

## Modern Slavery & Human Trafficking Transparency Statement 2021

### INTRODUCTION

We recognize that modern slavery issues such as forced labor and human trafficking are significant global issues. Credit Suisse Group AG (Group) is committed to taking actions to help ensure that there is no modern slavery or human trafficking in our supply chain or across our business.

This statement is made pursuant to section 54, Part 6 of the UK Modern Slavery Act 2015 and section 16 of the Australian Modern Slavery Act 2018 (*Cth*) (the Acts), with respect to the financial year ending December 31 2020, and sets out the steps that we have taken to help ensure that modern slavery and human trafficking does not occur in our business operations or within our supply chain. This statement has been prepared as a joint statement.<sup>1</sup>

### CREDIT SUISSE OVERVIEW

This statement is made by the Group and Credit Suisse AG, the Group's direct bank subsidiary, as well as other in-scope Credit Suisse entities listed in the Appendix<sup>2</sup>.

Credit Suisse is a leading wealth manager with strong investment banking capabilities. We serve our clients through three regionally focused divisions: Swiss Universal Bank, International Wealth Management and Asia Pacific. These regional businesses are supported by our Investment Bank division. Founded in 1856, we have today a global reach with operations in about 50 countries and more than 48,770 employees from over 150 different nations. More information can be found in our 2020 Annual Report. In the UK, Credit Suisse's core activities include private banking, asset management and investment banking. In Australia, Credit Suisse's core activities include private banking, investment banking and equities sales and trading.

While our broad footprint helps us to generate a geographically balanced stream of revenues and to capture growth opportunities around the world, this potentially may expose us to the risk of modern slavery and human trafficking. To address this risk we have established procedures to prevent instances of modern slavery and human trafficking and require that our extensive range of suppliers and relevant third parties adhere to our Supplier Code of Conduct.

### EXISTING COMMITMENTS

In its role as an employer, and as a user and provider of services, Credit Suisse is committed to human rights and respects them as a key element of responsible business conduct. 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. Our respective approach is informed by the UN Guiding Principles on Business and Human Rights and the "Protect, Respect and Remedy" framework laid out therein.

This document also provides the basis for international human rights-related agreements that Credit Suisse has voluntarily pledged to uphold, including:

- Equator Principles, and
- Principles for Responsible Investment, and
- Principles for Responsible Banking

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<sup>1</sup> This is a joint statement in accordance with the requirements of Section 54 of the UK Modern Slavery Act 2015 and Section 16 of the Australian Modern Slavery Act 2018 (*Cth*).

<sup>2</sup> This statement will be signed by a director and approved by the boards of Credit Suisse Legal Entities outlined in the Appendix. The signature pages of each entity will be made available upon request once the respective approval processes are complete.

Credit Suisse aims to maintain a fair and professional working relationship with its suppliers and service providers. We consider factors like quality and shared values when forming such relationships and strive to work with those who conduct their businesses responsibly. In addition, we have developed a global framework to monitor these relationships. It is important for our business partners to know how our understanding of corporate responsibility affects them. The Credit Suisse Supplier Code of Conduct, introduced in 2010, defines the standards relating to business integrity, codes of conduct and general business principles that Credit Suisse expects them to meet. The Credit Suisse Supplier Code of Conduct aims to ensure that our external business partners, including their employees, subsidiaries and subcontractors, respect human rights, labor rights, employment laws and environmental regulations. In particular, these companies pledge that they will not tolerate child labor or forced labor. Credit Suisse in the UK has been accredited as a Living Wage Employer since 2017.

Credit Suisse is also a member of the Thun Group, an informal group that seeks to support the integration of the UN Guiding Principles on Business & Human Rights into the policies and practices of financial services organisations. In addition, Credit Suisse is a member of the Wolfsberg Group, which aims to develop financial services industry standards for policies on preventing money laundering and terrorist financing, which are often associated with modern slavery and human trafficking.

## **PRODUCTS AND SERVICES**

Credit Suisse considers human rights issues in its internal risk management processes. 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. This risk rating also includes the US Government Trafficking in Persons Tier, the Walk Free Foundation Prevalence of slavery index and ITUC Global Rights Index as the three labour related indicators (out of nine indicators in total, covering Freedom, Labour, Social and Conflict & Security aspects of a country).

For trade finance cases, we have automatic flags in place for certain environmental and social issues, including those relating to modern slavery. Flags are reviewed on a periodic basis, with the possibility to add flags to account for latest news (including on modern slavery).

Credit Suisse is committed to combating money laundering, corruption and terrorist financing, and has implemented policies and procedures designed to detect and prevent the bank from being used for improper purposes including anti-corruption, anti-money laundering, sanctions and know your client processes and controls. As part of the customer due diligence the bank has sought to identify customers whose financial activity may indicate involvement in modern slavery.

