪ The green and sustainable debt capital markets (p. 83) ▪ Accelerating renewable energy and other sustainable solutions (p. 84)
	FN-IB-410a.3	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking and brokerage activities	Discussion and Analysis	Please refer to the Sustainability Report 2020, chapter "Organization and Governance", section "Sustainability Risk Review" (pages 19 to 21), in particular the box "Transactions assessed on the basis of potential environmental and social risks in 2020" (page 24).
Professional Integrity	FN-IB-510b.3	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	Quantitative Reporting currency	Please refer to the 2020 Annual Report, "Note 40 – Litigation" in "VI – Consolidated financial statements – Credit Suisse Group" (pages 400 to 411) for information on the firm's aggregate litigation provisions and material legal proceedings.
	FN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care	Discussion and Analysis	For details please refer to our Code of Conduct (available online: https://codeofconduct.credit-suisse.com/en/coc/report/code-of-conduct) and our Sustainability Report 2020, "Organization and Governance" chapter, section "Professional integrity" (pages 28 to 29).
Employee Incentives & Risk Taking	FN-IB-550b.1	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	Quantitative Percentage (%)	Of the CHF 1,607 million total compensation awarded to Material Risk Takers and Controllers (MRTCs) for 2020, 58% was in the form of variable compensation. The definition of MRTC as used by Credit Suisse Group includes employees identified as taking or controlling material risks on behalf of the Group, as prescribed by EU/UK regulators. Please refer to the 2020 Annual Report, "Group compensation framework" in "V – Compensation" (pages 251 to 254) for further information.
	FN-IB-550b.2	Percentage of variable remuneration of Material Risk Takers (MRTs) to which malus or clawback provisions were applied	Quantitative Percentage (%)	In 2020, 75% of variable compensation awarded to MRTCs was subject to malus. Please refer to the 2020 Annual Report, "Group compensation" in "V – Compensation" (pages 246 to 254) for further information on malus and clawback provisions and changes to outstanding deferred compensation awards for MRTC, as well as risk considerations in determining variable compensation pools.
	FN-IB-550b.3	Discussion of policies around supervision, control, and validation of traders' pricing of Level 3 assets and liabilities	Discussion and Analysis	Please refer to the 2020 Annual Report, "Qualitative disclosures of valuation techniques" in "Note 36 – Financial Instruments" in "VI – Consolidated financial statements – Credit Suisse Group" (page 372).

Commercial Banks (FN-CB)

Topic	Code	Accounting Metric	Category & Unit of measure	References / Comments
Data Security	FN-CB-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	Quantitative Number, Percentage (%)	Please refer to the Sustainability Report 2020, "Organization and Governance" chapter, section "Privacy and data security" (page 30).
	FN-CB-230a.2	Description of approach to identifying and addressing data security risks	Discussion and Analysis	Consistent with industry standards such as the National Institute of Standards and Technology (NIST) Cybersecurity Framework, the International Organization for Standardization (ISO) 27002 (17799), and the Control Objectives for Information and related Technology (COBIT), Credit Suisse's information security program leverages administrative, technical, and physical safeguards to protect the confidentiality, integrity, and availability of information. Such safeguards are designed to: ▪ Provide for the security and confidentiality of client, business proprietary, and personal information ▪ Protect against anticipated threats to the security or integrity of such information ▪ Protect against unauthorized access or use of information that could result in harm to any client Policies and standards: Credit Suisse's information security framework of policies and standards aligns to the NIST Cybersecurity Framework and the ISO 27002. Credit Suisse has a Global Information Security Policy mandating global information security controls across the organization. Policies and standards cover, but are not limited to: information security management; information ownership, classification and handling; end user computing; and IT acceptable use. These policies and standards establish individual controls for user access management (including access control and passwords), privileged access management, change management, security incidents, data handling and destruction, and other security measures. Data loss prevention: Credit Suisse has implemented a diverse set of layered controls (technical, physical, and administrative) to restrict information leakage. Credit Suisse policies define requirements for information handling including classification and ownership, access control requirements based on need-to-know principle, and acceptable use of systems. Technical controls include, but are not limited to: data leakage prevention systems, information rights management, website and email content control systems, restricted and strictly controlled operating systems, application environments and hardware controls such as removable storage blocking and remote printing prevention. Information rights management tools enable the enforcement of classification of documents through warning and blocking mechanisms when emails are sent externally, and for encrypting attachments. Monitoring procedures are in place for the surveillance of email communications.
Financial Inclusion & Capacity Building	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Quantitative Number	Please refer to the Sustainability Report 2020, "Purpose" chapter, "Commitments to our communities" section: boxes on "Financial education" and "Financial inclusion" (pages 44 to 45): ▪ Financial Education Initiative (FEI) – selected figures 2014 – 2020 ▪ Financial Inclusion Initiative (FII) – selected figures for 2020
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	FN-CB-410a.1	Commercial and industrial credit exposure, by industry	Quantitative Reporting currency	Please refer to: ▪ Form 20F 2020, "Loan portfolio by industry" in "X-Additional Information" (page 565) ▪ Pillar 3 and regulatory disclosures report, "CR4 Credit Risk exposure and CRM effects" in "Credit risk" (page 18) ▪ 2020 Annual Report, "Loans and irrevocable loan commitments" and "Loans" in "Risk Management" in "III – Treasury, Risk, Balance Sheet and Off-balance sheet" (pages 165 to 166)
	FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	Discussion and Analysis	Please refer to the Sustainability Report 2020, "Organization and Governance" chapter, sections "Sustainability risk review" (pages 19 to 21) and "Selected examples of reputation risk decisions" (page 19).

