



UNEP FI & ADFIAP
Environmental & Social Risk Analysis Workshop
Sustainability in Banking
An Overview

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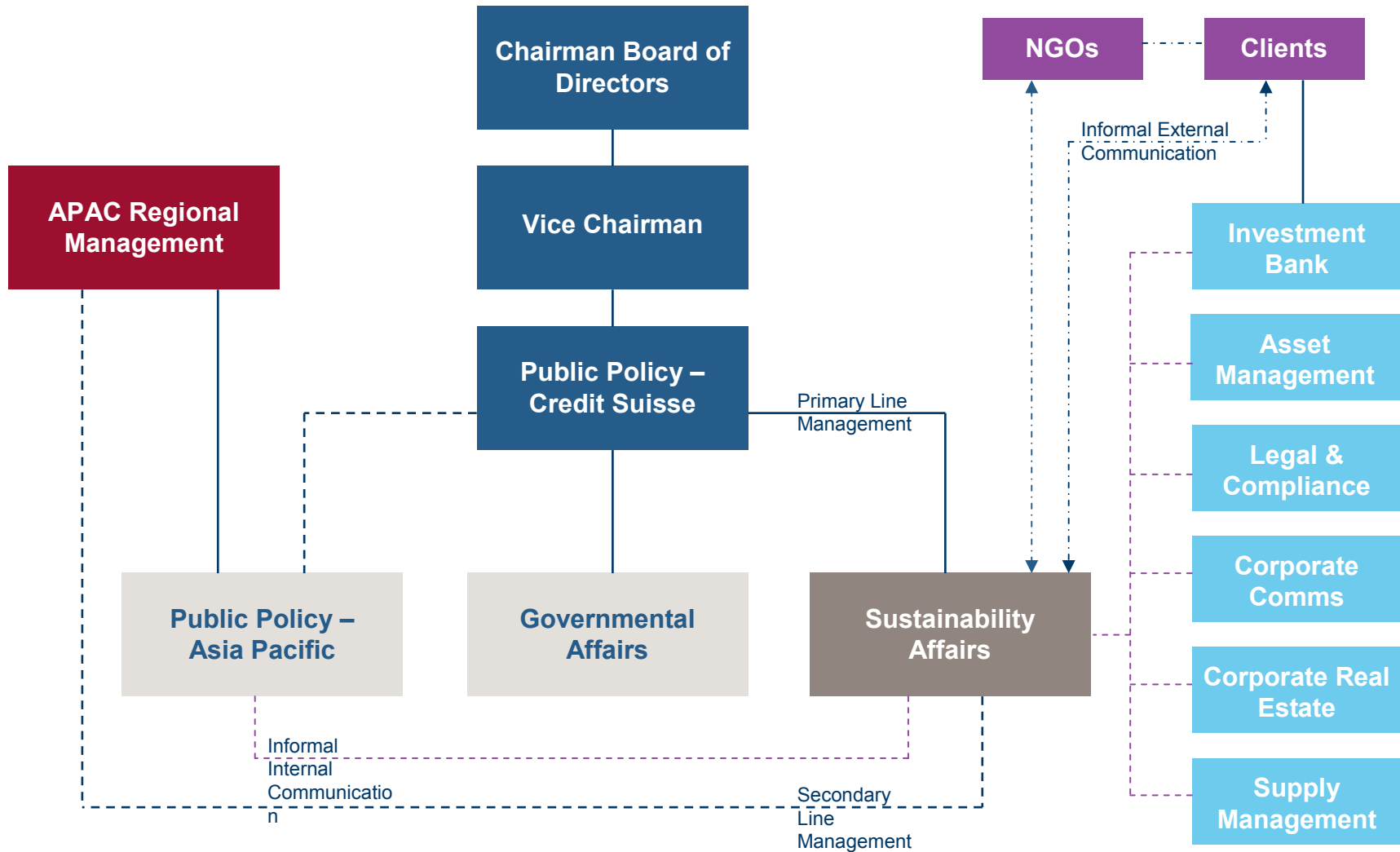
Manila, 27 October 2009

