



**Corporate Responsibility  
Report 2012**

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# 2012 at a Glance: Corporate Responsibility at Credit Suisse

Credit Suisse operates as an integrated global bank – providing advisory services, comprehensive solutions and innovative products to companies, institutional clients and high-net-worth private clients globally, as well as to retail clients in Switzerland. We have a broad understanding of our duties as a financial services provider and believe that our responsible approach to business is a key factor determining our long-term success. These key figures highlight some of our achievements in the area of corporate responsibility in 2012:

## Banking

**428**

transactions were analyzed for potential environmental and social risks

**2.2 million**

people at the base of the income pyramid have benefited to date as a result of Credit Suisse's microfinance activities

**5,263 million**

Swiss francs is our volume of assets under management with high social and environmental benefits

## Society

**Over 100,000**

corporate clients are served by Credit Suisse in its Swiss home market

**17,265**

employees engaged in volunteering

**Over 6 billion**

Swiss francs is the value of goods, services and licenses purchased in 2012 from suppliers globally

## Employer

**25%**

increase in the number of apprenticeships offered to young people in Switzerland by Credit Suisse over the past three years

**1,000**

full-time positions were filled by new university graduates worldwide

**44%**

of all vacancies were filled through internal appointments

## Environment

**10**

gigawatt-hours of energy were saved globally in 2012 as a result of increasing our server virtualization rate to 56% worldwide

**135,200**

hours of video conferencing were used as an alternative to business travel, helping to reduce our CO<sub>2</sub> emissions

**60,000**

metric tons of greenhouse gas emissions were offset through the purchase of climate tickets for business air travel

## Dialogue

**350**

employees in Switzerland hold an elected office in their community or at cantonal level

**85 out of 100**

is the number of points assigned to Credit Suisse for the disclosure of climate-related information by the international Carbon Disclosure Project

**2,400**

employees have signed up for the global Sustainability Network

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Credit Suisse assigns considerable importance to developing the skills of young people: we employ around 1,370 young talents. Fabian Kleemann from Kreuzlingen and Nathalie Hirsbrunner from Zurich are 2 of the 750 junior employees in our Swiss home market who are completing a commercial or IT apprenticeship. The photograph on the front cover was taken in the lounge of the recently completed Uetlihof 2 office complex in Zurich.

## Foreword

**Dear Reader**

At Credit Suisse, we are convinced that a responsible approach to business is a decisive factor determining our long-term success. As a global bank, we are inextricably linked to the economy and society and are therefore committed to assuming our corporate responsibilities at a number of levels.

We fulfill our first responsibility toward our clients by running our business successfully and by acting as a reliable and trusted financial partner to individuals, companies and institutions worldwide – providing them with access to capital, managing their assets, steering capital flows and carefully assessing risks. While focusing on our clients' needs, we took steps in 2012 to further adapt our business to the changing industry landscape. Our combination of our leading global Private Banking & Wealth Management business and our capital-efficient Investment Banking business that meets the latest regulatory requirements, together with our universal bank in our Swiss home market, provides us with a broad-based model and balanced income streams – enabling us to create value for our stakeholders and to generate competitive returns across the economic cycle.

Developments in our industry in the wake of the financial crisis have highlighted the importance of pursuing a responsible and sustainable approach to business. Financial institutions need to learn from past mistakes and to proactively adapt to the new realities in banking. At Credit Suisse, our commitment to helping build a more robust financial system is demonstrated, in particular, by our early adoption of new capital and liquidity rules. Although we are faced with an uneven playing field in the area of regulation, we remain convinced of the need to support reforms that are designed to improve financial stability and restore confidence in our industry.

For corporate responsibility to be more than just a declaration of intent, we know that it needs to be deeply rooted within the organization and that each employee must help to promote a culture of integrity and compliance. This concept of corporate responsibility is at the center of our Code of Conduct, which is binding on all our employees globally and sets out the ethical values and professional standards they must observe in their daily work. We also recognize the importance of key international agreements that promote responsible and sustainable business practices. For example, Credit Suisse was one of the first signatories of the UN Global Compact, which prescribes universal principles relating to human rights, labor standards, environmental protection and anti-corruption efforts.

In our role as a financial services provider, Credit Suisse is closely linked to the economy and we strive to conduct our activities in a way that supports the business community and contributes to economic growth. For example, in our home market of Switzerland where we operate as a universal bank, we last year supplied over 100,000 corporate



Brady W. Dougan, Chief Executive Officer (left), and Urs Rohner, Chairman of the Board of Directors

clients – or one in every three Swiss companies – with the financial products, services and expertise they need to run their businesses. This included increasing our volume of lending to Swiss companies. Through our subsidiary SVC Ltd. for Risk Capital for SMEs, we provided risk capital to small and medium-sized Swiss companies in a niche area of the market in which Credit Suisse is not active directly and thus helped to finance growth, innovation and the creation of employment.

Our approach to corporate responsibility also has a social dimension based on our belief that the long-term success of our bank depends on the existence of stable and economically viable communities. For many years, we have been committed to helping strengthen society by addressing a variety of issues, ranging from youth unemployment in our Swiss home market to poverty and illiteracy in developing countries. In addition to providing direct financial support, we cooperate closely with selected partner organizations around the world and encourage our employees to engage in volunteering.

We regard microfinance and education as effective tools to promote economic growth and social development and are continuing to focus our global initiatives on these areas. These activities are complemented by the work of the Disaster Relief Fund of the Credit Suisse Foundation, which offers emergency financial aid to the victims of natural disasters such as Hurricane Sandy, which caused devastation along the East Coast of the US in November 2012.

Environmental and climate protection is another important consideration for our bank. In our client-facing activities, we develop sustainable investment products that focus on environmental themes such as renewable energies, and we apply an internal risk review process before engaging in client transactions with potential environmental and social risks. We also apply internal policies and guidelines to transactions involving sensitive sectors such as forestry or mining. At an operational level, we take steps to promote the efficient use of resources, reduce our environmental footprint and comply with green standards. The importance we assign to environmental issues is also reflected by our participation in the international dialogue about climate change and in the development of industry guidelines to promote a greener economy.

This report is designed to provide readers with an insight into our diverse responsibilities as a bank and our determined efforts to fulfill them in 2012. It is also intended as a channel for dialogue and as an invitation to our stakeholders to participate in an open and constructive exchange of views with Credit Suisse about the key topics discussed here.

Best regards



Urs Rohner  
Chairman of the  
Board of Directors



Brady W. Dougan  
Chief Executive Officer

March 2013

## Our Understanding of Corporate Responsibility

At Credit Suisse, we are convinced that our responsible approach to business is a decisive factor determining the long-term success of our bank. As well as complying with the professional standards and ethical values set out in our Code of Conduct, we strive to assume our corporate responsibilities in every aspect of our work. We do so based on our broad understanding of our duties as a financial services provider, member of society and employer. Our approach also reflects our commitment to the environment and the importance we assign to our dialogue with our stakeholders (see chart on page 5). The Corporate Responsibility Report is structured according to these five topics.

The Responsibility Chronicle adds a multimedia dimension to our reporting for 2012. It features articles, videos, podcasts and picture galleries about international projects and initiatives. To ensure we can supply the breadth of information required by our stakeholders, the full contents of this report, as well as additional information and data on all the themes discussed within it, can be found on the Internet at:

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

Our Corporate Responsibility Report forms part of Credit Suisse's suite of annual reporting publications, which provide detailed information about the Group's strategy and business model as well as its 2012 financial results.

### Annual Reporting 2012

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#### Annual Report

The Annual Report provides a detailed presentation of the Group's annual financial statements, company structure, corporate governance and compensation practices, treasury and risk management framework and a review of its operating and financial results.



#### Corporate Responsibility Report and Company Profile

For an insight into how the Group assumes its diverse social and environmental responsibilities when conducting its business activities, refer to the Corporate Responsibility Report 2012. This publication is complemented by our **Responsibility Chronicle** that adds a multimedia dimension to the publication by providing a selection of reports, videos and picture galleries that focus on our international projects and initiatives. The Company Profile 2012 is enclosed in the Corporate Responsibility Report and contains a brief overview of key figures as well as strategic information.

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



## Our Understanding of Corporate Responsibility



### Dialogue and Transparency

- Dialogue with Stakeholders
- Reporting and Ratings

We cultivate an open dialogue with our clients, shareholders and other stakeholders by participating in events, engaging in personal discussions and contributing to the public debate. This increases mutual understanding and helps us to identify the needs of our stakeholders while rapidly responding to new trends.



#### Responsibility in Banking

- Trust and Expertise
- Corporate Governance
- Due Diligence, Risk Assessments and Sustainability
- Sustainable Products and Services

Our greatest responsibility is to ensure that we manage our company successfully on a long-term basis for the benefit of our clients, shareholders, employees and society as a whole. Competence, diligence and responsible conduct are key to the success of our business. We also strive to take social and environmental aspects into account when carrying out our operations.



#### Responsibility in Society

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

We see ourselves as an integral part of society and recognize our responsibilities beyond banking. We strive to create value for our clients, shareholders and employees by performing our functions as a global bank responsibly and efficiently. We strive to support the economy through our activities and to play a constructive role in the broader social environment. We also support a number of humanitarian and charitable organizations and projects around the world, as well as cultural and sporting events.



#### Responsibility as an Employer

- Credit Suisse as an Employer
- Global 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, attractive training programs and varied career opportunities in a multicultural environment.



#### Responsibility for the Environment

- Environment
- Climate and operational Ecology

The protection of the natural environment is one of the most pressing issues of our time. At Credit Suisse, we take our responsibilities seriously by promoting the efficient use of resources and by engaging in a dialogue with our stakeholders. We also develop products and services that focus on environmental themes for our clients.

### Code of Conduct

Our Code of Conduct, which sets out binding principles for all our operations worldwide, increases the personal responsibility of all our employees and Board members and creates a framework where each individual is familiar with Credit Suisse's corporate responsibilities.

#### 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 in Banking

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## **New York's Flatiron District at Night**

At Credit Suisse, we combine our global focus with a local presence. As a result, we are well positioned to meet the changing needs of clients worldwide and to offer them first-class financial solutions. Our regional headquarters for the Americas are in New York.



## Trust and Expertise

Our success depends on our ability to maintain the trust of our stakeholders. We strive to be a reliable partner to our clients – placing their interests first and offering them high-quality advice. Our strong capital and liquidity position, our early adoption of new regulations and our compliance and control culture help to strengthen confidence in our bank.

The credit crisis and the resulting transformation of the financial sector – coupled with an economic environment characterized by periods of severe stress – have heightened uncertainty among clients and investors in recent years. In 2012, this was exacerbated by high-profile compliance issues in the industry, which increased skepticism toward banks. Against this backdrop, we continue to believe that the most important way Credit Suisse can inspire trust is by acting as a reliable and professional partner to our clients – understanding their requirements and offering them appropriate advice and solutions.

### Client-Focused Business Model

Our purpose as a bank is to meet the financial needs of our clients and to ensure they are satisfied with our products and services. Our integrated business model is designed to achieve this: It combines our strengths and expertise in the areas of private banking, asset management and investment banking with a presence in key markets around the globe. In our Private Banking & Wealth Management division, which includes our Asset Management business, we have CHF 1,250 billion of assets under management. Here, we provide comprehensive advice and a wide range of financial solutions to private, corporate and institutional clients. Our Investment Banking division comprises our Fixed Income business as well as our Equities and Advisory businesses. Together, they supply a broad range of financial products and services, including global securities sales, trading and execution, prime brokerage, capital raising and advisory services, and investment research. Over the last few years, we have built a capital-

efficient investment bank that focuses on leading, high-return businesses and we are one of the first banks worldwide to be Basel III compliant. In our Swiss home market, we operate as a universal bank – supplying the full spectrum of banking services to private clients, institutions and corporate clients. Our structure enables us to offer an integrated value chain connecting markets and clients and to create innovative, customized financial solutions in a scalable way.

### Focus on Delivering Appropriate Advice

In Private Banking & Wealth Management, we serve more than 2 million clients with varying risk profiles in markets around the globe. Our five-stage advisory process enables us to draw up individual profiles for our clients and to formulate investment strategies that are tailored to their requirements. For a number of years, Credit Suisse has been implementing new regulations concerning investor protection and has made significant investments in related systems, processes and employees (see below). As part of this approach, we test and document the quality of our investment recommendations – determining whether our clients have the necessary knowledge and experience to understand the associated risks and whether they would be in a position to absorb them if necessary.

### Spotlight on Client Satisfaction

The achievement of client satisfaction is essential for our long-term success. Our Client Insight Management team in Private Banking & Wealth Management conducts a Global Service Monitor Program to assess our clients' overall level of satisfaction with our service and advice and to identify scope

### Enhanced Advisory Quality: Certification of Relationship Managers

We are committed to continuously improving the quality of our advisory services in Private Banking & Wealth Management and to protecting the interests of our clients. Credit Suisse is therefore running a mandatory certification program under which relationship managers undergo inten-

sive training and tests to ensure they can provide clients with clear and comprehensive information about products, explain potential investment risks and returns, and tailor their advice to individual needs. At the end of 2012, we came close to completing the Frontline Training initiative, with 92% of

relationship managers worldwide having obtained certification. As part of this initiative, management will focus in future on ensuring that the skills of relationship managers are used to maximum effect for the benefit of clients and that their knowledge is continuously updated.

for improvement. Based on the feedback received from over 19,000 clients, service users and subscribers worldwide, we initiate improvements on an individual basis or at market, divisional or regional level. The results of the 2012 Global Service Monitor Program indicated that 93% of the respondents are satisfied with our offering.

### Adapting to New Regulations and the Changed Market Environment

The financial crisis has shown that systemically relevant banks can threaten the stability of the global financial system and the real economy if faced with severe difficulties. Credit Suisse recognizes its responsibilities as a systemically important financial institution in Switzerland. In recent years, we have actively contributed to efforts to develop a solution to the "Too Big to Fail" issue and strengthen system stability and we support the measures approved by the Swiss Parliament. They include the capital rules for big banks in Switzerland, which currently exceed international requirements.

In view of the uncertainty created by the sovereign debt crisis, we believe that Credit Suisse can benefit from being one of the first banks to have implemented a business model that takes account of new regulations relating to capital and liquidity. In Investment Banking, we can deliver global capital markets solutions across equity and fixed income products under the new regulatory framework. One example of our new capital-light and reduced-risk approach is our participation

in the Maiden Lane auctions run by the Federal Reserve Bank of New York in 2012. Here, Credit Suisse purchased USD 30 billion of residential and commercial mortgage-backed securities and immediately sold them on to other financial institutions – taking minimal risks onto its own books. These transactions provided a good source of revenues for our investment bank and demonstrated the effectiveness of our efforts to adapt the way we do business in view of future capital requirements.

### Capital Strength

Clients not only consider aspects such as service quality and expertise when selecting a financial partner: Capital strength and liquidity are also critical factors determining the ability of banks to inspire trust. In mid-2012, we accelerated the execution of the capital plan we agreed with the Swiss Financial Market Supervisory Authority FINMA after the Swiss National Bank (SNB) advised in its Financial Stability Report at the end of June 2012 that the Swiss big banks (including Credit Suisse) should expand their loss-absorbing capital more rapidly in view of the marked deterioration in the economic environment – especially following the escalation of the eurozone debt crisis. The SNB thus effectively called for the immediate application of future capital requirements that were only due to be introduced gradually from the beginning of 2013 until end-2018. Credit Suisse responded immediately with a series of measures. The capital actions that we announced in July 2012 are designed to substantially increase our loss-absorbing capital. By end-2012, we had generated CHF 12.3 billion in additional capital<sup>1</sup>, resulting in a capital ratio<sup>1</sup> of 9.3%. Credit Suisse expects to meet the Swiss and international capital requirements within the prescribed timeframes. In the course of 2013, we also expect to achieve the 10% level required by FINMA by end-2018.

### Developments in Global Banking



At Credit Suisse, we view our business from a global perspective. We offer products and services on a cross-border basis – known as international banking – as well as on a local basis, referred to as onshore banking. In response to evolving client needs, Credit Suisse has been growing its global presence and onshore services for many years. We are now active in 57 countries worldwide, including our Swiss home market. Our Private Banking & Wealth Management business operates 22 booking centers outside Switzerland, which means that we can administer our clients' assets in Switzerland, their home country or an international hub. At the same time, the Swiss financial center remains attractive to international clients in view of its numerous strengths relative to other financial centers around the globe, including its efficient system of universal banking – with the hallmarks of expertise, reliability and quality – as well as favorable framework conditions such as political and economic stability, a strong currency, first-class services and highly qualified employees. The banking services offered out of Switzerland will therefore remain important – particularly in response to the needs of sophisticated clients in emerging markets. Ensuring strict compliance with all applicable legislation when offering cross-border services is an essential part of our business model at Credit Suisse. We have been working intensively for years to make sure that all our activities adhere to the applicable rules and regulations in Switzerland and abroad.

### Strategy for a Tax-Compliant Swiss Financial Center

In 2012, the Swiss Federal Council published a discussion paper and a report on its strategy for the future of the Swiss financial center. The strategy is designed to promote the financial center's competitiveness while ensuring a tax-compliant approach. It also recognizes the need to safeguard the financial privacy of bank clients. While Credit Suisse welcomes the direction of the Swiss Federal Council's approach, the political debate on important elements of its implementation only began at the start of 2013. However, our bank has been pursuing a strategy that focuses on tax compliance for several years. We are convinced that this strategy – together with the stability of the Swiss financial center and the banks' high-quality advisory and service offering – will enable Switzerland to further strengthen its position among the world's leading financial centers.

<sup>1</sup> Refer to page 64 for details of capital disclosures.

### Support for Regulatory Reforms

Due to our early implementation of the new Swiss and Basel III capital rules in 2012 and 2013, respectively, and the slower pace of implementation in certain countries, we are confronted with an uneven playing field. However, we remain convinced of the need to support regulatory reforms that are designed to mitigate financial stability risks and make the industry more robust. We also expect a more level regulatory playing field to gradually emerge. Our decision to transition our business to the new rules at an early stage should, nevertheless, prove beneficial since clients value our strong capital position and consequently view us as a reliable partner.

The strengthening of our capital position is just one example of our commitment to supporting the process of regulatory reform. The transformation of our industry is also being driven by regulatory changes in areas such as investor protection, market transparency and taxation. We anticipate that the regulatory environment will continue to evolve significantly in 2013 and beyond and we will continue to participate in a constructive dialogue about these reforms (see page 51) – further adapting our business model where necessary and helping to build a more resilient banking sector.

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

### Challenge and Response 2012

**Challenge:** Although Credit Suisse met the applicable regulatory capital requirements in mid-2012 and had provided assurances that its long-term plan to build capital was on track, the SNB recommended that we expand our loss-absorbing capital beginning in 2012 so that when evaluated under the new regulatory framework resulting from the Basel III rules – as implemented in Switzerland – Credit Suisse would rank among the best-capitalized banks worldwide. The SNB's second recommendation was that the big banks in Switzerland should provide greater transparency by making regular disclosures of key metrics under the new regulatory framework. The SNB's public criticisms relating to our capital position caused uncertainty among investors and led to a fall in the bank's share price.

**Response:** We recognized the need to entirely eliminate any doubts about our capital strength triggered by the SNB's comments. We responded swiftly by announcing a set of targeted capital measures to substantially strengthen our capital in preparation for the Basel III framework. To ensure greater transparency, Credit Suisse publishes its key metrics in its quarterly and annual reports.

## Corporate Governance

The way we interact with our stakeholders is of fundamental importance for our business. By acting with integrity, fairness, transparency and discretion, we can inspire trust in our clients, shareholders, employees and other members of society.

Credit Suisse's corporate governance complies with internationally accepted standards. We adhere to the principles set out in the Swiss Code of Best Practice, including the recommendations in its appendix concerning the process to determine the compensation of the Board of Directors and the Executive Board. In connection with 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. As a result, we are subject to certain US rules and regulations.

### Our Governance Framework

The Board of Directors has adopted corporate governance guidelines aimed at explaining and promoting an understanding of our governance structure. Other important corporate governance documents include our Articles of Association, our Code of Conduct, our Organizational Guidelines and Regulations, the Charters of the Board of Directors and of each of its committees, and our global Compensation Policy. The Code of Conduct is binding on all employees and members of the

### Responsible Approach to Compensation

We are committed to pursuing fair, balanced and performance-based compensation practices that align long-term employee and shareholder interests. Based on shareholder input and emerging practices in the area of executive compensation, we made significant changes to the compensation of the Executive Board for 2012. This includes the introduction of individual targets and caps on incentive compensation, as well as a new framework for deferred short-term and long-term incentive awards for Executive Board members. For all other employees, deferred variable awards for 2012 were granted in the form of share awards, a proportion of which was subject to clawback provisions. Plus Bonds, which are granted principally to Managing Directors and Directors in Investment Banking, are linked to a portfolio of asset-backed securities held in Investment Banking. The Plus Bond plan entails the transfer of risk from the Group to employees, thus contributing to the reduction of risk exposures. For the Group as a whole, total compensation and benefits expense for 2012 was CHF 12.5 billion, down 5% compared to 2011. Variable compensation awarded for 2012 was CHF 3.4 billion, reflecting the improved underlying results of the Group compared to 2011.

Board of Directors. In addition, employees are required to comply fully with all legal, regulatory and internal requirements, as well as with strict standards of professional conduct, at all times. Compliance considerations are of critical importance when selecting employees, developing training tools and defining processes and rules, and they also represent a vital component of all our supervisory and control systems.

### Shareholder Rights

We encourage investors to participate in the Annual General Meeting and to exercise their voting rights. To support them in the decision-making process, we ensure the accuracy and transparency of disclosures in our reporting publications and on our Investor Relations website. We are committed to producing precise, reliable and comprehensible financial reports that clearly explain our performance, mission and strategic rationale. Moreover, we endeavor to implement responsible compensation practices that ensure a prudent approach to risk-taking and that align employee interests with those of our shareholders, thus incentivizing the creation of sustainable shareholder value (see box). In accordance with best practice, the Board of Directors submits the compensation report to its shareholders for a consultative vote at the Annual General Meeting and will continue to adapt its compensation practices involving shareholders in line with national and international legislative developments.

### Managing Risk

Our Risk Management function plays a central role in our organization by promoting a disciplined risk culture and an appropriate level of transparency to support management in the definition of a suitable risk profile. Risk Management is instrumental in ensuring a prudent and intelligent approach to risk-taking that appropriately balances risks and returns and optimizes the allocation of capital throughout the Group. Through a proactive risk management culture and the use of state-of-the-art quantitative and qualitative tools, we strive to minimize the potential for undesired risk exposures in our operations.

Further information on corporate governance can be found in the Annual Report 2012 of Credit Suisse Group or at: [www.credit-suisse.com/governance](http://www.credit-suisse.com/governance)

## Due Diligence, Risk Assessments and Sustainability

A responsible approach to business is essential to achieve long-term success. We expect all our employees to meet the highest standards of conduct and professionalism and to comply with applicable laws and regulations, due diligence requirements and industry guidelines. We also consider sustainability issues in our risk review process.

The integrity and reputation of our bank are of vital importance. This is why we are committed to achieving the highest standards in terms of responsible conduct and risk awareness when performing our activities. We expect our employees to act with professionalism, fairness and prudence at all times. To ensure that these key values are firmly established within our company, our Code of Conduct defines six professional standards and six ethical values that are binding on all employees and on members of the Board of Directors. In particular, they include: adherence to laws and regulations, responsibility, respect, transparency and commitment (see page 5). The obligation to observe the Code of Conduct is an integral part of our employment contracts and is incorporated into our employees' annual performance reviews.

### Sustainability as an Integral Part of Our Business

We believe that in order to run our business responsibly, we must also take account of environmental and social issues. Our commitment to sustainability is therefore also enshrined in our Code of Conduct. In addition, we have published a Statement on Sustainability that sets out our objectives, principles and processes in this field. It states, for example, that Credit Suisse aims to manage environmental and social risks conservatively and to assist clients in mitigating risks.

Our Statement on Sustainability also refers to the corresponding international agreements that Credit Suisse has voluntarily pledged to uphold, such as the UN Global Compact, of which we were one of the first signatories. Since it was launched in 2000, the UN Global Compact has become the leading global sustainability initiative – with 10 universally accepted principles in the areas of human rights, labor standards, environmental protection and anti-corruption efforts (see page 60). We also signed up to the United Nations Environment Programme Finance Initiative (UNEP FI) in 1992. More than 200 banks, insurers and asset managers have agreed to promote a sustainable approach to business within the financial sector as part of this initiative.

### Respecting Human Rights

We strive to assume our responsibilities in the area of human rights based on the International Bill of Human Rights as well

as the principles on human and labor rights set out in the UN Global Compact. We also take account of the Guiding Principles on Business and Human Rights issued by the UN for the implementation of the Protect, Respect and Remedy Framework approved by the UN Human Rights Council in June 2011. In order to develop bank-specific recommendations based on these principles, Credit Suisse collaborated with other financial institutions and academics to establish the Thun Group of Banks and worked on a document outlining how the principles could be implemented in various areas of business (see box below).

