



**Corporate Responsibility
Report 2013**

2013 at a Glance: Corporate Responsibility at Credit Suisse

As one of the world's leading banks, we are committed to delivering our financial experience and expertise to corporate, institutional and government clients and to high-net-worth individuals worldwide, in addition to affluent and retail clients in Switzerland. We believe that our responsible approach to business is a key factor determining our long-term success. We have a broad understanding of our duties as a financial services provider, member of society and employer. Our approach also reflects our commitment to protecting the environment. The following key figures provide an overview of our diverse activities in the area of corporate responsibility in 2013:

Banking

519

transactions were assessed for potential environmental and social risks

Over 2.4 million

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

7,304 million

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

Economy and Society

Over 150 billion

Swiss francs is Credit Suisse's volume of loans outstanding in Switzerland at end-2013

17,583

employees around the world engaged in volunteering

Around 350

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

Employer

161

different nations are represented by our employees

Over 1,250

full-time positions were filled by new university graduates worldwide

46%

of all vacancies were filled through internal appointments

Environment

40

gigawatt-hours of energy were saved globally as a result of increasing our server virtualization rate to 56% worldwide over the past 3 years

137,011

hours of video conferencing were used as an alternative to business travel, helping to reduce our CO₂ emissions

56,000

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

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Cover: Credit Suisse assigns a high level of importance to the promotion of young talent: In 2013, a total of 1,370 young people received support as part of their professional training. HR Consultant Michael Seibold (center) from the Young Talents team is currently overseeing the development of 71 junior employees who are enrolled in a commercial apprenticeship or are participating in the Junior Banking Program for high school graduates. Michael Seibold is pictured here in the Uetlihof 2 office complex in Zurich together with the apprentices Maxime Seiler, Largesá Mena, Louise Brun, Denis Schnell and Fiona Bosshard (from left to right).

For the purposes of this report, unless the context otherwise requires, the terms "Credit Suisse Group," "Credit Suisse," "the Group," "we," "us" and "our" mean Credit Suisse Group AG and its consolidated subsidiaries. The business of Credit Suisse AG, the Swiss bank subsidiary of the Group, is substantially similar to the Group, and we use these terms to refer to both when the subject is the same or substantially similar. We use the term "the bank" when we are referring only to Credit Suisse AG, the Swiss bank subsidiary of the Group, and its consolidated subsidiaries.

Foreword

Dear Reader

At Credit Suisse, we are committed to running our business in a way that generates value for our clients, shareholders and employees. At the same time, we recognize that our sphere of activity and influence extends beyond the boundaries of the international financial system and that as a global bank we are also closely interconnected with the economy and society. We therefore have a broad understanding of our duties as a financial services provider. We believe that the pursuit of a responsible approach to business – where we consider the needs and interests of all our stakeholders – is a decisive factor determining our long-term success.

The economic and social impacts of the last global financial crisis highlighted the importance of banks and a properly functioning financial system. Lessons have since been learned and much effort has gone into building a more robust financial sector in order to reverse the widespread loss of trust among stakeholders. In particular, this includes the implementation of strict regulations to resolve the “Too Big to Fail” (TbTF) problem posed by major financial institutions in many countries. It is important for banks to have viable business models and strategies that enable them to operate competitively as public companies. We therefore believe that measures are needed to allow for the orderly resolution of struggling banks – thus removing them from the financial system. Eliminating the possibility of future bank bailouts that would have to be funded using taxpayers’ money is an essential part of the process of rebuilding trust in our industry.

Underscoring our support for this process, we continued to adapt Credit Suisse’s organizational structure and business model in 2013 in response to the changing market and regulatory environment. This included significantly strengthening our capital position, substantially reducing the size of our balance sheet and risk-weighted assets, and lowering our overall cost base. Our program to evolve the Group’s legal entity structure, which we announced in November 2013, is intended to help Credit Suisse meet future requirements for global recovery and resolution planning. This is expected to provide our bank with a substantially less complex and more efficient operating structure in the new regulatory environment.

Credit Suisse is making good progress in adopting new regulations that are designed to increase system stability. At the same time, we are mindful of how a further tightening of capital and liquidity rules in the future could impact the ability of banks to serve their clients. We believe that it is now time to take stock of the progress that has been achieved by the industry and that careful attention must be paid to ensuring that the emerging regulatory framework does not have an impact beyond the agreed target. This



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

could otherwise restrain the banks' business activities and prevent them from performing vital economic functions such as supplying the capital needed by companies to finance growth, innovation and job creation.

As a financial services provider, our main focus is on performing our banking functions effectively for the benefit of our clients – providing them with access to capital, managing their assets, steering financial flows and carefully assessing risks. Our global Private Banking & Wealth Management business and our capital-efficient Investment Banking business, combined with our universal bank in our Swiss home market, provide us with a broad-based model that ensures we can meet the increasingly sophisticated needs of individual clients, companies and institutions around the world.

Our business works on the basis of trust. Clients count on us to provide them with expert advice and to act as a reliable financial partner. As part of our commitment to responsible banking, we strive to promote a sense of personal accountability in our employees and to foster a culture of integrity and compliance throughout the bank. Our Code of Conduct sets out binding ethical values and professional standards that we pledge to uphold in our 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 to the UN Global Compact, which prescribes universal principles relating to human rights, labor standards, environmental protection and anti-corruption efforts.