Sustainability at Credit Suisse

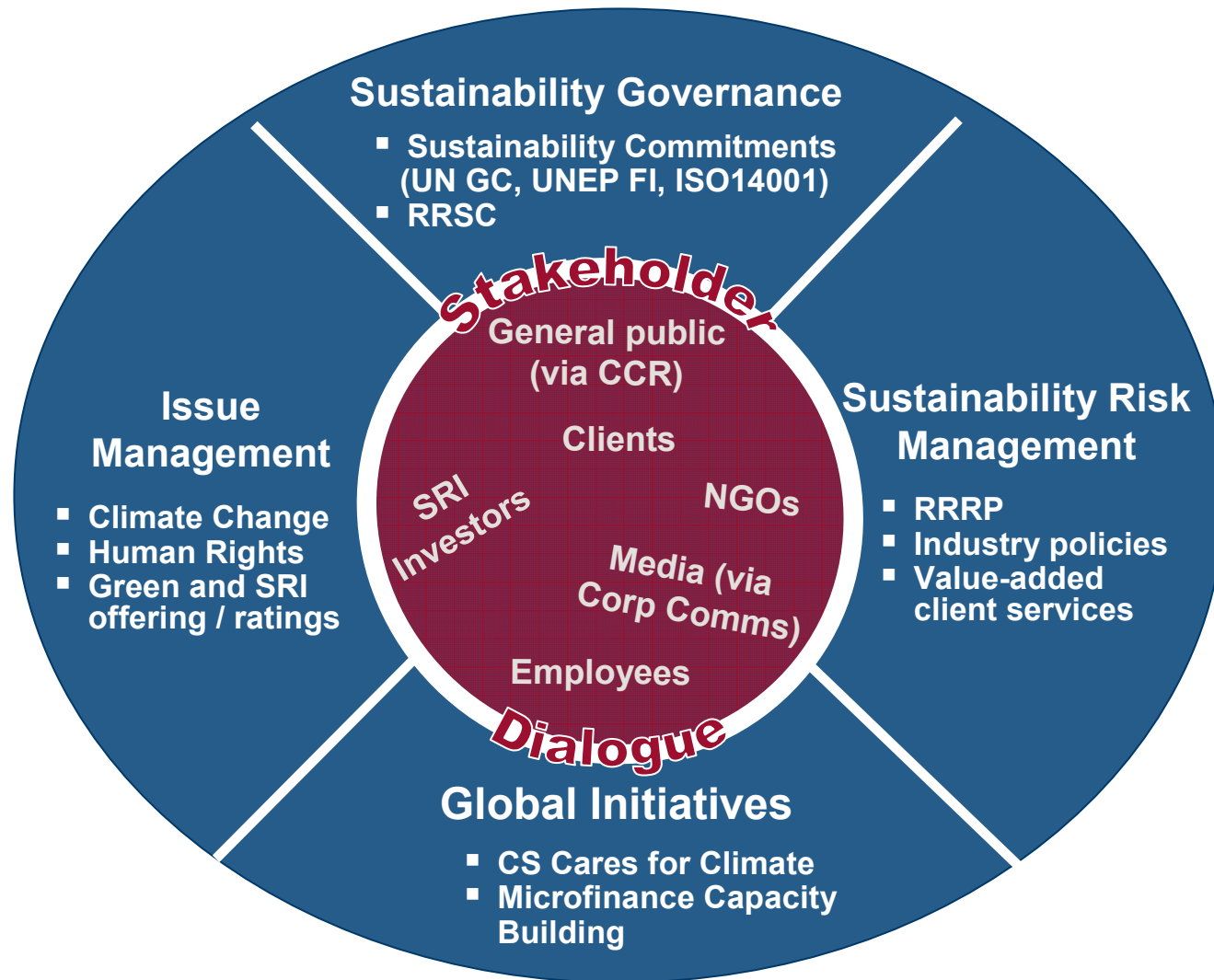
- Credit Suisse – ‘Sustainability Affairs’
- What is ‘Sustainability’?
- Commitments
- Drivers
- Initiatives



