

March 2020

UK Entities Gender Pay Gap Report 2019



Foreword



Too often, throughout industry, women have been underrepresented and undervalued, particularly at senior levels and in finance. A World Economic Forum paper noted that less than one fifth of senior executives across finance are women. The Gender Pay Gap is symptomatic of differences in gender representation in our industry.

At Credit Suisse, we know the importance of a gender diverse workforce. The Executive Board and I are committed to empowering and fully recognising the women in our organisation, including by reducing our Gender Pay Gap. I believe it is the fair and right thing to do and it is good for our bottom line. Indeed, the 2019 edition of our “CS Gender 3000” research paper once again showed that there is a performance premium for gender diversity at the most senior levels. In our updated analysis, we find that companies with more diverse management teams have generated sector-adjusted outperformance approaching 4% a year, compared to those displaying below the average.

This is now our third year of publicly reporting our Gender Pay Gap and I am pleased to say that this is the third consecutive year in which we have reported a narrowing of our overall pay gap.¹

The narrowing of the gap for 2019 as against the 2018 hourly mean was **-1.8** percentage points and **-1.1** for the median. These Gender Pay Gap reductions are relatively small and clearly we have a long way to go to reach our goal. However, it is still pleasing to see that the programmes and structures that we have put in place, and which I will discuss below, are generating real results. For several years, we have made it our clear objective to measurably improve gender diversity within the organisation. Where possible, we follow a data-driven approach to our workforce analysis and how we determine the root causes of our Gender Pay Gap – building upon what already works and enhancing other areas where we can effect change. Including:

- Setting targets and holding our businesses accountable for their gaps. We remain on track to hit our Women In Finance Charter target of 35% female representation in our Executive Committee and leadership teams by the end of 2020. We made this commitment in 2016 when we signed the HM Treasury-backed Charter;
- Reviewing our recruitment, performance management, promotion and retention approaches; and
- Aligning our culture/ strategy/ policies to achieve our overall gender objectives.

The focus we have placed in this area has been recognised externally. Over the last decade we have regularly been acknowledged by The Times as a Top 50 Employer for Women, including in 2019.



Recent Gender Awards

Bloomberg Gender Equality Index 2020

The Times Top 50 Employers for Women 2019

Women in Banking & Finance (WIBF) Awards for Achievement:

- 2019 Lifetime Achievement
- 2019 Young Professional
- 2019 Tech Star

FN100 Most Influential Women in European Finance

WeAreTech – Women's 2019 TechWomen100

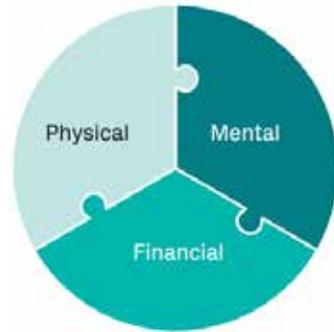
Foreword

Tackling gender diversity remains a key goal, but we also know that enhancing employee experience is vital in attracting and retaining diverse talent at Credit Suisse and is part of our ongoing focus to create a positive organisational culture where everyone can thrive. Our steps towards this goal include:

1. Gender equality

We first signed the Women in Finance Charter in June 2016. We pledged to support the progression of women into senior roles across the UK Legal Entities. The Executive Committees of the UK Legal Entities and the leadership teams of each respective Executive Committee are aiming for a minimum of 35% female representation by the end of 2020. Our commitment to the Charter also builds on initiatives designed to improve gender equality, which include:

- An annual strategic review of gender across all divisions and functions to mitigate against potential unconscious bias in our people processes;
- Enhanced maternity, paternity, parental and shared parental leave policies, well above the minimum requirements;
- Our returns hiring programme targeted at those wanting to return to the workplace after an extended period of absence;
- Parental coaching;
- Flexible working; and
- Personal and professional development.



2. Wellbeing and Benefits

We recognise the challenges of juggling a successful career with a demanding personal life and the effect of this challenge on the wellbeing of our employees. The wellbeing of our employees is very important and has been at the forefront of our efforts this year:

- Completion of our new dedicated Wellbeing office space;
- Accreditation of 95 onsite Mental Health First Aiders and rollout of Manager Mental Health Training;
- Wellbeing choice leave day (in addition to regular holiday entitlement) for UK employees to use to improve their wellbeing; and
- Launch of our new Carer's leave policy enabling employees to take paid leave for caring responsibilities without having to use holiday entitlement or take unpaid time off.

