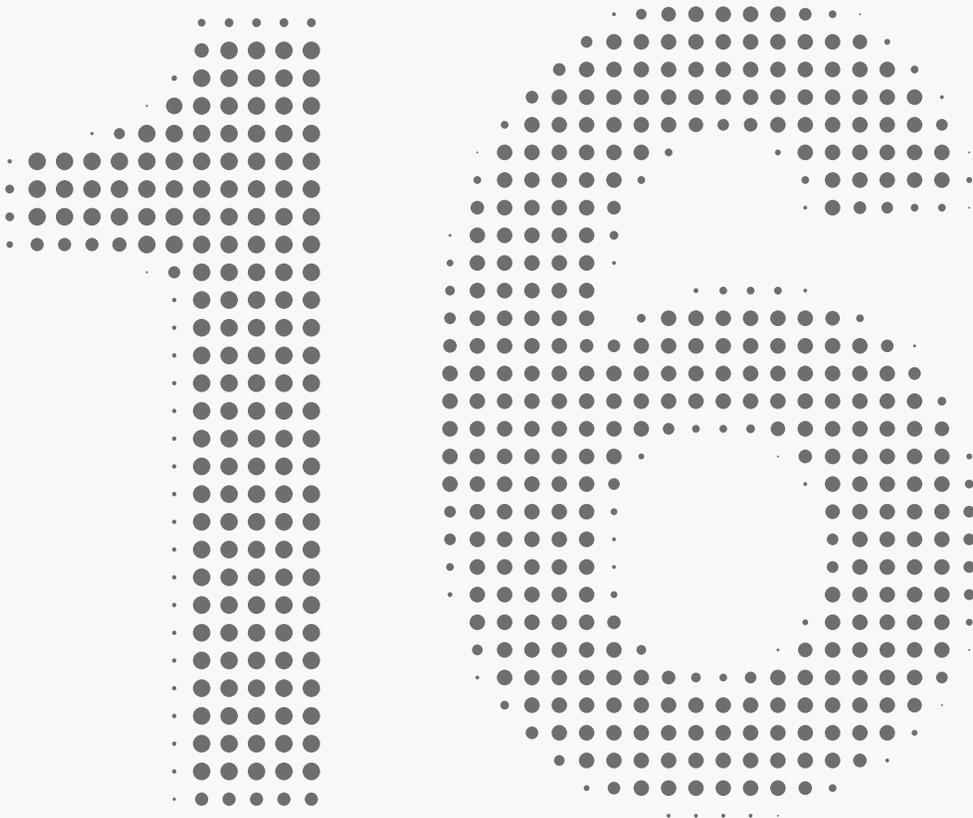


Corporate Responsibility Report 2016



Corporate Responsibility at Credit Suisse

As one of the world's leading banks, we are committed to delivering our financial experience and expertise to corporate, institutional and government clients and to ultra-high-net-worth individuals worldwide, in addition to affluent and retail clients in Switzerland. Founded in 1856, Credit Suisse today has a global reach with operations in around 50 countries. We believe that our responsible approach to business and the dedication and expertise of our 47,170 employees are key factors determining our long-term success. We have a broad understanding of our duties as a financial services provider, member of society and employer. Our approach also reflects our efforts to protect the environment. The following key figures show the diverse nature of our activities in the area of corporate responsibility in 2016:



Responsibility
in Banking

658

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

Over 3 m

people benefited from our activities in microfinance in 2016



Responsibility
in Society

69,024

hours were dedicated to skills-based volunteering by our employees

Around CHF 159 bn

is Credit Suisse's volume of loans outstanding in Switzerland at end-2016



Responsibility
as an Employer

70,600

classroom-delivered training days were provided

47,170

individuals from over 150 different countries work at Credit Suisse



Responsibility
for the Environment

8,700

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

190,422

hours of desktop video-conferencing were used, helping to reduce our CO₂ emissions

Overview: Credit Suisse Annual Reporting Suite

Annual Report



The Annual Report is a detailed presentation of Credit Suisse Group's company structure, corporate governance, compensation practices and treasury and risk management framework, and it includes a review of Credit Suisse Group's operating and financial results accompanied by its annual financial statements.

credit-suisse.com/ar

Corporate Responsibility Report



The Corporate Responsibility Report describes how Credit Suisse Group assumes its various responsibilities as a bank towards society and the environment.

This publication is complemented by the Responsibility Chronicle, which adds a multimedia dimension to our reporting.

credit-suisse.com/crr

Company Profile



The Company Profile contains a summary of Credit Suisse Group's strategy and organizational structure.

credit-suisse.com/cp

Feedback and Suggestions: We regard our reporting on corporate responsibility as an important basis for our dialogue with stakeholders and welcome any feedback about our activities:

responsibility.corporate@credit-suisse.com



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

Foreword



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

Dear Reader

2016 was the first full year of implementation of the strategy we presented in October 2015 together with our new organizational structure. Our strategic ambition is to be a leading wealth manager with strong investment banking capabilities. We are focused on a number of strategic objectives: (i) generating profitable and compliant growth, (ii) reducing our fixed cost base and creating operational leverage, (iii) strengthening our capital position, (iv) strengthening our control and compliance environment and (v) resolving our legacy issues. We have made good progress on all these fronts.

Where our drive for efficiency requires a reduction in the size of our global workforce, we are committed to acting in the most fair and responsible way possible. Regarding our capital position, during 2016 we right-sized our investment banking activities in terms of capital usage, as well as costs and risk, and focused on improving our capital allocation. This allowed us to significantly improve our capital position. We have also made progress in resolving our legacy issues by reaching an important milestone with the announcement of a settlement with the US Department of Justice relating to our legacy residential mortgage-backed securities (RMBS) business. This removed a major source of uncertainty for our bank. As a result of the many steps we have taken throughout the year, we believe that we are becoming a stronger and more efficient organization focused on servicing our clients and on creating long-term value for our shareholders.

While navigating a challenging business environment in 2016, we remained focused on performing our core role as a financial services provider in accordance with clear principles and values – particularly our commitment to operating responsibly and sustainably in the interests of our stakeholders. We believe that when conducting our business activities, we must all act professionally and with integrity. Reflecting our focus on compliance, we have launched an expanded approach to Conduct and Ethics with a set of six standards that define the behaviors needed to help us realize our ambition to be a leading global bank and a trusted and respected financial partner.

At the same time, we recognize the importance of international industry commitments and broader agreements such as the UN Global Compact that promote responsible business practices. We also contribute to the realization of the UN Sustainable Development Goals (SDGs) in various ways, including in our role as a financial intermediary and employer.

In line with our understanding of corporate responsibility, we continued to actively play our role as an integral part of society in 2016. We have long been committed to fostering inclusive growth by addressing a range of socio-economic challenges. For example, we work with selected partner organizations across different regions to support social and humanitarian projects with a particular focus on microfinance and education. In addition to funding, our partners benefit from the skills and expertise of our employees. We are proud that in 2016, more than 18,500 of our employees around the world volunteered over 195,000 hours of their time to support charitable causes.

Environmental and climate protection is another important dimension of our corporate responsibilities. This topic has gained further public recognition as a result of the work of the Financial Stability Board (FSB) Task Force on Climate-related Financial Disclosures. We strive to conduct our business in an environmentally sustainable manner, and we apply internal policies and guidelines governing more sensitive industries when assessing potential business transactions in those areas. In addition, 2017 will mark the 15th anniversary of microfinance and impact investment at Credit Suisse – a field in which we have long played a pioneering role. At an operational level, we promote the efficient use of resources within our organization and reduce the direct impacts of our activities on the environment and the climate through our global environmental management system.

At Credit Suisse, we believe it is important to engage in an active dialogue with clients, shareholders, employees, policy-makers, regulators and other groups of stakeholders to gain a clear insight into the issues that are important to them and to present our own perspective on current challenges. This exchange of views and ideas has

a crucial role to play in promoting mutual understanding and in building relationships of trust. This Corporate Responsibility Report is designed to be part of this constructive stakeholder dialogue and we welcome your comments on any of the topics discussed in this publication.

Best regards

Urs Rohner

Chairman of the Board of Directors

Tidjane Thiam

Chief Executive Officer

March 2017

Our Understanding of Corporate Responsibility

Corporate Responsibility at Credit Suisse

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

Our primary focus as a global bank is on running our business responsibly and successfully. We are aware of the high standards expected of us and we endeavor to engage in an open dialogue with our various stakeholders (see page 8). This enables us to actively identify their needs and interests, to develop appropriate solutions and to take account of key challenges when evolving our strategy.

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

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

Structure of the Report

The Corporate Responsibility Report is structured in accordance with the four areas outlined above: our responsibilities in banking and in society, our role as an employer and our responsibility for the environment. Our reporting on corporate responsibility reflects the requirements set out in the Global Reporting Initiative (GRI) (see page 42). In addition, we report on the progress we have made in implementing the ten principles of the United Nations (UN) Global Compact (see page 43) and show examples of how we can contribute to the realization of the Sustainable Development Goals (see page 44). Further information and data on our GRI indicators are available online at:

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



Responsibility in Banking

- Trust and Expertise
- Corporate Governance
- Risk Management and Sustainability
- Sustainable Products and Services

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



Responsibility in Society

- Our Role in the Economy and Society
- Our Social Commitments
- Sponsorship

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

Code of Conduct

Our Ethical Values

- Integrity
- Responsibility
- Respect
- Compliance
- Confidentiality
- Trust

Our Professional Standards

- Service and Excellence
- Risk Culture
- Transparency
- Adherence to Laws and Regulations
- Sustainability
- Commitment



Responsibility as an Employer

- Credit Suisse as an Employer
- Diversity and Inclusion

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



Responsibility for the Environment

- Climate and Biodiversity
- Environmental Management

We are committed to conducting our business with a long-term view to supporting environmental sustainability. We therefore strive to promote the efficient use of resources and address sustainability issues when managing risks. We also develop products and services that incorporate environmental aspects for our clients.

	Material issues	Importance					Definition	See pages
1	Culture of Compliance and Conduct					○●	Compliance with laws and regulations / prevention of money laundering and terrorist financing / anti-corruption / combating financial market crime (e.g. fraud, anti-competitive practices) / sanctions compliance / tax compliance / Code of Conduct / reputation / corporate culture	10–14, 15, 16–18, 32–34
2	Human Resources and Talent Management					○●	Workforce composition / health and safety / training and skills management / diversity and inclusion / non-discrimination / deployments / work-life balance / attracting and retaining talent / employees over 50 years of age	32–36
3	Financial and Political System Stability					○●	Systemic risk / capital and liquidity / Total Loss-Absorbing Capacity (TLAC) / legal entity structure / political and economic stability / UK referendum on continued EU membership and ramifications / negative interest rates	10–14, 24–27
4	Company Performance and Strategy					○●	Business strategy / financial results / share price / dividends / capital, liquidity and funding position / stability of the company / operational risk (incl. business continuity management, technology risks) / cost efficiency / cost reduction / resolvability	10–14, 24–27, 36
5	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 / digitalization / sustainable products and services / impact investment, microfinance / integration of environmental, social and governance (ESG) issues in products and services	13–14, 19–22, 27, 29, 32–36, 38–41
6	Consumer and Investor Protection					○●	Suitability and appropriateness / data security / privacy / retrocessions / transparency of fees	10–14
7	Incentives and Compensation Policy					○●	Responsible approach to compensation / executive compensation / criteria for incentives / deferral, claw-backs	15, 32
8	Environmental and Social Risk Management					○●	Environmental management system / assessment of ESG issues / policies for sensitive industries / impacts on ecosystems and landscapes (incl. climate change, biodiversity, agriculture and forestry) / human rights / responsible supply chain management	16–18, 38–41
9	Corporate Governance					○●	Operational structure / governance framework / management team / voting rights	15
10	Contribution to Economy and Society					○●	Purchasing, sourcing / tax contribution / lending to small and medium-sized enterprises and start-ups / social commitments (e.g. philanthropy) / skills-based volunteering / employee engagement / "militia" system of politics in our Swiss home market	24–27, 28–30

○ Relevance to stakeholders (average)
● Impact on Credit Suisse

Detailed information on Credit Suisse Group's financial performance, corporate governance and compensation practices can be found in the [Annual Report 2016](#).

Credit Suisse Materiality Assessment

We aim to focus our activities on topics that are relevant to our business as well as to our stakeholders. Our materiality assessment helps us gain a better understanding of different perspectives, identify key issues and report on them transparently. It is based on our ongoing dialogue with stakeholders (see page 8).

Credit Suisse periodically conducts a materiality assessment to help ensure that the list of material issues identified in the past remains relevant and that important new topics are addressed. Having performed a materiality assessment by conducting stakeholder consultations in previous years, we reviewed this list in 2016 in a three-step process that included the identification, prioritization and review of material issues. Based on the results of this analysis, we updated and adjusted our materiality assessment for 2016: new issues were identified and included, while the importance assigned to some of the issues identified previously has changed.

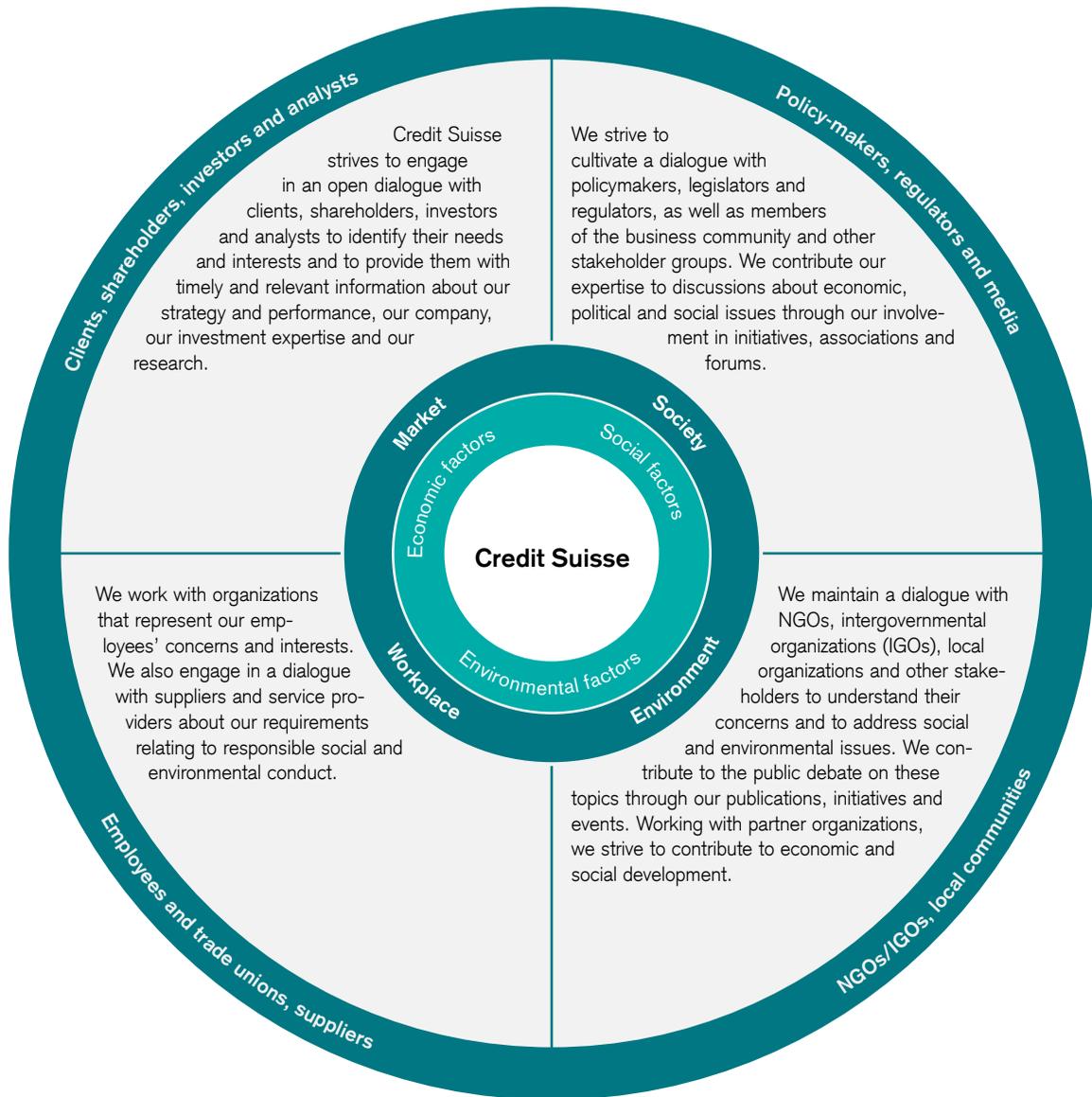
When performing this assessment, we relied on information from monitoring tools and on the views of internal experts who participate in an ongoing dialogue with relevant stakeholder groups. This allowed us to take into account the views of investors, clients, employees, sustainability rating agencies, non-governmental organizations (NGOs), political decision-makers and the media.

The materiality assessment is not an exhaustive list of the topics raised during the process. Instead, it focuses on those issues that we believe are of greatest importance to a majority of our stakeholder groups and to the long-term business success of Credit Suisse.