Sustainability Affairs Organization

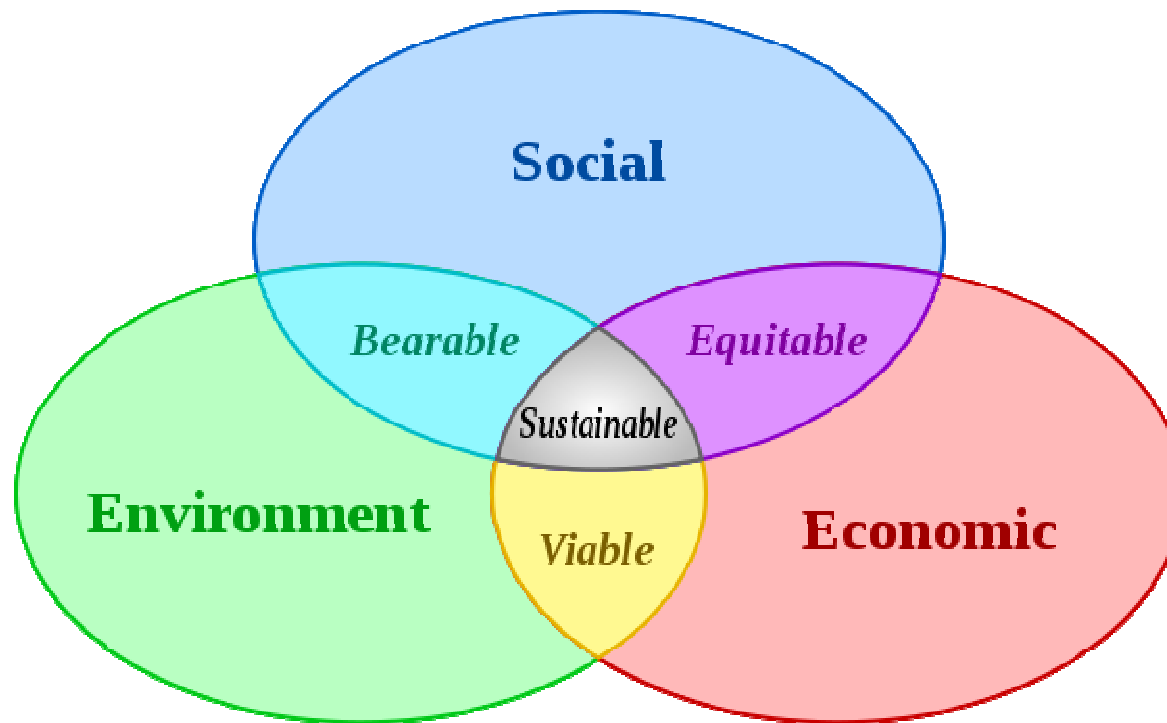


Sustainability Affairs Profile



Sustainable Development

- **A simple concept of balance:**
 - ‘People, Planet and Profit’
 - Requires commitment, capacity and a strategy to get from policy to action



Sustainability, CSR and Citizenship

■ Sustainable Development

- Formal, documented definition
- “Development that meets the needs of the present without compromising the ability of future generations to meet their own needs”

■ Corporate Social Responsibility / Citizenship

- Undefined, open to interpretation
- Putting a ‘human face’ on sustainability
- “...values and activities that companies engage in to... support the sustainable development of their communities”



Commitments

- UN Environment Program Finance Initiative



“... we consider that sustainable development depends in the positive interaction between economic and social development, and protection of the environment, making this an equilibrium of interests between present and future generations”.

We also consider that sustainable development is the collective responsibility of governments, companies and people. We are committed to working in cooperation with these sectors, within the market mechanisms framework, towards common environmental goals.