Credit Suisse's most direct link to human rights issues is in its working relationship with its employees. This is also the

### UN Guiding Principles and the Thun Group of Banks

Over the past decade, the responsibility of non-state actors such as corporations to respect human rights has been debated intensively. The adoption of the Guiding Principles on Business and Human Rights by the UN Human Rights Council in 2011 provided a welcome point of reference on the subject of business and human rights. Referring to the UN's Protect, Respect and Remedy Framework, which sets out the state duty to protect against human rights abuses, the corporate responsibility to respect human rights and the need for victims to have access to effective remedies, the Guiding Principles provide a high-level indication of the kind of policy statement, due diligence processes, monitoring and reporting activities that are expected from businesses in the area of human rights. With the aim of arriving at a shared interpretation of what the Guiding Principles mean for the banking sector – and to provide more concrete guidance on their implementation in our industry – Credit Suisse co-initiated a collaborative process with other banks and with the support of the University of Zurich Competence Center for Human Rights and the Swiss Center of Expertise in Human Rights. Known as the Thun Group of Banks, they worked together in 2012 to develop a discussion paper for the implementation of the Guiding Principles in universal banks that is expected to be published in the course of 2013.

area in which we can exercise the greatest influence over such issues. Fair working conditions, equal opportunities, protection against discrimination, and the right to establish a union are all inherent aspects of this relationship.

We also address the need to protect human rights when working with suppliers and external service providers. The Supplier Code of Conduct that we introduced in 2010 aims to ensure that our external business partners 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. As part of our relationship with our business partners, we also encourage them to go beyond the minimum legal requirements in these different areas and to strive to achieve continuous improvements.

Our relationship with clients is another area in which we may be indirectly confronted with human rights issues. This is the case if our clients' business activities could potentially affect these rights. This can occur when, for example, infrastructure projects require the resettlement of local inhabitants or when company activities threaten the sacred sites of local communities or indigenous peoples. Credit Suisse therefore examines aspects of transactions that are sensitive from a human rights perspective using a clearly defined, comprehensive risk review process.

### Voluntary Industry Standards

In addition to observing international sustainability agreements, Credit Suisse complies with voluntary industry standards that set out specific due diligence requirements for certain areas of business. They include the Equator Principles, which apply to project finance activities primarily in emerging and developing countries and are based on environmental and social standards defined by the World Bank Group. More than 70 international financial institutions have pledged to examine the effects of resource or infrastructure projects based on impact assessment reports and to call on clients to take concrete measures to mitigate any potential negative consequences of the projects for people or the environment (e.g. by reducing ground, water or air pollution or by consulting with and involving the local population) before agreeing to provide financing or advisory services. Credit Suisse was one of the first banks to sign up to the Equator Principles in 2003 and we have been a member of its Steering Committee since 2010. In addition, we are leading a working group that promotes a dialogue with non-governmental organizations (NGOs), and we also played a key role in the further development of the Equator Principles (EP3) in 2011 and 2012.

Since 2008, Credit Suisse has been applying the Carbon Principles to financing activities in the US power generation sector. Under this voluntary industry standard, banks use an enhanced due diligence process to assess and take account of regulatory risks relating to CO<sub>2</sub> emissions. Credit Suisse did not lead any transactions that were subject to the Carbon Principles in 2012.

### Key Elements of Sector Policies and Guidelines

We recognize the key contribution that various industry sectors make to the global economy. Many of these sectors perform an important role by, for example, supplying energy or commodities. At the same time, it is important to consider the potential impacts of their activities on local communities and the environment. Our sector policies and guidelines set out the environmental and social standards that we expect clients in sensitive sectors to observe when conducting their operations. The policies and guidelines also exclude certain activities. Exceptions may only be granted in individual cases based on our Reputational Risk Review Process (RRRP). Summaries of these policies and guidelines are available online at: [www.credit-suisse.com/responsibility/sector\\_policies](http://www.credit-suisse.com/responsibility/sector_policies)

#### Forestry and Agribusiness Policy

- Responsible management of the following issues: habitat depletion; fragmentation and degradation; water contamination and usage; hazardous materials management; air emissions; worker and community health and safety; public involvement, consultation and disclosure.
- No financial services for operations in primary tropical moist forests or other High Conservation Value Forests (HCVF), or on land that was cleared of HCVF after 2005, unless such operations are certified according to the Forest Stewardship Council (FSC) or the Roundtable on Sustainable Palm Oil (RSPO), or if substantial and demonstrable progress has been made toward such certification.
- No financial services for operations in protected areas (such as UNESCO World Heritage Sites, Ramsar wetlands).
- No financial services for activities involving illegal logging or uncontrolled and/or illegal use of fire.
- No financial services for companies against which there is credible evidence of involvement in grave human rights abuses or for operations that require the resettlement of substantial numbers of people.



### Mining Policy

- Responsible management of the following issues: water contamination and use; habitat depletion, fragmentation and degradation; waste management; site decommissioning and remediation; worker and community health and safety; public involvement, consultation and disclosure.
- Submission to Sustainability Affairs mandatory for transactions involving the mining of coal, asbestos and uranium (or other radioactive materials).
- No financial services for operations in protected areas.
- No financing of operations where mountain top removal mining practices are used or of operations that include tailings disposal in riverine or shallow sea environments.
- No financing for the mining or trading of rough diamonds not certified under the Kimberley Process Certification Scheme.
- No financial services for companies against which there is credible evidence of involvement in grave human rights abuses or for operations that require the resettlement of substantial numbers of people.



### Oil and Gas Policy

- Responsible management of the following issues: water contamination and use; air emissions; habitat depletion, fragmentation and degradation; waste management; oil spill prevention, preparedness and response; site decommissioning and remediation; worker and community health and safety; public involvement,

consultation and disclosure.

- Submission to Sustainability Affairs mandatory for transactions involving oil sands and oil shale development, Arctic oil and gas development, and transnational pipelines.
- No financial services for operations in protected areas.
- No financial services for companies against which there is credible evidence of involvement in human rights abuses or operations that require the resettlement of substantial numbers of people.

### Controversial Weapons Policy

- No direct financing of the development, manufacture and acquisition of nuclear, biological and chemical weapons, anti-personnel mines and cluster munitions.
- No direct business relationships with producers of anti-personnel mines and cluster munitions.
- No holding of securities in companies that produce anti-personnel mines or cluster munitions in our proprietary trading book or in our actively managed retail and institutional funds or discretionary mandates.
- When providing research recommendations on any such company, language shall be added to the research report stating the bank's position.

### Palm Oil Guidelines

- Membership in and certification according to the Roundtable on Sustainable Palm Oil (RSPO) or time-bound commitment toward RSPO certification.
- No financial services for projects or activities prohibited by host country legislation and international conventions relating to the protection of biodiversity resources and cultural heritage.
- No financial services for projects or activities located in or involving the clearing of primary tropical moist forests, involving illegal logging or uncontrolled and/or illegal use of fire.

### Hydropower Guidelines

- Take account of New Framework for Decision-Making by the World Commission on Dams (WCD).
- No financial services for projects or activities prohibited by host country legislation and international conventions relating to the protection of biodiversity resources and cultural heritage.



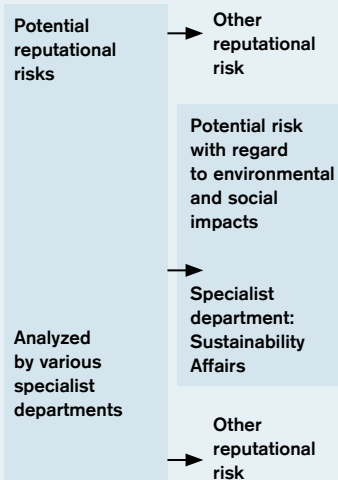
- No financial services for projects or activities located in or involving the clearing of primary tropical moist forests or other HCVF, UNESCO World Heritage Sites and Biosphere Reserves or Ramsar wetlands.

### Nuclear Power Guidelines

- Transactions/projects must be in line with the latest regulatory, technological and safety standards and are subject to approval through our RRRP.
- Host country ratification required of the key international conventions and treaties related to nuclear power (Convention on Nuclear Safety, Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management, Nuclear Non-Proliferation Treaty, Vienna Convention on Civil Liability for Nuclear Damage).
- No financial services for projects or activities located in or involving the clearing of primary tropical moist forests or other HCVF, UNESCO World Heritage Sites and Biosphere Reserves or Ramsar wetlands.

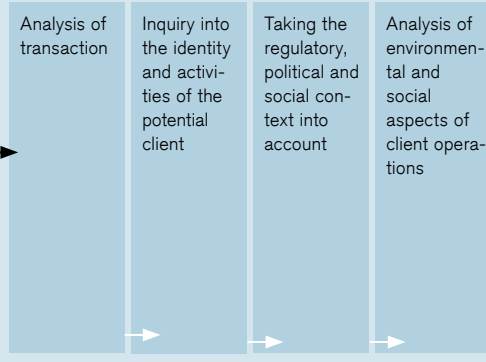
## Assessment of Sustainability Risks within the Reputational Risk Review Process (RRRP)

### 1. Risk classification and responsibility



### 2. Assessment and recommendation

#### Aspects to be checked according to sector-specific policies and guidelines



### 3. Review and decision



### Transactions assessed on the basis of potential environmental and human rights risks in 2012

**66%**  
approved

**23%**  
approved with conditions

**11%**  
rejected or not pursued

**428**  
transactions assessed

### Guidelines for Sensitive Industries

Certain industries are particularly sensitive from a social or environmental perspective; examples include oil and gas, mining, hydropower, forestry and palm oil production. Credit Suisse has defined specific global policies and guidelines that apply when assessing potential transactions with clients in these industries. The companies in question are, among other things, required to comply with internationally recognized industry-specific standards and to take measures to reduce the environmental impacts of their operations, to ensure the health and safety of their employees, and to respect the human rights of the local population (see summary on pages 12–13). Our industry-specific policies are based on regulations issued by international organizations such as the UN and the World Bank and contain a list of activities and business practices that Credit Suisse explicitly will not finance.

We are continuing our efforts to systematically take account of issues such as climate change, biodiversity, the scarcity of resources, and human rights when assessing risks in our

business relations with clients and to support progress in this area. At the same time, we are adapting our industry-specific policies and guidelines in line with the latest findings and challenges. In 2012, we revised our rules that apply to business relations with companies in the mining sector, and we implemented a new global policy relating to certain controversial weapons and activities in the defense sector at the end of the year. In addition, we have set ourselves the goal for 2013 of examining emerging topics such as Arctic oil and gas extraction and the practice of hydraulic fracturing, which is widely debated from an environmental perspective.

### The Challenge of Addressing Complex Issues Example: Commodities Trading and Food

When reaching decisions about controversial topics and business activities, we are sometimes confronted with situations where the opportunities and risks associated with a specific project – or the benefits and disadvantages of a company's line of business – can be viewed very differently, depending on the opinions and standpoints of our stakehold-



ers. For example, companies in sensitive sectors sometimes perform a key economic role in the global supply of commodities and energy, as well as often being an important employer in regions with weak economies. At the same time, the projects and activities of companies such as these may, in some cases, have a significant impact on nature, the climate, biological diversity, water sources or the inhabitants of a specific area. We are aware of these challenges and therefore strive to meet the high standards when examining the related risks and considering the interests of different stakeholders.

An example of a topic that is attracting considerable public attention is the global development of food prices, which can have serious consequences for the poorest segments of the world's population. Most studies have concluded that agricultural commodity prices over the past decade have been primarily determined by fundamental factors, such as increasing demand (driven mainly by population growth, changing diets in emerging countries and the production of biofuels) as well as climate impacts or export restrictions. However, the influence of commodities trading activities, as well as the role of banks, hedge funds and professional and private investors, have also become part of the debate.

Credit Suisse is following this debate closely. We take the concerns that are sometimes expressed about the role of the financial markets seriously, even if Credit Suisse is not involved in proprietary trading in agricultural commodities. Any commodities investment products offered by Credit Suisse that include soft commodities are based primarily on nonedible commodities (e.g. oil, metals or cotton). The small number of Credit Suisse products that are based exclusively on food commodities will be phased out when they mature and we have no plans to issue new products of this kind.

In the area of commodity trade finance, Credit Suisse only executes transactions that are designed to facilitate the physical flow of commodities. Furthermore, we support current international regulatory efforts (e.g. G-20, Financial Stability Board) that aim to increase transparency and tighten controls in the markets for commodity derivatives on a global basis.

### Risk Review Process

Credit Suisse pursues a business policy that excludes the provision of services or the execution of transactions that are not compatible with existing agreements or with our own internal guidelines and policies. If there are grounds to believe that a potential transaction could pose an unacceptable risk, Credit Suisse conducts its detailed internal risk review process – consulting with independent external specialists where necessary. During this process, assessments are carried out regarding the nature and purpose of the transaction, the identity of the potential client and the regulatory, political and social background, as well as the potential environmental and social impacts of the client's activities.

An internal specialist group, Sustainability Affairs, is responsible for assessing potential risks relating to the environment or human rights. Using the Reputational Risk Review Process (see page 14), it evaluates whether the potential client complies with the relevant industry standards and whether the

## Sustainability Risk Assessments in 2012

|                                  | Transactions assessed <sup>1</sup> |            | Equator Principles transactions <sup>2</sup> |                     |                     |                     |
|----------------------------------|------------------------------------|------------|--|---------------------|---------------------|---------------------|
|                                  | 2012                               | 2011       | 2012   |                     | 2011                |                     |
|                                  |                                    |            | Number <sup>3</sup>                          | Volume <sup>4</sup> | Number <sup>3</sup> | Volume <sup>4</sup> |
| <b>By region</b>                 | <b>420</b>                         | <b>282</b> | <b>8</b>                                     | <b>513</b>          | <b>13</b>           | <b>4,388</b>        |
| Americas                         | 61                                 | 44         | 1  | 70                  | 0                   | 0                   |
| Asia Pacific                     | 127                                | 86         | 3  | 31                  | 7                   | 443                 |
| Europe, Middle East and Africa   | 123                                | 71         | 1  | 172                 | 2                   | 1,020               |
| Switzerland                      | 109                                | 81         | 3  | 240                 | 4                   | 2,925               |
| <b>By sector</b>                 | <b>420</b>                         | <b>282</b> | <b>8</b>                                     | <b>513</b>          | <b>13</b>           | <b>4,388</b>        |
| Mining                           | 148                                | 104        | 6  | 266                 | 8                   | 463                 |
| Forestry and agribusiness        | 35                                 | 21         | 0  | 0                   | 0                   | 0                   |
| Oil and gas                      | 82                                 | 52         | 1  | 75                  | 3                   | 275                 |
| Energy                           | 37                                 | 16         | 1  | 172                 | 2                   | 3,650               |
| Hydropower                       | 6                                  | 1          | 0  | 0                   | 0                   | 0                   |
| Chemicals                        | 10                                 | 18         | 0  | 0                   | 0                   | 0                   |
| Defense                          | 28                                 | 16         | 0  | 0                   | 0                   | 0                   |
| Other                            | 74                                 | 54         | 0  | 0                   | 0                   | 0                   |
| <b>By category<sup>5</sup></b>   |                                    |            | <b>8</b>                                     | <b>513</b>          | <b>13</b>           | <b>4,388</b>        |
| Category A                       |                                    |            | 0  | 0                   | 4                   | 2,820               |
| Category B                       |                                    |            | 7  | 497                 | 9                   | 1,568               |
| Category C                       |                                    |            | 1  | 16                  | 0                   | 0                   |
| <b>By financial product type</b> |                                    |            | <b>8</b>                                     | <b>513</b>          | <b>13</b>           | <b>4,388</b>        |
| Project finance                  |                                    |            | 6  | 341                 | 12                  | 3,388               |
| Project finance advisory         |                                    |            | 2  | 172                 | 1                   | 1,000               |

1 Excluding Equator Principles transactions.

2 More comprehensive data on Equator Principles transactions is available on our website ([www.credit-suisse.com/responsibility/en/banking/equator\\_principles.jsp](http://www.credit-suisse.com/responsibility/en/banking/equator_principles.jsp)).

3 Transactions screened for the first time in the reporting year.

4 In USD million.

5 Equator Principles projects are divided into different risk categories (A–C; A being the highest risk), and additional clarifications and action are initiated if required by the degree of risk involved.

transaction is compatible with Credit Suisse's policies and guidelines for sensitive sectors. It also examines whether, for example, any disputes have arisen between the potential client and indigenous groups or NGOs and whether there are signs of shortcomings in the potential client's approach to social and environmental management. Based on this analysis, Sustainability Affairs produces an assessment and submits the review findings to the designated Regional Reputational Risk Approver, who is an experienced and high-ranking senior manager. The risk approver is independent of the decision-makers in the business and has the authority to approve, reject or impose conditions on our participation in the transaction or on the provision of a specific service. In the case of especially complex or interregional transactions, the decision may be referred to the Reputational Risk Sustainability Committee (RRSC), which is the most senior decision-making body in the Reputational Risk Review Process and also monitors Credit Suisse's compliance with the voluntary sustainability agreements it has signed up to.

The RRSC consists of members of the Executive Board and the heads of cross-divisional specialist units such as Legal & Compliance, Risk Management, Communications and Public Policy. It is chaired by the bank's Chief Risk Officer and is supported by four Regional Reputational Risk Councils, of which the Regional CEO is a member. Each council is chaired by the Regional Reputational Risk Approver, who is appointed by the bank's Chief Risk Officer. Thanks to their local presence, these risk councils have an in-depth knowledge of business practices and the social context in their respective regions and are therefore especially well positioned to monitor and assess the development of specific regional risks. Within the context of Credit Suisse's Risk Management function, the councils also serve as an important link between employees in the regions and the RRSC.

In 2012, we analyzed a total of 428 transactions through the Reputational Risk Review Process to determine whether they posed a material environmental or human rights-related risk. In total, 282 (66%) were approved, while 97 (23%) were authorized subject to certain conditions and 49 (11%) were rejected or not pursued further. In most cases where transactions or clients were rejected, this decision was reached because they were not compliant with the standards we prescribe or because they posed other unacceptable risks for the bank. Where transactions were not pursued, this was due, among other things, to adverse market conditions or the fact that significant additional investigations would have been required. These statistics exclude potential transactions or business relationships that were not included in the formal Reputational Risk Review Process because they were immediately identified by the relationship manager or his or her line manager as being non compliant with the bank's requirements and guidelines and were therefore rejected at the outset.

### Training and Knowledge-Sharing

Credit Suisse provides continuous training for employees to raise their awareness about the complex issues involved in reviewing risks and to ensure that the necessary expertise is embedded within the organization. Our training concept con-

sists of three modules: general training about Credit Suisse and sustainability, information about the Reputational Risk Review Process for employees with client contact, and additional sector-specific training for relationship managers serving clients in industries that are of environmental significance. In 2012, this concept was extended to include a new intranet-based learning module. Once again, a focus was also placed on the provision of special training courses that are tailored to the needs of client-facing units in various locations.

Based on the knowledge that the analysis of environmental and social risks is also a challenge for other financial institutions, Credit Suisse once again invited other banks to a full-day roundtable in London last year at which the participants shared their knowledge and experience relating to different risk review approaches, practices and tools they apply before providing financing or advisory services.

### Preventing the Misuse of Our Products, Strengthening Our Control Culture

Against the backdrop of the rapidly evolving legal and regulatory environment in which global banks operate, Credit Suisse remains committed to complying with the national and international laws and regulations that apply to our businesses. To secure the long-term success of our business and safeguard our reputation, it is essential for our employees to meet the highest standards of integrity, to comply with applicable laws and regulations and to prevent the improper use of our products and services by third parties. As part of our efforts to ensure that we fulfill our due diligence requirements, we implement internal controls, cooperate with the relevant authorities and issue rules governing aspects such as our business relations with politically exposed persons or the prevention of money laundering and terrorist financing.

To help combat acts of corruption, we revised our global minimum standards relating to the prevention of corruption in 2011. In addition, experts from our bank are actively involved in the further development of related industry standards through Credit Suisse's participation in the Wolfsberg Group, for example. This association of 11 global banks updated its principles for the prevention of money laundering in 2012.

To strengthen the personal responsibility of each individual, our employees are required to regularly complete online training on critical topics such as the prevention of money laundering and terrorist financing, as well as compliance with sanctions and the prevention of corruption.

In addition, Credit Suisse employees are required to report cases of potential legal, regulatory or ethical misconduct to their line manager or the General Counsel division. Credit Suisse employees worldwide also have the option of reporting any such issues to our Integrity Hotline, where they can speak to an advisor anonymously. Meanwhile, our Internal Audit department systematically monitors compliance with internal and external principles, policies and guidelines.

Reports of infractions by employees are presented to regional disciplinary review committees, which assess such infractions and make recommendations on disciplinary measures. Such measures can include the reduction or

elimination of the employee's variable compensation award for the given year and, in the case of Material Risk Takers and Controllers, deferred awards from prior years. The Board's Audit and Risk Committees are periodically provided with information on the disciplinary cases and may give directional input regarding the appropriateness of disciplinary outcomes. The results of the disciplinary review committees' assessment and any disciplinary measures are communicated to the Compensation Committee, together with details of any impacts on variable compensation.

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

## Challenges and Responses 2012

**Challenge:** We strive to monitor and respond to a broad range of trends and emerging issues but are forced to restrict our focus due to time and resource constraints.

**Response:** We focus on priority topics through our engagement in the areas of sustainability risk management (e.g. by supporting the process to further develop the Equator Principles) and human rights (collaborating on a document outlining how the UN Guiding Principles on Business and Human Rights can be implemented in various areas of business).

**Challenge:** As a global bank, we provide financing for the mainstream economy but we recognize that some of the activities we help to finance may have long-term environmental and social impacts.

**Response:** We are aware of these challenges and therefore endeavor to meet the highest standards when examining business risks related to the environment and human rights. We routinely assess transactions with clients that could pose environmental or social risks using our internal risk review process and we apply our own policies and guidelines to business activities involving sensitive industries. Through our continued dialogue with a variety of stakeholders and our involvement in working groups, we explore ways of contributing to the development of sustainable business practices. In 2012, for example, we hosted an Environmental, Social and Governance (ESG) Risk Roundtable for a group of banks in order to discuss the identification and management of long-term environmental and social impacts.

## Sustainable Products and Services

For an increasing number of clients, the generation of financial returns is not the only objective governing their investment decisions. The demand for investments that incorporate economic as well as environmental and social aspects is growing steadily. At Credit Suisse, we offer a broad range of products and services that give investors access to sustainable investment opportunities.

Sustainability is regarded by investors as a megatrend and opportunities in this area are growing. In order to meet the increasing demand for investments that are in line with our clients' specific values, we continued to expand our range of responsible investment products and services across our business divisions in 2012. Credit Suisse works with businesses, NGOs, research institutes, initiatives and rating agencies when developing products and services in this field. We evaluate our investments carefully and focus on companies that operate and invest in a sustainable manner and, at the same time, generate financial performance.

Our Private Banking & Wealth Management division creates investment solutions that are based on the three-pillar Responsible Investment and Philanthropy Services (RI-PS) framework (see below), comprising philanthropy services, impact investments and sustainable investments.

### ■ Philanthropy Services

Credit Suisse's Philanthropy Advisory Services provide customized solutions for our clients. Taking account of their

needs and resources, our specialists focus on identifying the most appropriate vehicles to meet their philanthropic objectives, such as the establishment of charitable foundations, the provision of individual advice on strategic giving – including the evaluation and selection of existing projects – or the creation of sub-foundations under one of Credit Suisse's umbrella charitable foundations.

Our umbrella foundations Accentus, Empiris and Symphasis in Switzerland, and SymAsia in Singapore, are designed to meet the needs of clients who prefer not to be involved in the management of their own charitable foundation yet still wish to determine the area that will benefit from their donations. Clients can create a sub-foundation, define its name and select the projects they want to fund. All operational and administrative costs are borne by Credit Suisse. Since they were founded, Accentus, Empiris and Symphasis have distributed a total of more than CHF 60 million to over 1,300 charitable initiatives in Switzerland and abroad. The number of client foundations established under our newest umbrella foundation – SymAsia in Asia Pacific – has doubled since its inception in 2010. For

## Responsible Investment and Philanthropy Services

### Charity (social return)

Provide clients with products and advice needed to achieve their philanthropic goals

### Philanthropy Services

- Strategic giving
- Charitable umbrella foundations: Accentus, Symphasis, Empiris, SymAsia
- Tailor-made solutions
- Strategic advice for charitable foundations

An investment strategy that seeks social and environmental returns beyond financial returns only

### Impact Investments

- Microfinance
- Sustainable agriculture and fair trade
- Investment in social enterprises and/or at the base of the economic pyramid (e.g. health care, education, housing)

### Profit (financial return)

Investments in themes or assets linked to sustainability

### Sustainable Investments

- Investment products that demonstrate an evident ESG screening process for underlying securities
- Thematic sustainability products as defined by the Sustainability megatrend theme
- Value-based investments (e.g. religious, environmental)

the second year running, we won the Asian Private Banker Best Private Bank – Philanthropic Services Award for our philanthropic initiatives across Asia.