The findings of the materiality assessment form the basis for the inclusion of individual aspects of corporate responsibility in our reporting and their adjustment over time. We plan to continue our efforts to identify relevant issues in the future in order to proactively determine new challenges and their significance for our stakeholders and our business. The materiality assessment is also available online at:

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

Our Stakeholders



Engaging with Stakeholders

Our business works on the basis of trust: our long-term success depends to a significant extent on our ability to inspire confidence in our stakeholders. In the current challenging regulatory environment and in view of recent developments in the area of financial market policy, it is essential that we take steps to safeguard and maintain trust in our company. We therefore regularly engage in a dialogue with clients, shareholders, investors and employees, as well as with regulators and policy-makers, NGOs and other stakeholders (see chart). This dialogue – combined with the insights we gain through our involvement in initiatives, associations, forums and professional bodies, as well as the findings of surveys – helps to strengthen our

understanding of the different, and sometimes conflicting, perspectives of our stakeholders. This approach helps us to identify their interests and expectations at an early stage, to offer our perspective and to help develop solutions to address current challenges wherever possible. At the same time, these activities provide us with a more detailed understanding of our corporate responsibilities.

Further Information

Information about our engagement with stakeholders, as well as our range of publications that are designed to contribute to the public debate, can be found online at: [credit-suisse.com/responsibility/dialogue](https://www.credit-suisse.com/responsibility/dialogue)



Responsibility in Banking

Hong Kong – Credit Suisse has a presence in major financial centers around the world. As a result, we are well positioned to serve the diverse needs of our clients, offering them a variety of financial products and services.



Trust and Expertise

We offer our clients high-quality service and advice, support efforts to increase financial stability and strive to maintain a rigorous compliance and control culture in order to inspire trust in our bank.

We are committed to operating professionally and with integrity to gain and maintain the trust of our stakeholders. To ensure our bank is well positioned to serve our clients around the globe, it is important that we actively adapt our business in line with their changing needs and the evolving operating environment. Against this backdrop, 2016 was the first full year of implementation of the strategy we presented in October 2015. Our strategy is designed to reinforce our position as a leading wealth manager with strong investment banking capabilities. To grow our business, we are taking a geographically balanced approach, allowing us to capitalize on both the vast pool of wealth available in mature markets and the significant wealth and asset growth taking place across emerging economies. We believe that our strategy will generate significant value for our shareholders and also benefit our clients, employees and other stakeholders.

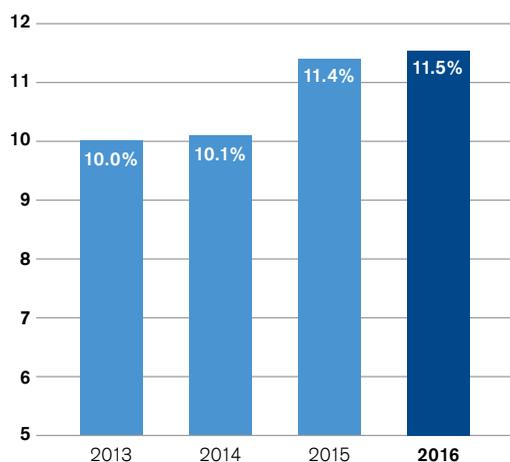
We made progress in delivering against our key strategic objectives during the year. We were able to significantly reduce our fixed cost base with CHF 1.9 billion* of net savings in 2016, exceeding our year-end target. Importantly, we have lowered costs while investing in our client franchise and improving our control framework.

At the same time, we made progress towards our goal of profitable growth. Our increased focus on our ultra-high-net-worth individual (UHNWI) and entrepreneur clients allowed us to attract significant net new assets and to grow our asset base. We will continue to invest in attractive growth opportunities based on our global platform going forward. We substantially completed the right-sizing of our Global Markets division, lowering risk and reducing capital consumption while preserving our key client franchises. In Investment Banking & Capital Markets, we have rebalanced our product mix towards Mergers & Acquisitions and Equity Capital Markets, resulting in improved share of wallet across all key products and covered client segments.

In the Strategic Resolution Unit (SRU), we made significant progress in disposing of legacy positions and

* See note on page 47.

Strengthening of Look-through CET1 Capital Ratio



de-risking. This progress in the SRU is central to the restructuring of the Group as it helps to free up capital resources to be redeployed to areas where we expect to produce higher returns such as our Swiss Universal Bank, Asia Pacific and International Wealth Management divisions. Our strategy is designed to enable Credit Suisse to grow sustainably and ensure its long-term profitability. Detailed information on our strategy and our structure is provided in the [Annual Report 2016](#) of Credit Suisse Group AG.

Resolution of Legacy Issues

In December 2016, we reached a settlement in principle, followed by a final settlement in January 2017, with the US Department of Justice (DOJ) regarding our legacy residential mortgage-backed securities (RMBS) business – a business conducted through 2007. This removed a major source of uncertainty for our bank. In the fourth quarter of 2016, we recorded a litigation provision of approximately USD 2 billion in addition to existing provisions of USD 550 million against this matter which were recorded in prior periods. Additionally, Credit Suisse's preliminary results for 2016 were updated to reflect an increase in litigation provisions of CHF 300 million for a settlement in principle to resolve the RMBS matter with the National Credit Union Administration Board (NCUA).

Strengthening Our Capital Base

We significantly strengthened our capital position in 2016. As of December 31, 2016, after reaching the settlements with the DOJ and NCUA, our reported look-through Common Equity Tier 1 (CET1) ratio was 11.5%. We also made progress in terms of the leverage ratio, with a look-through CET1 leverage ratio of 3.2%. Detailed information on capital management is provided in the [Annual Report 2016](#) of Credit Suisse Group AG.

Adapting to the New Regulatory Landscape

The global implementation of extensive regulatory reforms continued in 2016 with the aim of further reinforcing the stability and integrity of the global financial system. At Credit Suisse, we consider it important to actively help shape these new standards. For example, we have been working consistently with regulators, international standard-setting bodies and the finance industry for a number of years to help address the Too Big to Fail (TbTF) issue. Credit Suisse generally supports the Financial Stability Board (FSB) standard for Total Loss-Absorbing Capital (TLAC), which introduces an internationally valid minimum standard for global systemically important banks. In Switzerland, the ordinances on the implementation of the TLAC standard entered into force on July 1, 2016. The Swiss capital requirements are substantially more stringent than the global TLAC standard, as are the requirements for bail-in bonds, which must be issued by a Swiss legal entity and are subject to Swiss law and Swiss jurisdiction. As of December 31, 2016, Credit Suisse had issued an aggregate of USD 22 billion of bail-in bonds.

In connection with these efforts to help address the TbTF issue, Credit Suisse made significant further progress in implementing the program to evolve the Group's legal entity structure, with a number of significant achievements in 2016. The program addresses regulations in Switzerland, the US, the UK and Asia Pacific (APAC). As part of our implementation efforts, we regularly consult with the Swiss Financial Market Supervisory Authority (FINMA) and other regulators.

In Switzerland, we have established Credit Suisse (Schweiz) AG as a wholly-owned subsidiary of Credit Suisse AG to support the realization of our strategic objectives, increase our resilience and meet regulatory requirements. On November 20, 2016, Credit Suisse (Schweiz) AG started operating as an independent licensed Swiss bank, broker-dealer and custodian bank¹. Credit Suisse (Schweiz) AG, like Credit Suisse AG, is regulated by FINMA and complies with all legal and regulatory requirements that are applicable for systemically relevant Swiss banks. It is therefore subject to the same rules and standards regarding capital requirements, client protection, asset segregation, liquidity requirements, large exposure limits and Swiss banking confidentiality as Credit Suisse AG. The establishment of Credit Suisse (Schweiz) AG underscores our strong commitment to our Swiss home market and Swiss clients. At the same time, clients will continue to benefit from the fact that Credit Suisse (Schweiz) AG is part of Credit Suisse Group and that with our global network

¹ The scope of Credit Suisse (Schweiz) AG differs from the Swiss Universal Bank division of the Group.

we can offer them comprehensive services, investment opportunities and expertise.

On July 1, 2016, Credit Suisse Holdings (USA), Inc. was fully established as our Intermediate Holding Company (IHC) in the US, in line with regulatory requirements. The IHC successfully started operations with the requisite capital, liquidity, infrastructure, and governance, including its newly established Board of Directors.

We reached a significant milestone by registering the US service company in the third quarter of 2016 and beginning operations in January 2017 to help ensure the operational continuity of critical support services. It is planned that the Swiss and UK service companies will start operations in 2017 and the Singapore service company in 2018.

Following regulatory approval from the Central Bank of Ireland in December 2015, Credit Suisse AG, Dublin Branch, was opened in the first quarter of 2016, making Ireland an important hub for the bank's prime services business in Europe. The Dublin operation handles the trading, capital and risk management for the business, while the client coverage and relationship functions are allocated between London and Dublin staff according to client proximity and needs.

We also made significant progress during 2016 in migrating the remotely booked fixed income businesses from the UK booking entity Credit Suisse International (CSI) to Credit Suisse AG, Singapore Branch.

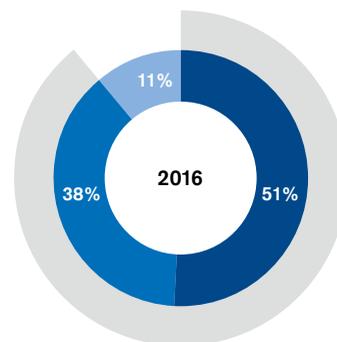
Financial Integrity

The high level of importance that Credit Suisse assigns to the area of compliance is reflected by the fact that Compliance and Regulatory Affairs operates as a dedicated function. As an independent Executive Board level function, it has the specific mandate of overseeing all compliance and regulatory matters for Credit Suisse. The Internal Audit department uses a risk-based approach to assess whether the control environment enables compliance with internal and external standards, policies and guidelines.

Recognizing the critical role of employees in helping to preserve financial integrity, we strive for the highest standards of personal accountability and ethical conduct from each member of our workforce. All employees and members of the Board of Directors are obligated to adhere to Credit Suisse's Code of Conduct. In addition, employees are required to participate in targeted training courses that include, but are not limited to, developments in the finance industry such as anti-corruption and risk management measures. In early 2017, we launched an expanded approach to Conduct and Ethics with a set of six standards, including Client Focus, Accountability and Transparency.

Spotlight on Client Satisfaction

The Credit Suisse Global Service Monitor Program measures client satisfaction and benchmarks it against the client satisfaction of our main peers. Feedback from clients and prospects provides insights into how we can improve our service and advice at multiple levels. Conducted in selected markets, the results of the 2016 survey reveal consistently strong levels of client satisfaction. In Switzerland, for example, 89% of private clients are satisfied and over 50% are very satisfied with Credit Suisse.



89%

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

● Very satisfied ● Satisfied ● Not satisfied

Credit Suisse manages service and infrastructure disruption risks through a Business Continuity Management Plan, our Technology Risk Management Program and other business contingency and resiliency plans. Ensuring that the confidentiality, integrity and availability of information assets are protected is critical to our operations. We also strive to prevent the improper use of products and services by third parties. As part of our efforts to fulfill our due diligence requirements, our policies contain strict internal controls. We issue policies governing topics such as business relations with politically exposed persons (PEP), the prevention of money laundering and terrorist financing, and adherence to applicable economic and trade sanctions laws. To protect against the risk of corruption, we have promulgated and regularly work to enhance our global standards related to corruption prevention. We have a range of policies, procedures and internal controls, with requirements such as the screening of third parties who

conduct business for or on behalf of Credit Suisse and dedicated controls related to gifts and entertainment, internships and other employment opportunities, charitable contributions and sponsorship. Furthermore, the bank is actively involved in the development and implementation of industry standards to combat money laundering and corruption. An example is Credit Suisse's participation in the Wolfsberg Group, which reflects our commitment to implementing the latest anti-money laundering and anti-bribery standards while also staying abreast of important developments. In addition, employees must ensure that transactions that may impact on the reputation of Credit Suisse undergo our bank-wide standardized Reputational Risk Review Process (see pages 16-17). Employees are required to regularly complete mandatory online training courses on topics ranging from the prevention of money laundering, terrorist financing and corruption to compliance with economic sanctions. Additionally, they have a duty to report concerns of potential legal, regulatory or ethical misconduct to their line managers or to Compliance and Regulatory Affairs. Employees worldwide also have the option of calling our Integrity Hotline, where they can report such issues anonymously, where permitted by local law.

Credit Suisse manages improper employee behavior and infractions through global escalation and disciplinary governance processes across three lines of defense. Our disciplinary process provides a framework that is designed to confirm that the bank's articulated standards of professional conduct, policies and procedures are adhered to and enforced on an ongoing basis, subject to local differences. Our conduct and ethics boards and committees provide an independent review of disciplinary matters and, where necessary, participate in or challenge decisions that may impact employee performance reviews and compensation.

Commitment to Client Tax Compliance

Credit Suisse policies mandate that we do not accept or manage client assets if we know or become aware of information that would support a suspicion of tax non-compliance. To address the regulatory and reputational risks associated with undeclared assets held by private clients, Credit Suisse has, over the last several years, carried out comprehensive client tax programs and reviews covering clients in practically all of our major markets, and we have a new global Client Tax Compliance Policy.

Credit Suisse adheres to its obligation as a financial institution to collect information regarding the tax classification of clients in order to assist in the sharing of information by tax authorities across borders. In connection with the move towards increased access to cross-border bank

data by foreign tax authorities, Switzerland is one of a number of countries that have agreed to accept the Common Reporting Standard (CRS) developed by the Organisation for Economic Co-operation and Development (OECD), which represents the global standard for the Automatic Exchange of Information (AEI) in tax matters. Under the AEI, financial institutions are expected to provide information on assets and income for accounts held or controlled by clients who have a tax residence in a foreign participating country. The information will be reported to the bank's domestic tax authority to enable regulators in participating countries to share tax-relevant client data among each other. Switzerland belongs to the group of countries that are starting to collect tax-relevant data in 2017, with the first exchange of information in 2018.

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

High-Quality Service and Advice

Whenever we provide advice to our clients, we assess its suitability to help ensure that our clients have the requisite knowledge and experience to understand the associated risks and to make sure that our advice is in line with their risk profile and investment objectives. When executing orders on behalf of our clients, we assess the appropriateness of the transaction for them and address potential mismatches. The Credit Suisse advisory process helps us to understand our clients' circumstances, their risk profile as well as financial needs and plans, and it incorporates sophisticated analytical tools that can identify counterparty risks and simulate potential returns in different scenarios to provide an objective basis for client investment decisions. Credit Suisse has been committed to strengthening investor protection for a number of years and has invested in the related systems, processes and employee training – including a mandatory certification program for relationship managers (see page 33). We also support the project to develop a Federal Financial Services Act, which is part of a larger legislative effort to create uniform competitive conditions for financial intermediaries, improve client protection and bring Swiss legislation into line with new or emerging international

standards. This should ultimately also remove potential barriers to cross-border activities and to market access for Swiss financial services providers. The Federal Financial Services Act is expected to contain code of conduct provisions for financial services providers to improve investor protection.

This chapter addresses the following issues (see page 6):

1 Culture of Compliance and Conduct; 3 Financial and Political System Stability; 4 Company Performance and Strategy; 5 Quality and Range of Services and Advice; 6 Consumer and Investor Protection

 credit-suisse.com/responsibility/banking



Challenges and Responses 2016

Challenge: How has Credit Suisse responded to the impacts of the UK referendum on continued EU membership?

Response: Markets were particularly challenging towards the end of the second quarter of 2016 in connection with the outcome of the UK referendum on EU membership. We implemented a number of precautionary measures to ensure operational and infrastructure stability leading up to and following the referendum. From an exposure, earnings and liquidity perspective, the overall impact of the referendum on Credit Suisse to date has been successfully managed. We experienced substantial trading volumes in the days following the result of the referendum. However, we suffered no significant operational issues due to our active management of these volume increases. In addition, the demand for the expertise of a global financial institution is even greater in times such as this – providing us with an opportunity to stay close to our

clients and to help them carefully navigate the post-UK referendum environment. There were no immediate implications from the result of the UK referendum for Credit Suisse, its employees or its clients. We remain committed to our longstanding presence in London. We already provide a comprehensive range of services to our clients through both our London operations and a number of different subsidiaries and branches across Continental Europe. This provides us with the flexibility to respond to potential changes in the UK and EU financial services industry in the future, as we develop our plans to address the impact of the UK's withdrawal from the EU. These plans are focused on continuity of client service.

Challenge: Is Credit Suisse doing enough to capture the potential of digitalization while executing on its cost reduction program?

Response: Digitalization is already fundamentally altering our industry and is there-

fore an important topic for Credit Suisse. For example, the evolving digital landscape is one of several factors transforming the way clients interact with their bank. We recognize that innovative concepts are essential to ensure we can continue to offer clients excellent products and services in the future via the channels they prefer. At the same time, we recognize the potential of digitalization to drive cost efficiencies across our organization and to support labor-intensive processes in areas such as Compliance. One example is the use of specialist software developed by Signac – a joint venture between Credit Suisse and Palantir – to analyze vast quantities of trading data in order to identify any signs of irregular conduct by employees in the area of trading. In the future, we expect the use of digital technology will help the bank to address reputational and conduct risks already at an early stage.

