

# Modern Slavery & Human Trafficking Transparency Statement 2023



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# Introduction

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

This statement is made pursuant to section 54, Part 6 of the UK Modern Slavery Act 2015, and section 16 of the Australian Modern Slavery Act 2018 (Cth) (the Acts), with respect to the financial year ending December 31, 2022, and sets out the steps that we have taken in preventing and addressing modern slavery risks in their operations and supply chains.<sup>1</sup>

## Credit Suisse overview

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

Our bank-wide purpose statement "We build lasting value by serving our clients with care and entrepreneurial spirit" captures the essence of "why" Credit Suisse exists as an organization. In 2022, we continued to recognize the importance of being clear with our stakeholders about our purpose as a priority. A revised code of conduct aligned to our new cultural values is available here: [credit-suisse.com/codeofconduct](https://www.credit-suisse.com/codeofconduct).<sup>3</sup>

The Group strategy has a clear focus on strengthening and simplifying the integrated model and investing in sustainable growth, while placing risk management at the very core of Credit Suisse. With a global business and regional structure, Credit Suisse endeavors to strengthen cross-divisional collaboration within the Group to promote sustainable growth and economic profit.

Credit Suisse has been in business for over 166 years. We have evolved from a Swiss bank financing the national railway system to a global operating bank. We serve our clients through our leading Wealth Management and Swiss Bank franchises complemented by strong Asset Management as well as Markets capabilities.

Founded in 1856, we have a global reach with more than 50,000 employees. More information can be found in our 2022 Annual Report. In the UK, Credit Suisse's core activities include wealth management, asset management and investment banking. In Australia, Credit Suisse's core activities include wealth management, investment banking and equities sales and trading.

While our broad footprint helps us to generate a geographically balanced stream of revenues and to capture growth opportunities around the world, this potentially may expose us to the risk of modern slavery and human trafficking. To address this risk we have established procedures to prevent instances of modern slavery and human trafficking.

## Existing commitments

We recognize our responsibilities in accordance with the International Bill of Human Rights, the corresponding principles on human and labor rights set out in the UN Global Compact, as well as the eight fundamental conventions of the International Labour Organization. Our respective approach is informed by the UN "Protect, Respect and Remedy" framework and the UN Guiding Principles on Business and Human Rights.

To promote a better understanding of what these Guiding Principles mean for the banking sector, Credit Suisse co-initiated the Thun Group together with other banks in 2011. Since its inception, the Thun Group has worked on providing guidance for the practical implementation of the Guiding Principles in the development or structuring of banking products and services.

We take account of these principles in our own policies and business activities. Our statement on human rights describes the basis of our responsibility to respect human rights and the approaches and processes we use to implement it. Our commitment is integrated into our policies, governance frameworks, and risk management systems.

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

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

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

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

<sup>3</sup> Publications referenced in this statement, whether via website links or otherwise, are not incorporated herein.

Credit Suisse in the UK has been accredited as a Living Wage Employer since 2017. 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.

We consider human rights issues as part of our responsibilities as an employer, our investments and financing, and as part of our procurement of goods and services.

## Assessing and managing risk

### Products and services

#### Financing / Advisory

Credit Suisse considers human rights issues in its internal risk management processes when offering financial services. In general, heightened attention is applied through the sustainability risk process when a client operates in a jurisdiction that experiences political instability, conflict, weak governance, or repression of minority groups or when a client provides financial services to a sector with known human rights issues.

The sustainability risk process applies to lending, capital markets, project finance, and advisory transactions where Credit Suisse plays a significant role. The front office is required to raise relevant cases to the internal specialist sustainability risk unit, which evaluates:

- the nature of the transaction and our role in it as well as the identity and activities of the client (existing or new);
- regulatory and political context in which the client operates;

- environmental and social aspects of the client's operations, including their commitment, capacity, and
- client's track record for management of sustainability risks.

The team also assesses whether the client's activities are consistent with the relevant industry standards and whether the potential transaction is compatible with Credit Suisse's policies and guidelines for sensitive sectors.

