

March 22, 2019

## Modern Slavery & Human Trafficking Transparency Statement 2019

### INTRODUCTION

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

This statement is made pursuant to section 54, Part 6 of the Modern Slavery Act 2015 (the Act), with respect to the financial year ending 31<sup>st</sup> December 2018, and sets out the steps that we have taken to help ensure that modern slavery and human trafficking does not occur in our business operations or within our supply chain.

### CREDIT SUISSE OVERVIEW

This statement is made by the Group and Credit Suisse AG, the Group's direct bank subsidiary, on behalf of its UK branch and UK subsidiaries, including their international branches (Credit Suisse). In the UK, Credit Suisse's core activities include private banking, asset management and investment banking.

Credit Suisse is a leading wealth manager with strong investment banking capabilities. We serve our clients through three regionally focused divisions: Swiss Universal Bank, International Wealth Management and Asia Pacific. These regional businesses are supported by two other divisions specializing in investment banking capabilities: Global Markets and Investment Banking & Capital Markets. Founded in 1856, we have today a global reach with operations in about 50 countries and 45,680 employees from over 150 different nations. More information can be found in our 2018 Annual Report.

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

### EXISTING COMMITMENTS

In its role as an employer, and as a user and provider of services, Credit Suisse is committed to human rights and respects them as a key element of responsible business conduct. Our approach to implement this within our operations is explained in the publicly accessible [Credit Suisse Statement on Human Rights](#). This document forms the basis of Credit Suisse's commitment to human rights. It also provides the basis for international human rights-related agreements that Credit Suisse has voluntarily pledged to uphold, including:

- Equator Principles
- Principles for Responsible Investment
- UN Global Compact

In addition, the Credit Suisse [Supplier Code of Conduct](#) introduced in 2010 aims to ensure that our external business partners, including their employees, subsidiaries and subcontractors, respect human rights, labor rights, employment laws and environmental regulations. In particular, these companies pledge that they will not tolerate child labor or forced labor. Credit Suisse in the UK has been accredited as a Living Wage Employer since 2017.

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

### THIRD PARTY RISK MANAGEMENT FRAMEWORK

In 2016, we introduced a formal third party risk management (TPRM) framework to scrutinize and monitor the operational, financial and reputational risk arising from external third party relationships, i.e. an agreement under which an external third party or supplier provides a product or service to Credit Suisse.

The TPRM framework provides for structured due diligence assessments of our suppliers to identify where modern slavery and human trafficking risks may exist. A reputational risk analysis is conducted through a database on all third parties according to their

industry sector, location and adverse news coverage. Tags relating to topics such as human trafficking, child labor and forced labor are tracked.

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

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

Since launching TPRM we have subjected over 3,200 supplier relationships to a distinct risk review procedure. These relationships span different categories of technology, software, professional services, marketing, human resources and business services. No supplier has been terminated as a result of evidence of modern slavery and human trafficking occurring across our supply chain.

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

Credit Suisse has also established a Vendor Management Office (VMO) in an effort to better manage the overall value, risk and performance of higher risk vendor relationships. The VMO is intended to provide an additional framework to promote enhanced coordination and, as necessary, controls on vendor interactions across the bank.

In addition, we have added specific contractual clauses and supplier obligations relating to modern slavery and human trafficking to our external third party contract templates to facilitate compliance with the Act in our supplier agreements.

## **OUR POLICIES & TRAINING**

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

- reputational risk
- sustainability management
- third party management
- reporting unusual incidents and misconduct (including whistleblowing)
- global sourcing
- undesirable clients
- sanctions, sensitive countries/parties and OFAC compliance.

Credit Suisse also examines aspects of client relationships or transactions that could be sensitive from a human rights perspective including modern slavery risks using a clearly defined, comprehensive risk review process. This process is supported by our industry-specific sector policies and guidelines containing specific provisions that address human rights. For relationships with private clients, anti-money laundering regulations are applied.

All our employees are expected to comply with our internal policies and controls and complete annual mandatory training on a variety of subjects including Financial Crime Compliance, Operational Risk, Cybersecurity and Reporting Concerns at Work. Credit Suisse introduced new Conducts & Ethics training in 2017 which defines the way we do business and how we conduct ourselves in interactions with all of our internal and external stakeholders as an organisation. Moreover, substantial training and communications have been delivered with the launch of the TPRM framework and subsequent updates to ensure all relevant functions and employees, as well as third parties, are conversant with the new process and controls.

## **ONGOING PLANS**

In the financial year leading up to the end of December 2019, we aim to further develop and monitor our TPRM processes to evolve the existing due diligence questionnaires of our suppliers to confirm that our third parties and suppliers are not engaged in any modern slavery and human trafficking activities. For example, we are looking to extend due diligence checks on

subcontractors to help instil more control and visibility as part of the ongoing improvements to our TPRM process. We are also considering plans to update our request for proposal (RFP) templates with specific questions on modern slavery and human trafficking as part of our efforts to ensure supplier alignment in our upfront sourcing process.

In response to the Act, we also plan to provide additional overview training for the Sourcing & Vendor Management teams globally to enhance their awareness of the risks of slavery and human trafficking in our business and supply chain.

**BOARD APPROVAL**

This Statement was approved by the Board of Directors of Credit Suisse Group AG on March 19, 2019.