

Glossary Sustainability

A

B

C

Catastrophe (Cat) Bonds

The income earned on these bonds depends on the occurrence of rare and extreme natural events, such as earthquakes and hurricanes. If damages rise above a certain threshold, no interest payments are made in the year concerned.

CO₂ / climate change

The [United Nations Framework Convention on Climate Change](#) was adopted over ten years ago with the aim of reducing emissions of greenhouse gases worldwide and thus curbing global warming. This was followed in 1997 by the adoption of the Kyoto Protocol, which sets out binding targets for the reduction of greenhouse gas emissions in industrialized nations. Switzerland has pledged to cut its greenhouse gas emissions by 8% compared to the levels recorded in 1990. In Switzerland, carbon dioxide (CO₂) outputs account for more than 80% of all greenhouse gas emissions.

Code of Conduct

Credit Suisse Group's [Code of Conduct](#) contains 12 ethical and performance-related principles and thus forms a shared system of values. The Code describes six ethical principles – integrity, responsibility, fairness, compliance, transparency and confidentiality – as well as six performance-related principles: service, excellence, teamwork, commitment, risk culture and profitability. Rules governing employee conduct are based on these principles.

Corporate Citizen

See "[Good Corporate Citizen](#)"

Corporate Social Responsibility

Corporate Social Responsibility is a concept which serves as a basis for companies wishing to take account of social and environmental issues in their activities and their interrelations with stakeholders on a voluntary basis (according to the EU Commission, 2002).

D

Diversity

The term diversity is used in reference to a group composed of people of both genders and all ages, as well as of different cultures, nationalities, religions, skin colors and ethnic and social groups.

Dow Jones Sustainability World Indexes

The [Dow Jones Sustainability World Indexes](#) track the financial performance of around 300 companies leading in the field of sustainability. The indexes are reviewed annually.

Dow Jones STOXX Sustainability Indexes

The [Dow Jones STOXX Sustainability Indexes](#) consist of a pan-European and a Eurozone index - the DJSI STOXX and the DJSI EURO STOXX. The Dow Jones STOXX Sustainability Indexes track the financial performance of the top 20% of the companies in the Dow Jones STOXX 600 index in terms of sustainability.

E

Eco-Controlling

Eco-Controlling forms a major part of the Environmental Management System. It covers the recording of data, formulating and implementing action, and achieving goals.

Energy contracting

Energy contracting is the outsourcing of the planning, financing, installation and operation of energy supply plants. Under these structured financing and operating models, external specialists are assigned responsibility for supplying energy, enhancing efficiency ('performance') and maintaining the energy supply plants. The energy consumer no longer purchases oil, gas and electricity – he pays a contractually agreed user fee for the useful energy (heat, cold, light and/or steam) he consumes. With energy contracting, all of the investment and operating risks are assumed by the contractor (plant operator). Energy consumption decreases as a result of efficient power engineering and economies of scale, while costs are reduced through professional risk and energy management by specialized providers.

Emission Trading

Emission trading is a climate policy instrument aimed at trading in emission rights. Through emission trading, an environmental (quantitative) target with a defined absolute upper load limit is to be achieved at minimum costs. Emitters will be assigned an emissions limit and receive permission to emit the specified emissions quantity. Emitters who want to emit amounts exceeding the assigned amount must obtain an additional certificate for each additional emissions unit. These can be purchased from other emitters who do not use up all the certificates assigned to them.

Energy-Consuming Surface

The floorspace in a building that has to be heated or cooled. Equivalent of 85% of gross floor space, excluding lift shafts, cellarage, etc.

Environmental Audit

Review by independent auditor of compliance with directives and internal procedures.

Environmental Efficiency

Systematic focus on a method of production that conserves resources and keeps environmental damage to a minimum. Some of the criteria used to identify environmentally efficient companies are: energy and material intensity, emissions, recycling capabilities, product lifetimes, and use of renewable energies. The aim of environmentally efficient business practices is to achieve the highest possible economic added value with the smallest possible impact on the environment.

Environmental Management System

See „ISO 14001”

EPI-Finance 2000

[EPI-Finance](#) is a set of environmental performance indicators for financial institutions, which helps them to measure and report the environmental performance of their business processes.