These policies set out activities and business practices that Credit Suisse will not finance including where there is credible evidence of involvement in grave human rights abuses such as forced labor, employment of children, or the use of violence against local communities and indigenous groups.



### **Investment banking example**

During a bi-annual senior management review of select clients, one company was identified as having a potential nexus to forced labor in its operations. It was determined as part of risk and compliance review that, prior to Credit Suisse pursuing any further transactions, deeper due diligence should be performed. An external due diligence agency was selected to assess both risks in the company's supply chain and potential red flags identified in research reports.

Pre-empting further transactions with the corporate client, this selected agency was commissioned to produce an enhanced due diligence report, leveraging a wide range of sources. The findings of the report were analysed, before discussions were held with senior representatives of the company itself.

Information received through the various channels was consolidated and analysed by the deal team and relevant risk and compliance departments, before being discussed at a formal committee of Credit Suisse's senior management. A decision was then made as to whether the bank could pursue further transactions with the company.

### **Equator Principles**

As a signatory of the Equator Principles, Credit Suisse requires clients for in-scope transactions to conduct detailed impact assessments, including but not limited to considerations of actual or potential adverse human rights impacts in line with the UN Guiding Principles on Business and Human Rights. The analysis should include outreach to various stakeholder groups and vulnerable populations (if present). We believe that adverse human rights impact on project-affected communities should be avoided where possible. If these impacts are unavoidable, they should be minimised and mitigated, and where residual impacts remain, clients should provide remedy for human rights impacts. To support this process, the Equator Principles Association (EPA) published in 2022 a suite of tools to support clients in providing access to effective grievance mechanism specifically in relation to adverse impacts on human rights and to enable clients' efforts to provide effective remedy when project-related human rights impacts occur. These tools have been developed by the EPA in partnership with Shift, an independent, non-profit center for business and human rights practice.

Based on the outcome of this analysis, sustainability risk submits its assessment to the responsible business unit wherein it may enter the reputational risk review process (RRRP) for evaluation.

The Group's global policy on reputational risk requires employees to be conservative when assessing potential reputational impact and, where certain indicators give rise to potential reputational risk, the relevant business proposal or service must undergo the RRRP. As part of the RRRP, submissions are subject to review by senior managers who are independent from the business, and may be approved, approved with conditions, or rejected. Conditions are imposed for a number of reasons, including restrictions on the use of proceeds or requirements for enhanced monitoring of a particular issue relating to the client. Any conditions that are imposed as a condition of approval are assigned to a business owner and are systematically tracked to completion, including a four-eye review.

Our governance process for the RRRP process is described in the Reputation and sustainability risk governance diagram below.

Front office teams are regularly trained on key human rights issues, such as modern slavery, to ensure that relevant transactions where there is negative news around forced labor and modern slavery are escalated to the sustainability risk unit. A case study of a transaction with a nexus to potential forced labor/modern slavery from this past year is outlined in the Investment banking example.

For trade finance cases, we have automatic flags in place for certain environmental and social issues, including those relating to modern slavery. If certain flags are triggered, this will result in a review by our sustainability risk team. The team also monitors sensitive commodities where the risk of modern slavery is high.

# Reputational and sustainability risk governance

## Executive Board Risk Management Committee

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

## Group Client Risk Committee

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

## Divisional Client Risk Committees

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

## Investment

Our Sustainable Investment Framework (SIF) focuses on the application of ESG criteria and creating transparency for clients utilizing several approaches to sustainable investing strategies: exclusion; integration; thematic; and impact investing. As part of this, Credit Suisse excludes firms that exhibit severe weaknesses in business conduct, particularly regarding breaches of the United Nations Global Compact Principles (UNGC) from the investments classified according to the SIF. This includes respecting universal human rights and labor standards, practicing environmental responsibility, and avoiding corruption in all its forms, including extortion and bribery. The identification and assessment of controversial business conduct is based on data from several external ESG data providers, and in-house research.

## Financial Crime

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

Modern slavery is defined as the exploitation of individuals for personal or commercial gain i.e. domestic servitude and forced child labor. As well as obvious financial & reputational ramifications that Credit Suisse would face, Credit Suisse recognizes mitigating the risks of modern slavery as the right thing to do. With modern slavery and money laundering being intrinsically linked, Credit Suisse has implemented a control framework to mitigate financial crime risks.