3. Diversity and Inclusion

We launched our Diversity Data Project to enable us to analyse more deeply the multifaceted characteristics of our workforce and develop targeted initiatives:

- We have a thriving set of Employee Networks;
- We are now 27th in Stonewall's top 100 Employers in 2020.

4. Working Environment

And finally, we have ensured that the surroundings in which we work bring out the best in our workforce, accommodating a diverse range of working styles:

- After 11,000 desk moves and more than 2.5 million construction hours (one of Europe's largest refurbishments in a live environment), we have modernised our London office workspace to reflect evolving technology and working styles – including the expansion of our smart working space, refurbished reception, restaurant and training facilities.
- For those who prefer to work from home or take advantage of other flexible arrangements, there are a wealth of options available. We encourage employees and their managers to develop the best working practices for themselves and their teams;

Overall, we understand there is still lots to do to achieve our gender and inclusion goals but I am pleased that as an organisation we are heading in the right direction. I welcome the opportunity to continue to reduce our Gender Pay Gap and to progress the many activities aimed at improving every aspect of our employees' experience.

David Mathers

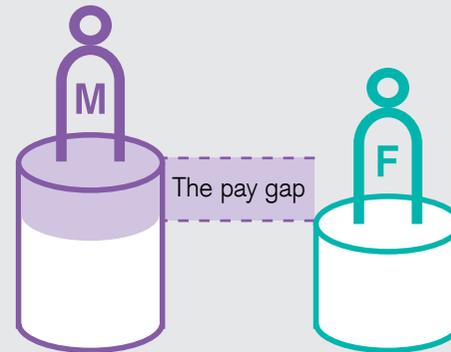
CEO, Credit Suisse International

What is the Gender Pay Gap?

The Gender Pay Gap is the gap between the mean or median hourly pay of all men and all women in an organisation. The Gender Pay Gap at Credit Suisse is in large part driven by the higher proportion of men in senior and higher paying positions. This means men as a group receive higher pay on average than women.

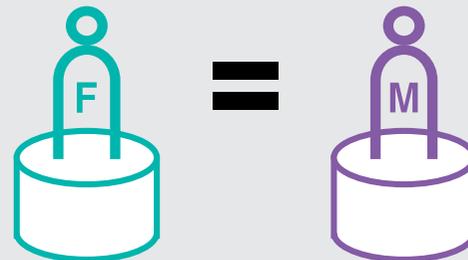
Our Gender Pay Gap does not identify a difference in pay between men and women for doing the same job, or jobs of equal value (an equal pay gap).

Explaining the Gender Pay Gap



The Gender Pay Gap

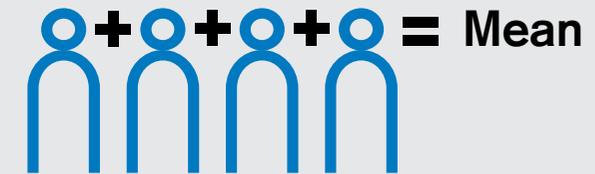
Is the gap between the gross median or mean hourly earnings for all men and the gross mean or median hourly earnings for all women.



Equal pay

Is men and women being paid the same for the same work or work of equal value.

Explaining Mean and Median



4

The Mean is calculated by adding several items together and dividing the total by the number of items. As such, the mean is typically more variable as it is more heavily influenced by extreme values (high and low).



↑
Median

The Median represents the middle number in a given sequence of numbers when that sequence is put in rank order.