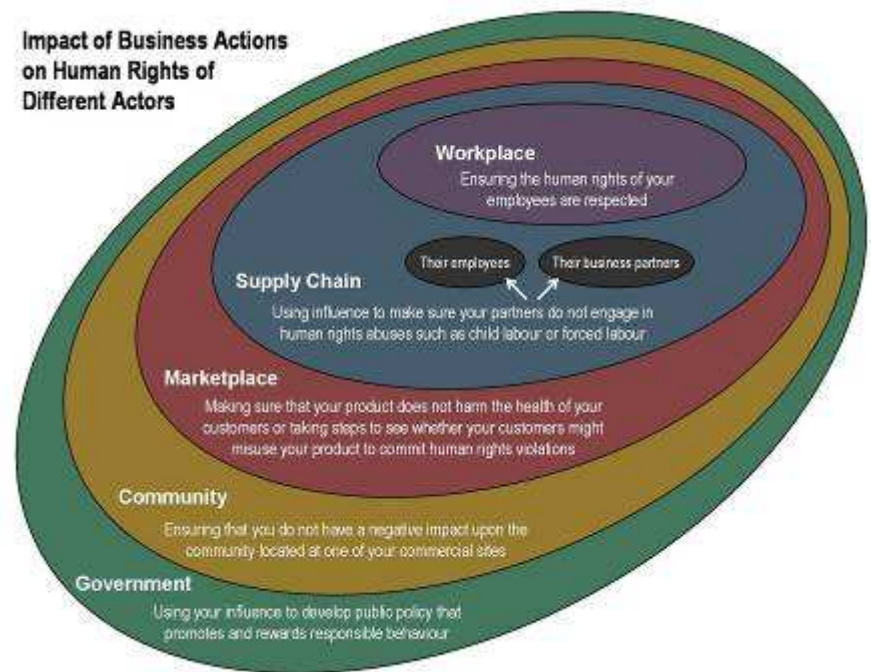
We consider that the identification and quantification of environmental risks should form part of the normal process of evaluation and risk management, both in domestic and international operations.”

Commitments

- **UN Global Compact (UNGC)**

- 10 principles that enjoy universal consensus, derived from:

- The Universal Declaration of Human Rights
- The ILO's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The UN Convention Against Corruption



Commitments

- **Credit Suisse Sustainability Policy (extract)**
 - We anchor the principles of sustainability in all the relevant policies for business areas and functions.
 - We take measures to ensure that our employees recognize their environmental and social responsibilities and act accordingly.
 - We want to be an attractive proposition for investors who base their investment decisions on sustainability criteria.
 - We attach great importance to the Sustainability Policy being taken into account in all environmentally and socially relevant decisions.

Sustainability Drivers



■ Stakeholder expectations

- Staff talent attraction / retention
- Institutional investors
- NGOs power & influence

- Awareness raising / annual CCR
- Participation in DJSI
- Active engagement on several fronts