To foster a more integrated approach to client service, we are continuing to leverage our corporate philanthropy expertise for the benefit of clients. This includes providing volunteering opportunities and Board training programs, as well as access to our network of NGOs. We also cultivate a dialogue with new and experienced philanthropists and with experts in this field. In addition to regular roundtables on specific topics, Credit Suisse organized two events in 2012. The Credit Suisse Philanthropists Forum was held in Singapore for the second consecutive year. At the event entitled “The Pacific Century and Philanthropy: Maximizing Donor Impact”, thought leaders and practitioners met to explore strategies to enhance the effectiveness of charitable giving and to examine new ways of addressing social problems using market-based solutions. In addition, we organized our Credit Suisse Philanthropy Campus in conjunction with New York University. This event is designed to provide clients with the knowledge and tools needed to advance an existing philanthropic endeavor or to launch a new one. The 2012 event looked at some of the most pressing issues facing philanthropists, such as the regulatory changes affecting traditional charitable giving, increased accountability and the need for stronger impact measurement.

In line with our commitment to provide clients with new solutions to help them achieve their philanthropic goals, we published a research white paper together with Rockefeller Philanthropy Advisors entitled “Strategic Philanthropy: Guide to Evaluation” in 2012. This research provides a comprehensive review of philanthropy trends and practices, as well

as offering advice on how philanthropists can measure the impacts of their investments more effectively.

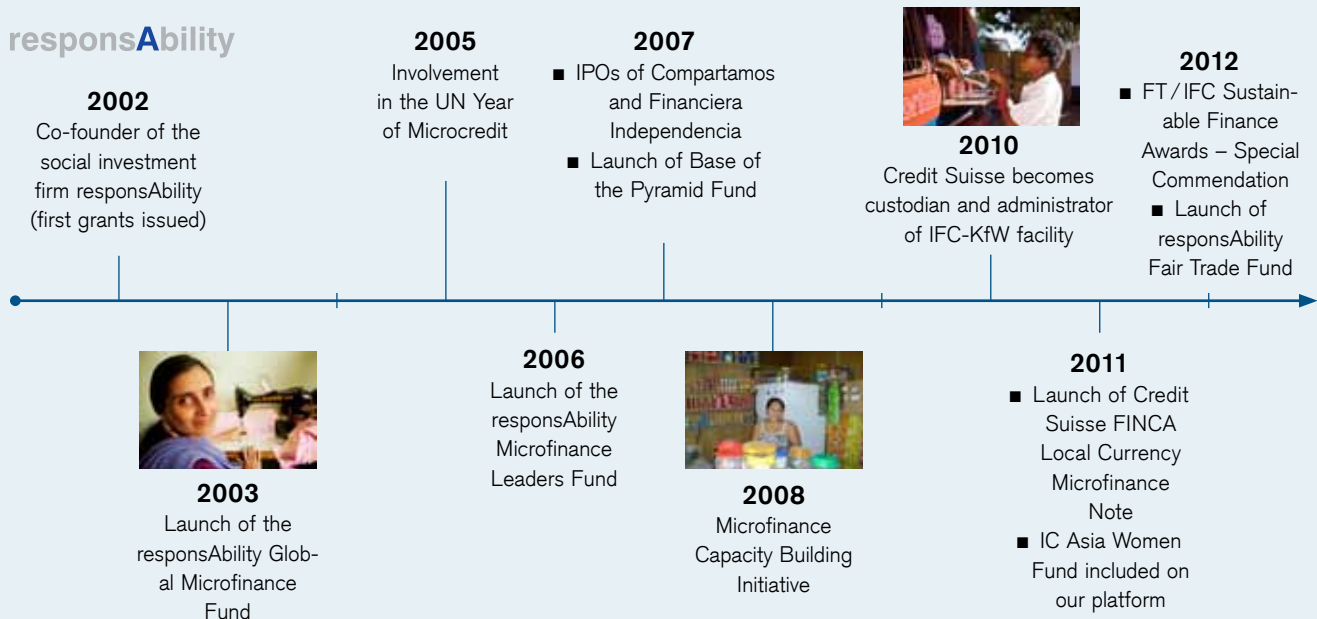
■ **Impact Investments: 10 Years in Microfinance**

Impact investments focus primarily on the area of microfinance. They are designed to provide economically disadvantaged people – especially those in emerging and developing countries – with access to financial services in the form of small loans, insurance and other financial products, thus helping them to build up small businesses in order to establish a basic livelihood. 2012 marked the 10th anniversary of Credit Suisse’s engagement in the area of microfinance. We regard microfinance as an effective means of achieving the UN Millennium Development Goals.

Our microfinance commitments began in 2002, when we co-founded responsAbility Social Investments AG, a social investment firm in Zurich. Over the last decade, we have formed solid partnerships in this field and have jointly developed innovative ways of generating financial returns in addition to social and environmental benefits. To date, we have provided over 2.2 million people at the base of the income pyramid with access to financial services through our funds and initiatives. Credit Suisse is continuing to combine initiatives, expertise and resources from every part of the bank in an effort to create lasting value for clients, microfinance institutions and microenterprise owners – and to ultimately promote financial inclusion for the estimated two-thirds of the global population who are still excluded from the mainstream financial system.

These people at the base of the income pyramid have a variety of needs that go beyond accessing financial services. Credit Suisse has therefore set itself the objective of also aligning its product offering, research and capacity-building

**Our Long-Term Commitment to Microfinance Together with Our Partners**



in new areas including education, agriculture, nutrition and health, as well as water and energy. The Credit Suisse Research Institute and the Schwab Foundation for Social Entrepreneurship produced a paper entitled “Investing for impact: How social entrepreneurship is redefining the meaning of return”, which was presented during the 2012 World Economic Forum in Davos.

At the end of 2012, Credit Suisse's volume of assets under management in the area of microfinance totaled CHF 1.65 billion. Our microfinance offering spans both of our business divisions. In our Investment Banking division, we provide a range of advisory services on IPOs and other capital market transactions to the microfinance sector. The rise in the number of microfinance institutions now seeking access to the capital markets means that investment banking services are becoming increasingly important in this area. In Private Banking & Wealth Management, our current offering includes several global microfinance funds, a local currency microfinance note and a private equity fund of funds that enables investors to participate in small businesses serving economically disadvantaged people in emerging and developing countries.

In 2012, responsAbility and Credit Suisse launched the responsAbility Fair Trade Fund, the first investment fund to target the development potential of small farmers in developing economies. The fund is domiciled in Switzerland and is licensed for public distribution in Switzerland by the Swiss Financial Market Supervisory Authority FINMA. It provides easy access to a widely diversified and professionally managed portfolio in the agricultural segment, enabling investors to gain financial returns while supporting fair trade cooperatives and small farmers in developing economies.

Credit Suisse representatives serve on the Board of the European Microfinance Platform and continue to chair the Swiss Capacity Building Facility – a public-private partnership between the Swiss Agency for Development and Cooperation and key players in the Swiss private sector. Together with these members, Credit Suisse strives to promote the development of the financial services industry and of income generation in developing countries.

Although the microfinance sector has experienced rapid growth in recent years, it has also faced a number of challenges in areas such as client protection and institutional governance. Building on a decade of leadership in microfinance, Credit Suisse is committed to supporting the responsible development of the industry. The Credit Suisse Microfinance Capacity Building Initiative, which was established in 2008, aims to contribute to the strengthening of the management, products and processes of microfinance institutions and to promote dialogue and best practices. Similarly, in an effort to enhance global consumer protection in the microfinance industry, the Smart Campaign was launched by the Center for Financial Inclusion, of which Credit Suisse is a founding partner (see page 29). The initiative aims to bring together players within the sector in an effort to achieve a common goal: to keep clients as the driving force of the industry. The Credit Suisse Global Citizens Program was launched in 2011 to further help microfinance institutions

master the management and business challenges they face and to strengthen their own ability to manage these in future. The program is designed to improve the exchange of know-how between our employees and partner organizations in the field of economic and social development – with qualified employees using their skills and expertise to help our partner organizations in a variety of areas, ranging from risk management to the development of HR strategies and IT processes.

To mark Credit Suisse's 10-year engagement in this area, we hosted a series of conferences entitled “Financing solutions for the poor: Linking the top with the base of the in-come pyramid” together with our microfinance partners in three regions in 2012. Leaders from across the industry, as well as clients, investors, practitioners, academics and employees, came together to look back over the last decade and to exchange ideas on how current challenges and trends are likely to shape the future industry landscape. Credit Suisse issued the publication “Microfinance at Credit Suisse – 10 years of Investing for Impact” to accompany the conference series.

In 2012, Credit Suisse received a special commendation in the “Global Sustainable Bank of the Year” category of the Financial Times / International Finance Corporation: Sustainable Finance Conference & Awards in London. The award recognizes Credit Suisse's integrated and long-standing global approach to microfinance, our environmental, social and financial value creation across operations, our leading role in the field of sustainable products and services, as well as our management of environmental impacts and risks and our contribution to research into these diverse themes.

### ■ Sustainable Investments

Investors are becoming increasingly aware of the potential risk and value impact of environmental, social and governance (ESG) factors on investment portfolios. Our approach in this area allows us to systematically integrate ESG criteria into the investment process in an effort to generate improved long-term risk-adjusted financial returns. To offer clients professional and forward-looking advice about sustainable investments, Credit Suisse continuously incorporates ESG indicators into existing tools, such as Stock Navigator and Bond Finder.

Relationship managers are now able to screen client portfolios for a wide range of ESG criteria. This includes

### Assets under Management with High Social / Environmental Benefits<sup>1</sup>

2012 in CHF m

**5,263**

2011 in CHF m

**4,047**

<sup>1</sup> In this category we include various funds, index products, and other assets, the main objective of which is to generate significant environmental and social benefits. Examples include investments in the areas of sustainable real estate, microfinance and renewable energies.

conducting best-in-class assessments of management quality, excluding specific business activities (e.g. the production of alcohol, tobacco or arms) and identifying sensitive ESG issues. We have also increased the integration of ESG factors based on existing guidelines and predefined templates, particularly for foundations and pension funds. In addition, Credit Suisse strives to systematically apply ESG criteria to all asset classes, including alternative investments. This enables us to identify suitable investment solutions for each client and to offer tailored investments in this area.

Credit Suisse has also continuously expanded its range of sustainable products and services. This now includes our own funds, mandates and index solutions, as well as our continued efforts to provide an open platform for our clients. "Sustainability" is identified as one of three megatrends by our Private Banking Global Research team and is incorporated in the CS Solutions (Lux) Megatrends Fund. Global Research analyzes these megatrends and develops a sustainable investment strategy based on the selection of stocks, thus further increasing awareness of ESG issues among financial analysts, relationship managers and clients.

#### **Cleantech and the Green Business Initiative**

Banks should also play a role in creating opportunities to address today's global environmental challenges. Our Credit Suisse Green Business Initiative enables specialists from all regions and divisions to combine their expertise to promote and develop new products in the area of clean technology (cleantech), including renewable energy, water technologies, sustainable agriculture and sustainable real estate.

Our business divisions work together closely to meet the expectations of our clients and stakeholders in areas such as cleantech engagements in emerging markets, alternative energy start-ups in the US and the development of sustainable

building codes in our Swiss home market. Our Private Banking & Wealth Management division offers a broad range of products and services that focus on environmental themes, while our Investment Banking division has a leading franchise in the area of clean energy finance and investment. Further information on Credit Suisse's cleantech offering is available at:

[www.credit-suisse.com/cleantech](http://www.credit-suisse.com/cleantech)

#### **Sustainable Real Estate**

Credit Suisse Real Estate Asset Management (REAM) – the largest private professional real estate investor in Switzerland with over 1,100 properties in its portfolio – assigns considerable importance to sustainability criteria when acquiring, constructing and managing properties. This includes its efforts to address climate change risks and to adopt a sustainable and responsible approach to real estate. The REAM and Public Policy – Sustainability Affairs departments conducted an analysis of Credit Suisse's real estate investment portfolio in Switzerland together with WWF in 2012. The research, entitled "Decarbonizing Swiss Real Estate", followed on from a 2011 study produced by Credit Suisse and WWF on the role of banks in the transition to a low-carbon economy. The study explores the energy and carbon efficiency of real estate portfolios and helps investors to understand their exposure to carbon-related risks. In particular, it assesses the carbon reduction potential in real estate across a broad set of levers. As a result of this analysis, REAM was able to set CO<sub>2</sub> reduction goals for every single real estate fund. To realize these targets, REAM launched a program for the systematic reduction of CO<sub>2</sub> emissions of 1,000 properties in the real estate portfolio. By 2015, these buildings will be reviewed with expert support from Siemens Switzerland and Wincasa, together with Amstein & Walther, to identify measures to enhance energy efficiency – with the goal of ultimately reducing their energy

### **Credit Suisse Sustainability and Thematic Indices**

| <b>Index Name</b>                                    | <b>Description</b>  |
|--|---|
| <b>Credit Suisse Social Awareness Index</b>          | 60 businesses that adhere to the 10 principles of the UN Global Compact   |
| <b>Credit Suisse Global Warming Index</b>            | 40 businesses that are active in renewable fuels or electricity, emissions limitation or demand management                                      |
| <b>Credit Suisse Water Index</b>                     | 30 businesses in the fields of water generation, preservation, infrastructure, treatment and desalination                                       |
| <b>Credit Suisse Global Alternative Energy Index</b> | 30 businesses in the fields of wind energy, solar energy, bioenergy, natural gas, geothermal energy, hydroelectricity, fuel cells and batteries |
| <b>Renewable Energy Index Switzerland</b>            | Economic indicator for turnover, order backlogs, delivery periods, inventories and employment in the sustainable energies market                |

consumption by around 13,000 metric tons, (at least 10%), versus 2010, which served as the basis for the comparison.

The sustainable Swiss real estate fund Credit Suisse Real Estate Fund Green Property (CS REF Green Property) invests in 12 properties in Switzerland with a total value of CHF 542.3 million (as of December 31, 2012). New properties must meet the strict criteria of the “greenproperty” quality seal – an initiative launched by Credit Suisse, which considers social, and economic, energy-related and environmental factors. Properties can have multiple certifications based on a set of “greenproperty” recommendations. To obtain a gold or silver certification, the property must – as a minimum requirement – meet the Minergie® standard, while the greenproperty Gold certification is awarded to properties that comply with various Minergie-ECO® criteria. 2012 saw the opening of the Foyer in Zug (a co-investment of CS REF GreenProperty and CS REF PropertyPlus). Both of its buildings have been awarded the Swiss Minergie-ECO®, greenproperty Gold and US LEED Platinum label certifications.

Credit Suisse REAM strives to also apply the Swiss sustainability strategy to its international portfolios in an effort to become a leading sustainable real estate provider globally. For example, CS REF International is planning a new investment in Vancouver. The project is being designed to incorporate the latest sustainable technologies and consists of a new LEED Platinum high-rise office tower.

### Renewable Energy Project Finance

Our Investment Banking division is a leader in the renewable energy sector and is continuing to serve clients through a range of transactions, including IPOs, mergers and acquisitions, project finance, debt and equity underwriting, investments, and other financial services. Our expertise is diversified across various renewable energy technologies including solar, wind, geothermal, biomass, biofuels, fuel cells and energy efficiency.



The Foyer in Zug was completed in 2012. Both of its buildings have been awarded the Swiss Minergie-ECO®, greenproperty Gold and US LEED Platinum label certifications.

Since 2010, the Power and Renewables Group has been involved in over 55 cleantech transactions with an aggregate volume of over USD 15 billion. For example, in 2012 Credit Suisse acted as a financial advisor to NRG Solar LLC for its sale of a 49% minority stake in the 290 megawatt Agua Caliente solar project to MidAmerican Energy Holding Company. We have supported the purchase and installation of thousands of residential solar systems by financing distributed solar power initiatives in the US market. Through 2012, we committed USD 100 million to SolarCity, USD 100 million to Sunrun and USD 100 million to SunPower. Other notable transactions in the solar sector include a bookrunner role in the SolarCity IPO and sole placement agent for Sunrun’s equity private placement. In the fuel-cell sector, we committed approximately USD 142 million to Bloom Energy for a portfolio of proprietary fuel-cell power-generating systems to be installed in the State of Delaware.

Since 2009, a cross-divisional collaboration between the Strategic Transactions Group (Fixed Income division) and the Global Markets Solution Group (Investment Banking division) has committed capital to approximately 12 renewable energy opportunities with an aggregate commitment value of approximately USD 1.2 billion.

### Rooftop Solar Power in the US



Advancements in the solar energy sector are making distributed solar energy more affordable for consumers compared to electricity distributed by power lines. Distributed solar power is expanding rapidly in the US and could radically change the way energy is supplied to consumers. Credit Suisse has been at the forefront of this trend and supported the purchase and installation of thousands of solar systems by financing leading installation companies. The systems produced by solar companies Sunrun and SolarCity are often installed at no up-front cost to homeowners and businesses. Customers pay primarily for the solar electricity produced using the installed solar panels. They are charged competitive prices for this energy. At a time when solar technology manufacturers are experiencing a challenging period of over-supply, the solar installation business is growing.



## Research

Throughout 2012, our research teams again produced regular publications on current sustainability topics, providing thematic coverage on leading issues (see page 57).

Private Banking Global Research published a series on ESG-related investment strategies in 2012. We also produced reports on climate change, water, fair trade, alternative energy, and resource efficiency. For example, the “Sustainable Investments” report analyzed how ESG issues can have material effects on a firm’s value. The “Water” report explored the need for the sustainable management of global freshwater resources, and the “Fair Trade” report looked at increasing consumer and investor pressure regarding sustainability issues.

The Securities Research and Analytics department in Investment Banking continued to provide in-depth reporting and stock coverage of over 85 alternative energy-related stocks – covering solar, wind, biofuels, energy efficiency, smart grid and power markets. One 2012 report entitled “Australian ESG/SRI” assessed the impact of ESG concerns across equities covered by Credit Suisse in Australia, highlighting how these concerns are likely to have a practical impact on company valuations and share prices. In 2012, Credit Suisse’s Alternative Energy Equity Research team ranked second in the Institutional Investor survey for alternative energy.

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

## Barrier-Free Access to Credit Suisse Banking Services

Credit Suisse has worked continuously to make its products and services widely accessible and to train its employees to recognize and respond to the needs of clients with disabilities.

Since July 2008, around 480 talking ATMs have been installed throughout Switzerland, and the offering has been enhanced for individuals with severely impaired vision. Voice output in German, French, Italian and English is triggered automatically when clients with hearing impairments plug their headphones into these ATMs. In addition, tactile function keys were added to the ATMs and are marked with a headphone symbol. At selected locations in Switzerland, more than 50 ATMs have been positioned at a height that makes them easily accessible to wheelchair users. Furthermore, entrances to our branches and office complexes are gradually being improved and made accessible to people with disabilities. Credit Suisse also provides clients with bank statements in braille or large print upon request.

In 2012, Credit Suisse ran a campaign at its Swiss branches to highlight its range of accessible banking services. For example, clients with hearing impairments are given the opportunity to use an authorized sign language interpreter at personal consultations twice a year. The intermediary translates the spoken or written exchanges between the client and the bank. Clients can request this service at any branch.

## Challenges and Responses 2012

**Challenge:** The real estate sector is responsible for more than 30% of global greenhouse gas emissions and consumes more than 40% of global energy resources. Global carbon reduction targets and local carbon policies as well as the potential long-term change of macroeconomic factors lead to uncertainty for investors in the sector.

**Response:** Credit Suisse Real Estate Asset Management has started several initiatives for improved carbon abatement, such as the rollout of an energy controlling and operational optimization system in around 1,000 properties in Switzerland.

**Challenge:** In the microfinance sector, institutions often lack the organizational and managerial capacity to responsibly expand their operations, to increase the number of clients they reach and to become more sustainable.

**Response:** At Credit Suisse, we strengthened our combined approach of capacity building and investment in microfinance through partnerships with organizations and institutions in an effort to promote the development of the microfinance industry.

**Challenge:** Supply capital to fund the development of renewable technologies to meet global energy needs.

**Response:** We actively pursued lending, underwriting and investments for renewable energy companies, technologies and projects. For example, we provided USD 300 million to distributed home solar power initiatives by Sunrun, SunPower and SolarCity in the US.



# Responsibility in Society

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## Aerial view of Hyde Park, London

Credit Suisse sees itself as an integral part of the economy and society. Recognizing that our responsibilities go beyond banking, we strive to operate in a way that creates benefits for all our stakeholders.

## Our Role in the Economy and Society

Our first priority is to conduct our core banking operations responsibly and efficiently in order to generate sustained value for our clients, shareholders and employees. At the same time, we want to contribute to the economy through our business activities and to help build a more stable social environment.

As a global bank, Credit Suisse is closely interconnected with the economy and society. While focusing on our primary responsibilities toward our clients in our role as a financial services provider, we also strive to operate in a way that creates economic benefits and has a positive impact on the broader social environment.

We make a direct contribution to the economy by executing our banking activities reliably and efficiently. For example, as a financial intermediary we bring together lenders and borrowers of capital globally – ranging from companies and public sector bodies to private individuals and institutions – and facilitate the efficient allocation of financial resources. This includes supplying businesses with the capital they need to develop their activities and fund innovation, thus helping to foster economic growth and job creation.

Our activities in Switzerland illustrate how closely our business is linked to the economy and society. In our home market, Credit Suisse operates as a universal bank and is a financial partner to one in three businesses, as well as to around 2 million private clients. At the end of 2012, we had over CHF 150 billion of loans outstanding, including mortgages and loans to corporate, public and private clients. With a market share of 29%, Credit Suisse is a leading provider of unsecured loans to Swiss businesses.

In view of their vital importance for the economy, a number of the business activities we perform in Switzerland are classed as systemically relevant. They include: the execution of payment transactions, our domestic savings deposits business, and our lending operations – consisting of loans and credit lines to Swiss companies, as well as residential mortgages. In addition to these systemically important functions, Credit Suisse supplies a broad range of banking and wealth and asset management services.

### Adapting to the Changed Industry Environment

To perform their role in the economy against the backdrop of today's constantly changing, volatile market environment, banks require business models that are aligned to these new operating conditions. Our capital-efficient business model combining the areas of private banking, asset management and investment banking is well suited to this environment. It drives close collaboration between our divisional and regional businesses and offers synergies as well as potential

for diversification. At Credit Suisse, we anticipated the fundamental changes redefining the regulatory landscape and have continued to evolve our model over the last few years.

Credit Suisse also led the industry transition to the new capital regime, including the very strict requirements introduced by the Swiss Financial Market Supervisory Authority FINMA: We have substantially reduced our capital requirements and usage, have exited certain areas of business and have rebalanced resources toward other businesses that can generate better returns under the new capital regulations. We have restructured our investment bank in order to allocate capital to those areas where we can achieve good returns based on economies of scale or increased capital efficiency, and we have reduced risk and are concentrating on areas in which we operate as a financial intermediary for our clients. Important progress has also been made in evolving our private banking business. We have implemented a series of measures to enable us to serve the global wealth market more effectively. An important element in this transformation is the integration of our Private Banking and Asset Management businesses, which was announced in November 2012. The combining of these two areas and the creation of the Private Banking & Wealth Management division will enable us to align our product development and advice even more closely to client needs and to manage our various markets more efficiently. Our continued strong client momentum and solid financial performance in 2012 prove that we have successfully adapted our business model to the new environment.

We remain committed to further evolving our business in line with regulatory changes. In doing so, we believe that we are also supporting efforts to build a more robust financial sector. This includes our contribution to the ongoing debate about adequate bank capitalization and liquidity, as well as our efforts to support the development of an international resolution process to mitigate the economic risks posed by systemically relevant banks (see page 51).

### Economic Role as a Client and Contractual Partner

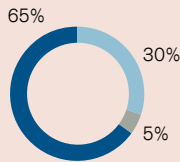
Looking beyond our core banking functions, we also play an important role in the economy at a number of levels – including as a consumer of products and services. In 2012, for example, Credit Suisse purchased over CHF 6 billion of goods, services and licenses from suppliers globally.

## Providing Capital for Growth and Innovation

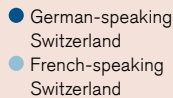
We believe that banks have a critical role to play in supplying businesses with the capital they need to finance growth and innovation. Reflecting our commitment to supporting small and medium-sized businesses in Switzerland – and based on the concerns about job creation highlighted by our Worry Barometer survey – we established the wholly owned subsidiary SVC Ltd. for Risk Capital for SMEs in May 2010. This venture provides financing that Credit Suisse cannot offer as part of its regular banking services due to certain risk considerations but which is, nonetheless, very important for this segment of companies. By end-2012, SVC Ltd. for Risk Capital for SMEs had invested around CHF 60 million of capital in 28 internationally active Swiss firms with sustainable business models. The amount invested usually ranges from CHF 1 million to CHF 5 million per firm. The portfolio companies, which are active in a variety of industries, currently employ more than 800 people and are expected to create 730 new jobs over the next three to five years. In addition, they hold more than 200 patents, reflecting their ability to innovate.

### 730

new jobs over the next 3-5 years

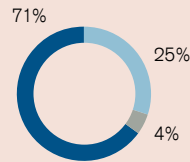


Percentage of funding requests by region

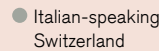


### 800

employees today (portfolio companies)



Percentage of investments by region



### >200

patents of 28 portfolio companies



Estimated capital invested by end-2013: CHF 80 million

● Total by December 2012: CHF 60 million

## Youth Barometer

### Understanding the Concerns of Young People



The majority of young people are optimistic about their future: They have clear ideas about life and realistic goals.