Our overall UK gender pay gap

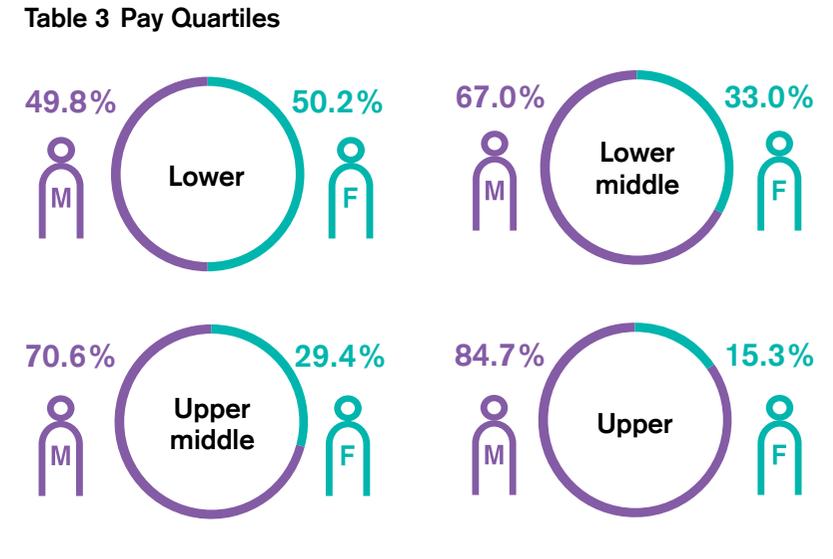
Table 1 shows the three UK entities' overall mean and median difference in gender pay. The hourly pay figures were taken at the snapshot date of 5 April 2019. The bonus pay is for 6 April 2018 to 5 April 2019 performance year.

Table 1		
	Year-on-year narrowing of mean gap	Year-on-year narrowing of median gap
Hourly Pay	-1.8% Mean 36.9%	-1.1% Median 25.7%
+	Year-on-year narrowing of mean gap	Year-on-year narrowing of median gap
Bonus Pay	-1.8% Mean 59.9%	-1.1% Median 53.6%

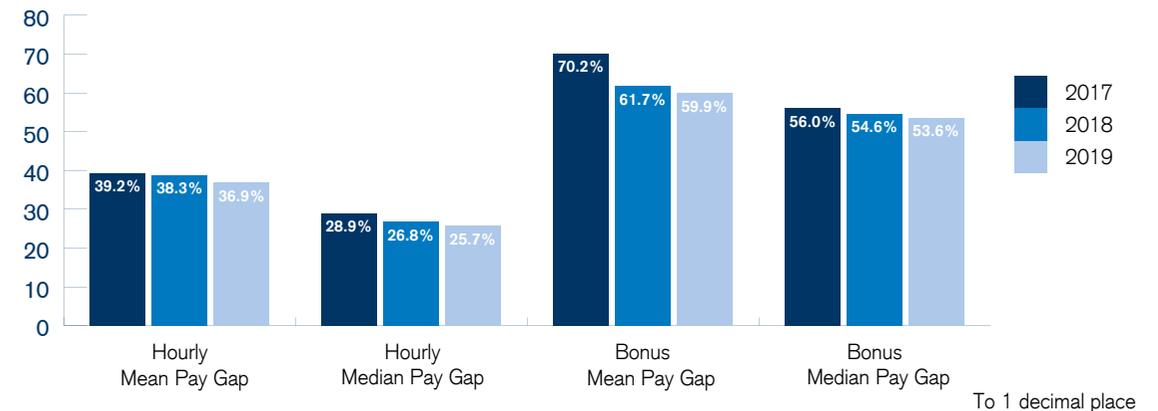
Table 2 shows an overall difference of 3.2% in the number of men and women who received a bonus in the relevant period.

Table 2	
Proportion of women paid a bonus 91.1%	Proportion of men paid a bonus 94.3%
F Year-on-year change 0.2%	M Year-on-year change 0.7%

Table 3 illustrates the gender pay distribution across the UK entities overall. Our Gender Pay Gap shows we have clear under-representation of women in the middle and highest paid quartiles. This means that there are more men in more senior and higher paid positions.