Equator Principles

The [Equator Principles](#) are a voluntary set of guidelines which define a common standard for addressing ecological and social risks related to project finance. The Principles are based on World Bank guidelines. Revision of the IFC Safeguard Standards in 2006 resulted in following changes: Transactions from USD 10 million and Project Advisory are included in the new standard

F

FSC

The [FSC \(Forest Stewardship Council\)](#) was founded in 1993, following the environmental summit in Rio. The FSC is a non-governmental organization which campaigns for the ecologically and socially responsible use of woodland worldwide. The organization is supported by environmental organizations, unions, representatives of indigenous peoples as well as a large number of forestry companies and timber producers.

FTSE4Good

[FTSE4Good](#) is an index for socially responsible investment designed by FTSE, one of the world's leading global index providers. The FTSE4Good selection criteria cover three areas: working towards environmental sustainability, developing positive relationships with stakeholders, and upholding and supporting universal human rights.

G

Global Compact

See 'UN Global Compact'.

Global Reporting Initiative

The [Global Reporting Initiative](#) (GRI) was launched at the end of 1997 by the [Coalition for Environmentally Responsible Economies](#) (CERES) and is supported by the United Nations Environment Program (UNEP). Its aim is to develop guidelines and quality standards for the voluntary production of sustainability reports. In addition to the GRI, financial services providers in various countries have drawn up further industry-specific solutions.

Good Corporate Citizen / Corporate Citizenship

Corporate Citizenship covers everything that a company does for society outside its actual business activities. It is the company's attempt to behave in a responsible manner in relation to its partners (employees, customers, suppliers and service providers, as well as shareholders), and – like a good private citizen – to connect positively and in as many different ways as possible with the communities in which it operates.

Greenhouse gas (GHG) Neutrality

The essence of carbon neutrality is a net result of zero emissions of carbon dioxide equivalents (CDE), which includes carbon dioxide, methane, nitrous oxide, and occasionally other greenhouse gases like fluorocarbons and sulfur hexafluoride. The CDE for gases other than carbon dioxide is calculated by multiplying the mass of a gas by its global warming potential (e.g. 122 times that of carbon dioxide for methane), as defined by the United Nations Intergovernmental Panel on Climate Change. When emissions have been reduced as much as possible, carbon neutrality can be reached by the purchase of carbon offsets from reputable traders in renewable energy credits in an amount equal to the number of tons of CDEs remaining.

H

I

ISO 14001

The [International Organization for Standardization](#) (ISO) is a global association of national standards institutions. ISO norms are globally recognized standards used for voluntary self-regulation. The ISO 14000ff. series of standards shows companies how to implement an environmental management system and aims, "to give organizations the elements of an effective environmental management system that can be run alongside other management tasks in order to help the organization achieve environmental as well as economic goals" (see ISO DIN EN 14001, 1996).

J

K

Know Your Customer Rules / Swiss Due Diligence Standards

The Swiss financial center has a dense network of laws and regulations aimed at preventing illegally acquired funds from entering Switzerland. The fundamental principle is the Know Your Customer rule, which lays down the duty for the banks to establish a client's identity and to determine the origin of client funds and their beneficial ownership. The Swiss Know Your Customer rules are among the strictest in the world, and lay down the following responsibilities:

- Identification of client and beneficial owner
- Systematic and constant monitoring of transactions
- Tightened due diligence rules in contacts with "Politically Exposed Persons" (i.e. persons holding prominent public positions in a foreign country)
- Report cases of justified suspicion of money laundering to Swiss authorities, who may freeze assets and investigate the case.

Kyoto Protocol

See 'CO2/climate change'

M

Microfinance

Microfinance is a form of retail banking for poor but economically active individuals in developing countries. By obtaining access to financial services, they are able to generate an income from small and micro businesses. This provides them with an opportunity to improve their personal environment on the basis that microfinance is helping them to help themselves. The UN has declared 2005 to be the [International Year of Microcredit](#).