## **THIRD PARTY RISK MANAGEMENT FRAMEWORK**

To manage financial, operational and reputational risks and to meet the increasing regulatory requirements governing business relationships with external third parties, Credit Suisse introduced the Third Party Risk Management (TPRM) framework in 2016. Through TPRM, we assess potential environmental, social and labor law-related risks, among others, in connection with third party suppliers. The TPRM framework provides for structured due diligence assessments of our suppliers to identify where modern slavery and human trafficking risks may exist and also allows Credit Suisse to regularly monitor these relationships, to raise and track issues, and to therefore better understand the associated risks and, if necessary, demand actions for improvement from suppliers and service providers. Through TPRM, a reputational risk analysis is conducted through a database on all third parties according to their industry sector, location and adverse news coverage. Tags relating to topics such as human trafficking, child labor and forced labor are tracked.

If there are indications of potential modern slavery and human trafficking risks, enhanced due diligence is performed on the basis of information published by the third party, including material on the third party's website, in its sustainability or corporate responsibility reports, or any regulatory filings. Additional information and the perspective of the respective third party can be obtained through direct interaction with the supplier in question.

If we were to become aware of a case of modern slavery or human trafficking occurring within our direct supply chain, we would remediate any issues through our existing governance processes. Depending on the severity or in case a satisfactory remediation is not possible, the supplier relationship may ultimately be terminated.

Since launching the TPRM framework we have subjected over 5,000 supplier relationships to a distinct risk review procedure, wherein approximately 10% have originated in APAC, 13% in EMEA, 27% in the USA and 50% of all the relationships in Switzerland. These relationships span different categories of technology, software, professional services, marketing, human resources and business services. Approximately 10% of the active TPRM risk assessments relate to outsourcing relationships, where a third party vendor performs a function or activity on a recurring basis on behalf of Credit Suisse such as providing IT support services. The remaining risk assessments relate to non-outsourcing services such as market data services, consulting or the acquisition and maintenance of software licenses. At the date of issuance of this statement, no supplier relationship has been terminated as a result of evidence of modern slavery and human trafficking occurring across our supply chain.

In 2020 as part of our alignment with new regulations on outsourcing and third party risk, we enhanced our global TPRM framework and extended due diligence checks on a number of areas including subcontractors to help instil more control and visibility on the topic of modern slavery and human trafficking as part of the ongoing improvements to our TPRM process.

Additional supplier governance mechanisms have been introduced such as specific internal global committees, where vendor-related risks including any issues related to human rights or modern slavery can be discussed and reviewed by senior leadership with representation from Compliance, General Counsel, Risk Management and other corporate functions.

Credit Suisse established a Vendor Management Office (VMO) in 2019 in an effort to better manage the overall value, risk and performance of our most critical vendor relationships. The VMO provides an additional framework to promote enhanced coordination and, as necessary, controls on vendor interactions and assess vendor performance across the bank. Over 100 vendors are being managed by the VMO with a particular focus on outsourcing vendors and vendors providing critical services to the bank, encompassing over 3000 individual contracts.

In addition, we continue to review and enhance our supplier agreements as part of our efforts to ensure compliance with the changing global regulatory environment and have added specific contractual clauses and supplier obligations relating to modern slavery and human trafficking to our external third party contract templates to facilitate compliance with the Acts in our supplier agreements.

## **IMPACT OF COVID-19**

Credit Suisse continues to assess the resilience and business continuity plans of its major vendors to gain early visibility of potential issues impacting the bank as a result of COVID-19. No major third party incident was logged during this period. Outcomes included a review of Business Continuity Management criticality ratings against vendor population and services provided and updates of Master Framework Agreements to include Emergency Remote Working Procedures.

Given the shift for our employees and third party providers to working from home, Credit Suisse has also provided frequent communication and support to our employees and third party providers on our response to Covid-19 with regards to employee health and wellbeing and remote working environment.

## EMPLOYEE POLICIES & TRAINING

Credit Suisse has a number of internal policies and controls which are relevant to ensure we help eradicate modern slavery and human trafficking in our supply chain or across our business, including when working with clients who we expect to share the same principled conduct. These policies relate to:

- reputational risk
- sustainability risk
- sustainability management
- third party management
- reporting unusual incidents and misconduct (including whistleblowing)
- global sourcing
- undesirable clients
- sanctions, sensitive countries/parties and Office of Foreign Assets Control of the US Department of the Treasury (OFAC) compliance.

No concerns have ever been raised by Credit Suisse employees to the Reportable Concerns Office (RCO) in the UK in respect of modern slavery issues. Details on how a concern can be raised are provided in the bank's Escalation Policy, which sets out the expectations on staff in relation to raising concerns about a wide range of issues, inappropriate behaviour and violations of law, regulation and internal policy. The policy and supporting information on the intranet signposts the channels employees can use to raise concerns, including the RCO.