■ Resource and cost savings

- Energy
- Paper, etc

- Property management / ISO 14001
- Procurement



■ Market access

- Product differential
- Increased market share

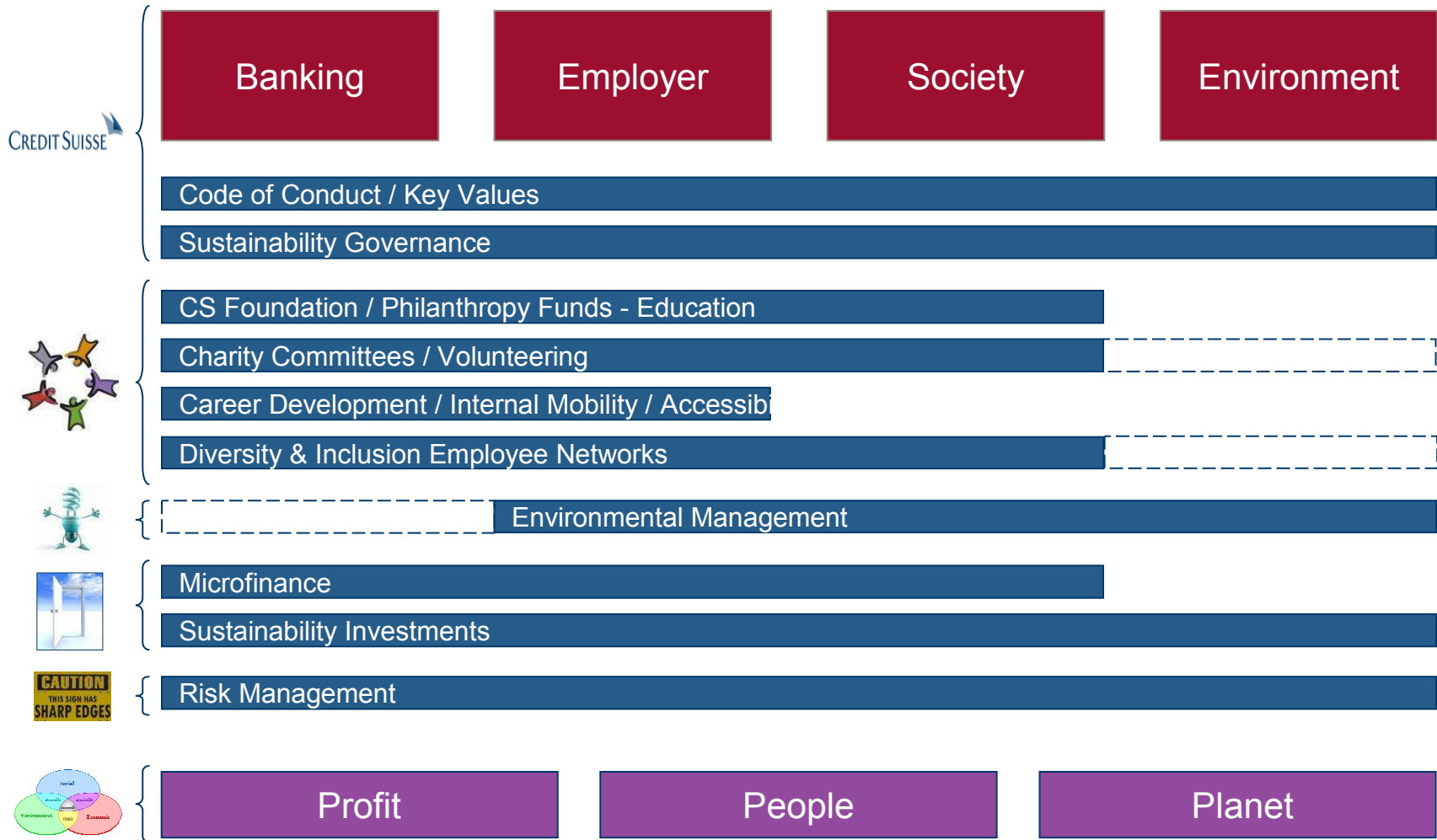
- Green / clean tech
- Microfinance and SRI



■ Risk management

- RRRP / advisory to front office

Credit Suisse Corporate Citizenship / Sustainability



Staff Involvement

- APAC Environment & Sustainability Committee
- APAC Charity Committees (country-based)
- APAC Philanthropy
- 'Microfinance Advocates'
 - Supported photo exhibition in AUS, SIN and HKG
- Multi-faceted engagement with WWF
 - Conservation awareness
 - 'Earth Hour' volunteering
- Employee Networks
 - Work-Life integration





Credit Suisse and WWF

- **Partnering approach**
 - Strong brand
- **Local, regional and global reach**
 - 16 offices in APAC
 - On-the-ground insight
 - New / different perspectives
 - Broad issues spectrum
 - Staff engagement
- **Added-value to clients**
 - New markets / opportunities
 - Corporate reputation enhancement