Minergie

[MINERGIE](#) is a quality label for new and refurbished buildings in Switzerland. Specific energy consumption is used as the main indicator to quantify the required building quality. Minergie defines several standards for buildings: threshold values for energy consumption, installation and operation of a mechanical air recycling plant. In addition, the added investment above similar, conventionally constructed buildings cannot exceed 10 %.

N

O

Operational ecology

Efforts relating to operational ecology are aimed at limiting the use of resources through appropriate economy measures and at also generating cost savings as a result. Operational ecology focuses on identifying the areas that have an impact on the environment and where action is most urgently needed. Environmental factors are monitored and managed by means of systematic environmental controlling.

P

Q

R

S

SA 8000 (Social Accountability)

[SA 8000](#) is a standard for social accountability in the workplace. In essence, social accountability means managing business activities in a manner that respects and promotes the basic human rights of all workers.

Socially Responsible Investments (SRI)

See '[Sustainable investments](#)'

SPI-Finance 2002

SPI is the abbreviation for Social Performance Indicators. [SPI Finance 2002](#) is an international project involving financial services providers from Europe, Australia and Africa (alongside Credit Suisse the banks include Deutsche Bank, UBS, SwissRe, Co-Operative Bank (and Insurance), Westpac Banking Corporation). The project's aim is to develop key indicators and reporting points to facilitate effective reporting on the social implications of banking and insurance activities in the following areas:

- internal social conduct (employees)
- social aspects in dealings with suppliers and service providers
- conduct towards society as a whole
- social implications of products and services
- corporate social responsibility management

By involving key stakeholder groups, SPI Finance intends to produce an industry-specific standard in line with the Global Reporting Initiative – the international initiative to standardize sustainability reporting.

Stakeholders

Stakeholders are groups or individuals who formulate their interests in the form of specific demands vis-à-vis a company and – acting by themselves or through their representatives – can exert a significant influence over the definition and realization of corporate objectives, as well as the activities and conduct of the company. Stakeholders may additionally or alternatively be groups or individuals who are impacted by the definition, prioritization and realization of corporate objectives as well as the activities and conduct of a company.

Sustainability

Something is sustainable if it maintains or increases the added value created by a business without generating any long-term threat to economic, environmental or social systems. Sustainability is a forward-looking concept which pays due regard to consumers' demands for a better quality of life combined with careful husbandry of resources.

Sustainability Funds

Investment funds that select stocks using not only economic, but also environmental and social criteria.

Sustainable Investments

Investments taking into consideration not only financial but also environmental and social issues.

Sustainability Ratings

The rating of the social, ecological and economic performance of a company.

T

U

UN Climate Convention

United Nation's 1992 framework agreement on climate change. The UN Climate Convention's aim is to stabilize "greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic (human-induced) interference with the climate system".

UNEP

The [United Nations Environment Programme](#) (UNEP) was established in 1972 and is based in Nairobi (Kenya). The Programme identifies and analyzes environmental problems, defines principles for environmental protection, develops environmental protection programs and supports the efforts of developing countries to establish national environmental protection schemes.

UN Global Compact

The UN Global Compact is an initiative launched by the UN Secretary General Kofi Annan, under which companies commit themselves to ten principles relating to the internationally recognized areas of human rights, working conditions, environmental protection and combating corruption.

UNEP Finance Initiative

[UNEP self-declaration](#) with which participating financial services providers commit themselves to integrating sustainability concerns into their core business.

V**VfU Standard**

An [internationally established standard](#) for comparing and benchmarking banks, savings and loan institutions and insurance companies with regard to operational ecology.

W**Wolfsberg Group, Wolfsberg Principles**

In 2000, a group of leading global banks, including Credit Suisse Group and UBS, agreed with Transparency International, the worldwide anti-corruption organization, on a series of [global guidelines to help internationally active private banks fight money laundering](#).

The principles focus on various aspects of the "know your customer" principle that governs relations between wealthy private customers and the financial institutions' private banking departments. They also deal with identifying and pursuing unusual or suspicious activities.

In January 2002, the Wolfsberg Group published recommendations on how financial institutions, governments and financial authorities can effectively help in the fight against terrorism by taking preventative measures and exchanging information. At the same time, fairness and the protection of personal rights must be ensured.

X**Y****Z**