All our employees are expected to comply with our internal policies and controls and complete annual mandatory training on a variety of subjects including Financial Crime Compliance, Operational Risk, Cybersecurity and Reporting Concerns at Work. Credit Suisse introduced new Conducts & Ethics training in 2017 which defines the way we do business and how we conduct ourselves in interactions with all of our internal and external stakeholders as an organisation. This training has been cascaded down to all levels of the organisation. In 2020, Credit Suisse announced a new purpose statement, '*We build lasting value by serving our clients with care and entrepreneurial spirit.*' Furthermore, a full revision of the Group's Code of Conduct was completed in 2020. The refreshed document "The Credit Suisse Code of Conduct: Our Purpose and Values" reflects the new purpose statement and emphasizes our six cultural values of inclusion, meritocracy, partnership, accountability, client focus and trust (IMPACT) and the underlying behaviors that we expect all of our employees and members of the Board to observe. The revised Code of Conduct continues to reinforce our commitment to complying with all applicable laws, regulations and policies in order to safeguard our reputation for integrity, fair dealing and measured risk-taking and includes clear guidelines for the escalation of concerns by employees, including concerns regarding the CEO, members of the Executive Board and senior financial officers.

## ONGOING PLANS

In the financial year leading up to the end of December 2021, we aim to deepen our subject matter expertise and involvement with wider networks through our participation in the Thun group workstream that focuses on collaboration in the area of financial crime. One of the aims of this particular workstream is to identify and explore opportunities for collaboration among participating banks' risk and compliance functions on due diligence approaches and emerging tools and data sources, greater coordination of approaches to assessing and addressing human rights and financial crime risk, and developing thought leadership on these areas. Additionally members of Sustainability Risk will participate in online training to gain a 'Fighting Modern Slavery and Human Trafficking Certificate,' which is sponsored by the Finance Against Slavery and Trafficking (FAST) Initiative.

The Credit Suisse UK legal entities received a letter from Dame Sara Thornton DBE QPM, Independent Anti-Slavery Commissioner in the UK calling our attention to a recent report that was published on the role of financial institutions in tackling modern slavery ("2021 Report"). The report, which was published on January 18, 2021, was created in collaboration with Themis and TRIBE Freedom Foundation, and notably calls attention to the lack of awareness financial services staff, including board leadership, have on modern slavery.

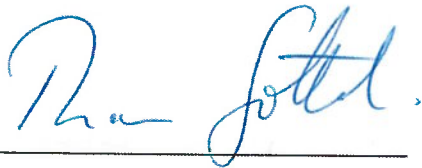
In response to the Acts and the 2021 Report, we also plan to provide ongoing updates to UK and Australia employees to enhance their awareness of the risks of slavery and human trafficking in our business and supply chain.

**CONSULTATION**

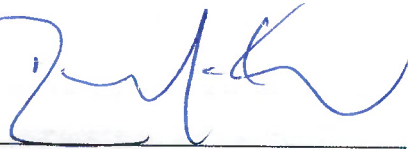
The board of each of the applicable Australian legal entities shown in the Appendix was given an opportunity to consider and provide comments on this statement prior to publication.

**BOARD APPROVAL**

This statement was approved by the Board of Directors of Credit Suisse Group AG and Credit Suisse AG on **March 16, 2021**.



Thomas Gottstein  
Chief Executive Officer



David Mathers  
Chief Financial Officer and CEO, Credit Suisse International  
and Credit Suisse Securities (Europe) Limited

**APPENDIX**

**List of Applicable UK Legal Entities**

For the avoidance of doubt, this statement covers the UK Credit Suisse legal entities outlined below:

<b>UK Entity Name</b>
Credit Suisse (UK) Limited
Credit Suisse AG, London Branch
Credit Suisse Asset Management Limited
Credit Suisse International
Credit Suisse Investments (UK)
Credit Suisse Securities (Europe) Limited
DLJ UK Holding

**List of Applicable Australian Legal Entities**

For the avoidance of doubt, this statement covers the Australian Credit Suisse legal entities outlined below:

<b>Australian Entity Name</b>
Credit Suisse AG, Sydney Branch ABN 17 061 700 712
Credit Suisse Equities (Australia) Limited ACN 068 232 708
Credit Suisse Management (Australia) Pty Limited ACN 005 678 213
Credit Suisse Holdings Australia Limited ACN 008 496 713

**Global Legal Entities**

Additional Credit Suisse legal entities also provide services to the UK and Australian legal entities and are outlined below:

<b>Non UK Legal Entity Providing Intragroup Services to the UK Legal Entities</b>
Banco de Investimentos Credit Suisse (Brasil) S.A.
Credit Suisse (Deutschland) Aktiengesellschaft
Credit Suisse (Hong Kong) Limited
Credit Suisse (Poland) Sp. z o.o.
Credit Suisse (Schweiz) AG
Credit Suisse AG
Credit Suisse Business Analytics (India) Private Limited
Credit Suisse Holdings (USA), Inc.
Credit Suisse Securities (Japan) Limited
Credit Suisse Securities (USA) LLC
Credit Suisse Securities Sociedad de Valores, S.A.
Credit Suisse Services (India) Private Limited
Credit Suisse Services (USA) LLC
Credit Suisse Services AG
JSC Bank Credit Suisse (Moscow)