As part of its assessment of clients or transactions Credit Suisse will consider modern slavery and other human rights risks. Credit Suisse has implemented controls, policies, and procedures, designed to detect, and prevent Credit Suisse from being used for the laundering of criminal proceeds, including predicate offences such as modern slavery.

Key controls, policies and procedures include:

- performing Know Your Client (KYC), which is carried at the onboarding and through the lifecycle of the customer relationship with Credit Suisse;
- conducting a risk assessment, risk classification and, where appropriate, performing enhanced due diligence;
- monitoring clients & their transitional activity on an ongoing basis for adverse media and unusual transactions;
- reporting suspicions of money laundering as required under local regulatory requirements.

## Third party management

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

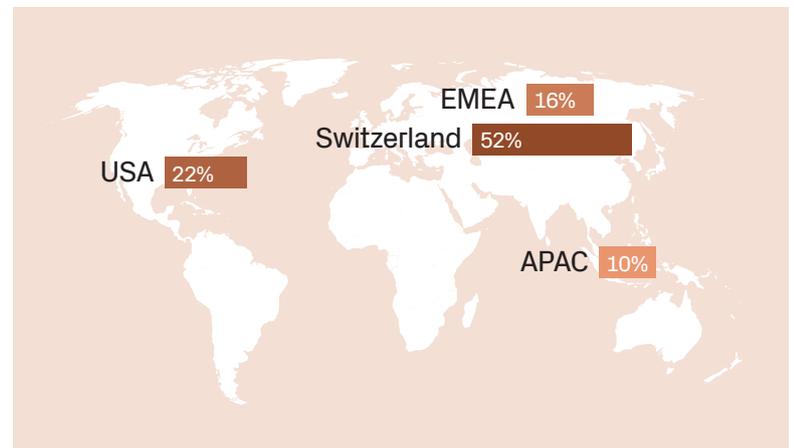
The supply chain for Credit Suisse includes services for technology, software, professional services, marketing, human resources, business services, market data services, consulting and acquisition and maintenance of software licenses, which is managed globally. Other services are obtained by local offices including facilities management, mail/logistics, security, printing, cleaning and catering/hospitality.

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

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

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

Since launching the TPRM framework we have subjected over 5,000 supplier relationships to a specific risk review procedure, wherein approximately 10% have originated in APAC, 16% in EMEA, 22% in the USA and 52% of all the active relationships in Switzerland. Approximately 10% of the active TPRM risk assessments relate to outsourcing relationships, where a third party vendor performs a function or activity on a recurring basis on behalf of Credit Suisse such as providing IT support services. The remaining risk assessments relate to non-outsourcing services such as market data services, consulting or the acquisition and maintenance of software licenses. At the date of issuance of this statement, no supplier relationship has been terminated as a result of evidence of modern slavery and human trafficking occurring across our supply chain.



In 2022 as part of our alignment with new regulations on outsourcing and third party risk, we continued to enhance our global TPRM framework and extended due diligence checks on a number of areas including subcontractors to help instil more control and visibility on the topic of modern slavery and human trafficking as part of the ongoing improvements to our TPRM process.

Additional supplier governance mechanisms have been introduced such as specific internal global committees, where vendor-related risks including any issues related to human rights or modern slavery can be discussed and reviewed by senior leadership with representation from Compliance, General Counsel, Risk Management and other corporate functions. Where required additional due diligence will be performed on certain vendors. In 2022, specific related concerns were brought up to a certain vendor and options presented for Senior Management consideration.

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

In 2020, Credit Suisse announced a new purpose statement, 'We build lasting value by serving our clients with care and entrepreneurial spirit.' Furthermore, a full revision of the Group's Code of Conduct was completed in early 2022. The refreshed document "The Credit Suisse Code of Conduct: Our Purpose and Values" reflects the new purpose statement and emphasizes our six cultural values of inclusion, meritocracy, partnership, accountability, client focus and trust (IMPACT) and the underlying behaviors that we expect all of our employees and members of the Board to observe.