Stakeholder Expectations

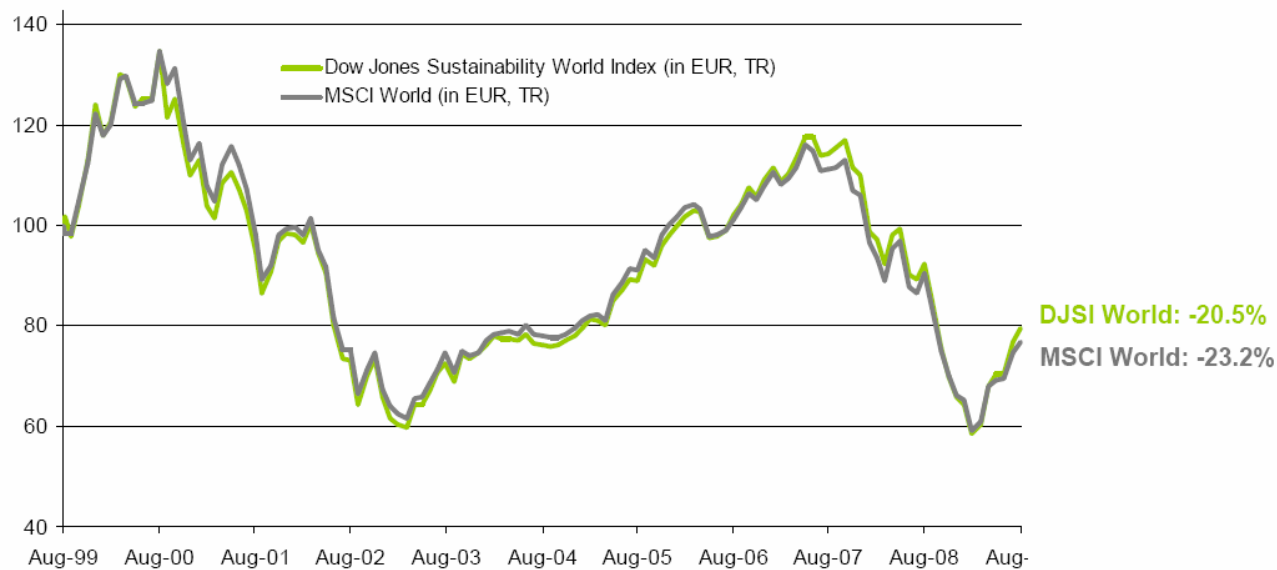
- **Corporate Citizenship Report 2008**
 - Visual communication of bank's activities
 - Broad stakeholder audience:
 - clients, employees, investors, NGO's, rating agencies, media, suppliers, etc.
 - Presented as a cross media package / trilogy
 - Satisfies annual reporting obligations under various international initiatives