Corporate Governance

By acting with integrity, fairness and transparency, we can inspire trust in our clients, shareholders, employees and other stakeholders.

Our corporate governance framework complies with internationally accepted standards. We adhere to the principles set out in the Swiss Code of Best Practice of Corporate Governance, including its appendix stipulating recommendations on the compensation process for the Board of Directors and Executive Board. Due to our primary listing on the SIX Swiss Exchange, we are subject to the “SIX Directive on Information Relating to Corporate Governance”. Our shares are also listed on the New York Stock Exchange (NYSE) in the form of American Depositary Shares and certain of our exchange traded notes are listed on Nasdaq, meaning that we are subject to certain US rules and regulations.

Governance Framework

Our corporate governance framework consists of our

Responsible Approach to Compensation

The objectives of the Group's compensation policy include attracting and retaining employees and motivating them to achieve results with integrity and fairness. In 2016, we fully implemented material amendments to the Executive Board compensation design to reflect the new organizational structure of the Group, the revised strategic objectives and shareholder feedback. The key elements of the new structure include short-term incentive (STI) awards, which are linked to the achievement of internal performance objectives for the prior year, and long-term incentive (LTI) awards, which are based on future performance outcomes measured against pre-determined internal performance targets over a period of three years. Maximum STI and LTI opportunity levels are determined for each Executive Board member and are each expressed as a multiple of base salary. At the end of the respective performance cycles, the maximum payout level for each award is capped at 100% of the opportunity level. For the Group in general, deferred variable awards for 2016 were granted in the form of share-based awards and Contingent Capital Awards (CCAs). All deferred compensation awards contain provisions that enable the Group to reduce or cancel the awards prior to settlement under certain circumstances. Group variable incentive compensation awarded for 2016 was CHF 3.1 billion, up 6% compared to 2015, which reflected the impact of strategic hiring in high growth business areas as well as market adjustments to certain divisional pools to retain key talent. In accordance with Swiss law, the Group will submit Board and Executive Board compensation recommendations for binding votes by shareholders at the Annual General Meeting in 2017.

governing bodies – the shareholders, Board of Directors, Executive Board and auditors – and our corporate governance policies and procedures, which define the competencies of the governing bodies and other corporate governance rules. Our Articles of Association, Code of Conduct, Organizational Guidelines and Regulations, the Charters of the Board of Directors and Board committees and our global Compensation Policy provide the basis for the effective and efficient governance of the Group. The Code of Conduct is binding on all employees and members of the Board of Directors. Employees must also comply with all legal, regulatory and internal requirements in addition to strict standards of professional conduct. Compliance is a critical consideration when hiring employees, developing training tools and defining processes and rules. It is also vital to our supervisory and control systems.

Shareholder Rights

We encourage investors to participate in the Annual General Meeting (AGM) and to exercise their voting rights. To support them in their decision-making process, we provide comprehensive and transparent disclosures in our reporting publications. We strive to produce comprehensible financial reports that clearly explain our performance, mission and strategy. We also seek to pursue responsible and balanced compensation practices that ensure a prudent approach to risk-taking and align employee and shareholder interests, thus incentivizing the creation of sustainable shareholder value (see adjacent box).

Managing Risk

Our Risk Management function plays a key role by promoting a disciplined risk culture and the necessary transparency to support management in defining a suitable risk profile. It is instrumental in ensuring a prudent and intelligent approach to risk-taking that balances risks and returns and optimizes the allocation of capital across the Group. A proactive risk management culture and the use of quantitative and qualitative tools help to minimize the potential for undesired risk exposures in our operations. Further information can be found in the  Annual Report 2016 of Credit Suisse Group or at:

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

This chapter addresses the following issues (see page 6):

 Incentives and Compensation Policy;  Corporate Governance

Risk Management and Sustainability

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

It is vital that we demonstrate a high degree of risk awareness and operate responsibly in all our business activities. Our Code of Conduct sets out six ethical values and six professional standards (see page 5), and our Conduct and Ethics Standards aim to ensure a common understanding as well as consistency about our expectations at Credit Suisse with regard to culture and conduct throughout the organization.

Sustainability as an Integral Part of Our Business

Our commitment to sustainability and to the consideration of environmental and social issues in our business activities is embedded in the Code of Conduct. In addition, our "Statement on Sustainability" defines the objectives and principles underlying our approach in this area. It refers to international agreements that Credit Suisse has voluntarily pledged to uphold, such as the UN Global Compact with its ten principles in the areas of human rights, labor standards, environmental protection and anti-corruption efforts (see page 43). More information on our sustainability commitments is available at:

credit-suisse.com/sustainabilitycommitments

Bank-wide Risk Review Process

A prudent approach to risk-taking is essential to our activities as a bank. Credit Suisse therefore carries out a series of measures to review business risks. If there are grounds to believe that a potential transaction or client relationship could pose an unacceptable risk or is not compatible with our existing agreements or internal guidelines, Credit Suisse conducts a bank-wide standardized Reputational Risk Review Process (see chart on page 17). Potential risks may, for example, arise due to the nature and purpose of a proposed transaction or service, the identity or

activities of a potential client or the regulatory or political context in which the business will be transacted.

Environmental and human rights-related risks are some of the risks considered in the Reputational Risk Review Process. The internal specialist unit Sustainability Affairs evaluates whether the potential client's activities are consistent with the relevant industry standards and whether the transaction is compatible with Credit Suisse's policies and guidelines for sensitive sectors. Based on the outcome of this analysis, Sustainability Affairs produces its own assessment and submits it to a Reputational Risk Approver who is independent of the area of business in question, or to the respective Reputational Risk Committee. They have the authority to approve, reject or impose conditions on our participation in a transaction. In cases of particularly complex or cross-regional transactions, the decision may be referred to the Reputational Risk Sustainability Committee (RRSC) or escalated to the Group's Chief Risk Officer. The RRSC, chaired by the Group's Chief Risk Officer, is the most senior governing body responsible for the oversight of review processes and policies and the discussion of reputational risks and sustainability issues. More information on this process is available at:

credit-suisse.com/riskmanagement

Sustainability risk assessments by sector in 2016

Transactions assessed ¹	2016	2015
Metals and mining	129	93
Forestry and agribusiness	53	43
Oil and gas	132	110
Power generation and transmission	72	62
Chemicals	24	11
Defense	24	47
Infrastructure and transportation	40	48
Finance ²	41	n/a
Other	143	105
Total	658	519

¹ Excluding Equator Principles (EP) transactions (2016: 0 transactions; 2015: 2 transactions). For a comprehensive disclosure in accordance with EP requirements, see:

credit-suisse.com/riskmanagement

² New category introduced in 2016.

Sector Policies and Guidelines

Certain industries are particularly sensitive from a social or environmental perspective. They include, amongst others, oil and gas, mining, power generation, controversial weapons, and forestry and agribusiness, which covers pulp and paper as well as palm oil production. To assess potential transactions with clients in these industries, we have defined specific global policies and guidelines, taking account of standards developed by international organizations such as the UN and the World Bank. These sector policies and guidelines cover topics including: compliance with industry-specific, internationally recognized standards on the environment and human rights; measures to assess and reduce the environmental impact of operations; the protection of the health and safety of company employees and surrounding communities; respect for the human rights of the local population; and business areas and practices that Credit Suisse explicitly will not finance.

Sector policies and guidelines are regularly reviewed and updated to reflect the latest developments and challenges. In 2016, for example, we further developed our policy on mining and our guidelines on power generation. These include restrictions on the financing of new mining projects to extract thermal coal and new coal-fired power plants. A summary of our policies and guidelines can be found at:

credit-suisse.com/sectorpolicies

Credit Suisse also follows the Equator Principles (EP) – a voluntary framework for the management of environmental and social risks that is based on standards defined by the International Finance Corporation (IFC) and is applied by around 90 banks for specific types of finance for industrial and infrastructure projects. Furthermore, we are a participant in the Roundtable on Sustainable Palm Oil (RSPO) in the “Banks and Investors” category. The RSPO promotes the cultivation and use of sustainable palm oil products through global standards and by engaging stakeholder groups throughout the supply chain.

Respecting Human Rights

We strive to assume our responsibilities in the area of human rights in accordance with the International Bill of Human Rights as well as the corresponding principles on human and labor rights set out in the UN Global Compact. We take account of these principles in our own policies and business activities. Our “Statement on Human Rights” describes the foundations of our responsibility to respect human rights and the approaches, processes and tools we use to implement it. Equally, we expect our business partners to recognize and uphold human rights (see box on page 18).

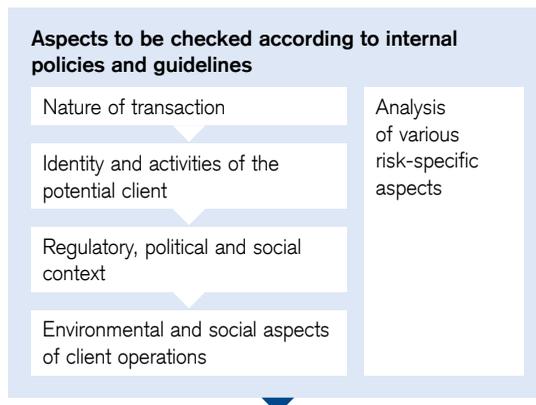
When realizing our efforts in this area, we take account of the UN “Protect, Respect and Remedy” framework and the UN Guiding Principles on Business and

Assessment of Sustainability Risks within the Reputational Risk Review Process

1. Risk classification and responsibility



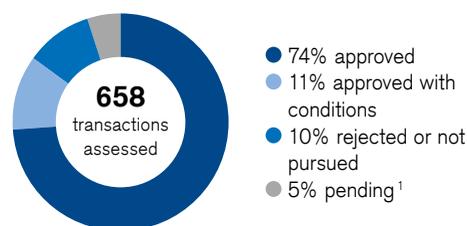
2. Assessment and recommendation



3. Review and decision



Transactions assessed on the basis of potential environmental and social risks in 2016



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

¹ As of January 31, 2017.

Human Rights. Credit Suisse is also a founding member of the Thun Group. We co-initiated the group together with other financial institutions in 2011 to promote a better understanding of what the Guiding Principles mean for the banking sector. In this context, we co-authored a discussion paper in 2016 that explores the meaning and reach of certain guiding principles in a corporate and investment banking context.

Credit Suisse's most direct link to human rights issues is in our own activities, especially in our working relationship with our employees, and this is consequently the area where we believe we can exercise the greatest influence. In addition, the provision of certain financial services may be linked to negative human rights impacts – particularly if they relate to business activities of clients that could potentially affect local populations. Using our Reputational Risk Review Process, we therefore perform detailed reviews of aspects of transactions that are sensitive from a human rights perspective. Our Modern Slavery and Human Trafficking Transparency Statement sets out the steps that Credit Suisse is taking to prevent the occurrence of modern slavery and human trafficking in our business operations or within our supply chain. Further information on the topic of human rights, including our Modern Slavery and Human Trafficking Transparency Statement, can be found at:

credit-suisse.com/humanrights

Dialogue, Knowledge-Sharing and Training

Credit Suisse engages in an ongoing dialogue with a range of stakeholder groups on sustainability issues. This includes our active participation in industry initiatives such as the Equator Principles and the Thun Group. In 2016, we also organized a roundtable to engage in a dialogue with other global banks about environmental and social risks in investment banking, and we contributed to a publication by the Swiss Federal Office for the Environment entitled "Proposals for a Roadmap towards a Sustainable Financial System in Switzerland". Our activities in 2016 also included the regular exchange of views with a group of 20 international banks about environmental and social issues and trends. To ensure that the expertise required to address environmental and human rights risks is firmly embedded within Credit Suisse, we provided a total of 225 employees with training in sustainability risk management in 2016.

This chapter addresses the following issues (see page 6):

1 Culture of Compliance and Conduct; 8 Environmental and Social Risk Management

credit-suisse.com/responsibility/banking

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

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

credit-suisse.com/suppliers



Challenges and Responses 2016

Challenge: In 2015, the UN Climate Change Conference (COP21) in Paris reached an agreement to limit the rise in global temperature to well below 2° Celsius above pre-industrial levels. This agreement entered into force in 2016. "Climate Action" is also among the UN's 17 Sustainable Development Goals (see page 44). How does Credit Suisse address the challenge of climate change in its risk management processes?

Response: Our principles and our approach to climate protection are set out in our "Statement on Climate Change", underscoring our commitment to playing our part in addressing this global challenge through our role as a financial intermediary. When managing transaction-related risks, climate aspects are examined using our Reputational Risk Review Process. Based on our sector policies and guidelines (see page 17), we evaluate factors such as a company's CO₂ footprint or its energy efficiency targets. In addition, some of our policies and guidelines require clients to have a plan in place to deal with climate change risks. In 2016, we further developed our policy on mining and our guidelines on power generation. Furthermore, we piloted an approach to identify and understand portfolio-level climate policy risks, and we participated in a workshop on environmental risk assessment hosted by the Swiss government as a contribution to the G20 Green Finance Study Group.

Sustainable Products and Services

The demand from clients for investments that incorporate economic, environmental and social aspects is rising steadily. At Credit Suisse, we offer a broad range of products and services that give investors access to sustainable investment opportunities.

A growing number of individual clients, charitable foundations and institutional clients such as pension funds are seeking to combine financial returns with positive social or environmental impacts. In 2016, Credit Suisse continued to expand its range of products and services that focus on environmental and social themes. Our sustainable products and services include single investments and portfolio solutions that meet environmental, social and governance (ESG) criteria. Our investment products cover a variety of asset classes and various risk/return profiles. We also partner with experts from research institutes, NGOs and leading think-tanks when developing sustainable products and services. Assets invested according to sustainability criteria at Credit Suisse totaled over CHF 19.6 billion at the end of 2016 (see chart).

We design investment solutions that are based on our Philanthropy & Sustainable Investment (P&SI) approach (see page 20). The relevant teams help clients to consider social and environmental objectives when managing their wealth by, for example, setting up philanthropic structures, investing in products in the areas of impact investment and microfinance, or integrating sustainability criteria into their investment portfolios.

Sustainable Investment

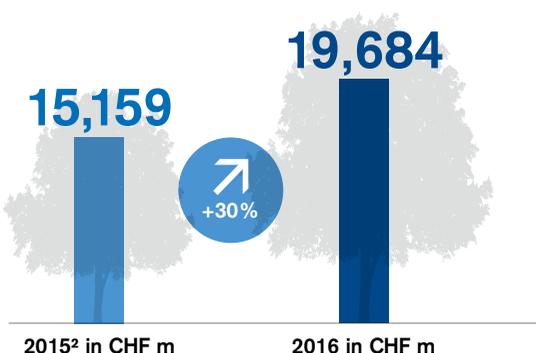
Credit Suisse offers solutions that incorporate ESG criteria into the investment process and decisions, in addition to traditional investment criteria. Our sustainable investment offering comprises portfolio solutions as well as products across a range of asset classes, including equities, fixed income, real estate, alternative investments, index solutions and thematic investments. We are a signatory to the Principles for Responsible Investment (PRI), a voluntary, investor-led framework that promotes a better understanding of the implications of sustainability and the incorporation of ESG information into investment decisions. We also support the

Green Bond Principles, and we are a partner to the Climate Bonds Initiative. Both of these initiatives are designed to mobilize investments in the capital markets for environment- and climate-related projects. As part of our dialogue with stakeholders about ESG topics, we are involved in organizations such as Swiss Sustainable Finance (SSF) and the Forum Nachhaltige Geldanlagen (FNG), a professional association for sustainable investments in Austria, Germany and Switzerland.

Credit Suisse regards sustainability as an essential requirement in the management and development of the properties within our various real estate products. Credit Suisse Real Estate Investment Management is one of the 15 largest providers of real estate investments worldwide, with over CHF 43.1 billion of assets under management at the end of 2016 and a portfolio of around 1,300 properties across 20 countries.

To systematically assess its sustainability performance, Real Estate Investment Management regularly participates in the Global Real Estate Sustainability Benchmark (GRESB). Currently, more than 750 real estate fund managers and real estate companies benchmark their real estate assets at the GRESB platform, representing properties with a total value of over USD 2.8 trillion. In 2016, Real Estate Investment Management was recognized by

Assets invested according to sustainability criteria¹



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

² The data for 2015 has been adjusted to reflect an updated methodology.