We recognize the role that young people have to play in shaping our future society, culture and economy and believe it is important to engage in a dialogue with this generation. In 2010, we therefore launched our online Youth Barometer survey of people aged between 16 and 25 in Switzerland, the US and Brazil to assess their views on a variety of issues. The participants were asked about topics such as their optimism about the future, their attitude toward work and money, their awareness of political issues and social problems, and their personal values. Despite their different cultural backgrounds, respondents from all three countries displayed a shared sense of optimism – even in the face of the greatest economic crisis in generations – and a willingness to work hard to achieve their goals. The survey also revealed that family and friends, as well as personal qualities such as honesty and loyalty, remain important to them – thus contradicting common misconceptions about a lack of motivation and clear values among the younger generation.

# 81%

of respondents believe it is important to follow their dreams (US/Brazil 79%, Switzerland 86%)

The insights provided by the survey help Credit Suisse to gain a better understanding of the specific needs and concerns of younger clients and employees – thus enabling us to respond to them appropriately. To mark the publication of the third Youth Barometer in October 2012, Credit Suisse hosted a panel discussion in Zurich at which political representatives and education specialists debated various issues relating to young people.



To read the findings of the Youth Barometer, refer to the Responsibility Chronicle or scan the QR code.  
[www.credit-suisse.com/chronicle/en](http://www.credit-suisse.com/chronicle/en)

As part of our efforts to pursue a responsible approach to business, we require our major suppliers to meet strict standards in areas such as employee health and safety or environmental protection, which are defined in our Supplier Code of Conduct (see also page 49). The relationships that we build with our supply partners help to guarantee the quality and value of the products and services we source and are also a means of ensuring that they assume their corporate responsibilities appropriately.

As an extension of our efforts to promote diversity and inclusion and as part of our supplier diversity program in the Americas region, we aim to build relationships with under-represented businesses that meet our quality standards, such as firms owned by women or individuals from ethnic and other minorities.

### Contribution as a Taxpayer

Our role as a taxpayer is another way in which we contribute to society and ultimately to the economy. Credit Suisse paid an average of CHF 0.7 billion in corporate income tax worldwide over the past five years. In addition, Credit Suisse is subject to other taxes that are not related to income, which exceeded CHF 0.4 billion in 2012 alone. On behalf of employees, Credit Suisse pays payroll withholding taxes and social security contributions, as well as other statutory levies. In 2012, these additional taxes and contributions totaled around CHF 2.6 billion globally.

### Importance of Credit Suisse as an Employer

Credit Suisse also performs an economic and social function as an employer to around 47,400 people in 57 countries. Of our total workforce, around 19,400 people are based in our home market of Switzerland, making us one of the country's largest employers. We strive to offer our employees attractive career opportunities across the full spectrum of banking, as well as progressive working conditions and competitive compensation, as part of our efforts to act as a fair and responsible employer.

The provision of wide-ranging training and development opportunities is an important aspect of Credit Suisse's attractiveness as an employer. Our training courses are designed to help employees strengthen their skill sets in an environment characterized by rapid innovation and change. We also provide development opportunities for talented individuals to help them advance their careers within the bank. In line with our stated aim of promoting junior talent, Credit Suisse has a range of programs for young people who are interested in a career in finance. In Switzerland, we offer commercial and IT apprenticeships for school-leavers and run a Junior Banking Program for high school graduates, as well as Career Start programs for new university graduates. Outside Switzerland, Credit Suisse provides a variety of options for young people seeking to gain their first professional experience in full-time positions or internships.

A stable social environment is essential for the long-term success of our bank. We therefore want to make a contribution to society that is commensurate with our importance as

a globally active Swiss bank. This includes taking measures to address issues such as youth unemployment in view of the profound social problems they can create in the long term. In Switzerland, for example, we are investing in training schemes run by partner organizations to assist young people who want to find an apprenticeship and enter the job market. Since the start of the initiative in 2009, 4,480 individuals have received support from these programs. In view of their effectiveness, Credit Suisse has decided to extend this commitment to 2015. We have also increased the number of apprenticeships we offer annually in our home market by 25% over three years to 750 (see page 38). At the same time, we seek to promote social cohesion and stability through a range of social initiatives in all the regions in which we operate worldwide. This includes our work with partner organizations to support charitable projects as well as employee engagement (see page 32).

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

## Challenges and Responses 2012

### Challenge: Strengthen confidence in the bank and its business model among our stakeholders.

**Response:** We took a series of measures in 2012 that enabled us to rapidly adapt Credit Suisse to the changed regulatory environment. This included reducing risk-weighted assets by CHF 55 billion, strengthening our capital<sup>1</sup> position by CHF 12.3 billion and lowering our cost base by CHF 2 billion<sup>2</sup>. When implementing these far-reaching measures, we endeavored to ensure that our core business was not impacted significantly too greatly while, at the same time, taking the interests of our different stakeholders – clients, shareholders, employees and society as a whole – appropriately into account.

### Challenge: Support the economy by efficiently offering loans to companies at competitive terms, thus helping to drive economic growth – especially in our Swiss home market.

**Response:** With a market share of 29%, Credit Suisse is one of the largest providers of unsecured loans to businesses in Switzerland. In an environment in which bank capital and liquidity requirements are evolving significantly, we ensured that the broadest possible range of companies could continue to access loans. Where this was not possible within the framework of our regular lending practices, our approach included the provision of risk capital through our subsidiary SVC Ltd.

<sup>1</sup> Refer to page 64 for details of capital disclosures.

<sup>2</sup> Refer to page 64 for details of cost savings disclosures.

## Our Social Commitments

Credit Suisse and its employees have been committed to addressing social challenges for many years. Working with partner organizations, we support charitable and humanitarian projects around the world to help improve the lives of disadvantaged people.

The long-term success of our business is dependent on the existence of a sound social environment and stable economy. In addition to our core banking activities, we are committed to acting as a reliable partner and to making a targeted contribution to economic and social development in the regions in which we operate. We have therefore entered into long-term strategic partnerships with selected non-governmental organizations in these different regions to help bring about lasting change.

We support the UN Millennium Development Goals – such as the eradication of poverty and the provision of universal primary education – through our global initiatives and we tackle social challenges such as youth unemployment through our various local programs. In emerging and developing economies, we regard microfinance and education as effective tools to promote economic growth and social change and as a means of helping people to help themselves. Through our global Microfinance Capacity Building Initiative we help to improve management training and development

and drive product and process innovation in microfinance institutions to give people at the base of the income pyramid better access to banking services. We also support microfinance institutions in their efforts to develop solutions for their clients. Through financial contributions and the work performed by employee volunteers at a local level, our partners were able to provide improved microfinance services to over 2.2 million microentrepreneurs and their families worldwide in 2012 (see below). Our Global Education Initiative, which was launched in 2008, aims to provide thousands of children and young people with access to education and to improve the quality of educational opportunities in over 25 countries worldwide (see page 30).

In 2012, the financial support and expertise we gave to charitable projects and initiatives worldwide was again complemented by the volunteering efforts of our staff. As an employer, we also strive to assume our social responsibilities by encouraging our employees to complement the value of



### Innovative Partner

The edutainment television series "Mucho Corazón," which is set in Chiapas, Mexico, discusses financial issues in a simple and innovative manner. The series was produced by the Chiapas state government in partnership with PCI Media Impact and Women's World Banking with funding from Credit Suisse. It was accompanied by a post-series talk show, "Hablemos de Mucho Corazón," that explored financial issues in more depth. It featured guest experts and also answered questions from viewers. The programs, which were broadcast weekly in 2012 in 20 Mexican states as well as in six other countries (Canada, Colombia, Guatemala, Panama, Peru and the US), made it possible to convey messages about finance to millions of households.

Read more about Women's World Banking at: [www.swwb.org](http://www.swwb.org)

### Focus Theme

## Microfinance

The concept of microfinance involves providing small or very small loans and other financial services to microenterprises in emerging economies. It is an effective means of helping people to help themselves and makes an important contribution to the reduction of poverty. At the same time, microfinance generates both a social return and a financial return for investors (see page 19). Together with experienced partners, Credit Suisse has been developing innovative solutions to link the top of the income pyramid with its base for more than a decade. To this end, we co-founded the social investment company responsAbility in 2002. To support the further development of microfinance institutions and the entire sector, Credit Suisse launched its Microfinance Capacity Building Initiative in 2008. Its focus is

our financial contributions through their own personal support for worthwhile causes. All employees therefore have the opportunity to dedicate an entire working day on full pay to participate in charitable projects. In addition, Credit Suisse offers them wide-ranging opportunities to assist our local partners in the areas of environmental protection, health care, education and social issues. These engagements also contribute to our employees' personal development and help to strengthen our corporate culture. In addition, suitably qualified employees have the opportunity to spend between one week and three months working on projects building the capacity of our global microfinance and education partner organizations as part of the Global Citizens Program (see page 32).

### Global Strategy, Regional Implementation

Our aim is to implement our strategy in the area of social commitment as effectively as possible in all the regions in which we operate, ensuring that our resources are deployed efficiently and that the projects we support generate long-term benefits. To ensure the success of these efforts, we collaborate with partners that understand the specific needs of the individual regions and can execute projects at a local level based on this knowledge. Our foundations and committees in our four regions work closely with over 300 partner organizations worldwide. The Credit Suisse Foundation allocates funds to our global education and microfinance initiatives and manages the Disaster Relief Fund. In Switzerland, the Foundation makes charitable donations through the Jubilee Fund and works closely with Corporate Citizenship Switzerland, which coordinates employee volunteering (see page 32). In the Americas and in our Europe, Middle East and Africa (EMEA) region, this role is performed by the Credit Suisse

Americas Foundation and the Credit Suisse EMEA Foundation, respectively. Meanwhile, the Asia Pacific Philanthropy Committee directs charitable projects in our Asia Pacific region.

### Strengthening Partnerships

In 2012, employees in all our regions volunteered (see page 32) a total of 182,376 hours of their time. Their efforts focused on sharing their knowledge and expertise with the organizations we want to assist. The number of employees going on assignments in our Global Citizens Program has increased; in addition, we have extended the virtual volunteering program in microfinance, which was launched in 2011. It enables interested employees to work on projects with partner organizations from their home countries (see page 32). We also encourage employees to take up positions on the Management Boards and Boards of Trustees of partner organizations and we run training programs to prepare interested employees for these roles. In addition, clients of Credit Suisse are offered the opportunity to engage in volunteering as part of our established partnerships with charitable organizations worldwide.

■ In Switzerland, we coordinate employee volunteering with more than 80 different non-profit organizations. For example, over 160 Credit Suisse employees shared their skills by dedicating around 5,600 hours of their time to education programs such as "Our Community" and "Fit for Economy" in elementary and middle schools, as well as giving week-long training sessions about economics in high schools and mentoring programs at Swiss universities. Our longstanding partnership with the Swiss Red Cross was also expanded last year: Around 2,000 employees dedicated almost 15,000 hours of their time to supporting the "2 x Christmas" campaign, a blood donation campaign, Redog (Rescue Dogs

on strengthening the management of microfinance institutions and on developing their products and processes. Credit Suisse today works with six partners in this area: Accion, FINCA International, Opportunity International, PlaNet Finance, Swisscontact and Women's World Banking.

Find out more about this topic at:

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



Watch a video report here about the FINCA Development Academy, a training center for employees of our partner organization FINCA.

### Protecting Consumer Interests

Credit Suisse is a founding partner of the Center for Financial Inclusion, which was established by our partner Accion in 2008. In 2009, the Center launched the Smart Campaign – a global consumer protection initiative that trains and supports microfinance institutions that have signed up to the Client Protection Principles (CPPs) defined by the initiative. Today, the Smart Campaign involves more than 1,000 microfinance institutions that serve more than 60 million clients worldwide. A global certification program will be launched during 2013.

#### Microfinance – Selected Figures for 2012



**8,471**  
local employees  
trained



**2,200,000**  
people at the base  
of the income pyramid  
benefited from  
improved micro-  
finance activities



**364,559**  
electronic  
transactions  
completed

Organization), the drivers' pool for the elderly and the integration project "Mitten unter uns" (In Our Midst) that helps immigrant children improve their German language skills. To promote dialogue and advance thought leadership in this area, the bank organized its second Corporate Volunteering Conference in Zurich, at which experts from academic circles, the business community and non-profit organizations discussed the effectiveness of corporate volunteering as well as ways of gauging its impacts. In total, 22% of all employees in Switzerland took the opportunity to volunteer in 2012.

- In the EMEA region, activities in 2012 once again focused on providing educational opportunities for children and young people from disadvantaged backgrounds. To address the challenge of youth unemployment, the Credit Suisse EMEA Foundation lent its support to programs that help young people embark on a career. To complement the work of the Foundation, more than 370 Credit Suisse employees took part in the Mock Interview Week Program, helping more than 200 students to gain interview experience in order to prepare them for the world of work. 2012 was also the 10th anniversary of Teach First, and Credit Suisse was lead supporter of the initiatives organized to mark this occasion and further the charity's aims and mission. Teach First is committed to addressing educational disadvantages by transforming exceptional graduates into inspirational teachers and leaders. In Italy and Ireland, employees selected a "Charity of the Year" for the first time and supported them through various activities during 2012. We were also able to expand our activities in Poland and continued to further developed programs in the Middle East and North Africa, as well as Russia. In total, 36% of all employees in the region volunteered.

- Programs in the Americas also continued to focus on the themes of education and employee engagement in 2012. The Credit Suisse Americas Foundation's Education Program once again lent its support to schools that provide children from socially disadvantaged families and economically deprived communities with improved development opportunities. A total of 72 schools with over 19,000 students benefited from the program. In 2012, the Credit Suisse Americas Foundation also donated more than USD 250,000 to the non-profit organization City Harvest that supplies food to the increasing number of New Yorkers who are going hungry. As well as providing financial support to City Harvest, hundreds of Credit Suisse employees devoted nearly 1,900 hours to help the organization perform its work. A total of 49% of all employees in the region engaged in volunteering in 2012 – either off site or through one of the numerous volunteering opportunities available to them in their workplace.
- In Asia Pacific, efforts also centered on the provision of funding for education projects. New partnerships were established with organizations in Australia, Cambodia, China, India, Indonesia, Korea, Laos, Singapore and Thailand. We supported the construction of schools and student accommodation and provided scholarships to help promote access to education in Cambodia, China, Indonesia and Laos. In addition, we invested in the training of teachers in China and India. In cooperation with the Half the Sky Foundation, Credit Suisse supported the Little Sisters program in a number of Chinese orphanages, where many of the children require special educational support and well-trained carers to prepare them to start school and to help them lead independent lives in the longer term. In Australia, we donated funds to the Cathy Freeman Foundation (CFF) that improves



#### Supporting Science

Our partner organization Worldfund launched its STEM Program (Science, Technology, Engineering and Mathematics) in Recife in Brazil in 2009. Since its launch, Credit Suisse has been a major funder of the program, which trains teachers so that they can cover STEM subjects more effectively. The program is designed to address the fact that Brazil's education system is currently unable to produce a sufficiently qualified workforce to ensure the country's sustainable growth. The STEM program met with such a high level of demand that it was expanded after one year to cover 21 schools, where it now forms part of the core curriculum.

Read more about Worldfund at: [www.worldfund.org](http://www.worldfund.org)

## Focus Theme Education

We believe that education is vital to ensure social stability and economic growth. Credit Suisse supports selected partner organizations with the aim of improving access to education and the quality of educational opportunities. It does so particularly through the Global Education Initiative, which was launched in 2008. In support of the UN Millennium Development Goal "Achieve universal primary education", we set ourselves the objective of providing 45,000 children and young people with access to high-quality education. Over the past five years, we have been able to exceed this target figure (see chart on page 31). This was achieved thanks to our collaboration with six international partner organizations: Camfed, CARE, Plan International, Room to



educational opportunities and future prospects of indigenous children. In 2012, 44% of all employees in Australia took part in the Horizons Program on Palm Island, run by the CFF, as volunteer helpers. The program provides indigenous children on Palm Island – the birthplace of the athlete and founder of the organization Cathy Freeman and one of Australia's most socially and economically underdeveloped regions – with high-quality education and better future prospects (see box on page 32). The level of volunteering in Asia Pacific rose to 39% in 2012.

### Disaster Relief Fund

In Japan, the Disaster Relief Fund is providing a total of USD 5.5 million to support long-term reconstruction efforts in the Fukushima region. Working with local partner organizations, the Disaster Relief Fund has, for example, built a community center and has supported the Picture Book Project – a mobile library filled with donated children's books and toys that visits children in affected regions to foster their love of reading and playing. A further donation of EUR 250,000 was made to the Italian Red Cross to help victims of the earthquake in the Emilia-Romagna region. In November 2012, Hurricane Sandy hit the East Coast of the US, causing devastation and destroying the homes of thousands of people. The Disaster Relief Fund provided USD 150,000 of immediate financial aid and the Americas Foundation encouraged employees in the region to donate money to help the victims, resulting in a further USD 256,000 of funding. Shortly afterwards, more than 400 Credit Suisse volunteers spent a total of 2,200 hours assisting in various rebuilding efforts and aid programs.

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

## Challenges and Responses 2012

**Challenge: Support social development and help promote economic growth and stability in the emerging markets in which we operate.**

**Response:** Continue to grow our social commitments in these regions via our capacity building efforts with ongoing education and microfinance projects in countries such as Brazil, China, India and Mexico. We also increased regional employee engagement in Asia Pacific.

**Challenge: Persisting challenging economic climate puts pressure on partnership funding.**

**Response:** Strengthen our long-term partnerships by providing skills-based volunteering opportunities that are specifically tailored to our partners' needs.

**Challenge: Motivate employees to volunteer despite the current difficult business environment that continues to impact the ability of employees to volunteer for extended periods of time.**

**Response:** Offer more opportunities for employees to engage for shorter time frames. Furthermore, continue to grow the virtual volunteering program in microfinance launched in 2011 to enable interested employees to work on projects run by our microfinance partners without having to travel to the organization.

Read, Teach for All and Worldfund. These organizations work together with communities and educational authorities at a local, national and regional level. Our support for our partners' educational programs focuses on measures that are known to make a significant impact: school scholarships for disadvantaged children (especially girls), teacher training, school refurbishment and the provision of specialist educational materials.

Find out more about this topic at:  
[www.credit-suisse.com/responsibility/en/initiatives](http://www.credit-suisse.com/responsibility/en/initiatives)

### Selected Figures for the School Year 2012–2013<sup>1</sup>



**38**  
countries in which  
the Global Education  
Initiative is active



**419**  
schools will  
benefit from  
our support



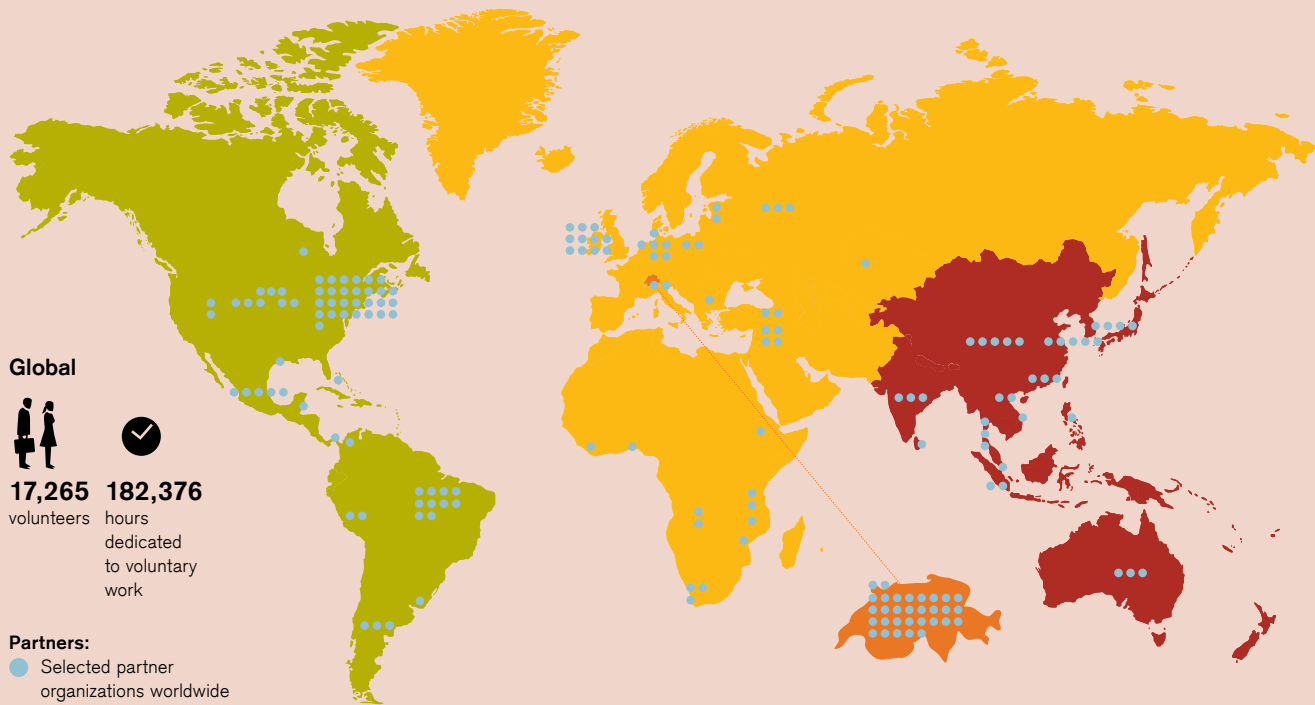
**14,724**  
teachers will  
be trained



**89,157**  
students will  
benefit from  
improved access  
and/or improved  
quality of  
education

<sup>1</sup> Denotes actual figures for October–December 2012 as well as estimated figures for 2013.

## Our Social Commitments Worldwide



### Americas



### EMEA



### Switzerland



### Asia Pacific



### Focus Theme

## Employee Engagement

We cultivate long-term partnerships with selected organizations in all our regions to coordinate employee volunteering. In 2012, we continued to concentrate on volunteering programs that promote the transfer of skills and knowledge between our people and our partner organizations. We therefore continued to expand our Global Citizens Program (GCP), which was launched in 2010 to provide opportunities for qualified employees to go on assignment in-country and apply their professional skills to build the capacity of our partner organizations working in the areas of education and microfinance. Participation in the GCP provides the volunteers with valuable professional and personal experiences that they can apply to their regular work at the bank and it brings together

employees from across our different regions and divisions – thus fostering cross-regional collaboration.

In 2012, the total number of GCP participants increased from 31 to 44 Credit Suisse employees. A total of 34 Credit Suisse volunteers were sent to 18 countries to complete assignments with our education partners (see page 30). Ten employees were deployed with our microfinance partner organizations in four different countries for a period of up to three months.

Find out more about this topic at:  
[www.credit-suisse.com/responsibility/initiatives](http://www.credit-suisse.com/responsibility/initiatives)



In Australia, Credit Suisse employees volunteered their time to help children as part of the Horizons Program run by the Cathy Freeman Foundation on Palm Island.

Read more about the Cathy Freeman Foundation at: [www.cathyfreemanfoundation.org.au](http://www.cathyfreemanfoundation.org.au)



Watch a video report about the Cathy Freeman Foundation here.

## Selected Projects in 2012

### PluSport, Switzerland

**Aim:** Foster integration and provide positive experiences for people with disabilities through active participation in sport.

**Result:** Around 80 volunteers helped out at PluSport Day – the largest one-day sporting event for people with disabilities in Switzerland – and took part in goalball tournaments for blind people and the visually impaired.

### Young Enterprise Switzerland

**Aim:** Help young people to acquire an understanding of business topics, an entrepreneurial approach and effective personal skills.

**Result:** 48 employees provided assistance for 50 classes, benefiting 930 students.

### Swiss Youth Music Competition

**Aim:** Foster talent in the areas of classical music, jazz, rock and pop at grass-roots level.

**Result:** With Credit Suisse's support, more than 1,300 children participated in the 2012 "Classic" competition and 21 bands qualified for the final of the "Jazz, Rock and Pop" competition in Zurich.



### African Leadership Academy, South Africa

**Aim:** Help to create the next generation of leaders through the Credit Suisse Leadership Outreach Program – a series of workshops focused on leadership and entrepreneurship for students and educators.

**Result:** A total of 126 young people have participated in the workshops over the past 2 years, including 16 young people from Clouddog – a partner organization of the Credit Suisse EMEA Foundation.

### Rock Your Life, Germany

**Aim:** Fund workshops and workplace visits for young people to increase their employability.

**Result:** In 2011–2012, 12 workshops were held for 300 young people and 30 corporate visits were organized in 15 cities across Germany. In addition, Credit Suisse staff volunteered to support Rock Your Life.

### Debate Mate, UK

**Aim:** Increase opportunities of disadvantaged young people by offering them access to after-school debate clubs run by top university students. The debate clubs are designed to develop their communication, analytical and interpersonal skills while building confidence and self-esteem.

**Result:** The Credit Suisse EMEA Foundation funded 24 after-school debate clubs in 2011 – 2012 as part of its commitment to education and provided financial support to enable students to enter inter-school debating competitions. Credit Suisse also hosted the Credit Suisse Novice Cup in 2012.