The revised Code of Conduct continues to reinforce our commitment to complying with all applicable laws, regulations and policies in order to safeguard our reputation for integrity, fair dealing and measured risk-taking and includes clear guidelines for the escalation of concerns by employees, including concerns regarding the CEO, members of the Executive Board and senior financial officers.

## Employees

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

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

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.



Employees are continuously reminded and encouraged to speak up. Employees are required to complete regular bank-wide mandatory eLearnings, including the web-based training on "Escalation and Fraud". During 2022 the importance of escalating concerns, speaking up and available escalation channels, including Integrity Lines, have been included in numerous New Joiner and Compliance Refresher trainings as well as communication measures, such as Conduct Risk or Compliance Reminder

Notes. Access to the Integrity Line was also simplified by publishing the link to the platform on the publicly available Credit Suisse Homepage.

Continuous efforts are made to embed a culture underpinned by our purpose statement and IMPACT cultural values. Over the course of 2022, IMPACT trainings were offered to all UK employees, which emphasised the importance of living the six cultural values. The UK Culture Board also sponsored a “Speak Up. Listen Up. Follow Up” communication campaign with a series of four emails featuring conversations with senior leaders on this topic that were sent out to the whole UK campus over the year. The EMEA BAME Network also hosted a conversation with Baroness Shami Chakrabarti on the importance of speaking up, which was also made available and distributed to the whole UK campus.

In Australia CEO lunch sessions were held in 2022 with junior employees in an informal forum to discuss Credit Suisse values and encourage employees to Speak Up and raise concerns or issues directly. Furthermore, positive conduct by all employees (including escalations) were called out during Country Town Halls to promote the Speak Up culture.

## Addressing impacts

Where a potential or actual impact is identified we actively engage with the company in question to resolve the issue.

### Grievance mechanism for raising and addressing concerns about human rights matters

Indications of potential or real human rights impacts can be raised by internal and external stakeholders using a variety of grievance mechanism channels such as the Integrity Hotline and the bank’s escalation (whistleblowing) process, and direct contact. Credit Suisse takes reports of any unusual incidents or concerns very seriously and is committed to examining all escalated matters confidentially, fairly, and timely according to its highest standards. Reports may be made on a confidential, anonymous basis if required and as permitted by law.

Credit Suisse provides three Integrity Line channels for the purpose of reporting unusual incidents or concerns – a web-based solution (Integrity Line), a telephone service (Integrity Hotline), and a dedicated mailbox (GG Blowing Whistle).

The integrity lines are available globally, 24 hours a day, 7 days a week, to all Credit Suisse personnel globally. It is accessible from personal computers as well as private mobile devices such as smartphones or tablets.

Hosted by an external provider in Switzerland, an encrypted inbox function offers a secure and confidential means of communication between reporters and the bank’s hotline administration team – completely anonymously if preferred

by the reporter. This provides the ability to communicate with the employee, e.g. to request further information and/or provide responses.

The Integrity Line can be accessed via the following link: <https://credit-suisse.integrityline.org/>

Credit Suisse treats confidentiality including anonymity very seriously and takes all appropriate steps to ensure protective measures are in place. If you have any concerns regarding anonymous reporting, you may copy this link to access the Integrity Line Platform from outside of the Credit Suisse network, e.g. by using your private smartphone, tablet or computer.

UK based staff can also raise concerns to the Reportable Concerns Office via a separate email address. The Integrity Hotline is available globally, 24 hours a day, 7 days a week and is operated by an independent Swiss-based company engaged by Credit Suisse. The vendor’s personnel is trained to receive initial reports of unusual incidents and concerns. Calls are taken in English, German, French or Italian depending on location.

In 2022, no concerns have been raised by Credit Suisse employees to the Global Integrity Line or the Reportable Concerns Office (RCO) in the UK in respect of modern slavery issues.