Philanthropy

- **Strategic philanthropy:** We provide customized advice which may include drafting a family values statement, integrating philanthropy into the family governance framework and succession plan, and developing a grant-making policy and grant-making program for structures making charitable distributions. More information is available at: credit-suisse.com/psi
- **Individual or family charitable structures:** We offer tailor-made solutions for the establishment, management and monitoring of a client's charitable structure. These solutions may include input into the governance framework, drafting a grant-making policy and grant-making program, coordination of project due diligence and administrative support, services relating to investment strategy and asset management, impact review and financial reporting. Our subsidiary Credit Suisse Trust assists with the formation of charitable structures.
- **Charitable client foundations:** Accentus, Empiris, Symphasis and SymAsia: An alternative for clients to creating a charitable foundation of their own. This offering is targeted at clients who prefer to delegate setting up and managing their charitable foundation yet still wish to determine the projects supported. Credit Suisse assumes the foundations' operating costs. More information is available at: credit-suisse.com/clientfoundations

Social and environmental impact

Impact Investment

- **Microfinance:** Support for people at the base of the income pyramid by providing them with access to financial services. We have been a leader in microfinance since 2002, with over USD 2.8 billion of assets under administration, of which around USD 440 million are client holdings that are used to fund microfinance institutions. Through our Microfinance Capacity Building Initiative, we support microfinance institutions by developing their ability to provide their clients with more diverse products and services to meet their specific needs. More information is available at: credit-suisse.com/responsibility/microfinance
- **Higher education:** Support for high-potential students from underprivileged backgrounds. We provide them with access to a college education through investment products such as our Higher Education Notes, thus giving them better employment prospects and opportunities to earn a higher income.
- **Conservation finance:** Creation of new, long-term and diversified sources of revenue that can play a major role in ensuring biodiversity conservation and the health of natural ecosystems, for example through our Nature Conservation Notes. More information can be found at: credit-suisse.com/conservationfinance
- **Sustainable agriculture and fair trade:** We promote responsible production methods by supporting smallholder farmers in achieving better trading conditions and by guaranteeing a minimum price for their produce.
- **Social enterprises:** Financial support for small and medium-sized businesses that pursue social objectives, for example through the Asia Impact Investment Fund.

Social and environmental impact + financial return

Sustainable Investment

- **Sustainable portfolio solutions:** Based on each client's values and objectives, we offer individual sustainable investment solutions. When screening and constructing portfolios, we use a combination of sustainable investment approaches. The exclusion approach avoids investments in companies linked to certain controversial activities. The norm-based approach reduces a portfolio's exposure to areas that are controversial from an ESG perspective. The best-in-class approach identifies companies that perform well in terms of ESG criteria within a peer group by assessing their ability to successfully manage ESG issues such as CO₂ emissions and labor standards. The sustainability profile may be further improved through investments that are related specifically to sustainability aspects such as energy efficiency, water or health care.
- To complement our solutions offering, we have also addressed the topic of sustainability through single sustainable investment products, such as the Credit Suisse (CH) Sustainability Fund Balanced CHF and the Credit Suisse (Lux) European Climate Value Property Fund.
- Credit Suisse Real Estate Investment Management regards sustainability as an essential requirement when managing and developing its real estate holdings. Its active sustainability strategy is designed to address challenges in a business increasingly impacted by stricter regulation.

GRESB as “Global Sector Leader” and “Regional Sector Leader”, and it achieved 14 GRESB Green Star awards for its leading sustainability performance.

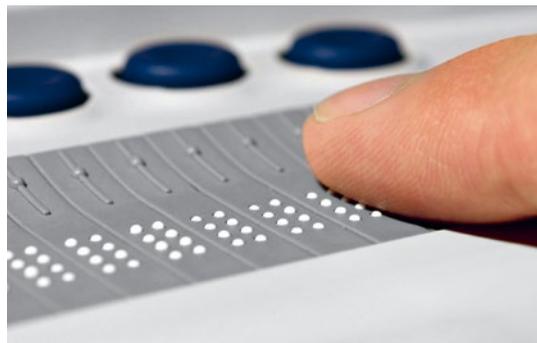
Impact Investment

2017 marks the 15th anniversary of microfinance and impact investment at Credit Suisse. Impact investment is about actively placing capital in enterprises that generate a financial return and have a positive social and/or environmental impact. For example, investments are made in small and medium-sized businesses with a social or environmental mission, and we develop financial products to help support smallholder farmers and high-potential students in developing countries. In 2016, we launched our Higher Education Note 3, which is expected to enable more than 1,000 talented students from underprivileged backgrounds to access higher education. In addition, the Asia Impact Investment Fund I L.P., which invests in fast-growing businesses that address social challenges across Asia and for which Credit Suisse acts as impact advisor, held its third and final closing in November 2016. We are a co-founder of the Sustainable Finance Collective Asia initiative, launched in November 2016 to accelerate the funding of circular economy, sustainable energy and positive social impact projects.

We are continuing to expand our activities in the area of conservation finance, which focuses on the generation of long-term and diversified sources of revenue to help preserve biodiversity and the health of natural ecosystems. Following a report entitled “Conservation Finance – From Niche to Mainstream” published by Credit Suisse in conjunction with the McKinsey Center for Business and Environment in January 2016, we partnered with Clarmondial and the Climate Bonds Initiative in April 2016 to issue the report “Levering Ecosystems”, which addresses the question of how debt can support investments in ecosystem services. In September 2016, we co-launched the Coalition for Private Investment in Conservation (see pages 39–41).

In microfinance, investments are designed to provide economically disadvantaged people – especially those in emerging markets and developing countries – with access to financial services. Our activities in this area benefited over 3 million people in 2016. We provide a range of advisory services and capital market transactions, as well as offering several global microfinance funds and a private equity fund of funds. We are also a member and have a seat on the boards of the European Microfinance Platform, a network of about 120 organizations, as well as the Swiss Capacity Building Facility, a public-private partnership between the Swiss financial sector and the Swiss Agency for Development Collaboration (SDC). We collaborate with the Global Impact Investment Network on a number of projects, including in microfinance. In addition, our Micro-

Barrier-Free Access at Credit Suisse



We consider it vital to make our products and services accessible to all our clients. We therefore assign high priority to employee training to ensure that Credit Suisse staff can respond effectively to the needs of clients with disabilities. To make it easier to communicate with clients with hearing impairments at bank counters or in meeting rooms, all Credit Suisse branches in Switzerland are equipped with mobile inductive hearing devices that filter out background noise. We have also installed 492 talking ATMs across Switzerland. Voice output in English, German, French and Italian is triggered automatically when clients plug their headphones into one of the machines. At 73 locations across Switzerland, ATMs have been positioned at a height that makes them easily accessible to wheelchair users. We also take steps to adapt our premises to give people with restricted mobility barrier-free access to our branches and office buildings. In addition, Credit Suisse supplies bank statements in braille or large print upon request and – thanks to new technologies (e.g. magnification software) – offers barrier-free access to online information and applications for employees with visual impairments.

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

finance Capacity Building Initiative (MCBI) helps to drive market development by strengthening the ability of microfinance institutions to serve the increasingly diverse financial needs of people at the base of the income pyramid through new products and services focusing on education, agriculture, housing and other topics. We also make the expertise of our employees available to our microfinance and impact investing partners through several volunteering programs. The MCBI also invests in early-stage innovation and financial technology through its partnership with Accion's fintech accelerator Venture Lab (see pages 28–29).

Philanthropy

In the area of philanthropy, Credit Suisse works closely with clients to help them incorporate their personal philanthropic values and social objectives into their engagement and investment strategy. We provide advice on the evaluation and selection of projects and the establishment of vehicles such as foundations and trusts to provide financial support to charitable institutions. In 2016, we published a

brochure offering guidance on how to set up and manage charitable foundations in Switzerland. We can also create subfoundations for clients under one of Credit Suisse's umbrella charitable foundations – Accentus, Empiris and Symphasis in Switzerland or SymAsia in Singapore. Since they were established, the Swiss umbrella foundations have distributed a total of more than CHF 105 million to over 2,300 charitable initiatives worldwide. In Asia, SymAsia has received around USD 57 million of donor-advised funds and has gifted around USD 28 million since it was established in 2010. In 2016, Accentus, Empiris and Symphasis carried out 280 projects in developing countries and in Switzerland.

Renewable Energy Project Finance

Our Investment Banking & Capital Markets division and our Global Markets division serve clients through a range of products and services, including advisory services related to mergers and acquisitions, restructurings and spin-offs as well as debt and equity underwriting of public offerings and private placements. Our expertise is diversified across various renewable energy technologies such as solar, wind, geothermal, biomass, biofuels, fuel cells as well as energy efficiency. In 2016, Credit Suisse served as sole structuring agent and sole bookrunner on SolarCity's USD 185 million solar loan in asset-backed securities, and we served as joint structuring agent and joint bookrunner on SolarCity's USD 57.5 million securitization of distributed solar power purchase agreement and lease assets. Furthermore, we advised Blackstone on the USD 852 million sale of a wind facility in Mexico and SolarCity on its USD 6.3 billion sale to Tesla.

Since 2009, a total of around USD 3 billion of capital has been committed to 22 renewable energy opportunities as a result of the collaboration between our Strategic Transactions Group and our Debt Capital Markets Solutions team. A milestone transaction in 2016 included a USD 300 million residential solar fund with SolarCity.

Research

Throughout 2016, we conducted sustainability-related research across our divisions. For example, Investment Solutions & Products Research in the International Wealth Management division published an update to its research into global megatrends, with corporate governance featuring as one of three megatrends discussed. The unit also introduced microfinance as a high-profile theme and a focus topic for its research in 2017, and it published the first ever research analysis by a bank on animal welfare and its impact on investors in food-related businesses.

In investment research, we publish global economic assessments and market outlooks in a range of reports. Assessments on the important role diversity plays in corporate performance and on how ESG risks impact

company valuations, with a focus on the energy and mining sectors, were also among our core research publications for clients in 2016.

The Credit Suisse Research Institute (CSRI) is Credit Suisse's in-house think-tank. It studies long-term economic developments, which have a global impact within and beyond the financial services sector or which may do so in the future. The CSRI publishes original research on topics ranging from economics or monetary policy to gender equality and consumer behavior.

Credit Suisse also addresses ESG topics through thematic indices. Credit Suisse HOLT, a corporate performance and valuation framework, offers a governance database that systematically scores incentive plans based on their alignment with wealth-creating principles. Investors gain insights into a firm's strategy, changes to that strategy and the quality of its board. With HOLT's proprietary return on capital metric, investors can independently assess management skills, wealth creation and governance risks. We also publish the Renewable Energy Index Switzerland (REIS), an economic indicator for the sustainable energy solutions sector, in conjunction with AAE SUISSE.

This chapter addresses the following issues (see page 6):

5 Quality and Range of Services and Advice; 10 Contribution to Economy and Society

 credit-suisse.com/responsibility/banking



Challenges and Responses 2016

Challenge: Products and services that incorporate economic, environmental and social aspects are becoming increasingly important, and there is still significant potential for further investments in this field. What steps does Credit Suisse undertake to promote sustainable investing?

Response: Public awareness, education and training are key to promoting and further developing the sustainable investment sector. As a financial institution that is committed to sustainable investment, Credit Suisse is a member of various industry networks and initiatives, and we collaborate closely with a number of stakeholders to foster a dialogue among investment professionals and advisors. In 2016, we participated in a working group managed by Swiss Sustainable Finance in order to develop learning opportunities and tools for client advisors to better integrate sustainable finance into their work. Furthermore, we co-founded the Coalition for Private Investment in Conservation (CPIC), which aims to contribute to the preservation of the world's most important ecosystems through new return-oriented investment products.



Responsibility in Society

Zurich – As an integral part of society, Credit Suisse assumes its responsibilities at a variety of levels, and we strive to create value for all our stakeholders so that both the economy and society benefit from our activities.



Responsibility in Society

Our Role in the Economy and Society

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

Our primary function as a global bank is to be a reliable and professional partner to our clients around the world, offering them a range of financial products and services to meet their individual needs. In this context, we also perform functions that are viewed as systemically relevant, including deposit-taking and lending. Credit Suisse plays an important role as a financial intermediary, bringing together borrowers and lenders of capital globally – from companies and public sector bodies to private individuals and institutions. We supply businesses with the capital resources they need to expand their activities and finance innovation, thus helping to drive economic growth and job creation.

By assuming market and credit risks, banks make an important contribution to the efficient functioning of the economic system. Effective risk management is an important part of this process. In the credit business, for example, we analyze, measure and monitor credit risk exposures and charge appropriate interest rates on loans. Our capital policy is intended to ensure that we are capable of absorbing potential credit losses in a variety of stress scenarios.

Supporting Growth, Partnering with Entrepreneurs

The importance of banks for the continued development and growth of the economy is demonstrated by our activities in our Swiss home market. We are dedicated to serving private, corporate and institutional clients in Switzerland. Credit Suisse is a trusted financial partner to approximately 100,000 companies or around 1 in 3 businesses in Switzerland. The majority of Credit Suisse's corporate clients are small and medium-sized enterprises (SMEs) that generally have no direct access to the capital markets and are therefore often reliant on bank loans to fund working capital and/or investments. One of our goals is to assist these companies through a fair, competitive and risk-adjusted lending policy. Particularly in a market environment that is impacted by global developments and

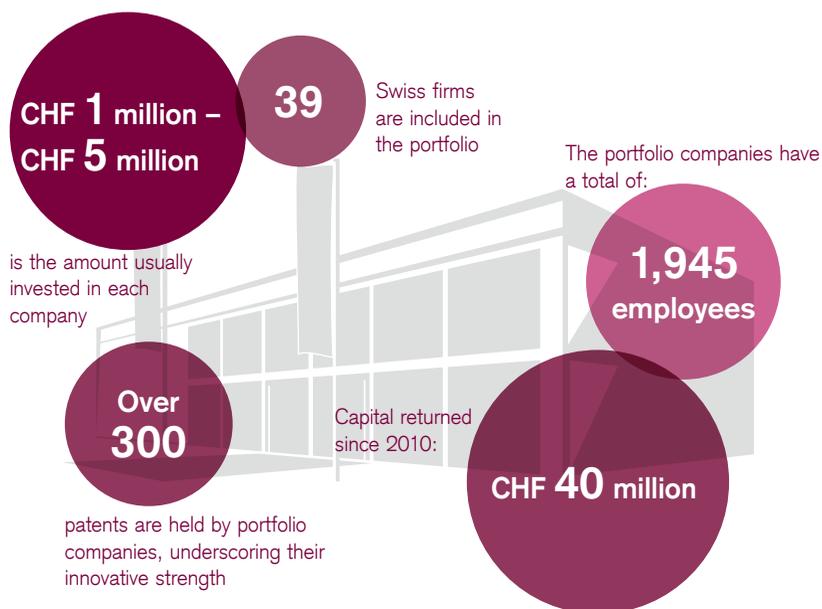
Risk Capital for Growth and Innovation

SVC – Ltd. for Risk Capital for SMEs was founded by Credit Suisse and the Swiss Venture Club in 2010. The Credit Suisse subsidiary invests venture capital in innovative Swiss small and medium-sized enterprises (SMEs) with growth potential. For six years, SVC – Ltd. for Risk Capital for SMEs has performed pioneering work that produced positive overall results. It has provided a total of CHF 90 million of venture capital to 39 companies during this time to help create or preserve jobs in order to sustainably strengthen Switzerland as a center of industry. Success stories include Stratpharma AG, which specializes in medical devices and pharmaceutical products, and HYT SA, which produces hydromechanical watches. Both firms have grown their business with the support of SVC – Ltd. for Risk Capital for SMEs. More information is available at:

svc-riskcapital.ch

SVC – Ltd. for Risk Capital for SMEs:

Key figures for 2010–2016



Supporting the Swiss Political System

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

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



This is a long-term commitment and is reviewed regularly. This support is exclusive to Credit Suisse’s home market; Credit Suisse does not offer financial support to political parties in other countries. In the US, however, employees have the option of making voluntary private donations within the bank through a Political Action Committee.

Holders of Public Office

Credit Suisse offers working time arrangements to employees in Switzerland who hold an elected public office alongside their role at the bank. These employees can devote

up to 20% of their working hours to a public role while receiving their full salary from the bank – irrespective of their party affiliation and views. Each year, Credit Suisse’s Public Affairs and Policy department organizes a meeting for around 370 employees who hold an elected public office. This annual event enables them to take part in workshops and to engage in discussions with their colleagues and Credit Suisse’s top management. In 2016, the meeting focused on the topic of the relationship between Switzerland and the EU.

challenges such as the significant strengthening of the Swiss franc, we are committed to providing our Swiss corporate clients with individual advice and the best possible support to help them run their businesses effectively. In total, Credit Suisse had approximately CHF 159 billion of loans outstanding in Switzerland at the end of 2016, including mortgages and loans to private companies, the public sector and private clients. Credit Suisse is also a long-term strategic financial partner to a number of multinational foreign companies that are domiciled in Switzerland.

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

An Integral Part of the Economy and Society

We make a direct contribution to the economy and society in a variety of ways, including in our capacity as a taxpayer. Over the past five years, Credit Suisse has paid an annual average of CHF 0.7 billion in corporate income tax worldwide. Credit Suisse is subject to further taxes unrelated to income, which totaled around CHF 0.5 billion in 2016 alone.

We also make a contribution as a client and contractual partner. Credit Suisse purchased about CHF 7 billion of goods, services and licenses from suppliers around the globe in 2016. Suppliers are required to meet strict standards in areas such as business ethics and integrity, employee health and safety, and environmental protection, as defined in Credit Suisse’s Supplier Code of Conduct. The establishment of reliable relationships with these external partners helps to ensure the quality and value of the products and services we source. In addition, in 2016, we introduced our Third Party Risk Management (TPRM) Framework to address regulatory aspects and effectively manage risks and performance when conducting business with suppliers (see box on page 18).