www.credit-suisse.com/investors/doc/ar08/csg_ccr_2008_en.pdf



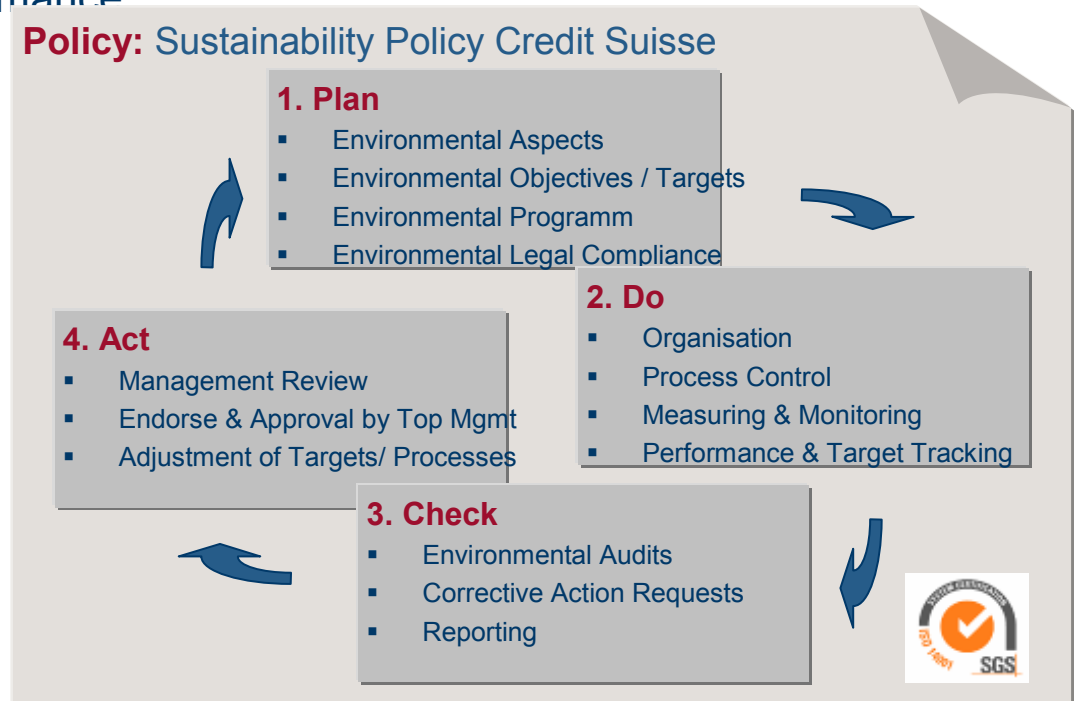
Stakeholder Expectations

- Overall, evidence that committed companies perform better
 - Credit Suisse Group AG is a component of DJSI World Index
 - ~320 companies
 - Includes top 10% of companies in each sector (~22 Banks)



Resource and cost savings

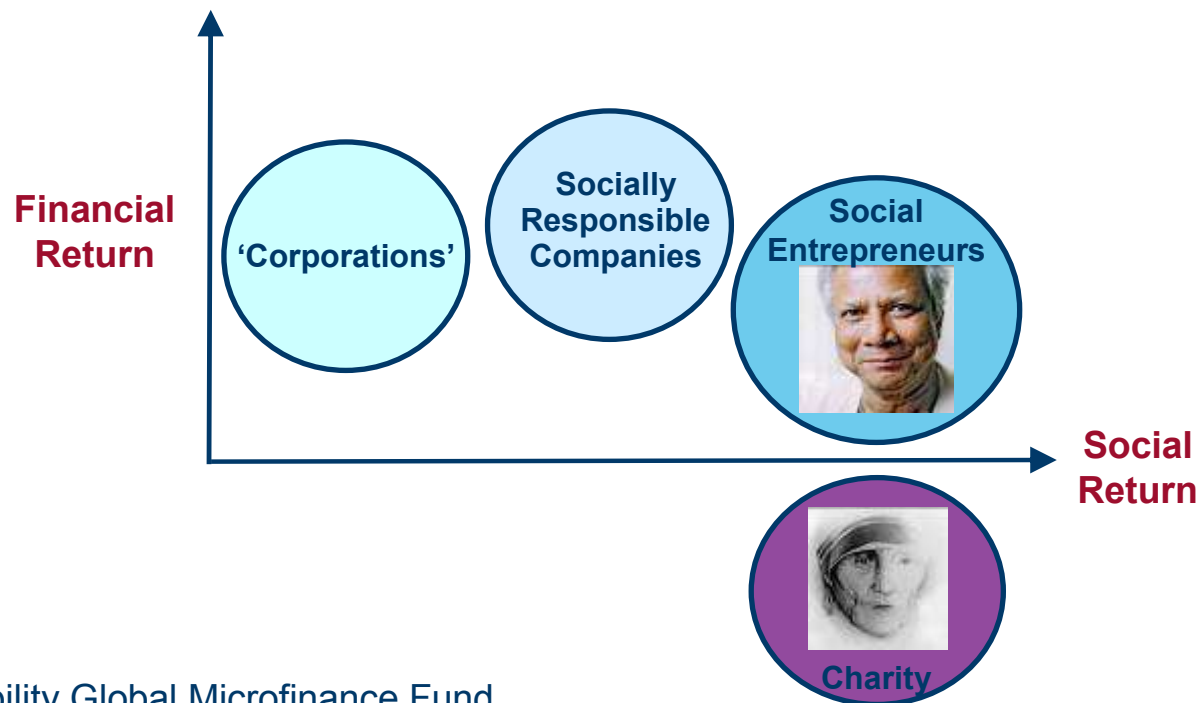
- **Environmental Management System**
 - First bank to have global certification (1997)
 - Managed by CRES - CES
 - Measures environmental performance:
 - Energy, paper, water, waste
 - By region
 - By office / premise