### Partnership with City Harvest, US

**Aim:** Help City Harvest to collect excess food and distribute it to soup kitchens, senior centers and homeless shelters.

**Result:** In view of the high demand for emergency food, we further strengthened our longstanding partnership in 2012. Credit Suisse provided financial support and our employees volunteered 1,900 hours of their time to assist City Harvest, which last year distributed 40 million pounds of food to the needy.

### Non-Profit Board Training Program, US

**Aim:** Give employees the tools and expertise they need to serve as Board members in non-profit organizations by providing governance training, placements and volunteering grants.

**Result:** In 2012, 191 employees participated in the Non-Profit Board Training Program. Over 750 employees in 7 cities have been trained to date.

### KIPP Foundation, US

**Aim:** Help students from low-income communities to develop the knowledge and skills needed to succeed in college.

**Result:** Annually, an average of 95% of KIPP eighth-grade classes supported by Credit Suisse outperform their local districts in state reading and mathematics tests; 94% graduate from high school and 84% start college.



### Hair for Hope Campaign, Singapore

**Aim:** Raise funds and create awareness of childhood cancer.

**Result:** Credit Suisse was one of the main sponsors of the Hair for Hope Campaign 2012, which attracted more than 160 volunteers. As part of the campaign, 32 people had their heads shaved – raising more than SGD 120,000.

### Half the Sky Foundation, Little Pre-School, China

**Aim:** Prepare orphaned children aged between 2.5 and 7 years to succeed in community schools – instilling them with a sense of self-worth that is often missing in institutionalized children.

**Result:** 22 volunteers from Hong Kong visited the Half the Sky Little Pre-school in Shenzhen, and 10 volunteers from the Beijing office visited the China Care Home. In 2012, we donated USD 150,000, benefiting 146 pre-school children.

### Child's Dream Kuang Kham School and Na La Boarding House, Laos

**Aim:** Fund the construction of classrooms at Kuang Kham Secondary School and Na La Boarding House.

**Result:** A total of USD 149,544 was awarded to Child's Dream to construct 8 classrooms at Kuang Kham Secondary School and two boarding houses at the Na La Secondary School in Laos, benefiting over 600 students.

## Sponsorship

Our sponsorship projects form part of our social commitments. We focus on the areas of music and the fine arts, as well as golf, equestrian sports and football. Credit Suisse assigns particular importance to promoting young talent and the international exchange of cultural experiences. We also support education initiatives for children in Malawi together with the Roger Federer Foundation.

Like many other companies, Credit Suisse views sponsorship as a valuable marketing tool. We consider it important to work with individuals and institutions that share our core values – such as our commitment to delivering exceptional performance and to achieving sustained success. This form of collaboration enables us to benefit from the reputation of our partners and helps them to focus on planning their work and on realizing their goals – even in a challenging economic climate. At the same time, the numerous concerts and cultural and sporting events we sponsor allow our clients and members of the public to enjoy performances by our partners.

### Nurturing Talent

The cultivation of young talent is one of our main areas of focus. We run various programs to support young musicians and sportsmen and women around the world. Examples include the Credit Suisse Young Artist Award, which we organize in conjunction with the Lucerne Festival, the Vienna Philharmonic, and the “Gesellschaft der Musikfreunde” in Vienna, as well as the Prix Credit Suisse Jeunes Solistes, in conjunction with the Conference of Swiss Universities of Music. These two awards are presented in alternate years (see page 35).

We also support all of Switzerland’s junior national football teams in our role as the main sponsor of the Swiss Football Association. Following the Swiss U21 team’s success in reaching the finals of the European Championship in Denmark in 2011, the Swiss national team was last year able to compete in the Olympic football tournament for the first time since 1928.

Credit Suisse’s commitments in the field of cultural sponsorship are focused on classical music and fine arts. The promotion of international cultural exchanges is always one of our goals in this area. For example, we support international tours by our partner orchestra the New York Philharmonic, of which Credit Suisse is Global Sponsor, as well as the Sydney Symphony Orchestra. Classical music festivals that bring together talented musicians from around the world also provide a platform to promote cultural exchanges. As main sponsor of the Lucerne Festival, Credit Suisse has been

funding the Vienna Philharmonic’s annual residency in Lucerne since 1993. In 2012, we also renewed our partnership with the Bolshoi Theatre in Moscow. The sponsorship provided by Credit Suisse helps to meet the costs of its global tours.

### Funding Major Exhibitions

Credit Suisse also lends its support to various other leading museums in Switzerland and abroad – providing funding for exhibitions that are of international importance. For example, we are a partner to the National Gallery in London, which held an extremely successful exhibition of works by Titian in 2012. The centerpiece of the exhibition consisted of three masterpieces by the famous Italian artist, which were seen together for the first time since the 18th century. As part of the exhibition, the National Gallery also commissioned works from contemporary artists in different fields, who were invited to produce modern-day interpretations of Titian’s paintings. In cooperation with Credit Suisse, the National Gallery also organizes various social projects for Credit Suisse’s Charity of the Year (see page 35). Another highlight was the Renoir exhibition at the Kunstmuseum Basel entitled “Renoir – Between Bohemia and Bourgeoisie”, which provided an insight into the pivotal years of the French impressionist’s work. The survey exhibition focused on the artist’s multifaceted early work in the period leading up to his first major impressionist paintings of the early 1870s. It contained a wide selection of paintings, some of which were on loan from museums and private collections in Europe and the US. Credit Suisse is pleased to have resumed its partnership with the museum after a five-year hiatus and is supporting one major exhibition each year.

[www.credit-suisse.com/sponsorship](http://www.credit-suisse.com/sponsorship)

## “Growing Up in Malawi” and the Roger Federer Foundation

Since 2009, Credit Suisse has been partnering with Roger Federer and his foundation, which we support with USD 1 million of funding each year. The Roger Federer Foundation promotes education, sports and play in Africa. It also supports gifted young athletes from low-income families in Switzerland. Financial contributions from Credit Suisse have enabled the foundation to launch an initiative to provide young children in Malawi with access to early learning opportunities. This 10-year project, which is being implemented in conjunction with the NGO ActionAid Malawi, aims to prepare more than 50,000 children for the transition to primary school. Since 2011, Credit Suisse has been monitoring and recording the progress of this initiative in the documentary series “Growing Up in Malawi”. The people followed in the series include the three children Patricia, Tito and Joanna, childcare worker Hanex Kapingasa and one representative of ActionAid Malawi.



Education, sports and play are the main areas of focus of the Roger Federer Foundation's engagement in Malawi.



Watch previous episodes of the series here.

## Project Firefly

Launched at the start of 2012, Project Firefly is an independent online platform that gives recent graduates or university students nearing the end of their degrees an opportunity to establish contact with renowned scholars – including a Nobel Prize winner – as well as sponsors. The project allows the participants to exchange their ideas and provides an open forum in which they can engage in constructive discussions. Credit Suisse is a founding sponsor of Project Firefly and organized three essay competitions in 2012 – starting with the Emerging Leaders competition in January 2012. The top-three entrants were invited to the Asian Investment Conference in Hong Kong.

[www.project-firefly.com](http://www.project-firefly.com)

## Cooperation with the National Gallery

Together with Credit Suisse, the National Gallery organizes various social projects for Credit Suisse's Charity of the Year. In October 2012, it held two special workshops for around 30 young people aged between 16 and 25 in conjunction with Centrepiece, which was Credit Suisse's UK Charity of the Year for 2012. The workshops were run by the artist Dave Lewis, whose works were displayed at the National Gallery in an exhibition entitled “Seduced by Art: Photography Past and Present”. The workshops were designed to provide the participants with useful tips and to help them discover their creative side – ultimately helping them to develop greater self-confidence through art. Credit Suisse and the National Gallery have collaborated on similar projects with The Alzheimer's Society, The Place2Be, The Children's Trust and the bank's partner schools in the past.



Read articles about Credit Suisse's cooperation with the National Gallery here.

## Credit Suisse Foundation

Credit Suisse has been lending its support to talented young musicians since 2000 through the Credit Suisse Young Artist Award and the Prix Credit Suisse Jeunes Solistes, which it presents in alternate years. In 2012, the Norwegian violinist Vilde Frang won the Credit Suisse Young Artist Award and received CHF 75,000 of prize money, as well as the opportunity to perform in concert with the Vienna Philharmonic at the Lucerne Festival in Summer. The final of the Prix Credit Suisse Jeunes Solistes 2013 was won jointly by German recorder player Laura Schmid and Spanish clarinetist Pablo Barragán. The awards, as well as the post of Youth Coordinator at the Musikkollegium Winterthur and the Swiss Youth Music Competition Foundation, are financed by the Jubilee Fund of the Credit Suisse Foundation (see page 33).



Read an article and watch a video about Vilde Frang here.

In December 2011, the Norwegian violinist Vilde Frang was named the winner of the Credit Suisse Young Artist Award 2012.

# Responsibility as an Employer

**Atrium at the Uetlihof 2 office complex, Zurich**  
Credit Suisse strives to offer employees a state-of-the-art working environment. Uetlihof 2 in Zurich – with over 2,000 workspaces – was constructed according to Minergie-P-ECO specifications governing environmental and health aspects.



## Responsibility as an Employer

Our long-term success depends on our ability to inspire trust and achieve client satisfaction. It is therefore essential for Credit Suisse to attract, develop and retain qualified, responsible and motivated employees who can help us achieve these goals. We offer interesting lines of work, progressive employment conditions and wide-ranging training and development opportunities.

Our success as a bank ultimately depends on the skills and experience of our employees. For our business to perform well even in challenging market conditions, we must offer clients first-class products and services. We can only realize this objective if we continuously strengthen our position as an employer of choice in order to attract the most talented professionals to our company. Demographic changes, which are intensifying the competition for highly qualified employees, represent a further challenge in this context. We therefore offer long-term career prospects in an international environment and place an emphasis on professional development.

We pursue a human capital strategy that is aligned with our business priorities and creates the basis for the generation of long-term added value within the company. The strategy focuses on three pillars: the building of a partnership culture, the strengthening of our relationship managers' client skills, and the promotion of young talent. This enables us to grow our human capital from within and to retain the pool of knowledge and experience that is currently available within the bank, thus placing us at a competitive advantage.

### Advisory Quality and Compliance

Our broad range of employee training and development programs ensures that we can enhance the quality of our service and advisory offering and adapt our business to new market requirements. For example, all of our relationship managers in Private Banking & Wealth Management are required to complete our Frontline Training certification program (see page 7). Credit Suisse offers all employees a wide range of internal training programs that take the form of traditional classroom instruction, e-learning and video-based courses. In addition, learning communities, where groups of individuals can share their expertise and benefit from formal and informal learning programs, were established in 2012.

We expect our employees to remain informed of the continuing changes in regulatory requirements and to act responsibly and in accordance with the applicable rules at all times. To support them in these efforts, we have developed study modules and tests relating to legal and compliance issues that must be completed by specific groups of employees or by Credit Suisse's entire workforce. For example, all relationship managers are required to complete training

### Impact of Cost Reduction Measures on Employees

In view of the ongoing changes within the financial services industry, as well as low levels of client activity and a rise in costs due, in part, to regulatory changes, we decided to reduce the size of our global workforce. This step had an impact on various businesses across all our regions. For years, we have been working closely with bodies that represent employee interests, such as the European Works Council and the Credit Suisse Staff Council (PKOM), to ensure that the needs of the individuals affected by these measures are taken into

account. Credit Suisse assists these employees in the search for a new position and strives to minimize the impact of the reduction in staff numbers through internal transfers and natural turnover. The Credit Suisse Staff Council has confirmed that Credit Suisse is assuming its social responsibility and is offering a good package of measures to assist affected employees. Since 2011, Credit Suisse has announced plans to reduce costs by a total of CHF 4.4 billion<sup>2</sup> by end-2015; this could entail a further headcount reduction.

In the course of 2012, Credit Suisse transferred further services to its five Centers of Excellence (CoE) around the globe. We either moved functions that were performed in traditional locations but are similar to those already carried out by existing CoE employees or we moved functions entailing a higher level of complexity and responsibility to these centers. We expect the strategic importance of our CoEs to increase further and anticipate that the centers in Poland and India will expand significantly (see box on page 41).

<sup>2</sup> Refer to page 64 for details of cost savings disclosures.

## Employee Facts and Figures

**37%** proportion of female employees  
**16%** proportion of women in senior management positions (Managing Directors and Directors)

### Proportion of women: Board of Directors / Executive Board

**2 of 15** members of the Board of Directors  
**1 of 9** members of the Executive Board

### Part-time working

**15%** 27% of all female employees and 8% of all male employees work part time

### Employment contracts

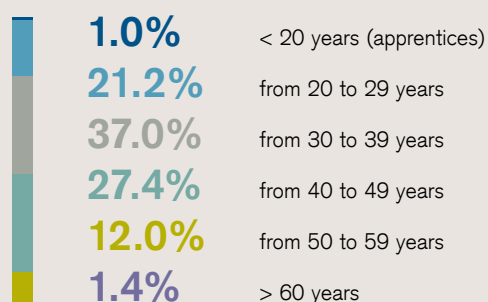
**47,400** permanent contracts (full-time equivalents)

**4,000** temporary contracts (full-time equivalents)

### Employee turnover

2012: voluntary turnover 8.8% / involuntary turnover 6.7%  
 2011: voluntary turnover 9.2% / involuntary turnover 4.3%

### Employee split by age



courses on the cross-border business that inform them about the regulatory requirements in individual markets. The completion of training modules about topics such as the prevention of money laundering, trading sanctions, records management and IT risks are mandatory for all employees.

### A Culture of Performance and Development

Our employees are assigned performance objectives that are aligned with the bank's strategy. They are expected to place our clients at the center of all that they do. We measure our employees' performance based on the nature and scale of their contribution to the achievement of our business goals. A uniform performance management system is used in this context. The dialogue between line managers and employees

remains the most important aspect of our approach to performance evaluation, and individual discussions serve as the basis for career planning and the assessment of development potential. By the end of 2012, 68% of Credit Suisse employees had drawn up personal development plans. To help line managers provide their employees with the best possible support in achieving their professional objectives, we have introduced special training courses for managers and have made additional online tools available to assist them.

We believe that good performance and commitment should be rewarded by offering employees fair and competitive rates of pay. At the same time, we are aware of our obligations toward our shareholders and regulators (see page 10 for further information about compensation). Another way in which we recognize outstanding performance is by presenting our annual CEO Leadership Awards, of which there are six different categories.

As a globally active company, we consider it important to give employees the opportunity to gain new experience by working abroad or in different business areas as part of their professional and personal development. Credit Suisse therefore takes targeted measures to promote internal mobility. Around 4,000 employees per year benefit from the opportunity to assume a new role within the bank. In 2012, 44% of all vacancies were filled through internal appointments, an increase of 6% compared to the previous year.

### Investing in Young Talent

As part of our strategy to grow our own talent, Credit Suisse seeks to recruit promising young professionals and offers them attractive career opportunities to encourage them to stay with the company in the long term. We work closely with renowned universities around the world in the area of campus recruiting. In 2012, 45% of external hires were career starters, compared to 39% in the previous year. At a global level, we offered more than 1,000 full-time positions to new graduates.

In our Swiss home market, we offer a range of options to talented young people who wish to embark on a career in the finance industry. Credit Suisse employs a total of 1,370 junior talents, of whom around 750 are enrolled on IT or commercial apprenticeships. We have a high level of success in training these individuals: In 2012, the group of 167 graduates who were undergoing training passed with a 100% success rate. 80% of our apprentices continue to work at Credit Suisse after completing their training. Over the past three years, we have increased the number of apprenticeships we offer by 25%. As one of Switzerland's largest employers in the field of IT, we are also committed to promoting young talent in this field: We have not only doubled our number of IT apprenticeships but have also engaged in volunteering at Swiss schools. For example, Credit Suisse employees ran a one-day Lego robotics workshop for children aged 9 and above to increase their understanding of technology and IT, and we have designed special mentoring programs to provide female students with an insight into the world of IT.

In Switzerland, we are additionally training 250 new university graduates through our Career Start programs, and



we offered around 120 high school graduates places on our Junior Banking Program, which takes 12 to 24 months to complete. Around 100 internships are also available for students.

Outside our Swiss home market, we provide a diverse range of options for young people seeking to gain their first professional experience in full-time positions or internships. All of our regions offer training courses to prepare junior employees for their future roles. Once they have obtained some initial experience, the bank provides them with further opportunities to build on their knowledge and broaden their understanding of different client needs. For the fourth year in our EMEA region, for example, we ran a two-month program combining work experience in various areas of the business with classroom training and presentations by Credit Suisse managers. As part of this program, a manager was appointed to act as a mentor to each participant. We also have various programs to help young people from underrepresented minorities to obtain exposure to careers in finance. Signature programs are run in the US, Australia and EMEA. In London, for example, we introduced a new program in 2012 that offers summer work placements as well as scholarships and mentoring for high school students. The initiative aims to provide permanent positions for students who perform well professionally during their time with the company.

### Preparing the Next Generation of Leaders

Long-term succession planning is another pillar of our human capital strategy and is based, in particular, on our assessment of our employees' potential to take on a new function in the future. In 2012, 78% of our workforce was assigned a "potential rating" – an increase of 15% compared to the previous year.

Further steps we have taken to ensure we have a pool of suitable internal candidates to fill senior management positions within the bank are the continuation of cross-divisional talent programs, as well as the establishment of our own internal talent agency. The talent agency offers 50 top managers as well as around 400 employees at senior or middle management level the opportunity to attend leadership courses to prepare them to take on positions with greater responsibility.

### Diversity and Inclusion

To deliver high-quality products and services to our clients and to work together effectively across the bank, we require employees with different mindsets and wide-ranging experience. The diversity of our workforce provides us with a better understanding of client needs, cultural aspects and regional markets. We believe that it also opens up a broader range of business opportunities for our company. 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 (or any other status protected by local law). Credit Suisse today employs people from 146 different nations.

Our internal experts work closely with our businesses across all regions to ensure that our diversity and inclusion strategy is firmly embedded within our corporate culture. They

## Talent Development in 2012



**480**

classroom leadership training sessions

**85,200**

participants in instructor-led courses

**620,000**

participants in e-learning courses, including mandatory modules

**71,500**

classroom-delivered training days

**18**

hours of training per employee (average)

**82%**

average level of satisfaction among course participants

## Committed and Motivated Employees



Credit Suisse conducts regular employee engagement surveys in conjunction with an independent consulting firm to assess employee satisfaction and to gain a better understanding of the views of our people on work-related topics. The results provide an indication of the areas in which improvements are needed. The most recent survey, which was conducted in 2011, produced a 73% engagement score, demonstrating that satisfaction among our employees is higher than the industry average of 66%. The survey is carried out every two years to allow us sufficient time to implement response measures.

**Number of Employees**

Full-time equivalents as of December 31, 2012

**Credit Suisse****47,400****by division****27,300**

Private Banking &amp; Wealth Management

**19,800**

Investment Banking

**300**

Corporate Center

**by region****19,400**

Switzerland

**11,300**

Americas

**9,300**

EMEA

**7,900**

Asia Pacific

advise managers on the planning and implementation of the necessary internal structures and measures to ensure that we can offer an inclusive working environment that is free from discrimination and can also take the specific needs of our clients into account in our product and service offering. In all four of our regions, councils headed by our regional CEOs are responsible for ensuring that we systematically strive to achieve the targets we have defined and that we implement appropriate measures.

**Advancement of Women and Mentoring**

Our stated objective is to continuously increase the proportion of women in management positions. To bring us closer to this goal, we take targeted steps to attract female professionals as part of our recruitment process. As a result of this approach, we have, for example, been able to increase the proportion of women hired in our Investment Banking business in the EMEA region from 17% to 27%.

Studies and experience gathered over many years show that mentoring is an effective tool to help women advance their careers. In 2012, a global program to prepare 30 highly qualified women to assume senior management positions within Credit Suisse was successfully completed for the first time. It proved successful, with around half of the participants having already either been promoted or assigned more responsibility in some other way in the course of the 18-month

program cycle. The concept of appointing members of the Executive Board as mentors has produced the expected results and will be offered on a broader basis in the future. Mentoring is also offered to female members of middle management. Examples include:

- Switzerland: In 2012, 137 women began a one-year cross-divisional mentoring program. In addition, 200 female employees in Switzerland from all levels of the company took part in workshops on topics relating to the advancement of women.
- EMEA: A program was launched in 2012 under which senior managers were assigned to act as mentors to 200 employees across the bank.
- Investment Banking: Mentoring is provided for employees with different levels of experience; in 2012, around 220 participants completed a mentoring program.
- IT: Three mentoring programs were conducted primarily at regional level and attracted 130 participants; one of the programs was targeted specifically at women.
- CFO division: Two global mentoring programs specifically targeting women were held in 2012, benefiting a total of 25 employees.

Women are, however, not the only employees to benefit from internal mentoring programs: Similar offerings are available across all our regions and divisions for different groups. In 2012, 683 employees in the Americas, 230 in Asia Pacific, 455 in EMEA and 304 in Switzerland attended a total of 22 such programs.

**Networks to Promote Knowledge Sharing**

Despite its measures to reduce costs, Credit Suisse is continuing to support around 40 internal employee networks worldwide that serve as a platform for the exchange of knowledge and experience, thus fostering mutual understanding and helping to strengthen our corporate culture. These networks – which are run by employees on a voluntary basis – are dedicated to women, families, lesbians, gay, bisexual and transgender individuals (LGBT), people with disabilities, US veterans, the older and younger generation, and employees from various ethnic backgrounds. In 2012, the networks organized a total of 635 events. They also make a direct contribution to the business. For example, the LGBT Network in the Americas was able to attract new client assets for the bank, while the Americas Veteran Network assisted Credit Suisse in recruiting war veterans.

We are also committed to cooperating with external organizations. In 2012, we lent our support to a number of associations and events including:

- National Urban League and Catalyst, which aims to build inclusive environments and expand opportunities for women
- The Asia Society, which organized the Diversity Leadership Conference in New York
- Opportunity Now: an organization in the UK that supports the advancement of women in business
- The World Economic Forum in Davos, at which we hosted an event for female managers
- Women's Business Conference in Switzerland

### Attractive Working Environment and Flexibility

We are convinced that our employees' level of satisfaction with their work has a direct impact on their wellbeing, motivation and productivity. We therefore strive to offer them flexible working models and a state-of-the-art office environment. One example is the Smart Working concept that has now been rolled out in various business areas across different regions. It provides specially designed office spaces that allow for more flexible and mobile working.

To ensure that our employees' needs and interests are taken properly into account and to promote a dialogue between employees and managers, Credit Suisse has, for many years, worked closely with organizations such as the European Works Council and the Credit Suisse Staff Council in Switzerland.

In consultation with various specialist units, we have developed working models and other offerings that help our employees combine their professional and personal commitments as effectively as possible. They include the provision of:

- Flexible working arrangements, such as part-time positions, job sharing, compressed working weeks and remote working
- Maternity and paternity leave
- Advice on personal, health or financial problems
- Childcare in Switzerland. Since 2012, we have also offered support for employees who wish to care for sick or disabled relatives; this includes the provision of information and events, referrals to specialist support centers and advice on flexible working arrangements
- In the EMEA region, employees are able to make use of a free emergency childcare service
- Nursing rooms for mothers returning to work
- Prayer rooms
- A wide-range of courses on topics such as health and nutrition or stress management, as well as sport and fitness courses
- Free medical check-ups in a mobile prevention and diagnostic center as part of a health initiative for employees in Switzerland; around 2,200 employees also accepted our offer of in-house flu vaccinations
- Benefits such as pension provision and study grants

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

### Recognition of Efforts to Promote an Inclusive Working Environment in 2012

- "Advancing Women in the Workplace" award for pioneering mentoring programs for female managers (Opportunity Now)
- One of the top-50 employers for women in the UK (The Times)
- Score of 100 points in the Corporate Equality Index for the equal treatment of LGBT employees (Human Rights Campaign) every year since 2005
- Corporate Equality Index Award as a leading employer for LGBT staff (Human Rights Campaign)
- Top company for the equal treatment of LGBT employees (Work Life Matters Magazine)
- 100 Best Adoption-Friendly Workplaces (Dave Thomas Foundation)
- Recognition as an exemplary employer and recognition for our inclusive working environment in Singapore (Tripartite Alliance for Fair Employment Practices)

### Challenges and Responses 2012

**Challenge:** To adapt our organizational structure and business model in response to the continued transformation of the finance industry. This includes implementing cost reduction measures that also entail a reduction in the size of our workforce.

**Response:** A wide variety of businesses were affected by consolidation and synergy effects. For years, we have been working closely with bodies that represent employee interests, such as the European Works Council and the Credit Suisse Staff Council, to ensure that the needs of the individuals affected by these measures are taken into account. Credit Suisse assists these employees in the search for a new position and strives to minimize the impact of the reduction in staff numbers through internal transfers and natural turnover. Since 2011, Credit Suisse has announced plans to reduce costs by a total of CHF 4.4 billion<sup>2</sup> by end-2015; this could entail a further headcount reduction.

**Challenge:** To make responsible use of our resources and to ensure that our work is performed by employees in the most appropriate locations.