In addition, Credit Suisse plays an important role as an employer, offering progressive working conditions, competitive compensation and interesting career opportunities across a range of businesses to a total of 47,170 employees in about 50 countries worldwide. Around 17,000 members of our global workforce are based in Switzerland – making us one of the largest employers in our home market (see pages 32–36).

Maintaining a Constructive Dialogue

Credit Suisse considers it important to engage in discussions with various stakeholders – from clients, employees and investors to policy-makers, legislators, regulators and representatives of the business community and society –

Combating Youth Unemployment

“Check Your Chance” is an association launched by the bank and the SVC Foundation for Entrepreneurship and six non-profit organizations in 2015 to continue the successful work of Credit Suisse’s Youth Unemployment Initiative in cooperation with partner organizations. In 2016, “Check Your Chance”, which is supported by the Swiss State Secretariat for Economic Affairs (SECO), provided assistance to around 1,120 young adults who were unable to find first-time employment after completing an apprenticeship or finishing a degree or who had not yet obtained initial professional training. “Check Your Chance” intervenes at an early stage to offer them targeted support – from advice on choosing a career or completing job applications to successful interview techniques. In this way, the association can help young people to avoid the financial and social challenges of long-term unemployment.

in order to understand the issues that are important to them and to help find constructive solutions to current challenges (see page 8). This exchange of views and ideas has grown increasingly important in recent years in view of international developments and discussions surrounding the role of the finance industry in the global economy. Reflecting our commitment to dialogue, we are a member of a number of industry associations, umbrella organizations and think-tanks. More information about our membership of industry bodies is available at:

 credit-suisse.com/network

We also contribute to the public debate by producing publications, analyses and specialist articles on economic, political and social issues, as well as by commissioning studies from independent research institutions on a range of topics. One example is the Global Wealth Report published by the Credit Suisse Research Institute, which provides comprehensive information on the development of global household wealth each year. For four decades, we have published the Credit Suisse Worry Barometer in Switzerland based on the findings of a representative survey of Swiss citizens to identify the issues that are of greatest concern to the public – such as unemployment, immigration and pensions. In 2016, we also carried out our seventh Youth Barometer survey of around 1,000 young people aged between 16 and 25 in the US, Brazil, Singapore and Switzerland to provide an insight into the lifestyle, problems and attitudes of the younger generation. More information on these publications is available at:

 credit-suisse.com/gwr

 credit-suisse.com/worrybarometer

 credit-suisse.com/youthbarometer

Broader Social Commitments

Credit Suisse views itself as an integral part of society and engages in a range of social initiatives across different



Publications on topics ranging from microfinance to Credit Suisse's role in Switzerland are available at:
[credit-suisse.com/publications](https://www.credit-suisse.com/publications)

regions to promote social cohesion and stability. These commitments take various forms – from our collaboration with selected partner organizations to the volunteer work of Credit Suisse employees around the globe (see pages 28–30). Sponsorship, which has had a prominent place in our corporate and communications strategies for more than three decades, is a further example of our social commitments. We continue to sponsor activities that focus on the areas of sports and culture, with particular importance being assigned to the promotion of young talent. More information about our sponsorship engagements is available at:

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

This chapter addresses the following issues (see page 6):

③ Financial and Political System Stability; ④ Company Performance and Strategy; ⑩ Contribution to Economy and Society

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



Challenges and Responses 2016

Challenge: The low or negative interest rate environment, digitalization, increasing regulation and political events are key factors shaping the development and competitiveness of financial centers worldwide. What contribution did Credit Suisse make to the debate about these different topics in 2016?

Response: We engaged in a constructive dialogue with policy-makers, standard-setting bodies, regulators, trade associations and other relevant stakeholders during the year. As part of our contribution to discussions about key trends affecting our industry, we published the third edition of our "Swiss Financial Center" study in 2016. It examines trends including the growth of wealth in Asian countries and the impact of negative interest rates and it identifies success factors for the Swiss financial center. We also participated in discussions about the finalization of the Basel III framework and the impact that the outcome of the UK referendum on continued EU membership may have on the UK, Swiss and other financial centers. In Switzerland in particular, we addressed topics including appropriate financial market regulation, favorable framework conditions and the relationship between Switzerland and the EU. Another area of focus was digitalization and fintech: We published a white paper "RegTech: How a New Wave of Technologies is Transforming the Regulatory and Compliance Landscape for Financial Institutions".

Our Social Commitments

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

Companies can only achieve long-term success if they operate in an economically stable and socially cohesive environment. To create a sustainable impact, we have established strategic partnerships to contribute to the achievement of the United Nations' Sustainable Development Goals (see page 44) through our global and regional initiatives. We make effective use of our social and financial capital to not only have a positive impact on society but also on employees and our core business.

Social Impact: Education and Microfinance for Inclusive Growth

We regard education and access to financial services as key drivers of growth and an effective means of empowering people to help themselves. We also have the potential to increase social impact beyond the funding of long-term partnerships with selected organizations through our most valuable asset – our employees. As a result, we have defined three focus themes for our social commitments:

education, microfinance and employee engagement (see boxes on pages 28 and 29).

Employees: Expertise, Development, Commitment

Our employees are an integral part of our commitment to society, dedicating over 195,000 hours of their time and expertise in 2016. 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 and those active in social initiatives in the communities where we live and work.

In 2016, we continued to place an emphasis on volunteering programs that promote the transfer of skills and knowledge between employees and partners. This enables our employees to use their expertise for the benefit of our partner organizations and gives them the opportunity to enhance their own skills and professional development. In 2016, our employees around the world dedicated 69,024 hours to skills-based volunteering. These volunteering efforts also help to strengthen the bank's corporate culture and foster cross-team and cross-cultural collaboration. In addition, our internal surveys have shown that employee participation in volunteering programs results in an increase in our employees' satisfaction at work.

Increasing Impact through Our Core Business, Clients and Partners

The teams managing our two global initiatives in microfinance and education work closely with the Philanthropy & Sustainable Investment team to provide philanthropic

Employee Engagement

Volunteering Worldwide – Selected Figures for 2016



Global Citizens Program

The Global Citizens Program (GCP), one of our skills-based volunteering programs, offers suitably qualified employees the opportunity to share their expertise with our education and microfinance partners around the world, particularly in developing countries and emerging markets. Assignments in this leadership development program last from one week to three months and are part of Credit Suisse's formal talent development offering. Over the last seven years, over 255 specialists from various business areas have shared their expertise with partners on the ground. More information is available at:

credit-suisse.com/responsibility/gcp

advice and services to our clients and develop impact investment products to further increase their combined social impact. Through impact investing, we give clients access to alternative investments that not only generate a financial return but also produce a social and/or environmental impact – for example in the areas of microfinance and education (see pages 20–21). Moreover, we are increasingly involving our clients in the development and execution of volunteering and awareness-raising programs. In Switzerland, clients and employees also have the option of supporting selected partner organizations through Micro-Donations; payments made by credit or debit card can be rounded up by a pre-defined amount. This amount, or the interest earned on their bank account, is donated to selected aid organizations and charitable institutions among our partners.

This chapter addresses the following issues (see page 6):
 5 Quality and Range of Services and Advice; 10 Contribution to Economy and Society

credit-suisse.com/responsibility/society

More information on our initiatives in the areas of microfinance, education and employee engagement is available at:
credit-suisse.com/responsibility/initiatives

International Committee of the Red Cross (ICRC) and the International Federation of Red Cross and Red Crescent Societies (IFRC)

Credit Suisse has worked closely with the Red Cross and Red Crescent societies worldwide for many years, supporting several aid and disaster relief projects as well as local initiatives. The bank has been a member of the ICRC's Corporate Support Group since 2008. Our funding has supported the enhancement of the Family Links program which reunites separated family members following a natural or humanitarian disaster. Specialists from all areas of the bank also provide their skills in order to drive strategic projects forward, for example in HR, IT and fundraising. In 2016, we added a new dimension to our partnership by co-designing a new "Philanthropy Day" concept to introduce clients to the organization's important work and to key topics related to refugees and humanitarian aid.

Accion Venture Lab

The financial technology of the 21st century (fintech) is transforming the way financial services are delivered around the world. In addition to fintech initiatives in several key markets, Credit Suisse supports the Accion Venture Lab as part of our Microfinance Capacity Building Initiative. Venture Lab provides seed capital to innovative start-ups in this space. At present, Venture Lab has invested almost USD 10 million in 30 start-ups around the globe. It invests sums ranging from USD 100,000 to USD 500,000 and also provides strategic support and advice to these start-up businesses. These portfolio companies are based in India, Kenya, Mexico and Tanzania, as well as other countries. Their business models focus on mobile payments and different forms of credit analysis and lending.

Microfinance

Credit Suisse is a leader in the field of microfinance and, at end-2016, had over USD 2.8 billion of assets under administration used for the financing of microfinance institutions. 2017 marks the 15th anniversary of Credit Suisse's commitment in this field. In addition to capital, microfinance institutions also need additional talent and know-how to be able to scale up their activities responsibly with diverse products and services. Our Microfinance Capacity Building Initiative

focuses on strengthening these institutions' ability to serve the financially excluded through the development of financial products and services in areas such as financing for agriculture and smallholder farmers, the construction of homes and the funding of education as well as the provision of financial services for women. More information can be found at:

credit-suisse.com/responsibility/microfinance



Education

Education drives economic empowerment and social mobility. Our Global Education Initiative and our regional education activities support programs that improve access to and quality of educational opportunities. For example, we support the KIPP Foundation in the US, City Year UK in the United Kingdom, and Room to Read in several countries in their efforts to provide new opportunities to disadvantaged young people. As part of our Global Education Initiative, we also partner with Plan International and Aflatoun International on our Financial Education for Girls signature program. As a global financial institution, we see

first hand how important financial skills are to be able to actively participate in the economy and society. The program aims to improve the financial education and life skills of approximately 100,000 adolescent girls in Brazil, China, India and Rwanda and to encourage them to transition through secondary school. It is aligned with both the Microfinance Capacity Building Initiative and the core business of Credit Suisse. More information is available at:

credit-suisse.com/responsibility/education

Global Education Initiative – Spotlight on Financial Education 2016





Challenges and Responses 2016

Challenge: How can we strengthen collaboration between all our public and private stakeholders to achieve sustainable impact and produce positive results for society, clients and the bank?

Response: Throughout 2016, we included clients, partners, industry bodies and local authorities in new projects aimed at bringing more social and financial capital to the organizations we support for initiatives addressing important issues. In addition to funding our global initiatives, the Credit Suisse Foundation also supports

activities in communities across Switzerland through the Jubilee Fund and responds to natural disasters globally by providing financial support for immediate and longer-term assistance to affected regions. Moreover, our Micro-Donations program enables clients and employees to make small direct online donations to a select number of our partners in Switzerland. We also continued our partnerships with the Asian Development Bank and the Swiss Agency for Development Collaboration (SDC) in the impact investing and microfinance sectors.

Selected projects in 2016¹



Collective Impact Partnerships in Malaysia and Hong Kong

The Asia Pacific region includes both countries affected by poverty and more advanced economies. In developing countries, our support focuses primarily on the areas of education and microfinance, with a particular emphasis on education programs for socially disadvantaged children or those living with disabilities. In developed countries, our engagements are designed to close gaps in established education systems so that children who require special assistance receive better support. In 2016, for example, Credit Suisse initiated two Collective Impact partnerships in Malaysia and Hong Kong to improve educational outcomes for disadvantaged sections of the population, bringing together companies, foundations and local authorities. The initiative in Malaysia is targeted at improving literacy in public schools and the career readiness of youths in Malaysia. The initiative in Hong Kong is designed, in particular, to improve education in early childhood for children from low-income families.



Non-profit Board Service in the US

In the US, we aim to strengthen the capacity of non-profit organizations (NPOs) through a comprehensive range of volunteer and financial support. In line with this, we launched our "Non-profit Board Service Program" in 2009 with the goal of supporting employees who already serve or are looking to serve on boards of charitable organizations. To date, over 1,100 employees in the US have received training and more than 125 new appointments have been made to the Boards of Directors of NPOs. Not only does non-profit board service add value to NPOs and the community but also our analysis has shown that serving on the board of an NPO helps employees to improve their leadership, strategy and persuasion skills and enhances their ability to work under different circumstances and with diverse networks. Since 2015, programs to support non-profit board service have also been rolled out in Zurich, London and Singapore.



New Prospects for Young People in the United Kingdom

In the UK, our efforts focus on education and support for children and young people from disadvantaged backgrounds. Our goal is to ensure that their social background does not preclude them from obtaining high-quality education and securing future employment. For example, our partner organization Teach First, which we have supported in the UK since 2008, recruits high-performing university graduates and trains them as teachers. Since August 2016, the Credit Suisse EMEA Foundation has been the main partner of Teach First Futures – a program designed to give underprivileged young people a better opportunity to attend selective universities. Our support is helping Teach First to increase its reach. We are also linking Teach First Futures to the "Credit Suisse Steps to Success" program, a scholarship program for outstanding high school students from disadvantaged backgrounds or underrepresented sections of the population.



Partnerships for Social Inclusion in Switzerland

Our role in the economy also allows us to drive key social issues in our Swiss home market (for example through our Youth Unemployment Initiative, see page 26). The inclusion of clients and employees in our engagement for the disadvantaged benefits all involved. We work with more than 80 partner organizations in Switzerland. In addition to continuing our work with our long-term partner the Swiss Red Cross, we entered into a second strategic partnership with Pro Juventute in 2016. We have joined forces to support children and young people and are also working with clients and employees in this context. For example, in order to help reduce youth unemployment in Switzerland, Credit Suisse employees volunteer their time to coach students on how to apply for apprenticeships.

¹ For a list of additional regional projects 2016, see: [credit-suisse.com/responsibility/projects](https://www.credit-suisse.com/responsibility/projects)



Responsibility as an Employer

New York City – Credit Suisse strives to be an attractive employer, offering progressive working conditions and interesting career opportunities in an international working environment.

Responsibility as an Employer



Responsibility as an Employer

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

The success of our company ultimately depends on the skills, experience and business conduct of our employees. For our business to perform well, we must offer our clients best-in-class banking solutions and services. This goal can only be realized if we can attract and retain the most talented professionals in our role as an employer of choice. At Credit Suisse, we offer exciting and challenging career prospects, progressive employment conditions and wide-ranging training and development opportunities. As a result, our employees benefit from attractive long-term career prospects in an international working environment, helping us to retain their knowledge and experience within the bank and to derive maximum benefit from it for our clients.

A Culture of Performance and Development

Our employees' performance objectives are aligned with the bank's strategy, which places clients at the center of all that we do. We measure our employees' performance based on the scale of their contribution to the achievement of our business goals. A globally consistent performance management process enables line managers to assess the performance and development potential of employees on an annual basis. In 2016, we assessed the potential of 88% of our employees in order to effectively manage our pool of talent and support individual development. Line managers complete various training courses in which they learn how to give team members the best possible support to achieve their professional objectives.

We offer our employees market-driven and competitive rates of pay based on performance-related compensation structures. In doing so, we not only take account of employee interests but also consider our obligations towards our shareholders and regulators. Our compensation plans are aligned with our strategic ambition and developed in close consultation with shareholders and in accordance with regulatory requirements (see page 15).

Leadership Development

Leading by example is of critical importance in promoting a strong corporate culture and the achievement of our business objectives. In order to enhance the leadership capability of the bank we run cross-divisional leadership development programs for all levels of management. The offering has a global design and is configured towards regional and divisional needs. It encompasses a blend of modular classroom training, e-learning, mentoring and coaching, work in study groups, assessments and networking opportunities.

Client Skills and Compliance

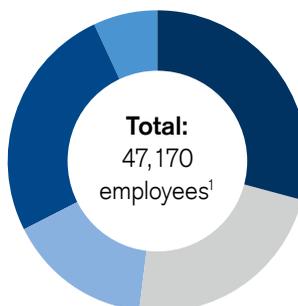
Our employee training and development programs enable us to enhance the quality of our service and advisory offering and to continuously adapt our business to changing market and client needs. Our relationship managers in our Swiss Universal Bank, Asia Pacific and International Wealth Management divisions complete our Frontline Training certification program to ensure that we provide clients with clear and comprehensive information about products, explain potential investment risks and returns, and tailor our advice to their individual needs. To date, around 6,000 front office employees have obtained certification. In 2016, we began implementing a certification standard for relationship managers to strengthen the Swiss financial center as agreed upon with other banks in 2015. This new standard is designed to ensure high-quality expertise, intensified cooperation between Swiss banks and institutions in the area of professional development, and enhanced transparency and acceptance of training activities, thus benefiting employees.

Credit Suisse offers all employees a wide range of training programs that take the form of traditional classroom instruction, e-learning, video-based courses and online learning communities. Mandatory e-learning programs that we offer in accordance with regulatory requirements cover topics such as risk management, the prevention of money laundering and financial crime, as well as other subjects, so that our employees stay informed about continuously evolving external requirements. In addition, our relationship managers complete courses on cross-border business activities that inform them about increasingly complex regulatory requirements and country-specific practices in individual markets. In 2016, we developed over 60 new e-learning programs for regulatory-based topics. Each employee completes at least five mandatory training modules a year, depending on their area of responsibility.