Credit Suisse overall UK Gender Pay Gap showing narrowing of gap between 2017-19

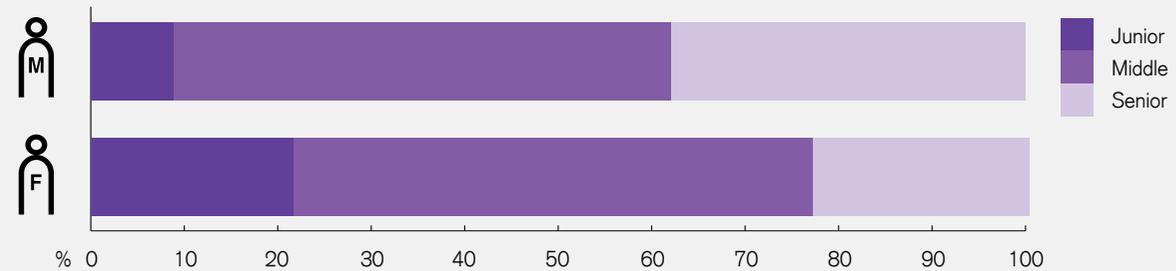


Understanding our workforce – why we have a Gender Pay Gap

We have conducted analysis to gain a better understanding as to what causes our Gender Pay Gap by assessing a range of contributory factors. The analysis identified gender imbalance at senior levels of our organisation as the primary reason for our Gender Pay Gap.

Since conducting the analysis, we have designed our diversity and inclusion strategy to increase the number of senior women in our organisation. The data also showed us that if we can promote and retain junior female talent at levels where there is already parity with male talent, we can ensure a diverse pipeline to senior levels in our organisation, although this will take time.

Gender distribution by title



Our approach to closing the gap

We know that without action we cannot change the profile of our workforce or reduce our Gender Pay Gap. We do not consider tokenism or good intentions to be sufficient to achieve meaningful change.

So we have taken a data-driven approach to measurably improve gender diversity in the UK and provide a sustainable talent pipeline. Access to reliable data and insights enables us to focus our efforts in the right places to make effective change and to support women to progress to senior roles, remove potential unconscious bias from our processes, such as recruitment, performance management, compensation decision-making, leadership development and promotions, and use targets to measure progress.

In this way we look to negate discretionary and subjective elements in our processes - our strategy focuses on the following key areas:



Set Targets:

- Headcount targets by corporate title and business area, aligned to our external commitments – these are formally documented in performance scorecards for our UK senior leadership.



Established regular reporting:

- Against the targets and key underlying processes that drive changes to the gender mix (hiring/attrition/promotion/performance rating).
- Published quarterly and supported by dedicated review meetings.



Set-up formal governance to maintain focus and drive accountability:

- Annual update to the Board of Directors for each of the UK legal entities.
- Monthly Cross-bank Working Group with nominated champions from each Business and Function with a remit to drive change in their areas.

Women's leadership is linked to reduced greenhouse gas emissions, stronger worker relations and reduced incidence of fraud, insider trading, and other unethical practices (International Finance Corporation, 2019)



Agreed action plan, focused on debiasing and improving processes, with businesses and HR in parallel:

- Based on the work of (and underwritten by) Iris Bohnet, Harvard professor and Credit Suisse Group AG board member – changing processes to reduce potential unconscious bias and improve decision-making.
- Some changes piloted in the UK and then implemented globally by HR; some focus on local UK processes.
- Tailored for each Business and Function based on findings from the historic analysis and trends observed in quarterly reporting.



Hiring:

- Implemented gender neutral language in job descriptions.
- Ensure female representation on interview panels - as a visible sign of what the firm looks like as well as for balanced decision-making.
- Ensure fair representation of women at key points in the hiring process.

If companies continue to hire and promote women to manager at current rates, the number of women in management will increase by just one percentage point over the next ten years. But if companies start hiring and promoting women and men to manager at equal rates, we should get close to parity in management— 48 percent women versus 52 percent men—over the same ten years. (McKinsey 2018)



Annual appraisal and compensation review processes:

- Removing self-assessed ratings.
- Ensuring all our employees continue to be rewarded in a fair and unbiased manner.



Promotions process

- Metrics prepared to monitor gender proportionality relative to the proportion of men and women at the corporate grade below.
- Ensure all eligible staff are discussed in relation to promotion and recorded for trend analysis.
- Allocation of a sponsor to women longlisted for promotions.
- Being transparent with our staff on the promotions process and outcomes.



Increased communications to build awareness and understanding:

- UK all staff Town Hall – overview of the project and key focus areas.
- Managing Director and Director Leadership Briefings delivered by Business/Function – focus on key actions, led by UK Heads with project support.
- Focus on role-modelling in Internal Comms (profiling senior men who work flexibly; ensuring visible representation of senior women).