**Response:** We take our responsibility as an employer seriously and continuously evaluate how we can make optimal use of our resources. In 2012, we reduced the number of positions in traditional locations while, at the same time, transferring functions and services to our five Centers of Excellence (CoE) that now account for more than 20% of our global workforce. Our CoEs in Poland and India, in particular, are expanding significantly and are attracting increasing numbers of applications from potential employees. The role of these centers has grown as a result of them being assigned functions with greater responsibility. We are providing targeted training to further enhance the expertise and management skills of employees and thus support this growth. These measures also help us to attract and retain the best talent for our CoEs. We expect the strategic importance of these centers to increase further in future.

<sup>2</sup> Refer to page 64 for details of cost savings disclosures.

# Responsibility for the Environment

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Glacier Bay National Park, Alaska  
Credit Suisse is active in the areas of  
environmental and climate protection.

## Environment

Credit Suisse is committed to considering environmental issues when conducting its business. We develop products and services that combine economic goals with environmental and social requirements, address sustainability issues when managing risks, participate in initiatives to promote sustainable business practices and implement measures to improve our environmental performance.

Climate change and the decline in biodiversity are two of the greatest challenges of our time. The gravity of these issues was highlighted once again at last year's UN Conference on Sustainable Development, Rio+20. The closing document that was accepted by the UN member states at the conference placed the green economy on the global policy agenda. Credit Suisse is convinced that it is in the interests of both our organization and our clients to develop and support measures that will facilitate the transition to a green economy. Prior to the conference, we had already researched this topic and published a report that looked at the potential long-term impacts of Rio+20 on broader market developments.

Our commitment to more sustainable business practices is based on our Code of Conduct, which lists "Sustainability" as one of our six professional standards (see page 5). Another key document is our Statement on Sustainability. It explains our aims relating to the balancing of economic, environmental and social issues in the context of our activities as a bank.

### Products and Risk Review Process

As a financial services provider, we can make a contribution toward environmental protection by offering our clients a broad range of sustainable products and services. This gives them the opportunity to invest in these areas, as well as opening up sources of capital for the development of future markets (see pages 18–23).

Environmental aspects are also taken into account in the area of risk management. We systematically assess whether

projects or client activities could pose any major risks to people or the environment using our risk review process (see page 14). We have also developed specific policies and guidelines for sensitive industries to ensure that the potential impacts of transactions and other business relationships on the environment, climate and biodiversity are taken into account (see pages 12–13).

### Climate Change

Credit Suisse is active in the area of climate protection at a number of levels. For example, we achieved greenhouse gas neutrality for all our operations globally in 2010 (see page 44) and we consider environmental and climate aspects in the areas of risk management and product development. In an effort to address this issue using industry-specific approaches, we also participate in studies and discussions about climate change; this includes our involvement in events dedicated to this theme. For example, Credit Suisse hosted four Lifefair Forums in Zurich in 2012 at which climate issues were also discussed (see page 56). After publishing a research report on the role of banks in transitioning to a low-carbon economy together with WWF in 2011, we produced a follow-up study in 2012 that focused on ways to decarbonize the Swiss real estate sector. In terms of actual implementation, Credit Suisse Real Estate Asset Management launched a program in summer 2012 to systematically reduce CO<sub>2</sub> emissions in its real estate portfolio. The program is intended to cut the CO<sub>2</sub> output by at least 10% by 2015 (see page 21).

### Recognition for Environmental Protection 2012

■ **Watt d'Or:** In early 2013, we were awarded the Watt d'Or in the "Buildings and Space" category by the Swiss Federal Office of Energy in recognition of the Uetlihof extension in Zurich, which opened in 2012, as well as our innovative and highly efficient LED standard lamps. This energy award is presented for exceptional energy-related achievements in

several categories that demonstrate the benefits of innovative energy technologies. Uetlihof 2, which has 38,000 square meters of office space, is currently the largest building in Switzerland to have been constructed according to the Minergie-P-ECO® standard.

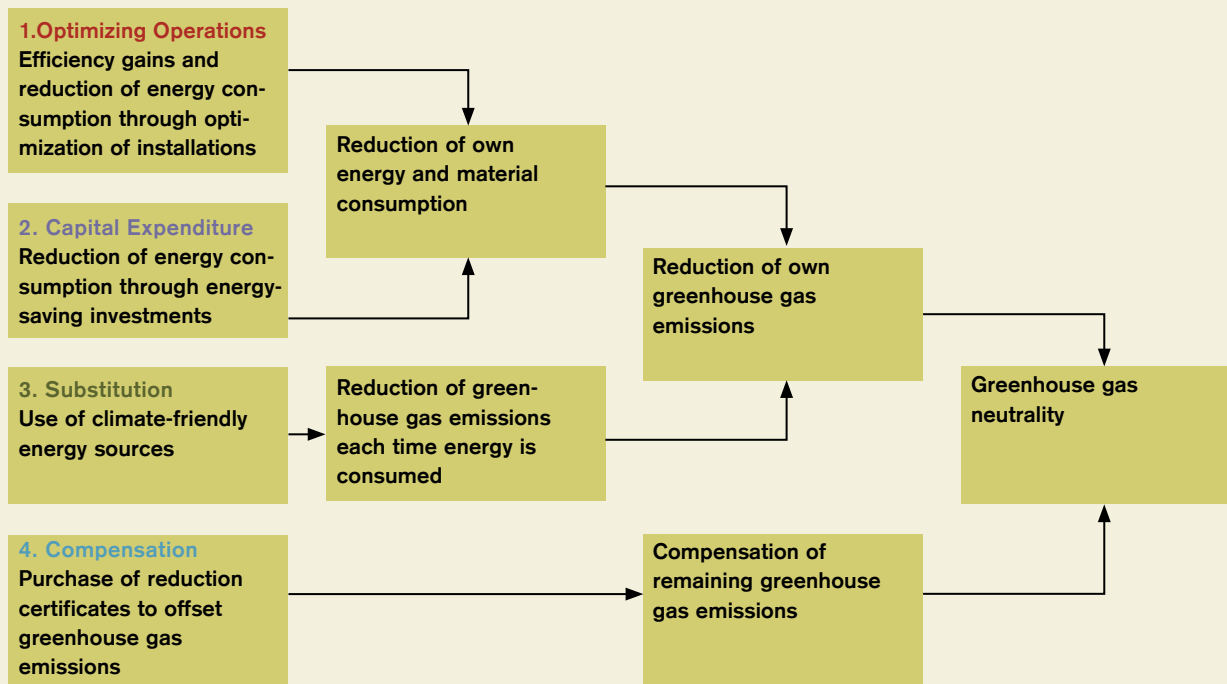
■ **Best Global Green Brand:** In 2012, Credit Suisse once again came first in

Switzerland in the rankings produced by Interbrand and was third globally among international banks. Our presence as a green company in the financial sector was rated as positive, with our active participation in environmental conferences and the publication of sustainability studies being named as examples.

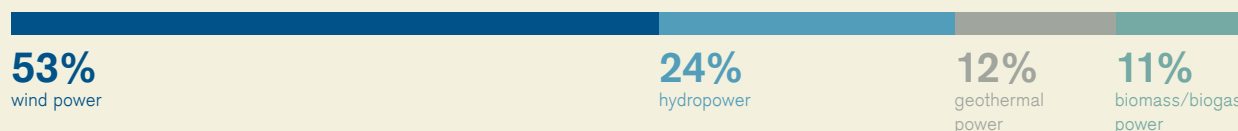
## Greenhouse Gas Neutrality – Our Four-Pillar Strategy

We once again executed a variety of measures in 2012 to ensure the continued implementation of our four-pillar strategy for the achievement of greenhouse gas neutrality. As a result, we were able

to further reduce the proportion of remaining greenhouse gases that needs to be offset. During the year, we cut our global gross greenhouse gas emissions globally by 10% to 345,600 metric tons.



### Portfolio of purchased emissions reduction certificates (ERC) 2012



In 2012, we also participated in an International Chamber of Commerce (ICC) task force that developed and presented the Green Economy Roadmap – a document underscoring the key role that companies should play in transitioning to a green economy.

### Biodiversity and Natural Capital

Our commitment to sustainable development includes our efforts to protect biodiversity. The methods used to assess the value of this natural capital and the costs of the loss of species and the reduction in the capacity of ecosystems to provide services are, however, not yet sufficiently developed to enable them to be included in an appropriate benefit/risk assessment of economic activities. In recognition of the importance of this topic, Credit Suisse endorsed the Private Sector Communiqué on Natural Capital in 2012 in connection with Rio+20. This private sector initiative is designed to improve the way in which companies value natural capital in their planning and business decisions.

### Environmental and Sustainability Training

|                                | 2012  | 2011  |
|--------------------------------|-------|-------|
| Employees trained <sup>1</sup> | 1,840 | 2,517 |
| Training time (in hours)       | 4,675 | 3,700 |

<sup>1</sup> Training for environmental management as well as sustainability risk management (e-learning not included).

## Measures to Reduce Our Carbon Footprint in 2012

### 1. Optimizing Operations

Energy consumption represents by far the largest direct impact that Credit Suisse has on the environment. The continuous optimization of operations to increase energy efficiency is therefore a key component of our environmental strategy to achieve a sustained reduction in greenhouse gas emissions. In 2012, we implemented measures across all our regions that will enhance the energy efficiency of our real estate portfolio and IT infrastructure. As a result, we were once again able to lower the amount of resources and energy that we consume when conducting our operations (see page 47).

### 2. Capital Expenditure

We also invest in the use of energy-saving technologies as part of our efforts to lower our own greenhouse gas emissions. When constructing new premises or renovating existing buildings, we focus on installing energy-saving heating, air-conditioning and ventilation systems and use highly insulating building materials. This enables us to comply with strict energy standards such as the Swiss Minergie® standard

or international norms such as LEED. We also invest in energy-saving technologies for our IT infrastructure. The extension of our Uetlihof center in Zurich, which entered into use in spring 2012, is an example of capital expenditure that is focused on energy efficiency. Uetlihof 2 is the largest building in Switzerland to have been constructed according to the Minergie-P-ECO® specifications governing environmental and health aspects. It was also assigned the "Good Interior Climate" quality seal and achieved the objectives of the "2000-Watt Society". The energy-efficient building, which offers a healthy working environment, was sold by Credit Suisse in November 2012 and leased back on a long-term basis. In 2012, Credit Suisse used the tax refund received from the Swiss CO<sub>2</sub> incentive tax system in projects that focus on supporting operational climate protection measures. They include investments in renewable energies when upgrading heating systems, the installation of high-efficiency lighting with LED technology and the use of energy-optimized cooling systems in data centers.

For further examples of energy-saving investments see page 47.

### 3. Substitution

When concluding new electricity supply contracts, we always verify the availability of climate-friendly energy sources such as wind power, hydropower and solar energy, and we take targeted steps to replace fossil fuels with renewable forms of energy. As a result, all the electricity used at our locations in Switzerland in 2012 was derived from renewable sources. In many of our other locations in our EMEA, Asia Pacific and Americas regions, electricity from renewable sources accounts for part of our energy mix provided by the local utilities. In 2012, Credit Suisse consumed a total of 277 million kilowatt-hours of electricity generated from renewable sources. This corresponds to 51% of our global electricity consumption.

### 4. Compensation

Through the optimization of operations, investments in energy-saving systems and the replacement of fossil fuels with renewable energies, we are able

to significantly reduce the level of greenhouse gas emissions resulting from our business activities. However, it is not possible to eliminate them entirely. We therefore offset our remaining emissions by buying emissions reduction certificates. Last year, we offset all the net greenhouse gas emissions from our business activities in our four regions, including global business travel, in this way. In 2012, approximately 77% of our portfolio of emissions reduction certificates comprised wind power and hydropower projects. The remaining 23% related to geothermal and biomass/biogass projects (see page 44). In terms of project quality, approximately 5% of the certificates met the Gold Standard and 5% the Social Carbon Standard. The remainder was related to climate protection projects verified by independent third parties.

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Total costs in 2012:  
 CHF 0.75 million  
 Costs per employee (FTE) in 2012: CHF 16  
 Costs per hour flown:  
 CHF 0.25/hour

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Together with other banks, Credit Suisse is actively involved in the Biodiversity Working Group of the United Nations Environment Programme Finance Initiative (UNEP FI). In 2012, Credit Suisse also contributed material to "The 2050 Criteria Report" published by WWF, which provides guidance on responsible investing in agriculture, forestry and fisheries. In addition, we participated in the World Conservation Congress of the International Union for Conservation of Nature (IUCN) in Jeju, South Korea, where we were able to engage in a dialogue with a host of NGOs and private sector companies about nature conservation.

Together with WWF in Indonesia, we supported the completion of a land value mapping study covering an area of around 32,000 square kilometers within the tri-nation "Heart of Borneo" conservation area. This project could potentially become a template for strategic land use planning and management in other parts of Indonesia.

The industry-specific policies and guidelines that we use to assess potential environmental risks posed by certain trans-

## Operational Ecology: Selected Figures 2012



**135,200**

hours of video conferencing used – an increase of 97%<sup>1</sup> compared to 2011



**51%**

of the electricity we use globally is generated from renewable sources



**4,600**

servers no longer in use as a result of virtualization, corresponding to a reduction in energy usage of 10 gigawatt-hours globally

<sup>1</sup> Data according to new 2012 VC Reporting.

actions also address the need to protect biodiversity and natural capital in industries such as palm oil production. For example, Credit Suisse was an active participant in the international Roundtable on Sustainable Palm Oil (RSPO) in 2012 and provided a best practice case study on this topic.

We also make a contribution toward protecting biodiversity at our own corporate sites: In recognition of our efforts to cultivate a natural landscape at the Uetlihof in Zurich – the site of our largest office complex worldwide – we were awarded a quality seal by the Stiftung Natur und Wirtschaft (a Swiss foundation active in this field) in 1998. This was followed in 2003 by the certification of the natural landscape we have cultivated at the site of the Credit Suisse Communication Center in Bocken, near Zurich.

The area surrounding the Uetlihof office complex and its ecologically designed roof space are home to around 350 different plant species. In addition, the site provides a suitable habitat for breeding and a source of food for around 40 species of birds and small animals. At present, 9 colonies of bees live in an apiary at the Uetlihof and produce around 100 kilograms of honey each year. A beehive was also installed at our Paris office, as part of the refurbishment of the garden.

### Environmental Management System

Our objective at Credit Suisse is to make more efficient use of natural resources and to reduce greenhouse gas emissions. We focus on environmental management since energy consumption is the area in which our operations have by far the greatest impact on the environment. We have been continuously developing our environmental management system

since 1997, when Credit Suisse became the world's first bank to obtain ISO 14001 certification in this area. Our environmental management system governs responsibilities and processes and prescribes Group-wide operational measures that help us to conserve resources, reduce environmental impacts and save costs. Where appropriate, we also involve external service providers and suppliers in these efforts (see page 49). In 2012, the certification company SGS performed another review of our global environmental management system and carried out audits at various Credit Suisse offices around the world. It confirmed that we have continuously developed our environmental management system and have made targeted and efficient use of resources. In 2012, we obtained ISO 14001 recertification following audits at a number of locations. As a result, our certification has been extended by another three years to June 2015.

### Credit Suisse Cares for Climate

We have been active in the area of climate protection for more than 10 years. As part of our Credit Suisse Cares for Climate initiative – which helps us to make an active and measurable contribution to climate protection at various levels – we reached an important milestone in 2006, when we became the first major company in Switzerland to achieve greenhouse gas neutrality. Since 2010, we have also been greenhouse gas neutral for all our operational sites worldwide. We pursue a four-pillar strategy (see page 44) that consists of optimizing operations, capital expenditure, substitution and compensation. This means that we continuously implement optimization measures to reduce our operational energy

## Raising Employee Awareness of Environmental Issues

The need to make responsible use of natural resources and our commitment to climate protection are set out in our Code of Conduct and are an integral aspect of our corporate culture. In 2012, we focused on the following employee awareness activities:

- **Earthwatch:** As part of our cooperation with this international environmental organization, two groups of Credit Suisse employees took part in field science expeditions. The first involved research work at coffee plantations in Costa Rica, and the second took employees to the Dinghushan nature reserve in southern China. The groups collected data on soil conditions, erosion, plant yield and other aspects affected by climate change.

- **bike to work:** For the fifth time running, we encouraged our employees in Switzerland to cycle to work during the month of June. In 2012, around

400 employees supported this national campaign and covered a distance of more than 63,000 kilometers.

- **e-Bike Project:** We launched a pilot project in Zurich in 2010 to assess the suitability of e-bikes for everyday use. The project has now been extended to eight locations across the city. A total of 200 employees make regular use of the 31 e-bikes available.

- **CO<sub>2</sub>-monitor:** Through the CO<sub>2</sub>-monitor program, Credit Suisse encourages employees to reduce their own carbon emissions, enabling them to open their own CO<sub>2</sub> accounts and easily calculate their carbon footprint, as well as to track, compare and even offset emissions. As of January 2013, over 800 employees worldwide had registered to use the application, resulting in carbon savings of over 1,400 metric tons.

- **WWF Earth Hour:** We once again joined this symbolic climate campaign across all four regions and turned off the lights in a total of 59 of our offices for one hour. In Singapore, we launched an internal initiative under which the country CEO pledged to plant 100 trees if his employees committed to reducing their household carbon emissions by 500 metric tons by the end of the year. By end-2012, around 280 employees had collectively decided to reduce their carbon footprint by 650 metric tons.

- **Sustainability Network:** Credit Suisse launched the Sustainability Network in 2012. 2,400 employees signed up for this global platform to raise greater awareness of and address sustainability issues through their participation in sustainability events and activities. The official launch event was held in October 2012 in Zurich.



## Environmental Management in Our Regions in 2012

The following measures were implemented worldwide in 2012 to increase energy efficiency and improve our environmental performance:

### Europe, Middle East and Africa

- As part of an ongoing LED replacement project in the London Campus, new LED emergency lighting was fitted on 15 floors. The LED system has a longer lifespan than the original lighting, reducing the need for relamping and mitigating the associated relamping safety hazards in high-level areas. Furthermore, additional energy savings are achieved through improvements in lighting controls and a reduction in lamp wattage. The estimated energy saving is 1.5 million kilowatt-hours per annum.
- One Cabot Square completed its cooling tower replacement program in 2012. We were able to replace the existing four cooling towers with three new more efficient towers. The resulting space will be used to accommodate a free cooling coil that takes advantage of seasonal low air temperatures in winter months. The project, which will reduce the risk of cooling tower and heat rejection failures, is expected to deliver 2.8 million kilowatt-hours of energy savings per annum, reducing annual utility costs by GBP 180,000.

### Asia Pacific

- Following the 2011 earthquake and tsunami, Credit Suisse was able to exceed the 15% energy peak demand reduction target set by the Japanese government without any significant risk or disruption to operations. The challenge in 2012 was to achieve cost savings and lessen the environmental impacts of operations through sustained efforts to reduce the demand for electricity. Japanese financial regulators expected Credit Suisse to voluntarily continue its achievements from 2011. Our 2012 efforts resulted in a 15% drop in data center electrical demand compared to 2011, which is projected to deliver CHF 1.2 million in savings against the 2012 budget. Credit Suisse received an award from the Energy Conservation Center of Japan in 2012 in recognition of its energy savings and achievements.

- In 2012, the Credit Suisse regional data center in Singapore was awarded the highest rating, "Platinum", in the category "Green Mark for Data Centre" – an initiative co-developed by the Building and Construction Authority and Infocomm Development Authority of Singapore. The award recognizes our use of energy-efficient air-conditioning systems and IT equipment. The project is expected to deliver 3.85 million kilowatt-hours annually, corresponding to cost savings of SGD 1 million per annum.

### Americas

- The Credit Suisse Clifton Data Center in New York, completed in 2012, features a rooftop solar photovoltaic (PV) system that received a USD 1.7 million grant from the US government. With an installed capacity of 1.3 megawatts, the system is projected to generate around 1.7 million of kilowatt hours of electricity per year, resulting in annual operational cost savings of approximately USD 170,000 and an approximate payback period of four years. The Solar Renewable Energy Credits (SRECs) generated by the system are expected to produce revenues of USD 2.6 million over the next four years.
- Following an assessment of occupancy requirements at One Madison Avenue and Eleven Madison Avenue in New York, off-hour lighting and heating, ventilation and air-conditioning provisions were reduced to better match occupancy patterns. The project, which also included the installation of user control switches to light and cool specific zones, is projected to achieve annual energy savings of 640,000 kilowatt-hours, leading to a USD 100,000 reduction in utility costs.

### Switzerland

- The results of an analysis carried out in 2012 demonstrate the effectiveness of server virtualization in our Swiss data centers. For the five-year period analyzed (2007 to 2011), an aggregate energy reduction of 45 gigawatt-hours was achieved – resulting in a CHF 5 million reduction in energy costs.

- Through targeted capital expenditure on new heating, air-conditioning and ventilation technologies, we achieved a 5% increase in energy efficiency versus 2011 in our Swiss data centers alone. The corresponding energy savings of 180,000 kilowatt-hours are equivalent to the amount of electricity required to power around 300 homes in Switzerland over a period of one year.
- In view of new Swiss energy legislation, Credit Suisse defined a new Group target for energy efficiency in conjunction with the Energy Agency for the Economy. Our aim is to improve energy efficiency by 2% per year in the period from 2013 to 2020 for our portfolio of operational premises in Switzerland. For example, we defined binding annual targets in the area of energy efficiency for our facility management partners in Switzerland.
- One of our branches in Zurich has been equipped with a new high-efficiency cooling plant that uses the natural coolant propane, which has much lower greenhouse gas potential than conventional synthetic coolants. Viewed over its entire life cycle – and including energy usage – it will provide a reduction of around 35% in greenhouse gas emissions.

### All Regions

- In 2012, we further optimized our global IT infrastructure through increased server virtualization and switched off the equivalent of 4,600 physical servers. As a result, our virtualization rate increased from 34% in 2010 to 56% in 2012 (72% in Switzerland). This led to a reduction in energy usage of around 23 gigawatt-hours globally over a two-year period.
- Following the successful rollout of E-Maximo in around 400 operational premises across Switzerland, we further developed this software in 2012. We performed practical tests with the software in the Americas and ran training sessions for users in the Americas and Asia Pacific regions. The software enables us to analyze the impacts of energy-related operational enhancements and investments more precisely.

consumption and make targeted investments in innovative and energy-saving technologies, as well as using highly insulating materials in new or renovated buildings. Where possible, we switch to the use of climate-friendly energy sources such as wind power, hydropower and solar energy instead of relying on traditional forms of energy. The remaining emissions from our business activities are offset through the purchase of high-quality emissions reduction certificates. In 2012, they amounted to around 300,000 metric tons of net greenhouse gas emissions.

### Mobility, New Working Models and Paper Consumption

In addition to our measures to improve the energy efficiency of our buildings, we took steps in other areas in 2012 to reduce our impact on the environment. In this context, business travel continues to pose a challenge for Credit Suisse as a global bank. In order to maintain direct contact with our clients, business travel is often essential but nevertheless accounts for 22% of our global greenhouse gas emissions. To reduce the number of business flights taken by employees, we encourage them to travel by train when covering shorter distances. We also promote the use of telephone and video conferencing – which saves both time and money – by upgrading our infrastructure and increasing the availability of these facilities in all regions on a targeted basis. As a result, the use of specially equipped video conferencing rooms alone rose by 97% globally compared to 2011 to a total of 135,200 hours. Finally, in line with our strategy to achieve global greenhouse gas neutrality, we also purchase carbon-neutral tickets that enable all the emissions from our international business air travel to be offset by emissions reduction certificates. In 2012, we offset approximately 60,000 metric tons of greenhouse gas emissions by purchasing this type of ticket. Commuting at a regional level also has an impact on the environment. New working

models that enable our employees to occasionally work from a home office could help to reduce traffic-related emissions. In 2012, Credit Suisse partnered with the Future Urban Mobility Forum and participated in a pilot initiative to test flexible working models. A total of 800 employees who are based in Zurich took part in the project and, for example, spent one day per week working from home during September 2012. The aim was to determine whether flexible working models have an impact on traffic volumes.

Although the paperless office is still a vision for the future, we want to improve our environmental performance in this area. Our efforts include the use of paper produced from

### Key Performance Indicators for Operational Ecology<sup>1</sup>

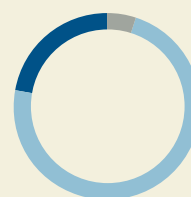
|                      | 2012        |                      | 2011        |                      |
|----------------------|-------------|----------------------|-------------|----------------------|
|                      | Absolute    | per FTE <sup>2</sup> | Absolute    | per FTE <sup>2</sup> |
| Energy kWh           | 658,903,000 | 13,572               | 710,912,000 | 14,006               |
| Business travel km   | 561,843,000 | 11,573               | 601,969,000 | 11,859               |
| Paper kg             | 5,286,000   | 109                  | 6,339,000   | 125                  |
| Water m <sup>3</sup> | 1,447,000   | 30                   | 1,332,000   | 26                   |
| Waste kg             | 12,502,000  | 258                  | 14,121,000  | 278                  |

<sup>1</sup> According to VfU standard (rounded figures).

<sup>2</sup> Annual average; employees (full-time equivalents).