Number of Employees

Full-time equivalents as of December 31, 2016

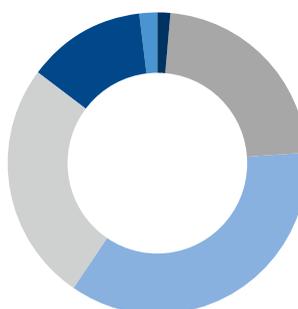
By division



- 13,140 Swiss Universal Bank
- 10,300 International Wealth Management
- 6,980 Asia Pacific
- 11,530 Global Markets
- 3,090 Investment Banking & Capital Markets

¹ Including 300 positions in the Corporate Center and 1,830 positions in the Strategic Resolution Unit. Excluding fixed-term contracts.

Employee split by age



- 1.6% < 20 years (apprentices)
- 22.4% from 20 to 29 years
- 35.7% from 30 to 39 years
- 25.7% from 40 to 49 years
- 12.9% from 50 to 59 years
- 1.7% > 59 years

Employee turnover

2016: voluntary turnover 10.0%
involuntary turnover 5.6%

2015: voluntary turnover 9.9%
involuntary turnover 3.5%

Employee Facts and Figures

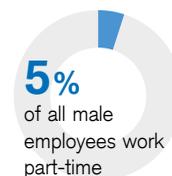
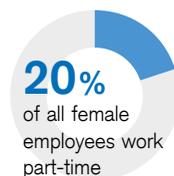
as of December 31, 2016

47,170 employees with permanent contracts (full-time equivalents)

35% proportion of female employees (full-time equivalents)

38% proportion of female employees (number of employees)

19% proportion of women in senior management positions (Managing Directors and Directors)



Proportion of women: Board of Directors/Executive Board

3 of 13 members of the Board of Directors

1 of 12 members of the Executive Board

Diversity and Inclusion

The diversity of our workforce and the different skills, mindsets, knowledge and experience of our employees give us a better understanding of client expectations, cultural backgrounds and regional markets, as well as opening up a broader range of business opportunities. Credit Suisse today employs people from 173 different countries. We are committed to providing equal opportunities for all employees – irrespective of factors such as ethnicity or nationality, gender, sexual orientation, religion, age, marital or family status or disability.

Our internal experts work closely with our businesses across the globe to ensure that a diversity and inclusion framework is firmly embedded in our corporate culture. They partner with managers on the planning and implementation of initiatives to promote an inclusive working environment. We also consider it important to engage in a dialogue with external partners in the area of diversity and inclusion. A list of the organizations and events we supported in 2016, as well as further information, can be found at:

credit-suisse.com/responsibility/partnerships

Investing in Young Talent

We provide a wide range of attractive opportunities for young professionals and graduates who are interested in pursuing a long-term career at Credit Suisse. We also help recent graduates to transition to full-time employment by offering them appropriate training, mentoring and career advice.

Credit Suisse works closely with leading universities around the world to source graduate talent. We also provide practical specialist lectures by our experts in the form of webinars and training courses. For example, an interactive case study webinar on impact investment with Credit

Conduct and Ethics

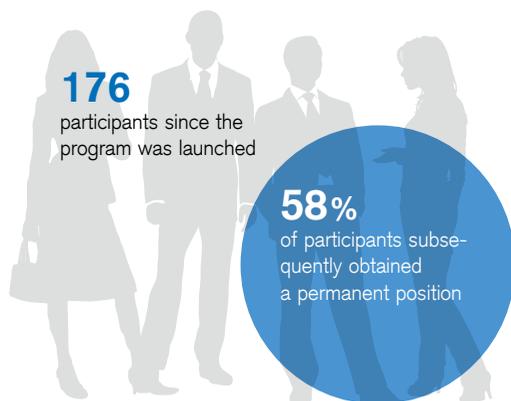
The way we interact with clients, external stakeholders and each other is of key importance for the delivery of our strategy. At the same time, shareholders, clients, employees, legislators and policy-makers are focusing increasingly on the ethics, behavior and integrity of banks. It is therefore vital for the successful execution of our strategy that we establish Group-wide standards and instill clear expectations regarding conduct and ethics in our employees. In doing so, we are building on the progress achieved through existing initiatives relating to our culture, conduct and ethics. By concentrating not just on what we are seeking to accomplish but also on how we do so, we can ensure that our business is sustainable and focuses on the long term.

In December 2016, we implemented a new governance framework that defines how we manage conduct and ethics at Credit Suisse. This framework includes a Group Conduct and Ethics Board (CEB) as well as dedicated divisional Conduct and Ethics Boards and a joint CEB for our corporate functions.

In this context, as of February 2017, we aligned existing global competency/value models and regional culture/value initiatives with a new set of global behavioral standards – the Conduct and Ethics Standards. They apply to each division, corporate function and location. Our new set of behavioral standards aims to ensure a common understanding and consistent expectations in respect of culture and conduct throughout the organization. The establishment of our global Conduct and Ethics Standards and the associated governance is of strategic importance. The initiative is sponsored by the Board of Directors and the Executive Board of Credit Suisse.

Real Returns

Real Returns is an initiative launched originally in the US and UK in 2014 that gives talented and experienced professionals who have taken an extended career break the opportunity to transition back into the workplace through a structured program. After being extended to Switzerland in 2015, the program was successfully implemented in the Asia Pacific division in 2016. Real Returns enables participants to leverage their professional skills and networking capabilities through a program that combines challenging project work, training, mentoring and networking opportunities. The program runs for approximately 12 weeks.



Suisse experts was delivered to prospective campus recruits studying at universities globally with an interest in internship opportunities with the Asia Pacific division businesses. In collaboration with the University of Zurich, a block seminar lasting several days was offered to students completing a Masters in Banking and Finance in order for them to explore the topic of private banking in greater detail. Furthermore, in 2016, the Credit Suisse Research Institute launched a global, virtual academy that enabled students and graduates from all over the world to assess the impact of current central bank policy through the preparation of short videos or essays.

In our Swiss home market, where Credit Suisse is one of the country's largest employers, we offer opportunities for a large number of young people to embark on a career in the banking industry (see box).

Advancement of Women

We recognize the positive impact of increased gender diversity and we therefore want to have appropriate female representation in management positions. In June 2016, Credit Suisse signed the Women in Finance Charter, a pledge to support the progression of women into senior roles across our UK legal entities. More information can be found at:

credit-suisse.com/responsibility/mentoring

Attractive Working Environment and Flexible Working

We consider it important to offer our employees modern and flexible working models. Our office environment, which has been designed according to the Smart Working concept, allows employees to choose their workspace based on their needs at a specific point in time. Approximately 14,000 employees now work in Smart Working environments in our offices worldwide.

Population of Young Talents and Campus Recruits in Our Swiss Home Market in 2016

360	students in a Career Start Program
350	internships (from 12 weeks to 6 months)
70	high school graduates
610	commercial and IT apprentices ¹
in total 1,390	young people in education benefited from a structured training program ²

¹ incl. Neue Aargauer Bank

² incl. Career Starter, internships, Junior Banker and apprenticeships

Talent Development in 2016

84,300	participants in instructor-led courses
70,600	classroom-delivered training days
490	classroom leadership training sessions
17	hours of training per employee (average)
84%	level of satisfaction among course participants (average)
576,400	participants in e-learning courses

At Credit Suisse, we assign the utmost importance to employee health and safety and have internal policies in place to help guarantee our employment conditions meet the highest standards. Specialized teams help to ensure that continuous safety improvements are made in accordance with local legal requirements. In 2011, Credit Suisse became the first Swiss financial services provider to be awarded OHSAS 18001 certification (Occupational Health and Safety Assessment Series) for its operations in Switzerland. In 2016, Credit Suisse in Switzerland was also recognized with the label "Friendly Work Space" from Health Promotion Switzerland (Gesundheitsförderung Schweiz).

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

credit-suisse.com/responsibility/flexibilityhealth

This chapter addresses the following issues (see page 6):

- 1 Culture of Compliance and Conduct;
- 2 Human Resources and Talent Management;
- 5 Quality and Range of Services and Advice;
- 7 Incentives and Compensation Policy

credit-suisse.com/responsibility/employer

Impact of Cost Reduction Measures

In October 2015, we announced that we would implement targeted efficiency measures to reduce our fixed costs, create operating leverage, and free up resources that can be reinvested in growth initiatives.

In March 2016, we announced an acceleration of our restructuring, followed by the announcement of a further increase in our 2018 cost reduction target at Investor Day in December 2016. This increase, from CHF 3.2 billion net savings to over CHF 4.2 billion, is aimed at leading to a target operating cost base on an adjusted¹ basis of below CHF 17.0 billion by end-2018. These cost savings are to be realized through headcount reductions, the reduction of business complexity as well as the exit of activities that are not consistent with our strategy. Importantly, in parallel with these cost saving initiatives, we invested CHF 0.5 billion in strengthening our client franchises and improving our control framework.

Throughout the headcount reduction process, we are working closely with organizations that represent employee interests such as the Credit Suisse Staff Council in Switzerland to support the individuals concerned. We are assisting them in the search for new positions and are striving to minimize the impact of the reduction in employee numbers through internal transfers and natural employee turnover. The Credit Suisse Staff Council has confirmed that we are assuming our social responsibility and are offering a good package of measures to assist affected employees. In 2016, we deployed additional services to our Business Delivery Centers (BDCs) and to outsourcing vendors. We expect the strategic importance of our BDCs to increase further and we anticipate that our BDCs in Poland, India and in the US will continue to play an important role in delivering services for our bank.

¹ Cost reduction program measured in constant FX rates and based on expense run rate excluding major litigation expenses, restructuring costs and goodwill impairment, but including other costs to achieve savings. Adjusted results are non-GAAP financial measures.



Challenges and Responses 2016

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

Response: In view of the ongoing transformation of the financial services industry, as well as low interest rates and rising costs, we transferred additional services from regional headquarters to our captive Business Delivery Centers (BDCs) around the world in 2016. This meant that we reduced the number of positions in regional headquarters while at the same time moving functions and services to our BDCs, which now account for 18% of our workforce. Targeted training to further enhance the expertise and management skills of our employees provides increased career development opportunities and helps us to attract and retain the best talent for our BDCs, actively strengthening their role by assigning them functions with greater responsibility.



Responsibility for the Environment

The Pacific Ocean – Credit Suisse takes environmental impacts into account when conducting its business and developing products and services. We also implement operational measures to improve our environmental performance.

Responsibility for the Environment



Responsibility for the Environment

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

Credit Suisse believes that it is in the interests of both our organization and our clients for us to develop and support measures that contribute to a more environmentally sustainable economy. Our commitments in this area are based on our Code of Conduct, which lists “Sustainability” as one of our six professional standards (see page 5). Our “Statement on Sustainability” explains our aims relating to the balancing of economic, environmental and social issues when performing our activities as a bank. The UN Global Compact and the Sustainable Development Goals (SDGs) adopted by the UN in 2015 are other important points of reference in this area (see pages 43–44).

In our banking businesses, environmental aspects are considered when managing transaction-related risks. Applying our Reputational Risk Review Process, we assess whether projects or client activities could pose a major risk to the environment, the climate or biodiversity (see pages 16–17). To open up sources of capital for the development of future markets, Credit Suisse also offers clients a broad range of investment products and services with a focus on environmental and social themes (see pages 19–22).

Climate Change

The Paris Agreement to strengthen the global response to the threat of climate change entered into force in 2016. Its aim is, among other things, to limit the rise in the global temperature to well below 2° Celsius above pre-industrial levels. As a global financial institution, we recognize our share of responsibilities in combating climate change by supporting the transition to a low-carbon and climate-resilient global economy. Our principles and our approach to climate protection are set out in our “Statement on Climate Change”, which describes how we intend to address climate-related risks, mobilize financial resources and reduce our own environmental footprint. In addition to our continued financing of renewable energies (see page 22), we focused on climate issues in the area of risk management in 2016 (see box on page 18).

In the context of our Credit Suisse Cares for Climate initiative, we have been operating on a greenhouse gas neutral basis at all our locations around the globe since 2010 in line with our strategy to reduce, substitute and offset greenhouse gas emissions (see page 40). We also participate in the dialogue about the development of strategies for sustainable, climate-friendly business practices by, for example, hosting the Lifefair Forum event series in Zurich. In 2016, this event series explored climate aspects, amongst other topics – including in discussions with representatives from businesses, from the political arena and from NGOs about climate-friendly investments and sustainable foods.

We are confronted with the challenge of climate change not only when managing our operational premises but also in our capacity as a leading real estate investment manager with a global portfolio of properties worth over CHF 43.1 billion at the end of 2016. The improvement in the energy efficiency of buildings is an important component of global efforts to tackle climate change – around one-third of all global CO₂ emissions originate from the real estate industry. Credit Suisse Real Estate Investment Management is carrying out a five-year program that is designed to enhance the energy efficiency of around 1,000 buildings in Switzerland and to reduce CO₂ emissions by around 10%. Real Estate Investment Management also operates the “greenproperty” quality seal, which had been applied to around CHF 3 billion of real assets by the end of 2016. In addition, Real Estate Investment Management has a portfolio with approximately 1 million square meters that are certified according to the Swiss property label Minergie as well as 200,000 square meters globally certified according to the LEED (Leadership in Energy and Environmental Design) standard. Further information on climate-related topics and our “Statement on Climate Change” are available at:

credit-suisse.com/climate

Biodiversity and Natural Capital

The importance of financial services in promoting sustainability and biodiversity was underscored when the G20 ministers reaffirmed their commitment to green finance at their summit in September 2016. At Credit Suisse, we consider the protection of biodiversity an integral part of our sustainability commitments. In 2016, we supported capacity building initiatives with external stakeholders through activities such as our ongoing role as an advisor to the Sustainable Palm Oil Transparency Toolkit (SPOTT). We hosted the annual conference in New York of the Rainforest Alliance, an environmental NGO, which examined practical approaches to investing in responsible forestry and farming. We also hosted a workshop in London for banks and World Wildlife Fund (WWF) representatives to engage on risk management approaches to World Heritages Sites as

well as a separate event with WWF Turkey on water risks for business.

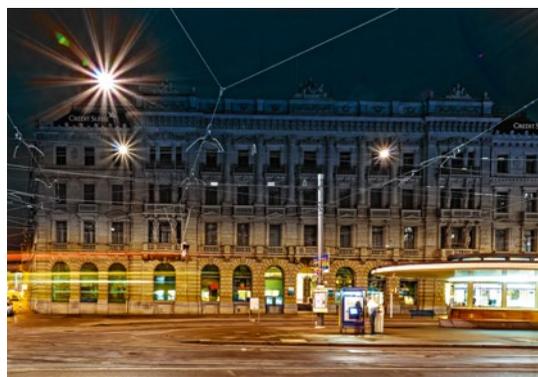
Since launching a new type of impact investing product – Nature Conservation Notes – in 2014, we have continuously expanded our activities in the area of conservation finance. In 2016, for example, we co-founded the Coalition for Private Investment in Conservation (CPIC), which aims to contribute to the preservation of the world's most important ecosystems through new return-oriented investment products. In addition, we hosted the third Credit Suisse Annual Conservation Finance Conference and conducted research in this area (see page 21). Further information is available at:

credit-suisse.com/conservationfinance

Environmental Management

Credit Suisse strives to make more efficient use of natural resources and to reduce greenhouse gas emissions. These efforts are focused on energy management because energy consumption is the area in which our operations have the greatest direct impact on the environment. In order to

Raising Employee Awareness of Environmental Issues



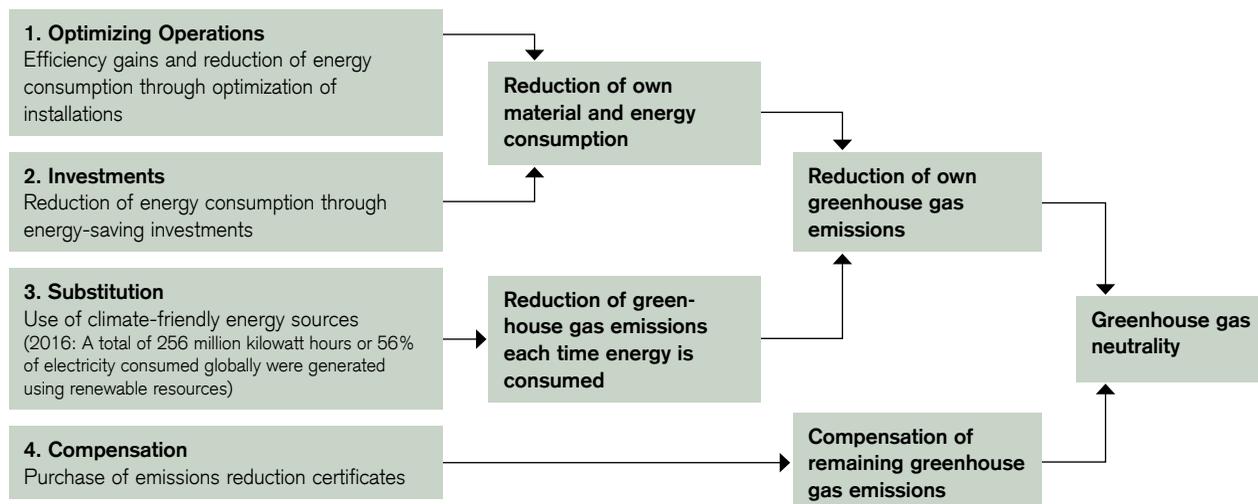
We give employees the opportunity to make a personal contribution to environmental protection, and we inform them about environmental issues. Around 2,000 employees worldwide have signed up to our regional Sustainability Networks as of end-2016. This internal platform enabled employees in the Americas to actively contribute to a white paper on the topic of conservation finance, and it allowed employees across the bank to participate in a range of sustainability events in 2016, such as the Credit Suisse-sponsored Kids Ocean Day in Hong Kong. In addition, Credit Suisse took part in the symbolic Earth Hour climate campaign, with the light being switched off for one hour in 44 Credit Suisse offices around the world on March 19, 2016 (see above photograph). Credit Suisse also provided 8,700 hours of training on environmental management as well as on health and safety for 6,200 employees together with various service providers in 2016. In May and June 2016, 86 teams of Credit Suisse employees in Switzerland participated in the “bike to work” campaign and cycled a total of around 100,000 kilometers.