The bank systemically analyses and learns from issues raised to the Global Integrity Line. Resolution of matters includes root cause analysis, lessons learned and global read-across, where applicable, as part of the end-to-end investigation process. Examples include analysis of behavioural aspects or other factors including training and supervision. Where control gaps are identified, the bank’s Risk and Control Framework will be further enhanced to ensure such gaps are addressed systematically, thereby protecting the bank from further risk. Compliance and People are engaged in regular dialogue (e.g. Conduct Risk Roundtable) to share insights, perform aggregated analysis of matter types, develop measures to address identified issues and continuously improve the framework (e.g. related to employee communications, onboarding of new hires, updates to policies and trainings).

# Assessment on the effectiveness of our measures

As outlined in the previous sections, we aim to mitigate the risks of modern slavery through:

- corporate client and customer due diligence checks;
- our Third Party Risk Management framework across our external 3rd parties; and
- our governance policies.

Credit Suisse has established key criteria / metrics to assess the effectiveness of its modern slavery and human rights risk measures. In 2022, we started to gather and review this data as outlined below to assess the effectiveness of these measures. The table below summarises the data.

Key Criteria / Metric	Evidence
Number of supplier relationships reviewed and escalated for enhanced due diligence checks	370 Sustainability Assessments as part of TPRM were conducted in 2022.
Number of supplier relationships that have ultimately been terminated due to modern slavery and human rights risks	0 relationships
Number of transactions escalated due to potential environmental or social risks including human rights and modern slavery	661 transactions
Number of reports relating to modern slavery and human rights risks received from our employees	0 cases have been reported. No escalations via the Integrity Lines relating to the Modern Slavery Act in Australia in 2021 and 2022 were raised

Credit Suisse will continue to review the data gathered against these measures in the future. As outlined above, compliance with modern slavery related policies is as-

essed qualitatively, and modern slavery matters are considered in the development of new or revised policies and governance arrangements.

## Plans

In the coming years, we aim to deepen our subject matter expertise and involvement with wider networks. With the creation of a centralised Global Sustainability team with a specific role/team focused on social sustainability, we expect modern slavery and human rights to be integrated into an overall strategy and workplan. In the meantime, the relevant teams continue to stay updated on the latest global regulations and ensures these are integrated into our sustainability risk assessment process. We also continue to actively monitor clients and situations in certain jurisdictions or sectors that have heightened risk of modern slavery and human trafficking.

## Consultation

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

# Board approval

This statement was approved by the Board of Directors of Credit Suisse Group AG and Credit Suisse AG

March 27, 2023

Date



**Ulrich Körner**  
Chief Executive Officer

March 16th 2023

Date



**Christopher Horne**  
CEO, Credit Suisse International  
and Credit Suisse Securities  
(Europe) Limited

# Appendix 1

## List of Applicable UK Legal Entities

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

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**UK Entity Name**

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Credit Suisse (UK) Limited

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Credit Suisse AG, London Branch

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Credit Suisse Asset Management Limited

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Credit Suisse International

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Credit Suisse Investments (UK)

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Credit Suisse Securities (Europe) Limited

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DLJ UK Holding

## List of Applicable Australian Legal Entities

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

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**Australian Entity Name**

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Credit Suisse AG, Sydney Branch ABN 17 061 700 712

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Credit Suisse Equities (Australia) Limited ACN 068 232 708

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Credit Suisse Management (Australia) Pty Limited ACN 005 678 213

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Credit Suisse Holdings (Australia) Limited ACN 008 496 713

## Global Legal Entities

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

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**Non UK Legal Entity Providing Intragroup Services to the UK Legal Entities**

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Banco de Investimentos Credit Suisse (Brasil) S.A.

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Credit Suisse (Deutschland) Aktiengesellschaft

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Credit Suisse (Hong Kong) Limited

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Credit Suisse (Poland) Sp. z o.o.

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Credit Suisse (Schweiz) AG

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Credit Suisse AG

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Credit Suisse Business Analytics (India) Private Limited

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Credit Suisse Holdings (USA), Inc.

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Credit Suisse Securities (Japan) Limited

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Credit Suisse Securities (USA) LLC

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Credit Suisse Bank (Europe), S.A.

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Credit Suisse Services (India) Private Limited

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Credit Suisse Services (USA) LLC

---

Credit Suisse Services AG

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JSC Bank Credit Suisse (Moscow)



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