### Credit Suisse's Greenhouse Gas Emissions

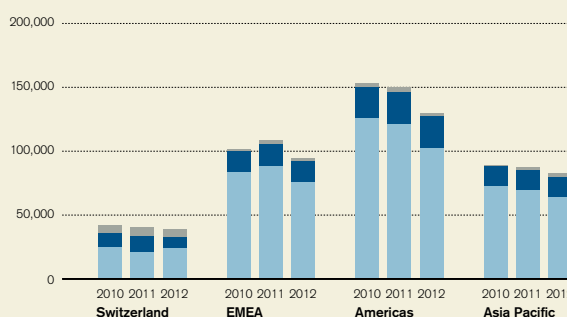
22%  
business travel



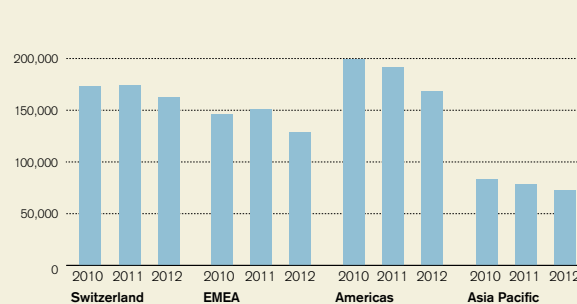
5%  
paper, waste, water

73%  
energy use of buildings

### Regional Breakdown of CO<sub>2</sub> Equivalents<sup>1</sup> in metric tons



### Regional Breakdown of Electricity<sup>1</sup> in MWh



<sup>1</sup> Greenhouse gas emissions (GHG) for 2010 and 2011 were updated because the DEFRA guidelines for the assessment of GHG emissions from electricity usage in the UK were revised. During this process, the findings from the recording of data in 2012 were applied to the years 2010 and 2011 – leading to minor adjustments in the basic data.

## Research and Innovation



We have been involved in the international research program INSPIRE since 2011. It is part of the EU network Eracobuild. This program is investigating ways of reducing energy usage in the construction and maintenance of buildings, including a combination of measures and technologies, such as the use of insulation, renewable sources of heat-

ing energy, as well as the selection of a sustainable electricity and energy mix. Upon project completion in 2013, a tool will be rolled out that will make it possible to identify the best package of measures for each building.

We are also involved in a project entitled "Quality of Sustainable Office Buildings", carried out by the Swiss Federal

Institute of Technology (ETH) in Zurich, Chalmers University of Technology and the Zurich University of Applied Sciences to examine the impacts of buildings that are currently classed as sustainable on the comfort, health and performance of their users. Based on the findings, new recommendations will be made on current and future construction of offices.

sustainably managed forests according to the Forest Stewardship Council (FSC) criteria – which already accounts for 80% of internal consumption in Switzerland – as well as the switch to double-sided printing. In fall 2012, we began replacing most of the printers at our Swiss locations with a more efficient printer infrastructure that consists of fewer printers, thus helping to further reduce paper consumption.

### Involvement of External Partners

Credit Suisse is committed to maintaining a fair and professional working relationship with suppliers. In return, we expect our partners to address risks responsibly and to conduct their business in a socially and environmentally acceptable manner that complies with applicable legislation and ethical standards. In 2010, we therefore introduced a Supplier Code of Conduct that defines our requirements relating to business ethics and integrity, environmental protection, employment and social standards, as well as general business principles and management systems. We also encourage our partners to strive to achieve high standards and to continuously improve their environmental performance. Under the Supplier Code of Conduct, the companies we work with may, in certain cases, also have to deliver services that exceed local legislative requirements.

### Sustainable Supply Chain Management

In 2012, Credit Suisse globally rolled out its "Know Your Supplier" risk assessment process. The environmental and employment standards upheld by suppliers are one of the potential risk areas that we examine during this process.

A detailed assessment of several suppliers was conducted during 2012. One case related to a supply firm that had attracted attention in connection with ethical and labor rights issues despite the fact that it operates in a traditionally low-risk country. Based on a review, Credit Suisse submitted a questionnaire to the company in order to investigate the problems that had been identified during the "Know Your Supplier" risk assessment process. After receiving a response from the supplier, Credit Suisse was able to evaluate the guidelines and processes put in place by the company to address these issues and was eventually able to approve the continuation of the business relationship.

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## Challenges and Responses 2012

**Challenge:** The UN Conference on Sustainable Development (Rio+20) offered an opportunity to secure renewed political commitment in order to move the sustainable development agenda forward.


**Response:** Prior to the conference, we published a research report on the outlook for Rio+20 that discussed its expected impacts on the economic system. By hosting a Lifefair Forum in Zurich on the topic "Green Economy", we provided a platform to discuss related opportunities and limitations.

**Challenge:** Include biodiversity considerations into our business activities and our operations.

**Response:** We endorsed the Private Sector Communiqué on Natural Capital and participated in various initiatives promoting biodiversity conservation (e.g. UNEP FI Biodiversity Workstream, Roundtable on Sustainable Palm Oil) while also continuing our measures to support biodiversity around our buildings (e.g. the natural landscapes in Uetlihof and Bocken).

**Challenge:** Address climate change in both our internal operations and in our businesses.

**Response:** We continued our measures toward reducing our own carbon footprint through the four-pillar GHG neutrality strategy for our own operations. One example of our measures in this area is our collaboration on the development of innovative, energy-efficient LED lamps for our buildings in Switzerland. We also continued to take climate aspects into account in both our offering of products and services as well as in our risk review process. Furthermore, Credit Suisse Real Estate Asset Management launched a program for a systematic reduction of CO<sub>2</sub> emissions in 1,000 properties of its Swiss real estate portfolio.



# Dialogue and Transparency

## Chamber of the Swiss National Council, Berne

Credit Suisse contributes to the public debate in Switzerland and directly supports the country's political system by granting generous working time arrangements to employees who wish to assume a public office in addition to their role at the bank.

## Dialogue with Stakeholders

Our long-term success as a bank depends on our ability to inspire trust in all our stakeholders. We strive to achieve this by engaging in a dialogue and communicating as transparently as possible. By regularly exchanging our views with clients, shareholders, regulators and other stakeholders, we can identify their expectations, offer our own perspective and develop joint solutions to current challenges.

The financial sector is undergoing fundamental changes. In view of the transformation of the industry and the operating environment, financial centers are compelled to adapt to these new conditions. As a global bank, Credit Suisse is confronted with different – and sometimes conflicting – requirements. For example, the stricter regulation of banking activities helps to increase the stability of the financial system but can also undermine the international competitiveness of bank business models and individual financial centers – with an impact on economic growth and the labor market. Against this backdrop, Credit Suisse strives to balance the interests of its shareholders, the concerns of regulators and legislators, and the needs of clients and stakeholders within society. The international coordination of effective regulatory measures is of key importance in this context. In 2012, we worked with legislators and regulatory authorities to find solutions to ensure adequate bank capitalization and liquidity, as well as the orderly recovery or resolution of ailing financial institutions. For example, we were active in various working groups and committees of the Association for Financial Markets in Europe (AFME) and the Institute of International Finance (IIF). We also participated in several other industry associations (see page 54).

### Regulatory Developments in Switzerland

In 2012, Credit Suisse also participated in an active dialogue with the Swiss authorities regarding the definition of a future strategy for the Swiss financial center. One of the main topics discussed as part of current efforts to reform the financial center was the strengthening of system stability (see page 8). The integrity of the financial system is another important aspect: In 2012, withholding tax agreements were concluded with the UK and Austria that define both the treatment of the undeclared legacy assets of clients and the taxation of future capital gains. Credit Suisse supported the solutions proposed by the Swiss Federal Council in the political process and took steps to prepare for the implementation of the accords. As part of the Swiss Federal Council's strategy for a credible and tax-compliant financial center, new legislation was passed by the Swiss parliament governing the provision of administrative assistance in tax matters in 2012. In addition, work began on the revision of the Swiss Federal Act on International Mutual

Legal Assistance and on the Swiss Federal Act on Combating Money Laundering. The finance industry also further specified its due diligence requirements in this field.

Market access and the competitiveness of Swiss financial institutions are further issues being addressed. We believe that there is still a great deal of work to do in this area if the Swiss financial center is to remain competitive. We are therefore supporting efforts to develop an effective strategy for the future of the Swiss financial center. Our measures to implement the revised Collective Investment Schemes Act in Switzerland, which had to be amended in view of an EU guideline (Alternative Investment Fund Managers Directive, AIFMD), are one concrete example. The purpose of the revision was to align Swiss legislation with EU law and to thus secure access to EU markets for Swiss asset managers.

### Our Stakeholders

The long-term success of our bank is dependent on our ability to maintain the trust of our stakeholders. To achieve this, we

#### “Swiss Financial Center” Study

The current developments and regulatory reforms in the finance industry create challenges – but also new opportunities – for Switzerland. In September 2012, Credit Suisse presented its “Swiss Financial Center” study, which shows how the private sector and politicians can work together to strengthen the competitiveness of the country's financial center. The Credit Suisse study aims to promote a discussion between the relevant participants in the industry. The publication identifies various strategic areas in which action could be taken and gives examples of possible measures – such as the expansion of trade finance and corporate finance and innovative activities in the field of alternative investments, as well as improved access to growth markets in emerging economies for corporate clients. The existence of a suitable economic and regulatory environment is, however, a prerequisite for the successful implementation of the strategy. Credit Suisse also believes that to ensure its future success, the Swiss financial center must pursue a business model that is based on the management of tax-compliant assets.

## Regulatory Developments

Various reforms are being implemented in Switzerland and abroad with the aim of increasing the stability and integrity of the global financial system. Initiatives that are of relevance for Credit Suisse address the following issues:

- Prudential capital and liquidity standards for systemically relevant banks (Basel III, Capital Requirements Directive IV).
- Organizational measures to make the financial system more robust and improve the resolvability of banking groups (development of recovery and resolution plans [RRPs], recommendations by the Liikanen Group, UK white

paper based on recommendations of the Vickers Group).

- Strengthening of investor and consumer protection and increased market transparency (Dodd-Frank Act in the US; MiFID [Markets in Financial Instruments Directive] and EMIR [European Market Infrastructure Regulation] directives in Europe; Collective Investment Schemes Act and legislation governing financial services and financial market infrastructure in Switzerland).
- Strengthening of shareholder rights (implementation of "Minder Initiative" in Switzerland: Swiss Federal Council to

present ordinance by spring 2014 at the latest; to be followed by final legislation from Parliament).

- Compensation systems (G-20, FSB [Financial Stability Board], FINMA [Swiss Financial Market Supervisory Authority]).
- Taxation (Art. 26 of OECD model agreement [Organisation for Economic Cooperation and Development]; withholding tax agreements with the UK and Austria; US FATCA legislation [Foreign Account Tax Compliance Act], tax negotiations with the US; due diligence requirements in Switzerland).

need to know what they expect from us as a bank. We therefore strive to cultivate a dialogue with them by participating in discussions and events or through our active involvement in initiatives, forums and associations. In this way, we can identify the needs and interests of our stakeholders at an early stage and jointly develop solutions to current challenges where possible.

### ■ Clients

We conduct a global survey of over 19,000 clients and service users in Private Banking & Wealth Management to ensure that our products and services meet their needs and expectations as fully as possible (see page 8). In addition to advising our clients on financial matters, we organize regular conferences and discussion-based events to inform clients about our investment expertise and research. One example is the Credit Suisse Financial Market Perspectives event series that provides information about the current situation in the global financial markets and developments in the Swiss economy. We also discuss research reports about equities, bonds, currencies and commodities, as well as investment opportunities and risks, at these events.

Another example of the dialogue we cultivate with clients is the Credit Suisse Salon, at which clients meet with opinion leaders and experts from various industries, as well as members of Credit Suisse's management, to discuss social, economic and political topics. At the 10th Credit Suisse Salon in October 2012, the former US Secretary of State and China expert Henry Kissinger talked about the importance of the relationship between China and the US for the 21st century.

### ■ Investors

Our Investor Relations department – which maintains a dialogue with investors and analysts – has gained a high level of recognition for its work. In 2012, it achieved a top performance in the Thomson Reuters Extel Investor Relations Rankings and in the surveys conducted by Institutional Investor magazine. In addition, Credit Suisse organizes events such as

the Asian Investment Conference, which is regarded as the leading investor conference in the Asia Pacific region. In 2012, around 2,000 business leaders, academics, politicians and regulators, as well as institutional and high-net-worth investors, attended the event. The conference provided them with an opportunity to meet with experts to discuss global economic developments, to deepen their knowledge about investment opportunities in Asia Pacific and to attend presentations by leading listed companies.

### ■ Employees

We work closely with national and regional bodies that represent employee interests to ensure the needs of our people are taken properly into account. They include the Credit Suisse Staff Council (PKOM) in Switzerland and the European Works Council at a pan-European level. With the support of an independent consulting firm, we also conduct regular internal surveys to assess our employees' level of satisfaction with their working environment, their opportunities for professional development and our corporate culture. Their feedback provides an important indication of areas with potential for improvement and the corresponding measures that can be taken. The next employee survey will be carried out in 2013.

In addition, town hall meetings at which members of the bank's top management talk to employees and answer their questions on current issues or important developments within the bank are held several times a year. Employees can also follow these meetings on the intranet or by telephone.

### ■ Society

Credit Suisse maintains a direct dialogue with politicians, legislators and regulators, as well as members of the business community, academics and representatives of NGOs. We take part in discussions about economic, political, environmental and social issues through our involvement in initiatives and associations as well as think-tanks. This provides us with an

opportunity to contribute our viewpoint as a global bank and to offer our expertise on a range of topics. Examples include studies commissioned by Credit Suisse that regularly attract the interest of the public, such as the annual Worry Barometer survey that assesses the concerns of the Swiss public, as well as the international Youth Barometer survey (see page 26). We also participate in the debate about financial policy issues at a local level: In November 2012, Credit Suisse hosted an event as part of the “SwissBanking Bi de Lüt” series organized by the Swiss Bankers Association. It was attended by local business representatives and politicians, as well as clients with an interest in financial policy developments. The event gave them an opportunity to talk to experts about the future of the Swiss financial sector and the relationship between the financial center and Swiss industry.

### Dialogue about Environmental and Human Rights Issues

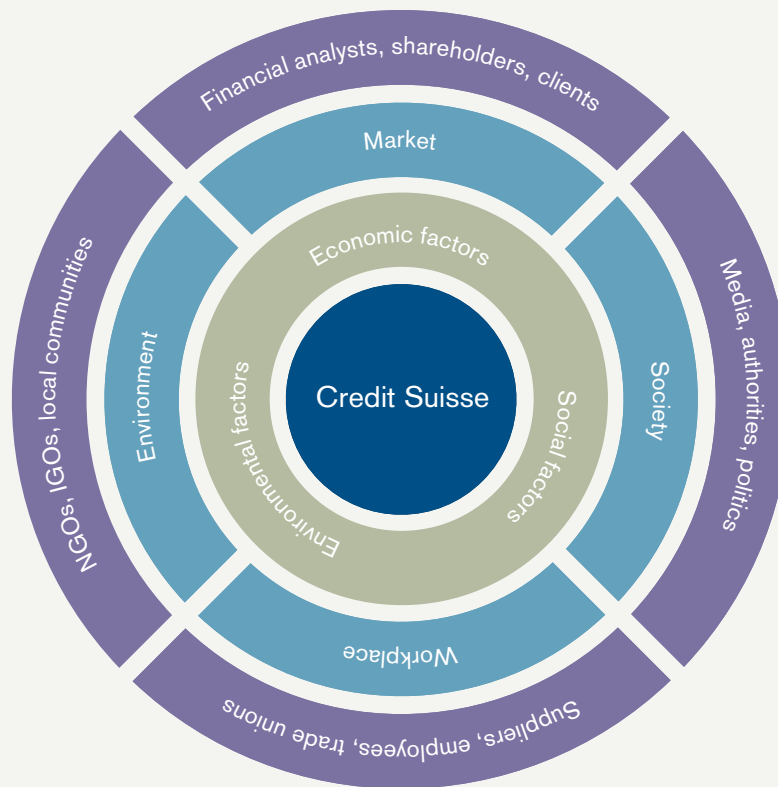
Credit Suisse also participates in a dialogue about various environmental topics, such as the development of sustainable, climate-friendly business practices or measures to take account of the issue of biodiversity in business operations. In

this context, we share our views and knowledge with various organizations and groups of experts or we provide material for publications. For example, Credit Suisse is an active member of an International Chamber of Commerce (ICC) working group that addresses energy and climate issues. In addition, Credit Suisse representatives participate in a working group established by the United Nations Environment Programme Finance Initiative (UNEP FI) that focuses on biodiversity.

The international discussion about human rights issues is also of importance for the bank. We are therefore a member of a UNEP FI working group dedicated to this issue. In 2012, Credit Suisse took part in the Forum on Business and Human Rights organized by the UN Office of the High Commissioner for Human Rights in Geneva for the first time. Around 1,000 representatives from companies, industry associations, universities, unions and NGOs spent two days discussing the implementation of the UN Guiding Principles for Business and Human Rights.

Credit Suisse also cultivates contacts with NGOs at events and through our involvement in networks and initiatives, as well as in bilateral discussions. Even if we do not always share the same opinions as our discussion partners, we consider

## Our Stakeholders



## Engaging in a Dialogue with Stakeholders

### Politicians and Regulators

Credit Suisse regularly exchanges information with politicians, regulators and supervisory bodies and engages in a constructive dialogue with them. We are also committed to supporting the "militia system" of politics in Switzerland and the functions of state performed by its political parties as part of our social responsibilities. Due to the unique nature of the Swiss political system, this support is exclusive to our home market; we do not offer financial support to political parties in other countries. In the US, our employees have the option of collecting personal donations within Credit Suisse through a Political Action Committee (PAC). These are not company funds, however; they consist entirely of voluntary private donations made by employees in the US.

### Strengthening of Swiss Political System

#### ■ Financial Support for Political Parties

The Swiss political system is based on a model where citizens assume roles in political bodies at federal, cantonal or commune level in parallel to their regular professions – an approach known in Switzerland as the "militia system". Swiss members of parliament are not professional politicians and the parties do not receive state funding. To strengthen this system and promote political diversity in Switzerland, where Credit Suisse has its roots and is headquartered, the bank essentially offers funding to all political parties as part of its social commitments. Financial contributions are provided in response to requests for funding and do not give rise to any obligations on the part of the political parties that receive them; they are made irrespective of their political agenda and position. The only factor that influences the support provided is the number of parliamentary mandates held by each party at cantonal and federal level; to receive support, 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, corresponding to an average share of CHF 200,000 for each of the largest parties. This is a long-term commitment and is reviewed regularly.

#### ■ Support for Employees Who Hold a Political Office

Credit Suisse also directly supports the "militia system" in Switzerland by granting generous working time arrangements to employees who wish to perform a public role in addition to their work at Credit Suisse. For example, we allow all employees who hold an elected office in their local community to devote up to 20% of their working hours to this public role while receiving their full salary from the bank, irrespective of their party affiliation or political agenda. In addition, Credit Suisse's Public Policy department organizes an annual meeting for around 350 employees in Switzerland who hold an office in the cantonal authorities or at commune level. As well as participating in workshops, the event gives them the opportunity to share their views and experiences with one another and to engage in discussions with the bank's top management. The 2012 meeting focused on the topic of Swiss energy policy and the opportunities and risks it presents with regard to local policy.

### Industry Associations

A stable economic environment is of fundamental importance for Credit Suisse – both when performing our core activities as a global bank and in our role as an employer. Credit Suisse therefore participates in industry associations, umbrella organizations, financial center bodies and chambers of commerce around the world. Examples include:

■ **economiesuisse:** This umbrella organization represents the interests of Swiss businesses in the political process and works to create an optimal operating environment. We are represented on the Committee of the Board of Directors and play a role in expert commissions and committees – including at an international level in the Business and Industry Advisory Committee to the OECD.

■ **European Financial Services Round Table (EFR):** The EFR supports the formation of a single European market for financial services and encourages national and European opinion leaders to work toward the development of internationally consistent financial regulations and supervision.

■ **Global Financial Markets Association (GFMA):** The GFMA was established to join together the common interests of financial institutions around the world in response to

the increasingly globally interconnected nature of financial market regulation. We are active in the regional arms of the GFMA: AFME (Association for Financial Markets in Europe) in Europe, SIFMA (The Securities Industry and Financial Markets Association) in the US and ASIFMA (The Asia Securities Industry and Financial Markets Association) in Asia.

#### ■ Institute of International Finance (IIF):

The IIF promotes the interests of globally active financial institutions. We are represented on its Board of Directors and in various committees and working groups, including the Special Committee for Effective Regulation and the Cross-Border Resolution Working Group.

#### ■ International Chamber of Commerce (ICC):

As a member of the ICC, we are committed to promoting free international trade and we participate in working groups on the topics of banks, economic policy, and energy and climate issues.

#### ■ International Swaps and Derivatives Association (ISDA):

As a member of ISDA, we are committed to promoting safe and efficient derivatives markets. Credit Suisse is represented on the Board of Directors and supports ISDA's work on various regulatory issues (e.g. the European Market Infrastructure Regulation).

#### ■ Swiss Association of Employers:

This overarching employer organization represents the interests of employers across all industries and regions. Credit Suisse is represented on its Board of Directors.

#### ■ Swiss Bankers Association (SBA):

Credit Suisse is represented on the SBA Board of Directors and various specialist committees. Through our role in the SBA, we also participate in the European Banking Federation.

#### ■ World Economic Forum (WEF):

We have been a member of the WEF for over 20 years and a strategic partner since 2006. The forum provides a platform for leading economics experts, politicians, academics and journalists from around the globe to come together to debate the most pressing issues facing the global economy. At the annual meeting in Davos in 2012, Credit Suisse hosted various events on topics such as financial stability and monetary policy, as well as entrepreneurship and women's leadership.



this dialogue to be important since it encourages each party to see issues from a new perspective and it promotes mutual understanding. This, in turn, enables us to learn more about environment-related and social developments and trends that may be of relevance for our stakeholders. Our discussions with NGOs last year focused on topics such as climate change and biodiversity, risks relating to the financing of projects, and human rights-related topics (see table below).

In 2012, for example, we took part in a forum organized by WWF in Jakarta that examined the importance of biodiversity as the basis for a sustainable economy. At the event, we participated in a roundtable about the green economy and discussed the challenges facing companies as they strive to adopt a sustainable approach to business with various stakeholders. In addition, Credit Suisse attended a discussion between NGOs and financial institutions in Frankfurt at which we responded to critical questions about the mining sector. To provide an insight into the role that banks can potentially play in the transition to a low-carbon economy, we published a study in conjunction with WWF in 2012 that focused on ways of decarbonizing the Swiss real estate sector (see page 43).

### Discussions with NGOs

Credit Suisse discussed a broad range of topics related to the environmental and/or social dimensions of sustainability with national and international NGOs in 2012.

| Issue  | Organizations   |
|--|---|
| <b>Climate change</b>  | Earthwatch, WWF   |
| <b>Human rights</b>  | Amnesty International, Berne Declaration, Landesa   |
| <b>Biodiversity and nature conservation</b>  | Fauna & Flora International, IUCN, The Nature Conservancy, WWF, Zoological Society of London        |
| <b>Agriculture and forestry</b><br>including palm oil, other agricultural products, wood and cellulose | Conservation International, Greenpeace, Jikalahari, Walhi, WWF, Zoological Society of London        |
| <b>Mining</b>  | Community Legal Education Center, WWF   |
| <b>Energy</b><br>including hydropower, nuclear energy and coal-fired power stations                    | National Resources Defense Council  |
| <b>Oil and gas</b><br>including offshore extraction and hydraulic fracturing                           | International Fund for Animal Welfare, National Resources Defense Council, Pacific Environment, WWF |
| <b>Controversial weapons</b>   | Fairfin, International Physicians for the Prevention of Nuclear War                                 |

As part of our measures to support the Equator Principles Credit Suisse is also chairing a working group that is designed to promote a dialogue between NGOs and Equator banks. In this role, we led the consultation with NGOs regarding the revision of the Equator Principles in 2012.

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

### Challenges and Responses 2012

**Challenge:** Discuss solutions to tax-related issues as well as the future direction of the Swiss financial center strategy with regulators and the legislators.

**Response:** We supported the solutions proposed by the Swiss Federal Council in the political process (additional report on the Swiss/US double taxation agreement, withholding tax agreements). We also provided input on the development of a strategy for the Swiss financial sector, both directly and through industry bodies.

**Challenge:** Engage with NGOs on environmental and social topics while accepting the fact that there may be fundamental differences between the mission of an NGO and the mandate of a corporation.

**Response:** We maintained a dialogue with various NGOs on different topics and collaborated on initiatives to drive sustainability issues (e.g. study about decarbonizing the Swiss real estate market, contribution to the WWF report "The 2050 Criteria", which provides guidance on responsible investing in agriculture, forestry and fisheries).

**Challenge:** Raise employee awareness of sustainability issues.

**Response:** We launched an internal Sustainability Network and offered various engagement opportunities for employees, such as scientific field research activities with Earthwatch and the CO<sub>2</sub> Monitor tool.