Employee Experience

Support and flexibility for employees

To assist our employees fit work into their lives without a negative effect on their careers, Credit Suisse is committed to:

- Offering a suite of family leave policies and practices to help employees balance their careers with family commitments. To this end, we offer enhanced maternity, paternity and adoption pay.
- Encouraging our employees to take Shared Parental Leave with generous terms significantly above the statutory requirements.
- Promoting Parental Leave and sabbaticals and offering Parental Transition Coaching for employees departing for, or returning from, Parental Leave.
- Promoting our returning to workforce programme - our award-winning Real Returns programme gives talented and experienced professionals, who have taken an extended career break, the opportunity to transition back into the workplace through a structured programme. By the end of 2018, the programme has seen the participation of 295 professionals in 17 classes since its launch in 2014, and over 60% of participants obtained a permanent position at Credit Suisse.
- Providing emergency back-up child care provisions to our staff and a dedicated family room with breastfeeding and expressing facilities.
- Providing employees with Carer's Leave to help employees that are faced with unexpected family care needs by enabling them to take paid leave away from the office without having to use their holiday entitlement or take unpaid time off.
- Encouraging flexible working - we have enhanced our flexible working programme to support a culture where employees have the opportunity to work flexibly, whether this be reduced hours across the week, fewer hours every day, home working or a reduced number of days a week. Our senior management are supportive of the quantitative and qualitative benefits of flexible working to their businesses and the organisation and flexible working is now successfully embedded in teams across our businesses.
- Partnering with several external organisations to support the recruitment, development and promotion of women across our bank. Institutions such as Women On Boards, Modern Muse, Tech She Can and Women in Banking & Finance provide advice, networking and more to engage both current and next generation female talent.



Our employees' wellbeing

- The circle above represents the employee wellbeing framework that we operate in the UK. We recognise the challenges of juggling a successful career with a demanding personal life. The wellbeing of our employees is very important and has been at the forefront of our efforts this year with the following policies and programmes:
- Completion of our new dedicated Wellbeing space.
- Accreditation of 95 onsite Mental Health First Aiders and rollout of Manager Mental Health talks and training and we have set up a direct 'stronger minds' medical pathway to support mental health issues.
- Onsite private GP, health assessments and gym facilities making it easier for employees to maintain good health.
- Employee Networks - our seven UK-based employee networks support our inclusive culture, serving as a platform to exchange knowledge and diverse experiences. Together, these networks run more than 100 events each year, celebrating employees' differences and creating an environment where everyone can be their true self and reach their full potential.

A culture of Diversity and Inclusion at Credit Suisse

- As a responsible employer, we are committed to providing and promoting equal opportunities, regardless of race, colour, nationality, ethnic or national origin, gender, sexual orientation, gender identity, religion or belief, age, civil partner or marital status, pregnancy or maternity, gender reassignment, disability, or any other characteristics protected by law.
- Our LGBT and Ally Network provides support and education around the different issues, which may be faced by lesbian, gay, bisexual and transgender employees.
- We launched our diversity data project to enable us to analyse more deeply the diverse characteristics of our workforce and develop targeted initiatives.
- We updated policies in 2019 e.g. Transgender Policies for Line Managers and Employees; revised Dress Code to include 'Transgender and Gender Expression Guidelines'.
- We introduced gender neutral washroom facilities.
- We are now 27th in Stonewall's top 100 Employers (the highest-placed European bank) and our CEO has received Stonewall's Ally of the Year for 2019.
- We introduced 'Menopause Demystified' workshops and run information sessions on womens' health concerns, including fertility options and breast cancer awareness.
- We supported The Precious Awards, which recognises female BAME business leaders and entrepreneurs and Modern Muse, providing role models for young women.
- We have a multi-faith room with gender segregated facilities for prayer and washing.