SASB Activity metrics

	Code	Activity Metric	Category & Unit of measure	References / Comments
Asset Management and Custody Activities (FN-AC)	FN-AC-000.A	(1) Total registered and (2) total unregistered assets under management (AUM)	Quantitative Reporting currency	Please refer to the 2020 Annual Report, "Note 39 – Assets Under Management" in "VI – Consolidated financial statements – Credit Suisse Group" (pages 399 to 400).
	FN-AC-000.B	Total assets under custody and supervision	Quantitative Reporting currency	Please refer to the 2020 Annual Report, "Assets under management and client assets" in "Assets under management" in "II – Operating and financial review" (page 103).
Investment Banking & Brokerage (FN-IB)	FN-IB-000.A	(1) Number and (2) value of (a) underwriting, (b) advisory, and (c) securitization transactions	Quantitative Number, Reporting currency	Please refer to the 2020 Annual Report, "Asia Pacific" and "Investment Bank" In "II – Operating and Financial Review" (pages 91 to 98), "Securitizations" in "Note 35 Transfer of financial assets and variable interest entities" in "VI – Consolidated financial statements – Credit Suisse Group" (page 361 to 362).
	FN-IB-000.B	(1) Number and (2) value of proprietary investments and loans by sector	Number, Reporting currency	Please refer to: ▪ 2020 Form 20F, "Loan portfolio by industry" in "X-Additional Information" (page 565) ▪ 2020 Annual Report, "Loans" in "Risk Management" in "III – Treasury, Risk, Balance Sheet and Off-balance sheet" (page 166)
	FN-IB-000.C	(1) Number and (2) value of market making transactions in (a) fixed income, (b) equity, (c) currency, (d) derivatives, and (e) commodity products	Quantitative Number, Reporting currency	Please refer to the 2020 Annual Report, "Note 7 – Trading Revenues" in "VI – Consolidated financial statements – Credit Suisse Group" (pages 295 to 296).
Commercial Banks (FN-CB)	FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	Quantitative Number, Reporting currency	Please refer to the 2020 Annual Report, "Note 25 – Deposits" in "VI – Consolidated financial statements – Credit Suisse Group" (page 322).
	FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	Quantitative Number, Reporting currency	Please refer to: ▪ 2020 Annual Report, "Loans" in "Risk Management" in "III – Treasury, Risk, Balance Sheet and Off-balance sheet" (page 166) and "Note 19 – Loans" in "VI – Consolidated financial statements – Credit Suisse Group" (page 303). ▪ 2020 Form 20F, "Loan portfolio by industry" in "X-Additional Information" (page 565)

Disclaimer/inquiries

Cautionary statement regarding forward-looking information

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

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

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

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. We caution you that a number of important factors could cause results to differ materially from the plans, targets, goals, expectations, estimates and intentions expressed in such forward-looking statements and that the COVID-19 pandemic creates significantly greater uncertainty about forward-looking statements in addition to the factors that generally affect our business.

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, including the persistence of a low or negative interest rate environment;
- 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 negative impacts of COVID-19 on the global economy and financial markets and the risk of continued slow economic recovery or downturn in the EU, the US or other developed countries or in emerging markets in 2021 and beyond;
- the emergence of widespread health emergencies, infectious diseases or pandemics, such as COVID-19, and the actions that may be taken by government authorities to contain the outbreak or to counter its impact;
- potential risks and uncertainties relating to the severity of impacts from COVID-19 and the duration of the pandemic, including potential material adverse effects on our business, financial condition and results of operations;
- the direct and indirect impacts of deterioration or slow recovery in residential and commercial real estate markets;
- adverse rating actions by credit rating agencies in respect of us, sovereign issuers, structured credit products or other credit-related exposures;
- the ability to achieve our strategic goals, including those related to our targets, ambitions and financial goals;
- the ability of counterparties to meet their obligations to us and the adequacy of our allowance for credit losses;
- the effects of, and changes in, fiscal, monetary, exchange rate, trade and tax policies;