## Sustainability Networks and Initiatives



### UN Global Compact

Over 7,000 businesses from 145 countries have pledged to uphold the 10 principles relating to human rights, labor standards, environmental protection and anti-corruption efforts defined by the UN Global Compact. We were one of the first companies to sign up to this leading international agreement in 2000. As an active member, we have since reported annually on our progress (see page 60) and we attend UN Global Compact events and participate in national networks.



### UNEP FI – United Nations Environment Programme Finance Initiative

More than 200 banks, insurers and asset managers participate in this initiative with the aim of promoting a sustainable approach to business within the financial sector. Credit Suisse was one of the first signatories of the UNEP FI in 1992. In 2012, we once again participated in UNEP FI meetings and played an active role in working groups about topics such as human rights and biodiversity.



### ASrIA – Association for Sustainable and Responsible Investment in Asia

As a member of ASrIA, Credit Suisse has pledged to promote sustainable investments in Asia and to contribute to the exchange of information on this topic. In 2012, we hosted a “Low-Carbon Investment” seminar that included a discussion with ASrIA on how investors and employees can lead the way in building a low-carbon future.



### Equator Principles

We conduct our project finance activities in accordance with the Equator Principles, which are based on environmental and social standards defined by the World Bank Group. We were one of the first companies to sign up to the Equator Principles in 2003 and have been actively involved in the Equator Principles Steering Committee since 2010. In 2012, we led a working group to promote a dialogue with non-governmental organizations and we contributed to the further development of the Equator Principles.



Roundtable on Sustainable Palm Oil

### Roundtable on Sustainable Palm Oil (RSPO)

As a member of RSPO in the category “Banks and Investors”, we have pledged to achieve the objectives defined by the RSPO together with our clients and other stakeholders at every stage of the palm oil value chain. At the annual Roundtable on Sustainable Palm Oil in Singapore in 2012, we played an active role and led a session on the topic “Food vs Fuel”.



### öbu – Swiss Association for Environmentally Conscious Management

Around 400 Swiss companies work together within this network to support the sustainable development of the Swiss economy. The association promotes the exchange of knowledge and campaigns for the development of a political framework to enable businesses to work both sustainably and profitably.

## Events on Environmental and Social Themes

### ■ UN Conference on Sustainable Development (Rio+20)

In 2012, Credit Suisse participated in this event to mark the 20th anniversary of the 1992 UN Conference on Environment and Development in Rio. Prior to the conference, we published a report entitled “Sustainability Outlook on Rio+20” that examines the seven key overarching topics that were defined for Rio+20 – including water supply, food security, agriculture and oceans. This study analyzed the growth potential in these areas and examined possible scenarios for the financing of measures that will contribute to sustainable market developments.

### ■ Lifefair Forum

Credit Suisse once again hosted four Lifefair Forums in 2012. This series of Zurich-based events about sustainability provides a platform to address questions and explore different solutions to promote a more sustainable approach to business. The topics discussed in 2012 include the green economy, energy transition, sustainable investing and ways of securing competitive advantages through sustainable business approaches.

### ■ Sustainable Cities of the Future

The bank organized a well-attended employee event on the topic “Sustainable Cities of the Future” in Zurich at which experts gave presentations on the following questions: How is increasing urbanization changing the world? To what extent are rapid technological developments helping to promote sustainability and increase quality of life? How can we create more sustainable cities?

### ■ Impact Investing Forum

Credit Suisse hosted a forum in New York to enable clients and employees to consider the growing field of impact investing. Impact investments are investments that are made in companies, organizations and funds with the aim of generating not only a financial return but also measurable social and environmental impacts. The forum brought together over 200 practitioners and enthusiasts to discuss the latest trends and strategies in this area. It is part of an ongoing effort at Credit Suisse to respond to our clients’ interest in major issues affecting today’s world and the innovative ways of approaching them through investment.

### ■ Swiss Energy and Climate Summit (SwissECS)

Leading figures from the business community and society, NGOs, academics and opinion leaders spent three days discussing issues relating to the global energy supply at an event at the Bundesplatz in Berne. This first Swiss Energy and Climate Summit, which was supported by Credit Suisse, brought together internationally renowned speakers such as the former German Chancellor Dr. Gerhard Schröder and Dr. Fatih Birol, Chief Economist at the International Energy Agency (IEA). The participants discussed current developments and their implications for the future energy industry. In connection with the summit, Credit Suisse also issued a publication featuring six case studies about ways of innovating to achieve greater sustainability.

### ■ Forbes 400 Summit on Philanthropy

In summer 2012, Credit Suisse and Forbes organized a one-day summit about philanthropy in New York. In addition, a report entitled “Next Generation Philanthropy: Changing the World” was published in the Forbes Insights series and examined the ways in which very wealthy individuals around the world pursue their philanthropic goals.

## Reports and Publications

In 2012, we once again contributed our expertise to the public debate – thus supporting the formation of public opinion and helping to find solutions to current problems. Each year, we produce publications, analyses and specialist articles on economic, political and social issues. They not only serve as a point of reference for clients and investors when making decisions but also attract the interest of politicians, business representatives and the media.



### Worry Barometer and Youth Barometer Surveys

For over 30 years, Credit Suisse has conducted an annual representative survey to examine the issues that are of greatest concern to the Swiss public. The results provide an insight into the current mood in the country and are an important source of information for politicians, the business community and the media. Since 2009, Credit Suisse has also conducted an annual Youth Barometer survey of 1,000 young people aged between 16 and 25 in Switzerland, the US and Brazil (see page 26). The survey provides an insight into their lifestyles, problems and attitudes. In connection with the publication of the results in October 2012, Credit Suisse held a panel discussion in Zurich at which members of the Swiss Parliament, researchers and education specialists debated issues concerning the next generation.



### Credit Suisse Research Institute

How do economic, environmental and demographic trends shape the global markets? Analysts in the Credit Suisse Research Institute explore this question in detailed studies that include contributions by renowned international experts, advisors and independent academics. The publications produced by the Research Institute are made available not only to our clients but also to the general public.



### Investment Research

Economists, strategists and investment specialists in our various research units publish regular global economic assessments and market outlooks with specific investment recommendations in a range of daily, weekly and monthly reports. Although the publications are targeted primarily at our clients, members of the public with an interest in these topics also make use of the reports. In addition, we publish regular studies about current issues and long-term trends, as well as their potential impacts on the financial markets and investments, in "Global Investor". Specialist teams from our research

departments also examine sustainability topics. For example, the Credit Suisse Research Institute presented the findings of its pioneering study about impact investing at the World Economic Forum 2012 in Davos.



### Bulletin and Online Articles

In addition to publishing studies on economic issues and other specialist themes, Credit Suisse also produces publications that are targeted at a broad readership. One example is our award-winning stakeholder magazine Bulletin, which contains articles on feature topics as well as background reports on socio-political issues, economic trends and Credit Suisse's environmental and social commitments. In 2012, the various issues of Bulletin were dedicated to the topics Orient, Air, Heroes, Elegance, Youth and Switzerland. In addition, our weekly online news, articles, videos and interviews provide readers with up-to-date information on a broad range of current topics (see: [www.credit-suisse.com](http://www.credit-suisse.com), News & Expertise). This content is also accessible via a new iPad app called "News & Expertise".



### Switzerland and Credit Suisse

The leaflet "Switzerland and Credit Suisse" provides an overview of our activities in our home market. It informs readers about Credit Suisse's economic importance in Switzerland as an employer, provider of training, taxpayer and purchaser of products and services. The leaflet also outlines the bank's commitments in the areas of politics, the economy and society. In addition, readers can find key figures about the company – such as the fact that one in every three companies in Switzerland is a client of Credit Suisse. This information, as well as further details about the Swiss financial center, is also available in the app "The Swiss Financial Center and Credit Suisse". It uses data, facts and charts to illustrate the contribution that the Swiss financial sector makes to the Swiss economy. The app is available for smartphones and tablets (iOS and Android) and can be downloaded free of charge at:

[www.credit-suisse.com/financialcenter](http://www.credit-suisse.com/financialcenter)

## Reporting and Ratings

Our Corporate Responsibility Report is designed to inform our stakeholders about the principles that guide us in our daily work and to illustrate the ways in which we address current economic, environmental and social challenges in our business activities.

Credit Suisse wants to create long-term value for clients, shareholders, employees and other stakeholders. We believe that we can only achieve this if we strive to assume our corporate responsibilities in every aspect of our work. Our sustainable approach to business is based first and foremost on the principles set out in our Code of Conduct and our Statement on Sustainability. We take account not only of economic but also environmental and social aspects when performing our core business operations.

This Corporate Responsibility Report forms part of our annual reporting suite (see inside cover for details). It outlines the principles, goals and challenges that we face in the area of corporate responsibility, as well as offering an overview of our main activities in this area and the progress we achieved in 2012. The Corporate Responsibility Report also documents our progress in implementing the 10 principles defined in the UN Global Compact that we have pledged to uphold (see table on page 60) and it provides an update on how we performed in various sustainability ratings (see page 59). Unless stated otherwise, the information contained in this report relates to the year 2012.

It is only possible to portray a selection of Credit Suisse's activities in the printed publication due to the limited space available. However, the Responsibility Chronicle offers an additional multimedia dimension to our corporate responsibility reporting in the form of more in-depth reports, videos and image galleries relating to various projects and initiatives. It is available online at the following link.

To ensure that we can supply the full breadth of information required by our stakeholders, the contents of this report, as well as additional information and updates on all the themes discussed within it, can be found at:

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

We regard transparent reporting as an important basis for the cultivation of a dialogue with our stakeholders and we therefore welcome input about our activities. Feedback can be sent to:

[responsibility.corporate@credit-suisse.com](mailto:responsibility.corporate@credit-suisse.com)

### Global Reporting Initiative and External Assurance

This report reflects the requirements set out in the Global Reporting Initiative (GRI). This internationally recognized voluntary standard – which is currently observed by over

3,900 organizations in 60 countries – defines principles and indicators that companies can use to measure and report on their economic, environmental and social performance. The adoption of GRI guidelines helps to increase the transparency, uniformity and comparability of corporate responsibility reports. More detailed information about Credit Suisse's GRI indicators can be found online at the below link.

As in previous years, Credit Suisse had its GRI Content Index reviewed and assessed by the GRI. It verified Credit Suisse's compliance with the GRI G3 Guidelines and assigned Credit Suisse the disclosure level B+. In addition, Credit Suisse's Corporate Responsibility Report 2012 was externally assessed and independently assured by the certification company SGS, which confirmed that our corporate responsibility disclosure meets the requirements of GRI level B+. The result of SGS' assessment is available at:

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

SGS also certified Credit Suisse's environmental management system in accordance with ISO 14001:2004 (see page 46).

### External Assessments of Our Reporting

Like in 2011, Credit Suisse was assigned first place in Switzerland in the Best Global Green Brand rankings published by the consulting firm Interbrand in 2012. In addition, we were assigned third place globally among banks. The rankings are based on the quality of the companies' communications, the public perception of their sustainability efforts and their implementation. Our online corporate responsibility reporting achieved second place in Switzerland and 10th place in Europe in the 2012 CSR Online Awards presented by the communications agency Lundquist.

### Sustainability Ratings and Indices

Investors are increasingly interested in environmentally and socially responsible investments and therefore not only take key financial indicators but also sustainability criteria into account when making investment decisions. The analyses and ratings produced by specialized sustainability rating agencies and index providers serve as a guide in this context. Credit Suisse has been included in leading sustainability indices for a number of years – particularly the Dow Jones Sustainability Indices and the FTSE4Good Index Series. The Credit Suisse Group share is therefore included in various sustainability funds.

## Sustainability Indices 2012

| Index   | 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 Dow Jones Global Total Stock Market Index according to sustainability criteria.                      | 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 companies in terms of sustainability criteria of the 600 largest European companies in the Dow Jones Global Total Stock Market Index. | Credit Suisse has been a constituent of the European Index of the Dow Jones Sustainability Indices since 2001. <sup>1</sup> |
| FTSE4Good Index (UK)                                | 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.                           |

<sup>1</sup> Prior to 2010: Dow Jones STOXX Sustainability Index (DJSI STOXX).

## Carbon Disclosure Project



Credit Suisse has participated in the Carbon Disclosure Project on an annual basis since 2002. This organization, which represents more than 655 institutional investors with invested assets of around USD 78 trillion, aims to provide guidance to investors on climate-related opportunities and risks for companies. In 2012, around 4,000 firms worldwide disclosed information on their climate strategies and greenhouse gas emissions. Credit Suisse was assigned 85 out of a possible 100 points for its disclosure score and grade B for its performance score (rating scale: A to C).

## Sustainability Ratings Assigned to Credit Suisse in 2012

**Carbon Disclosure Project**    **oekom research<sup>1</sup>**

**85 points**

**performance: B**  
(rating scale: 1 to 100;  
industry average: 77)

**C- Medium**

**(not prime)**  
(rating scale: A+ to D-)

**MSCI ESG Research  
Intangible Value  
Assessment<sup>2</sup>**

**BB**  
(rating scale: AAA to CCC)

**RobecoSAM**

**78%**  
(economic dimension 80%;  
environmental dimension 83%;  
social dimension 73%;  
industry average 59%)

<sup>1</sup> The rating encompasses areas such as: employees and suppliers, society, corporate governance, products and services, environmental management and environmental efficiency.

<sup>2</sup> The rating encompasses environmental, social and governance aspects. In the case of financial services providers, the focus is on the stability of the financial system, employee development and the assessment of environmental risks when providing financing.

## Implementation of the 10 Principles of the UN Global Compact

| UN Global Compact                   |              |  | Examples of Implementation at Credit Suisse  |
|-------------------------------------|--------------|--|--|
| <b>Human Rights</b> <sup>1</sup>    | Principle 1  | Businesses should support and respect the protection of internationally proclaimed human rights; and                     | <ul style="list-style-type: none"> <li>■ Credit Suisse adheres to the International Bill of Human Rights</li> <li>■ Involvement in the formulation of sector-specific recommendations for the application of the UN Guiding Principles on Business and Human Rights</li> <li>■ Participation in the UNEP FI working group on human rights</li> </ul> |
|                                     | Principle 2  | make sure that they are not complicit in human rights abuses.  | <ul style="list-style-type: none"> <li>■ Application of Reputational Risk Review Process</li> <li>■ Implementation of sector-specific policies</li> </ul>  |
| <b>Labor</b> <sup>2</sup>           | 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"> <li>■ Staff Council in Switzerland (internal employee representation)</li> <li>■ European Works Council</li> </ul>  |
|                                     | Principle 4  | the elimination of all forms of forced and compulsory labor;   | <ul style="list-style-type: none"> <li>■ Progressive working conditions for own staff</li> <li>■ Supply Management: Credit Suisse Supplier Code of Conduct<sup>3</sup></li> </ul>  |
|                                     | Principle 5  | the effective abolition of child labor; and  | <ul style="list-style-type: none"> <li>■ Implementation of sector-specific policies</li> <li>■ Supply Management: Credit Suisse Supplier Code of Conduct<sup>3</sup></li> </ul>  |
|                                     | Principle 6  | the elimination of discrimination in respect of employment and occupation.   | <ul style="list-style-type: none"> <li>■ Global Diversity and Inclusion</li> <li>■ Accessibility<sup>4</sup></li> </ul>  |
| <b>Environment</b> <sup>5</sup>     | Principle 7  | Businesses should support a precautionary approach to environmental challenges;  | <ul style="list-style-type: none"> <li>■ Application of Reputational Risk Review Process</li> <li>■ Implementation of sector-specific policies</li> </ul>  |
|                                     | Principle 8  | undertake initiatives to promote greater environmental responsibility; and   | <ul style="list-style-type: none"> <li>■ Global greenhouse gas neutrality since 2010</li> <li>■ ISO 14001-certified environmental management system</li> <li>■ Credit Suisse Cares for Climate (CSCfC) Initiative</li> </ul>   |
|                                     | Principle 9  | encourage the development and diffusion of environmentally friendly technologies.  | <ul style="list-style-type: none"> <li>■ Use of clean energy technologies in our operations</li> <li>■ Offering of environment-related products and services</li> <li>■ Participation in the UNEP FI working group on biodiversity</li> </ul>  |
| <b>Anti-Corruption</b> <sup>6</sup> | Principle 10 | Businesses should work against corruption in all its forms, including extortion and bribery.                             | <ul style="list-style-type: none"> <li>■ Active member of Wolfsberg Group</li> <li>■ Further development of internal standards and training for employees</li> </ul>   |

1 Pages 11 – 17.  
2 Pages 36 – 41.  
3 Page 49.  
4 Page 23.  
5 Pages 11 – 17 and 42 – 49.  
6 Page 16.

# Achievements 2012 and Objectives 2013

## Objectives 2012

## Achievements 2012

## Objectives 2013

### Banking



- Continue to adjust the bank's business model to the new regulatory environment.
- Contribute constructively to regulatory reforms and efforts to build a more robust financial system.
- Further refine bank-wide risk review processes, tools and training to promptly identify environmental and social risks relating to potential business transactions.
- Further integrate climate change considerations into risk assessments.
- Continue to foster cross-divisional collaboration through the Green Business Initiative (GBI) to share business insights and promote our offering of investment products and services that focus on sustainability themes.
- Continue to develop solutions in the area of microfinance to promote the responsible development of the sector, e.g. with our products and our microfinance initiative.

- Reduced risk-weighted assets in the investment bank by CHF 55 billion, implemented measures to strengthen capital<sup>1</sup> by CHF 12.3 billion, and reduced cost run rate by CHF 2 billion<sup>2</sup>.
- Developed risk-based due diligence protocols aimed at preventing the inflow of untaxed assets into the bank.
- Regional Reputational Risk Councils (RRRC) in all four Credit Suisse regions addressed local and regional issues as part of the risk review process.
- Conducted 33 instructor-led training sessions at key locations for over 700 employees, as well as substantial online training.
- Updated our policy on mining activities and developed a policy on controversial weapons and activities relating to the defense sector.
- Conducted a feasibility study on use of carbon emissions data to evaluate carbon intensity of an issuer or investment with the aim of allowing clients to assess carbon risks associated with their investments.
- Issued a report by Credit Suisse Global Research analyzing the investment implications of extreme weather events.
- Initiated industry consultations with a group of banks on carbon regulatory risk in the power sector.
- Provided products and services geared to the cleantech sector, e.g. sustainable real estate investments and top-ranking research coverage on alternative energy, facilitated by the GBI.
- Received a special commendation as Global Sustainable Bank of 2012 from the Financial Times/ IFC for our efforts in the area of sustainable banking and microfinance.

- Through our capital-efficient business model we aim to reduce systemic risks and, at the same time, ensure that Credit Suisse represents an attractive investment opportunity and is able to secure funding from public markets.
- Introduce further bank-wide measures to strengthen our strict compliance and control culture.
- Further develop and offer solutions in multiple impact areas (e.g. microfinance, agriculture, education) resulting in the promotion of the responsible development of these sectors.
- Further integrate human rights considerations into our risk assessments based on co-authored discussion paper on the implementation of the UN Guiding Principles.

<sup>1</sup> Refer to page 64 for details of capital disclosures.

<sup>2</sup> Refer to page 64 for details of cost savings disclosures.

## Objectives 2012

## Achievements 2012

## Objectives 2013

## Society



- Further sharpen the strategic direction of our social commitments with a focus on education and microfinance by strengthening local organizations and improving the skills of their employees to enable them to serve more end-beneficiaries.
- Further strengthen employee engagement, especially skills-based volunteering. Increase virtual volunteering and enhance volunteering activities and partnerships in the emerging markets.
- Further develop more effective synergies between our clients, NGO partners, banking units and the units coordinating employee engagement to multiply the positive impacts of our activities on society.

- Assisted our partner organizations through the Global Citizens Program in both areas by engaging in skills-based volunteering. The impact of these efforts has increased due to a rise in the number of participants and countries.
- Transitioned virtual volunteering to a project that is now managed entirely by volunteers. We run six projects, the results of which are communicated at conferences, in publications and on blogs. Credit Suisse is helping to advance research in this sector. In emerging markets, such as India, we were able to significantly increase volunteering.
- Intensified collaboration with Private Banking & Wealth Management by offering volunteering opportunities and by hosting training for clients. We also produced a research paper about social investing in the area of education.

- Maintain current level of support for our partner organizations and initiatives despite challenging market environment.
- Further align corporate citizenship activities with core competencies of the bank by focusing on skills-based volunteering activities with selected partner organizations.

## Employer



- Continue to implement compensation models that focus on long-term performance and align employee and shareholder interests, e.g. by deferring a significant proportion of discretionary variable incentive awards and by using instruments that are subject to clawback provisions based on certain performance criteria.
- Further refine our performance management process based on initial experience with a strong focus on employee development.

- Continued general malus or clawback provision for deferred discretionary variable incentive awards in addition to performance-related downward adjustments for certain instruments and implicit value adjustments due to changing market conditions.
- Formulated development plans in conjunction with employees. Professional and personal development is a key area of focus in our approach to performance management. All employees are strongly encouraged to draw up a personal development plan, evaluate it with their line manager and put the planned measures into action. By end-2012, 68% of our employees had agreed development plans with their managers.

- Targeted promotion of young talent: Our goal for 2013 is for half of all external hires to be career starters and for half to be experienced professionals.
- Use compensation models that focus on long-term performance, align employee and shareholder interests and are broadly supported by shareholders, e.g. by deferring a significant proportion of discretionary variable incentive awards and by using instruments that are subject to clawback provisions based on certain performance criteria.
- Further increase the share of women in management functions. In 2013, we will offer global and regional mentoring programs to prepare up to 75 senior female professionals to assume management positions at various levels. To reduce voluntary turnover rates, we will conduct comprehensive interviews in cases where female senior managers have decided to leave the company to assess the reasons for this move.



## Objectives 2012

## Achievements 2012

## Objectives 2013

## Environment



■ Strengthen engagement on climate policy and continue to encourage employees to take active climate-related measures.

■ Implement further steps to improve our environmental performance based on our ISO 14001-certified environmental management system and take measures to meet our environmental goals, focusing on the main greenhouse gas drivers.

■ Implemented Real Estate Asset Management project to reduce CO<sub>2</sub> emissions in around 1,000 properties in our real estate portfolio in Switzerland.

■ Completed numerous employee engagement activities in 2012 (e.g. Earthwatch scientific field research program) and almost 800 employees globally opened personal accounts with CO<sub>2</sub>-monitor.

■ Recertified our global environmental management system successfully according to ISO 14001.

■ Maintained our greenhouse gas neutrality and continued to focus on improving energy efficiency in all regions.

■ Received a Watt d'Or award in the "Buildings and Space" category from the Swiss Federal Office of Energy for our Uetlihof 2 office building in Zurich.

■ Successfully pass the ISO 14001 control audits and make further progress on our objective to reduce our direct impact on the environment.

■ Strive for continued global greenhouse gas neutrality.

■ Work with partners and clients on solutions to address the challenges of biodiversity and climate change for the bank.

## Dialogue



■ Communicate with maximum transparency while observing duties of confidentiality.

■ Engage in a dialogue to support regulatory reforms and efforts to build a more robust financial system.

■ Received assurance of our Corporate Responsibility Reporting from SGS and achievement of GRI application level A+.

■ Implemented transparent system for reporting of political contributions.

■ Engaged in intensive dialogue with Swiss administration and Parliament with a view to achieving efficient and practicable "Too Big to Fail" regulations.

■ Presented the "Switzerland as a Financial Center" study, which shows how the private and the public sector can work together to strengthen the competitiveness of Switzerland's financial center.

■ Engage in a dialogue with authorities and industry associations in order to support regulatory reforms and efforts with the aim of ensuring a global level playing field and an open and robust financial system.

■ Actively and constructively engage in implementing the financial center strategy Switzerland.

■ Strengthen trust through dialogue and by engaging with the relevant stakeholders in society.

## Cautionary Statement Regarding Forward-Looking Information

This report contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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 and interest rate fluctuations and 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 in 2013 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 sovereign issuers, structured credit products or other credit-related exposures;
- the ability to achieve our strategic objectives, including improved performance, reduced risks, lower costs, and more efficient use of capital;
- the ability of counterparties to meet their obligations to us;
- the effects of, and changes in, fiscal, monetary, trade and tax policies, and 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;
- actions taken by regulators with respect to our business and practices in one or more of the countries in which we conduct our operations;
- the effects of changes in laws, regulations or accounting policies or practices;
- competition 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 ability to achieve our cost efficiency goals and cost targets; and
- our success at managing 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 2012.

### Capital Disclosures

<sup>1</sup> As of January 1, 2013, Basel III was implemented in Switzerland along with the “Too Big to Fail” legislation and regulations thereunder. Our related disclosures herein are in accordance with the current interpretation of such requirements, including relevant assumptions. Changes in the final implementation of these requirements in Switzerland or in any of our assumptions or estimates could result in different numbers from those shown herein. We have calculated our end-2012 pro forma Look-Through Swiss Core Capital Ratio assuming the successful completion of the remaining CHF 0.8 billion of capital measures we announced in July 2012.

### Cost Savings Disclosures

<sup>2</sup> This target is measured against our annualized 6M11 expense run rate measured at constant foreign exchange rates and adjusted to exclude business realignment and other significant non-operating expenses and variable compensation expenses.

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