Global Greenhouse Gas Neutrality – Our Four-Pillar Strategy

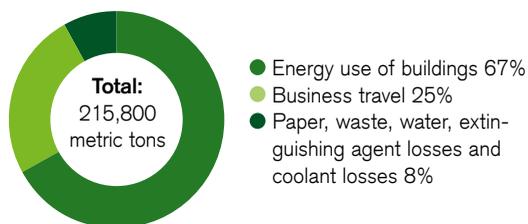
Credit Suisse has been greenhouse gas neutral globally since 2010. We systematically pursue our four-pillar strategy based on operational efficiency improvements,

investments, substitution and the compensation of emissions through the purchase of emissions reduction certificates (ERCs). As a result, our net global greenhouse gas emis-

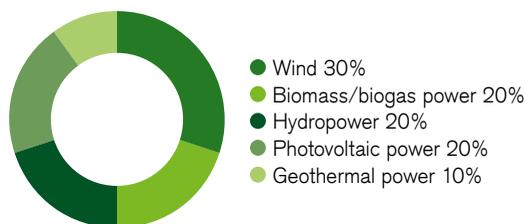
sions decreased by around 10% to 215,800 metric tons of CO₂ equivalents during the year. By implementing these measures, we achieved greenhouse gas neutrality.



Credit Suisse's greenhouse gas emissions in 2016



Portfolio of purchased emissions reduction certificates (ERCs) 2016¹



¹ 60% of ERCs meet the Gold Standard.

Global key performance indicators for environmental management¹

	2016		2015 ²		2014 ²	
	Absolute	Per FTE ³	Absolute	Per FTE ³	Absolute	Per FTE ³
Greenhouse gas emissions (CO₂ equivalents in metric tons)⁴	215,800	4.5	240,700	5.0	245,700	5.3
Energy (MWh)	536,000	11	558,000	12	572,000	12
Business travel (km)	432,124,000	9,100	552,430,000	11,400	531,389,000	11,500
Paper (t)	3,700	0.08	4,100	0.08	4,400	0.10
Water (m³)	974,300	20	1,023,000	21	1,027,300	22
Waste (t)	11,600	0.24	11,300	0.23	12,100	0.26

¹ According to VfU standard 2013 for the years 2014 and 2015, and according to VfU standard 2015 for the year 2016 (rounded figures).

² Minor adjustments made to 2014 and 2015 basic data sets.

³ As of December 31 of reporting year.

⁴ Net greenhouse gas emissions.

Further information on environmental management and examples of measures taken globally and in all our regions are available at: credit-suisse.com/environmentalmanagement

Detailed information on Credit Suisse's four-pillar strategy is available online at: credit-suisse.com/4pillarstrategy

reduce environmental impacts and lower costs, we continuously implement a variety of measures through our environmental management system, which is certified globally in accordance with ISO 14001. In 2016, as in previous years, we concentrated on further improving energy efficiency and on reducing power and energy consumption. For example, we achieved approximately 1.1 gigawatt-hours (GWh) of energy savings in 2016 through the ongoing virtualization of our global server infrastructure across all our Enterprise Data Centers. Through our efficiency program in Switzerland, we were able to further lower our CO₂ emissions by reducing energy consumption by around 5 GWh (weighted) and water consumption by around 3,500 m³. We also involve external service providers and suppliers in environmental management efforts where appropriate (see box on page 18). In 2016, we passed the surveillance audit of our global environmental management system carried out by the external certification company SGS without corrective measures.

For us as a global financial institution, business travel is among the main challenges we face in our efforts to reduce our environmental footprint. While it is often essential to maintain direct contact with clients, business travel accounts for around 25% of our global greenhouse gas emissions. We therefore encourage employees to travel by train when covering shorter distances, and to use telephone and video conferencing where this is possible. Consequently, the use of desktop videoconferencing rose to 190,422 hours in 2016. If air travel is essential, we purchase greenhouse gas neutral tickets that offset all the emissions from our flights through emissions reduction certificates (ERCs). In 2016, we offset around 48,000 metric tons of greenhouse gas emissions in this way. Furthermore, working models that enable our employees to

work from home from time to time can help to reduce emissions from regional commuter traffic. Finally, we reduce our environmental footprint through the use of paper produced from forests that are managed sustainably in line with the Forest Stewardship Council (FSC) criteria; in 2016, this accounted for 82% of internal paper consumption in Switzerland.

This chapter addresses the following issues (see page 6):

5 Quality and Range of Services and Advice; 8 Environmental and Social Risk Management

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



Challenges and Responses 2016

Challenge: The preservation of the world's natural habitats is a vital challenge, and one of the 17 Sustainable Development Goals adopted by the UN in 2015 is to protect, restore and promote the sustainable use of terrestrial ecosystems. What steps is Credit Suisse taking to tackle this challenge?

Response: Credit Suisse addresses the issue of environmental sustainability and sustainable land use in a variety of ways. Recognizing the need for capital in conserving ecosystems, we have continuously expanded our activities in the area of conservation finance (see pages 21 and 39–41). In order to consider biodiversity-

related issues in our risk management processes, we have incorporated this topic into our sector-specific policies and guidelines (see page 17). Our policy requirements for the forestry and agribusiness industry are aligned with sustainability initiatives for relevant sectors, including the standards of the Roundtable on Sustainable Palm Oil (RSPO) and the Forest Stewardship Council (FSC). To promote good forestry and agribusiness practices and to discourage net forest conversion, our policies include restrictions on financing activities related to High Conservation Value Forests, provisions for the particular scrutiny of peatland operations, and the

prohibition of financial services for operations in protected areas such as UNESCO World Heritage sites. In that context, we are also a member of the RSPO. In addition, we contributed to sustainable finance workshops initiated by the Indonesian Financial Services Authority and WWF in 2016. We continue to engage with clients and collaborative NGOs on key environmental and social issues. Furthermore, Credit Suisse maintains a dialogue with key stakeholders on the topic of conservation finance and the protection of natural habitats, for example through our 2016 workshop in London with banks and representatives from WWF.

Reporting on Corporate Responsibility

Through our reporting on corporate responsibility, we inform our stakeholders openly and transparently about the ways in which we address economic, environmental and social challenges in our daily business activities as well as about the principles that guide us in our work.

These principles are set out in our Code of Conduct (see page 5) and in the Group-wide “Statement on Sustainability”. They apply to all our activities and to our relationship with our stakeholders. Further information can be found at:

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

Scope of the Report

This report forms an integral part of our annual reporting suite (see inside front cover for details on all three components) and focuses on the financial year 2016. It explains how our commitments and aspirations in the area of corporate responsibility are put into practice as a key component of our operations, and it provides an overview of our principal activities and milestones in 2016. It also documents the measures we have put in place and the progress we have made in implementing the ten principles of the UN Global Compact, as well as our contribution to supporting the Sustainable Development Goals (see pages 43–44). Unless otherwise stated, the information in this report relates to Credit Suisse globally.

The contents of the report, along with additional information, are also published on the Internet together with the multimedia Responsibility Chronicle that features in-depth articles and videos on our global projects and initiatives. Comprehensive information about our efforts relating to corporate responsibility is available at:

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

Global Reporting Initiative

Our reporting on corporate responsibility reflects the requirements set out in the Global Reporting Initiative (GRI) – a voluntary standard for reporting on sustainability. The GRI guidelines help to increase transparency and comparability in this area. In line with the GRI guidelines, Credit Suisse regularly conducts a materiality assessment in order to better understand the views and interests of our stakeholders. This report covers the issues classified as particularly important in the context of the materiality assessment (see page 6).

Credit Suisse’s 2016 reporting on corporate responsibility was produced based on the GRI G4 Guidelines (“core” option). As in previous years, selected indicators of our GRI-based disclosure on corporate responsibility will be externally assessed and independently assured by SGS. Further details regarding our GRI indicators and the external review are available at:

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

Implementation of the 10 Principles of the UN Global Compact

Over 9,200 businesses from 164 countries have pledged to uphold the ten principles relating to human rights, labor standards, environmental protection and anti-corruption efforts defined in the UN Global Compact. In 2000, Credit Suisse became one of the first companies to sign up to this leading international initiative on responsible business practices. Through our Corporate Responsibility Report, we communicate annually on the progress we have made in implementing the ten principles.



The 10 Principles of the UN Global Compact		Implementation at Credit Suisse	See pages
Human Rights			
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	<ul style="list-style-type: none"> • Involvement in the formulation of sector-specific recommendations for the application of the UN Guiding Principles on Business and Human Rights (Thun Group of Banks) • Statement on Human Rights 	17–18 17–18
Principle 2	make sure that they are not complicit in human rights abuses.	<ul style="list-style-type: none"> • Sustainability risk management • Sector-specific policies and guidelines 	16–18 17
Labor			
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	<ul style="list-style-type: none"> • Credit Suisse Staff Council in Switzerland (internal employee representation) • European Works Council 	36 36
Principle 4	the elimination of all forms of forced and compulsory labor;	<ul style="list-style-type: none"> • Supply Management: Credit Suisse Supplier Code of Conduct and introduction of the Third Party Risk Management (TPRM) Framework • Modern Slavery and Human Trafficking Transparency Statement 	18 18
Principle 5	the effective abolition of child labor; and	<ul style="list-style-type: none"> • Sector-specific policies and guidelines • Supply Management: Credit Suisse Supplier Code of Conduct and introduction of the Third Party Risk Management (TPRM) Framework 	17 18
Principle 6	the elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none"> • Diversity and Inclusion • Barrier-free access 	34–35 21
Environment			
Principle 7	Businesses should support a precautionary approach to environmental challenges;	<ul style="list-style-type: none"> • Statement on Climate Change • Sustainability risk management • Sector-specific policies and guidelines • Signatory to the Principles for Responsible Investment (PRI) 	38–39 16–18 17 19
Principle 8	undertake initiatives to promote greater environmental responsibility; and	<ul style="list-style-type: none"> • Global greenhouse gas neutrality since 2010 • ISO 14001-certified environmental management system • Activities in the area of conservation finance 	38–41 41 20–21
Principle 9	encourage the development and diffusion of environmentally friendly technologies.	<ul style="list-style-type: none"> • Use of clean energy technologies in our operations • Sustainable products and services • Renewable energy project financing 	38–41 19–22 22
Anti-Corruption			
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> • Member of the Wolfsberg Group • Internal standards and training for employees • Integrity Hotline 	13 12–13 13

Our Contribution to the Realization of the Sustainable Development Goals

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



Objective	Our contribution	See pages
Goal 4: Quality Education		
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	• We promote access to education and help to improve the quality of education through our Global Education Initiative	29
	• We run a financial education program for girls in Brazil, China, India and Rwanda	29
	• We support regional education programs in collaboration with partner organizations	29–30
Goal 5: Gender Equality		
Achieve gender equality and empower all women and girls.	• We foster diversity and inclusion within our organization	34–35
	• We take measures to increase the representation of women in management positions within our organization	35–36
	• We run a “Real Returns” initiative, allowing professionals to relaunch their careers after an extended period of absence	35
	• We promote access to financial services for women in developing countries and emerging markets through our microfinance activities and run a financial education program for girls	29
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	32–36
	• We support economic growth and entrepreneurship through our role as a lender and financial intermediary	24–27
	• We are an integral part of the economy and society in our role as an employer, client, contractual partner and taxpayer	24–27
	• We launched an initiative to combat youth unemployment in Switzerland	26
	• We help to strengthen local economies in developing countries and emerging markets through our activities in the area of microfinance	19–21
Goal 9: Industry, Innovation and Infrastructure		
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	• We provide renewable energy project financing	22
	• We supply risk capital to support growth and innovation, including through SVC – Ltd. for Risk Capital for SMEs in Switzerland	25
	• We help to strengthen local economies in developing countries and emerging markets through our activities in the area of microfinance	19–21
	• We focus on sustainability risk management and have sector-specific policies and guidelines in place	16–18
Goal 11: Sustainable Cities and Communities		
Make cities and human settlements inclusive, safe, resilient and sustainable.	• We invest in real estate that meets “greenproperty” sustainability criteria	39
	• We are committed to improving the ESG performance (environmental, social and governance performance), energy efficiency and carbon footprint of our real estate investment portfolio	39
	• Credit Suisse (Lux) European Climate Value Property Fund	20
Goal 13: Climate Action		
Take urgent action to combat climate change and its impacts.	• We have achieved greenhouse gas neutrality for all our operations globally	38–41
	• We offer a range of sustainable products and services for our clients	19–22
	• We focus on sustainability risk management and have sector-specific policies and guidelines in place	16–18
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	20–21, 39–41
	• We have an ongoing advisory role to the Sustainable Palm Oil Transparency Toolkit (SPOTT)	39
	• We focus on sustainability risk management and have sector-specific policies and guidelines in place	16–18

Sustainability Indices and Ratings Assigned to Credit Suisse in 2016

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

Ratings	Brief description	Credit Suisse
CDP	CDP represents institutional investors with invested assets of over USD 100 trillion; its aim is to offer transparent guidance to investors on climate-related opportunities and risks for companies.	B score (rating scale: D- to A)
MSCI ESG Rating	MSCI ESG Ratings assess a company's performance based on environmental, social and governance (ESG) themes, focusing on key ESG issues identified for the industry.	BB (rating scale: AAA to CCC)
RobecoSAM	As part of its Corporate Sustainability Assessment, RobecoSAM analyzes the sustainability performance of over 3,900 listed companies every year. This involves assessing companies on the basis of environmental, social and economic criteria.	77% (industry average: 43%) Economic dimension: 73%; Environmental dimension: 84%; Social dimension: 79%
Sustainalytics	The sustainability research carried out by Sustainalytics focuses on environmental, social and governance (ESG) criteria.	66 points (rating scale: 1 to 100) (87th percentile; rated 35 out of 255)

Sustainability Networks and Initiatives

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



Climate Bonds Initiative

Signatory of:



Principles for Responsible Investment (PRI)



Equator Principles



Roundtable on Sustainable Palm Oil (RSPO)



Green Bond Principles



UN Environment Programme Finance Initiative (UNEP FI)



Oebu – Swiss Business Council for Sustainable Development



UN Global Compact

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

Achievements 2016 and Objectives 2017



Banking

Objectives 2016

- Our strategic ambition is to be a leading wealth manager with strong investment banking capabilities. In 2016, we focused on a number of strategic objectives: (i) generating profitable and compliant growth, (ii) reducing our fixed cost base and creating operational leverage, (iii) strengthening our capital position, (iv) strengthening our control and compliance environment and (v) resolving our legacy issues.

- Further develop our compliance risk and controls governance, including defined roles and responsibilities within a clear framework, as well as providing transparency on the level of effectiveness and efficiency of the controls delivered.

- Continue to execute the Legal Entity Program with the start of operations of the new Swiss legal entity Credit Suisse (Schweiz) AG expected in the second half of 2016. In the US, we intend to establish the Intermediate Holding Company (IHC) by the July 2016 deadline.

Achievements 2016

- We made progress in delivering against our key strategic objectives during the year. Our increased focus on our ultra-high-net-worth individual (UHNWI) and entrepreneur clients allowed us to attract significant net new assets and grow our asset base at higher margins. We were able to achieve net savings of CHF 1.9 billion*, while investing in our client franchise and improving our control and compliance framework. We substantially completed the right-sizing of our trading activities in line with our strategic direction, and we freed up capital from business areas that we wanted to exit. In particular, in the Strategic Resolution Unit, we made significant progress in disposing of and de-risking legacy positions, with a 39% reduction in both leverage exposure and risk-weighted assets (in US dollars). This allowed us to strengthen our capital ratios and simultaneously invest in growth areas. At the end of 2016, we reached an important milestone in resolving our legacy issues with the settlement with the US Department of Justice relating to our residential mortgage-backed securities (RMBS) business – a business conducted through 2007. Closing the year with a look-through CET1 ratio of 11.5%, even after the settlement with the DOJ related to our legacy RMBS business, puts us in a comfortable position for 2017.