- the effects of currency fluctuations, including the related impact on our business, financial condition and results of operations due to moves in foreign exchange rates;
- political, social and environmental developments, including war, civil unrest or terrorist activity and climate change;
- the ability to appropriately address social, environmental and sustainability concerns that may arise from our business activities;
- the effects of, and the uncertainty arising from, the UK's withdrawal from the EU;
- 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 cyber attacks, information or security breaches or technology failures on our reputation, business or operations, the risk of which is increased while large portions of our employees work remotely;
- the adverse resolution of litigation, regulatory proceedings, and other contingencies;
- actions taken by regulators with respect to our business and practices and possible resulting changes to our business organization, practices and policies in countries in which we conduct our operations;
- the effects of changes in laws, regulations or accounting or tax standards, policies or practices in countries in which we conduct our operations;
- the expected discontinuation of LIBOR and other interbank offered rates and the transition to alternative reference rates;
- the potential effects of changes in our legal entity structure;
- competition or changes in our competitive position in geographic and business areas in which we conduct our operations;
- the ability to retain and recruit qualified personnel;
- the ability to maintain our reputation and promote our brand;
- the ability to increase market share and control expenses;
- technological changes instituted by us, our counterparties or competitors;
- the timely development and acceptance of our new products and services and the perceived overall value of these products and services by users;
- acquisitions, including the ability to integrate acquired businesses successfully, and divestitures, including the ability to sell non-core assets; and
- other unforeseen or unexpected events and our success at managing these and the risks involved in the foregoing.

We caution you that the foregoing list of important factors is not exclusive. When evaluating forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, including the information set forth in "Risk factors" in I – Information on the company in our Annual Report 2020.

Important information about this publication

Information referenced in this Sustainability Report, whether via website links or otherwise, is not incorporated into this Sustainability Report. This document may provide the addresses of, or contain hyperlinks to, third-party websites. Credit Suisse has not reviewed such linked sites and takes no responsibility for the content contained therein. Any addresses or hyperlinks within this Report (including addresses or hyperlinks to Credit Suisse's own website material) is provided solely for your convenience and information and the content of the linked site does not in any way form part of this document. Accessing such website or following such link through this document or Credit Suisse's website shall be at your own risk.

For more comprehensive information about our results and operations, including risks that could adversely affect our results of operations and financial condition, please refer to our annual reports and quarterly reports available at www.credit-suisse.com.

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 (including macroeconomic and other challenges and uncertainties, for example, resulting from the COVID-19 pandemic), 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.

In particular, the terms “Estimate”, “Illustrative”, “Ambition”, “Objective”, “Outlook” and “Goal” are not intended to be viewed as targets or projections, nor are they considered to be Key Performance Indicators. All such estimates, illustrations, ambitions, objectives, outlooks and goals are subject to a large number of inherent risks, assumptions and uncertainties, many of which are completely outside of our control. These risks, assumptions and uncertainties include, but are not limited to, general market conditions, market volatility, interest rate volatility and levels, global and regional economic conditions, challenges and uncertainties resulting from the COVID-19 pandemic, political uncertainty, changes in tax policies, regulatory changes, changes in levels of client activity as a result of any of the foregoing and other factors. Accordingly, this information should not be relied on for any purpose. We do not intend to update these estimates, illustrations, ambitions, objectives, outlooks or goals.

In preparing this document, management has made estimates and assumptions that affect the numbers presented. Actual results may differ. Annualized numbers do not take into account variations in operating results, seasonality and other factors and may not be indicative of actual, full-year results. Figures throughout this document may also be subject to rounding adjustments. All opinions and views constitute judgments as of the date of writing without regard to the date on which the reader may receive or access the information. This information is subject to change at any time without notice and we do not intend to update this information.

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

References to Wealth Management mean Private Clients within Swiss Universal Bank, Private Banking within International Wealth Management, and Asia Pacific or their combined results. References to Wealth Management-related mean Swiss Universal Bank, International Wealth Management and Asia Pacific or their combined results. References to global investment banking mean the Investment Bank, APAC advisory and underwriting as well as M&A, DCM and ECM in SUB C&IC.

Investors and others should note that we announce important company information (including quarterly earnings releases and financial reports as well as our annual sustainability report) to the investing public using press releases, SEC and Swiss ad hoc filings, our website and public conference calls and webcasts. We also routinely use our Twitter account @creditsuisse (https://twitter.com/creditsuisse), our LinkedIn account (https://www.linkedin.com/company/credit-suisse/), our Instagram accounts (https://www.instagram.com/creditsuisse_careers/ and https://www.instagram.com/

creditsuisse_ch/), our Facebook account (https://www.facebook.com/creditsuisse/) and other social media channels as additional means to disclose public information, including to excerpt key messages from our public disclosures. We may share or retweet such messages through certain of our regional accounts, including through Twitter at @csschweiz (https://twitter.com/csschweiz) and @csapac (https://twitter.com/csapac). Investors and others should take care to consider such abbreviated messages in the context of the disclosures from which they are excerpted. The information we post on these social media accounts is not a part of this document.

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The English language version of this document is the controlling version.

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