Further Information

<https://www.credit-suisse.com/about-us/en/our-company/corporate-responsibility/employer/diversity-inclusion.html>

UK entities

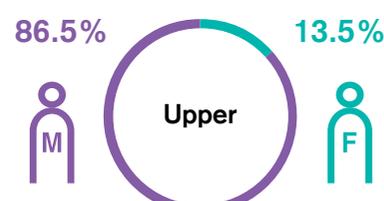
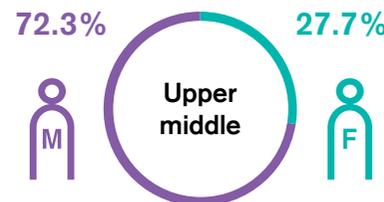
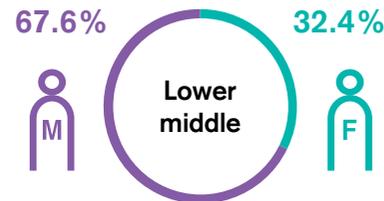
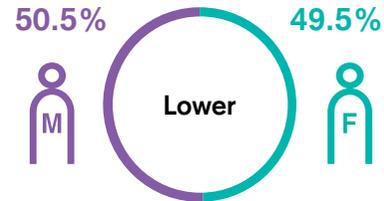
Credit Suisse has three employing entities – Credit Suisse International, Credit Suisse (UK) Limited and Credit Suisse Services AG, London Branch – for which we are required to provide Gender Pay Gap information under the reporting regulations. Our reportable entities have decreased by one from last year as a result of transfer of employees from Credit Suisse Securities (Europe) Limited to Credit Suisse International during 2018-19.

As at 5 April 2019, Credit Suisse Services AG, London Branch employed our Corporate Functions teams performing resolution-critical roles; Credit Suisse International mainly employed our Global Markets and Investment Banking & Capital Markets functions and Credit Suisse (UK) Limited employed our Private Banking businesses.

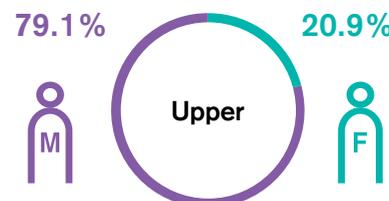
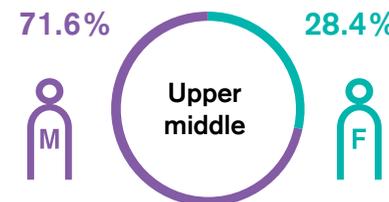
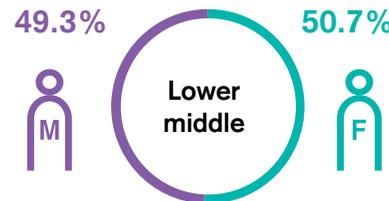
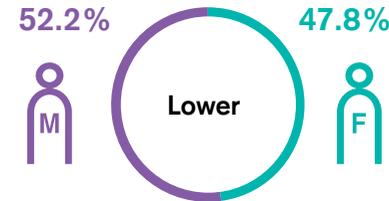
		MEAN	MEDIAN
Credit Suisse International	Hourly	41.3%	25.6%
	Bonus	63.9%	59.5%
Credit Suisse (UK) Limited	Hourly	32.0%	23.8%
	Bonus	36.9%	47.1%
Credit Suisse Services AG, London Branch	Hourly	16.8%	17.4%
	Bonus	59.9%	53.6%

	BONUS PROPORTIONS	
	MALE	FEMALE
Credit Suisse International	95.2%	91.8%
Credit Suisse (UK) Limited	91.3%	89.3%
Credit Suisse Services AG, London Branch	92.5%	89.9%

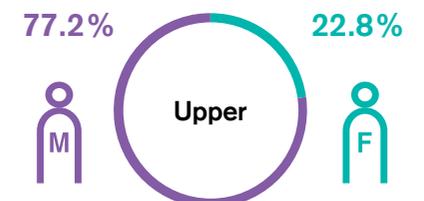
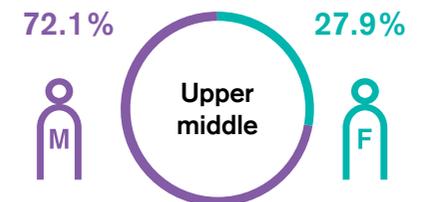
Credit Suisse International
By quartiles



Credit Suisse (UK) Limited
By quartiles



CS Services AG, London Branch
By quartiles



We confirm that the Credit Suisse Gender Pay Gap calculations featured in this report are accurate.

David Mathers, CEO, Credit Suisse International

John Devine, Chair, Credit Suisse International

Christian Berchem, CEO, Credit Suisse (UK) Limited

Maureen Erasmus, Chair, Credit Suisse (UK) Limited