- We established the Chief Compliance and Regulatory Affairs Officer (CCRO) as a function at Executive Board level to ensure we are focused on preventing future Compliance risks to the bank. We established new units and technology:
 - Financial Intelligence Unit to help enhance the process of identification of existing and future anti-money laundering (AML) compliance risks.
 - Central Control Unit to strengthen the comprehensive know your customer (KYC) and formalities verification process for new and existing clients.
 - Compliance Investigations function to manage global reviews, and we further strengthened relationships with regulators.
 - Single Client View and Relationship Manager (RM) Surveillance, strengthening our holistic client and RM monitoring, providing transparency into our client and employee risk.

- 2016 was a very important year for the Legal Entity Program, which saw a large number of key deliverables completed, including:
 - In Switzerland, we have established Credit Suisse (Schweiz) AG as a wholly-owned subsidiary of Credit Suisse AG to support the realization of our strategic objectives, increase our resilience and meet regulatory requirements.
 - Credit Suisse Holdings (USA), Inc. was fully established in the US in line with regulatory requirements and successfully started operations.
 - Credit Suisse AG, Dublin Branch, was opened in the first quarter of 2016, making Ireland an important hub for the bank's prime services business in Europe.

* See note on page 47.

Objectives 2016

- Continue to actively engage in dialogue with regulators to strengthen our relationships and shape the regulatory agenda.
- Enhance sustainability risk management by expanding training, introducing additional guidance tools for use by the front office and developing a suitable approach to monitor portfolio-level sustainability risks for certain sectors.

Achievements 2016

- Credit Suisse continued to consistently engage in constructive and transparent dialogue with regulators on a range of industry and firm-specific topics designed not only to further strengthen the stability of the firm but also the wider financial system. During the past 18 months, we worked intensively towards satisfying regulatory expectations and have strengthened our approach to ensure a prudent and control-centric philosophy in our daily operations and culture. We also set up Legal Entity Boards with Non-Executive Directors to further strengthen governance. As a result, numerous regulators have acknowledged significant progress.
- In 2016, we trained a total of 225 employees on sustainability risk management, and we introduced a checklist to support our front office employees when dealing with environmental and human rights risks in private banking relationships. Furthermore, we tested our newly developed Power Sector Guidelines, which provide guidance on managing environmental and social risks in the power generation sector, focusing on coal, hydro and nuclear power generation. In order to deepen our understanding of the climate policy risk landscape and to prepare for potential upcoming disclosure requirements in that space, we piloted an approach to identify and understand portfolio-level climate policy risks for coal mining and power generation.

Objectives 2017

- We remain focused on our key priorities to ensure we are well positioned to grow profitably and produce long-term value for our shareholders. We are committed to maintaining a look-through CET1 ratio of 11–12% in the course of 2017, excluding the impact of the planned partial IPO¹ of Credit Suisse (Schweiz) AG by the end of 2017. We aim to achieve an operating cost base of below CHF 18.5 billion by end-2017 as a result of cost discipline and management, while continuing to invest in strengthening our client franchises and improving our control framework. We will strive to make further progress with our restructuring program in 2017 and to capture profitable growth opportunities across our franchises and geographies.
- Continue to engage with stakeholders on applying environmental and human rights considerations in risk management processes related to business transactions and client relationships.
- Continue implementation of the Legal Entity Program strategy and focus on the completion of the remaining major deliverables, including: launching service companies in the US, Switzerland and the UK, completing first non-public comprehensive capital analysis and review (CCAR) framework submission. In addition, the Legal Entity Program has been expanded to assess solutions following the expected withdrawal of the UK from the EU.
- Participate in the consultation on the recommendations released by the Financial Stability Board's Task Force on Climate-related Financial Disclosures (FSB TCFD) and engage with industry associations and relevant internal functions to develop approaches for addressing the FSB TCFD recommendations.

¹ Planned partial IPO of Credit Suisse (Schweiz) AG by the end of 2017, market conditions permitting. Any such IPO would involve the sale of a minority stake and would be subject to, among other things, all necessary approvals and would be intended to generate/raise additional capital for Credit Suisse AG or Credit Suisse (Schweiz) AG.

* Note relating to pages 10 and 46: 2016 net cost savings represents the difference between 2015 "adjusted operating expenses at constant FX rates" of CHF 21.2 billion and 2016 "adjusted operating expenses at constant FX rates" of CHF 19.4 billion. "Adjusted operating expenses at constant FX rates" is a non-GAAP financial measure and includes adjustments as made in all our disclosures for restructuring expenses (CHF 355 million in 2015 and CHF 540 million in 2016), major litigation expenses (CHF 820 million in 2015 and CHF 2,407 million in 2016) and a goodwill impairment taken in 4Q15 of CHF 3,797 million as well as adjustments for FX (CHF (318) million in 2015 and CHF (293) million in 2016. Adjustments for FX

apply the following main currency exchange rates for 1Q15: USD/CHF 0.9465, EUR/CHF 1.0482, GBP/CHF 1.4296, 2Q15: USD/CHF 0.9383, EUR/CHF 1.0418, GBP/CHF 1.4497, 3Q15: USD/CHF 0.9684, EUR/CHF 1.0787, GBP/CHF 1.4891, 4Q15: USD/CHF 1.0000, EUR/CHF 1.0851, GBP/CHF 1.5123, 1Q16: USD/CHF 0.9928, EUR/CHF 1.0941, GBP/CHF 1.4060, 2Q16: USD/CHF 0.9756, EUR/CHF 1.0956, GBP/CHF 1.3845, 3Q16: USD/CHF 0.9728, EUR/CHF 1.0882, GBP/CHF 1.2764, 4Q16: USD/CHF 1.0101, EUR/CHF 1.0798, GBP/CHF 1.2451. These currency exchange rates are unweighted, i.e. a straight line average of monthly rates. We apply this calculation consistently for the periods under review. Management believes that adjusted results provide a useful presentation for purposes of assessing our Group and divisional performance consistently over time, on a basis that excludes items that management does not consider representative of our underlying performance.



Economy and Society

Objectives 2016

- Continue to engage in a dialogue with political representatives and regulators and actively participate in industry associations and working groups.
- Make a meaningful contribution to inclusive growth and global initiatives, such as the UN Sustainable Development Goals (SDGs), through our role as a financial intermediary, employer and client and through our combined Corporate Citizenship programs and initiatives as well as the collaboration with our business – continuing to leverage the skills of our employees through engagement opportunities.

Achievements 2016

- We participated in a close dialogue with relevant stakeholders on a variety of topics such as investor protection and tax rules. A particular focus of these discussions was, however, the finalization of the Basel capital rules and the “Too Big to Fail” regime as well as the outcome of the UK referendum on continued EU membership and its implications for the UK, as well as for Switzerland and the EU. We published our study “Swiss Financial Center 2016” as part of our constructive contribution to this ongoing dialogue.
- Our regional and global initiatives in microfinance and education, including the Financial Education for Girls program, have provided additional financial services and education to an increased number of beneficiaries in 2016 (see page 29). We are addressing multiple UN Sustainable Development Goals (SDGs) – in particular SDGs 1, 4, 5 and 8 (see page 44). Furthermore, our partnership approach with NGOs, governments, employees and clients illustrates the potential of SDG 17 (Partnerships for the Goals), for example, through the Global Citizens Program and our activities in the area of impact investment.

Objectives 2017

- Maintain a close dialogue with relevant stakeholders on the topics of investor protection, tax rules, the stability of the financial sector and digitalization.

- Demonstrate how a financial services provider like Credit Suisse can leverage its capital, products and services, clients, employees and network of public and private partners to address society’s most pressing challenges while delivering our strategy and strengthening our own institution. This will be highlighted by our 15 years of Investing for Impact anniversary in 2017.



Objectives 2016

Achievements 2016

<ul style="list-style-type: none">• Acquire, develop and retain employees to optimally support our business.	<ul style="list-style-type: none">• The new divisional structure of Credit Suisse was successfully implemented as of January 1, 2016. During 2016, we reviewed and enhanced our performance management process with a focus on two key areas: first, on ensuring that the personal objectives of employees are closely linked to the bank's strategic goals, and second, on making sure that going forward, employee performance will be measured against the bank's new Conduct and Ethics Standards (see box on page 34). In addition, we believe it is crucial to provide employees with the flexibility they need to achieve a good work/life balance. To support the realization of this goal, we offer generous parental leave across different locations for parents as well as providing coaching and support for new parents who are returning to the workplace. We encourage all employees to make full use of their annual leave entitlement. In addition, all tenured employees can apply to take a sabbatical of up to three months in order to rest and recuperate before returning to work. We pursue a robust diversity and inclusion agenda with a view to increasing representation by gender and ethnicity among the bank's management. We have also piloted training for managers to help them mitigate the impact of unconscious bias when making personnel-related decisions; this program will be rolled out globally in 2017. In addition, our work to promote high-potential female talent resulted in the highest ever number of women being promoted to the rank of Managing Director globally in 2016.
<ul style="list-style-type: none">• Ensure a sound relationship with organizations that represent employee interests and the Credit Suisse Staff Council in Switzerland on employment terms and conditions.	<ul style="list-style-type: none">• We have maintained close and regular contact with our social partners in Switzerland. Representatives of our Human Resources department and business executives meet with representatives of both trade unions and the Staff Council at least once each quarter. This collaborative approach enables us to find solutions that take into account Credit Suisse's social responsibilities and may go beyond the obligations required by law or collective bargaining agreements. In Switzerland, for example, the longstanding policy on social measures for organizational restructurings was revised and upgraded to form a social plan as of November 1, 2016. The plan contains a set of tools to avoid terminations of employment for structural reasons wherever possible and to develop options to enable employees to continue their careers within or outside Credit Suisse, especially in the case of employees aged over 50.
<ul style="list-style-type: none">• Support the implementation and the preparation of the planned partial initial public offering (IPO¹) of Credit Suisse (Schweiz) AG.	<ul style="list-style-type: none">• On November 20, 2016, Credit Suisse (Schweiz) AG² successfully started operations. Approximately 6,500 employees were transferred to the new legal entity. The launch is an important milestone in the implementation of our Group strategy, which allows our Swiss business to build on the positive development over the past few quarters and gain further market shares in our crucially important home market.

¹ Planned partial IPO of Credit Suisse (Schweiz) AG by the end of 2017, market conditions permitting. Any such IPO would involve the sale of a minority stake and would be subject to, among other things, all necessary approvals and would be intended to generate/raise additional capital for Credit Suisse AG or Credit Suisse (Schweiz) AG.

² The scope of Credit Suisse (Schweiz) AG differs from the Swiss Universal Bank division of the Group.



Employer

Objectives 2017

- Further embed the Conduct and Ethics Standards throughout our organization to ensure a common understanding as well as consistency about our expectations at Credit Suisse with regard to culture and conduct and to further drive alignment and standardization.
- Continue to attract, develop and retain employees to optimally support our business.



Environment

Objectives 2016

- Further strengthen the ISO 14001-certified global environmental management system (EMS) through successful completion of the 2016 control audit and adjustment of the EMS to new processes and responsibilities, including preparation for the new ISO standard to be implemented as of 2018.
- Revise the sustainability strategy for operational processes, including the development of longer-term operational ecology targets for environmental aspects.
- Develop a new conservation finance product to further strengthen our impact investment offering.

Achievements 2016

- We successfully passed the ISO 14001 control audit under the direction of the certification company SGS without any corrective measures – in 2016, the audit focused on buildings in the US and Switzerland. With respect to the new ISO standard, which will be valid from 2018, we conducted a comprehensive analysis of our existing ISO 14001 system in 2016 with a view to identifying any potential gaps in our environmental management system. In 2016, we were able to reduce our ecological footprint from operating activities by 10% to 215,800 tons of CO₂ equivalents – thanks to the ongoing energy-related optimization of our properties, the further consolidation of the portfolio around buildings with high energy efficiency and the use of state-of-the-art IT infrastructure. With regard to the substitution of existing energy sources, we generated a total of 56% of electricity from renewable energy sources in 2016. In addition, we achieved global greenhouse gas neutrality for the seventh year in a row.
- We reviewed our existing sustainability strategy for operational processes, taking into account current international developments in combating climate change as well as recent best-practice developments in target-setting in environmental management.
- We developed a conservation investment product around the sustainable oceans theme.

Objectives 2017

- Ensure a successful global ISO 14001 control audit under the direction of the certification company SGS.
- Deepen engagement with key external stakeholders in relation to sustainable land use management.

- Adapt the processes and documentation related to our environment management system to the new ISO 14001 standard (valid from 2018) by revising the governance model across all management areas and levels involved.

Cautionary statement regarding forward-looking information

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

- our plans, objectives 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 except as may be required by applicable securities laws.

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

- the ability to maintain sufficient liquidity and access capital markets;
- market volatility and interest rate fluctuations and developments affecting interest rate levels;
- the strength of the global economy in general and the strength of the economies of the countries in which we conduct our operations, in particular the risk of continued slow economic recovery or downturn in the US or other developed countries or in emerging markets in 2017 and beyond;
- the direct and indirect impacts of deterioration or slow recovery in residential and commercial real estate markets;
- adverse rating actions by credit rating agencies in respect of us, sovereign issuers, structured credit products or other credit-related exposures;
- the ability to achieve our strategic objectives, including cost efficiency, net new asset, pre-tax income/(loss), capital ratios and return on regulatory capital, leverage exposure threshold, risk-weighted assets threshold, and other targets and ambitions;
- the ability of counterparties to meet their obligations to us;
- the effects of, and changes in, fiscal, monetary, exchange rate, trade and tax policies, as well as currency fluctuations;
- political and social developments, including war, civil unrest or terrorist activity;
- the possibility of foreign exchange controls, expropriation, nationalization or confiscation of assets in countries in which we conduct our operations;
- operational factors such as systems failure, human error, or the failure to implement procedures properly;
- the risk of cyberattacks on our business or operations;
- actions taken by regulators with respect to our business and practices and possible resulting changes to our business organization, practices and policies in countries in which we conduct our operations;
- the effects of changes in laws, regulations or accounting policies or practices in countries in which we conduct our operations;
- the potential effects of proposed changes in our legal entity structure;
- competition or changes in our competitive position in geographic and business areas in which we conduct our operations;
- the ability to retain and recruit qualified personnel;
- the ability to maintain our reputation and promote our brand;
- the ability to increase market share and control expenses;
- technological changes;
- the timely development and acceptance of our new products and services and the perceived overall value of these products and services by users;
- acquisitions, including the ability to integrate acquired businesses successfully, and divestitures, including the ability to sell non-core assets;
- the adverse resolution of litigation, regulatory proceedings, and other contingencies; and
- other unforeseen or unexpected events and our success at managing these and the risks involved in the foregoing.

We caution you that the foregoing list of important factors is not exclusive. When evaluating forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, including the information set forth in "Risk factors" in I – Information on the company in our Annual Report 2016.

Important information about this publication

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

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

Unless otherwise noted, leverage exposure is based on the BIS leverage ratio framework and consists of period-end balance sheet assets and prescribed regulatory adjustments. Beginning in 2015, the Swiss leverage ratio is calculated as Swiss total eligible capital, divided by period-end leverage exposure. The look-through BIS tier 1 leverage ratio and CET1 leverage ratio are calculated as look-through BIS tier 1 capital and CET1 capital, respectively, divided by end-period leverage exposure.

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

The data presented in this report relating to the Swiss Universal Bank refers to the division of Credit Suisse Group as the same is currently managed within Credit Suisse Group.

The scope, revenues and expenses of the Swiss Universal Bank vary from the planned scope of Credit Suisse (Schweiz) AG and its subsidiaries, for which a partial initial public offering (IPO) is planned, market conditions permitting. Any such IPO would involve the sale of a minority stake and would be subject to, among other things, all necessary approvals.

It is therefore not possible to make a like-for-like comparison of the Swiss Universal Bank as a division of Credit Suisse Group on the one hand and Credit Suisse (Schweiz) AG as a potential IPO vehicle on the other hand.

This report, and the information contained herein, is not an offer to sell or a solicitation of offers to purchase or subscribe for securities of Credit Suisse Group AG or Credit Suisse (Schweiz) AG in Switzerland, the United States or any other jurisdiction. This report is not a prospectus within the meaning of article 652a of the Swiss Code of Obligations, nor is it a listing prospectus as defined in the listing rules of the SIX Swiss Exchange AG or any other exchange or regulated trading facility in Switzerland or a prospectus or offering document under any other applicable laws.

Copies of this report may not be sent to jurisdictions, or distributed in or sent from jurisdictions, in which such documents are barred or prohibited by law. A decision to invest in securities of Credit Suisse Group AG or Credit Suisse (Schweiz) AG should be based exclusively on a written agreement with Credit Suisse Group AG or an offering and listing prospectus to be published by Credit Suisse Group AG or Credit Suisse (Schweiz) AG for such purpose. Any offer and sale of securities of Credit Suisse (Schweiz) AG will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered in the United States of America absent such registration or an exemption from registration. There will be no public offering of such securities in the United States of America.

Inquiries

Credit Suisse Corporate Communications
Tel. +41 844 33 88 44, media.relations@credit-suisse.com

Credit Suisse Corporate Responsibility &
Stakeholder Communications
Tel. +41 44 334 54 26, responsibility.corporate@credit-suisse.com

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CREDIT SUISSE GROUP

Paradeplatz 8

8070 Zurich

Switzerland

Tel. +41 44 212 16 16

www.credit-suisse.com