Markets

■ Socially Responsible Investments (SRI)

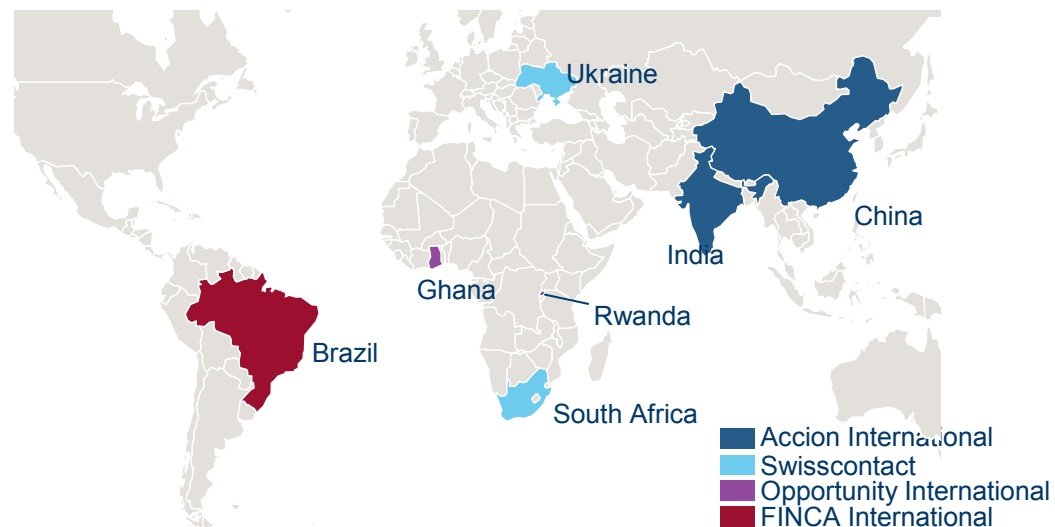
- Social and economic return
- Can also encompass environmental themes – green/clean-tech



- responsAbility Global Microfinance Fund
- CS Fund (Lux) Global Responsible Equities (Jan. 2009)

Microfinance at Credit Suisse

- **2003: Joint founder of 'responsAbility Social Investments AG'**
 - Global Microfinance Fund supports >180 Microfinance Institutions (MFIs) in >40 countries
 - ~240,000 clients (50% rural; 60% women) with an average loan of ~USD 2,100
- **2007: First global IPO for a MFI, in Mexico's 'Banco Compartamos'**
- **2008: Launched 'Microfinance Capacity Building Initiative'**



Risk Management

- Policy on Reputational Risk
- Any issue with the potential to **negatively impact** the reputation of Credit Suisse:
 - Decline in customer base
 - Lead to costly litigation
 - Reduction in revenue
- Concerns an institution's **past or present** business practices
 - **Whether 'true or not'**
- May include actions or transactions involving:
 - Controversial clients
 - Controversial business activities



Summary

- **Commitment**

- Needs the highest level of support in your organisation
- The organization must *believe* it is the right thing to do

- **Capacity**

- Who / which department is the owner?
- What is the level of training and degree of authority?

- **Credibility**

- Must combine commitment and capacity
- Set and monitor objectives and targets

Sustainability in Banking

- Thank You



www.credit-suisse.com/responsibility/en