Beyond our banking business, we strive to assume our social responsibilities based on our belief that the long-term success of our bank also depends on the existence of stable, economically viable communities. Our commitments in this area take various forms – from the provision of targeted financial support for charitable institutions and disaster relief funding to our collaboration with selected partner organizations around the globe and employee volunteering. Our engagements in 2013 ranged from measures to combat youth unemployment in our Swiss home market to our micro-finance and education initiatives in developing countries.

Recognizing the importance of environmental and climate protection, we also systematically take account of these issues when conducting our business. One example is the development of products and services that combine financial, environmental and social goals to meet the growing client interest in sustainable investing. As part of this commitment, Credit Suisse has signed up to the Principles for Responsible Investment (PRI), a voluntary framework that integrates a set of environmental, social and governance (ESG) criteria into investments. We also address both environmental and social issues when managing risks and take steps to improve the environmental footprint of our operations.

In order to assume our broad spectrum of responsibilities, it is essential to have an understanding of the needs and perspectives of our different stakeholders. We therefore regularly engage in a dialogue with clients, investors, employees, non-governmental organizations, regulators, legislative and executive bodies, and other groups. In 2013, we performed a materiality assessment for the first time to gain a better understanding of different stakeholder perspectives, thus enabling us to actively address important topics and challenges and to report on them transparently.

This Corporate Responsibility Report is designed as part of this ongoing dialogue. It provides a detailed account of our wide-ranging efforts to fulfill our responsibilities as a global bank through 2013. An open and constructive exchange of views is today more important than ever and we therefore welcome your feedback on any of the topics discussed in this publication.

Best regards

Urs Rohner
Chairman of the
Board of Directors

Brady W. Dougan
Chief Executive Officer

April 2014

Our Understanding of Corporate Responsibility

Our Business Strategy

Credit Suisse serves around 2.2 million clients in more than 50 countries worldwide, including in our Swiss home market. We offer these clients advisory services and a wide range of banking products and investment solutions. As of December 31, 2013, we had CHF 1.28 trillion of assets under management.

Credit Suisse's Annual Reporting Suite



Annual Report

The Annual Report provides a detailed presentation of Credit Suisse Group's annual financial statements, organizational structure, corporate governance and compensation practices, as well as our treasury and risk management framework. It also contains a detailed review of our operating and financial results.



Corporate Responsibility Report and Company Profile

The Corporate Responsibility Report 2013 offers an insight into how Credit Suisse assumes its responsibilities in banking as well as toward society and the environment. This publication is complemented by the **Responsibility Chronicle**, which adds a multimedia dimension to our reporting by providing a selection of articles, videos and picture galleries that focus on our international projects and initiatives. The **Company Profile 2013** is enclosed in the Corporate Responsibility Report and contains a summary of Credit Suisse's strategic direction, an overview of its organizational structure and a brief description of its key businesses.



↑ enclosed



Credit Suisse operates as an integrated global bank with two divisions, Private Banking & Wealth Management and Investment Banking, combined with our universal bank in our Swiss home market. Our business model enables us to generate diversified income streams and creates synergies as a result of the close collaboration between all areas of our business.

With 21 booking centers, our Private Banking & Wealth Management division has a presence in all of the world's major markets. According to the Credit Suisse Global Wealth Report 2013, global wealth is expected to increase by nearly 40% over the next five years to USD 334 trillion, with emerging markets accounting for 29% of this growth. We are well positioned to profit from this growth with our 4,330 relationship managers, the comprehensive range of products we offer as an integrated bank and our structured advisory process.

Our Investment Banking division has a leading Equities franchise and a strong and profitable Underwriting & Advisory business. In Fixed Income, we focus on those areas in which we can generate good returns and have a very strong market position.

Credit Suisse was one of the world's first banks to transition to the Basel III framework, effective January 2013. In recent years, we moved swiftly to align our bank to the new regulatory and market environment.

We further strengthened Credit Suisse's capital base in 2013 – adding CHF 14 billion in Look-through capital – and ended the year with a Look-through Basel III CET1 ratio of 10.0% and a Look-through Swiss leverage ratio of 3.7%. We have reduced our volume of risk-weighted assets in Investment Banking by 46% since the second quarter of 2011.

As part of the bank's growth strategy, we aim to achieve a balanced distribution of capital between our two divisions. At the end of 2013, 57% of Group-wide risk-weighted assets were allocated to Investment Banking.

Responsibility in Banking

- Trust and Expertise
- Corporate Governance
- Risk Management 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 conducting 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 that go beyond banking. We aim to create value for our clients, shareholders and employees by performing our functions as a global bank responsibly and efficiently. We support the economy through our activities and play a constructive role in the broader social environment.

We also support various humanitarian and charitable organizations and projects as well as cultural and sporting events.



Code of Conduct

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 as an Employer

- Credit Suisse as an Employer
- 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

- Climate and Biodiversity
- Environmental Management

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.



Chart: Our Approach to Corporate Responsibility

Corporate Responsibility at Credit Suisse

We believe that our responsible approach to business is a decisive factor determining Credit Suisse's long-term success. We therefore strive to assume our corporate responsibilities and to comply with the ethical values and professional standards set out in our Code of Conduct 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 protecting the environment.

The Corporate Responsibility Report is structured according to these topics. As in previous years, our reporting on corporate responsibility will be externally assessed and independently assured by SGS and the disclosure level will be evaluated by the Global Reporting Initiative (GRI). The full content of this report, as well as additional information and data on all the topics it addresses, are available online at: [credit-suisse.com/responsibility](https://www.credit-suisse.com/responsibility)

Material issue	Level of importance		Relevance to stakeholders	Impact on Credit Suisse
	→			
◆ Compliance and Combating Financial Market Crime			●	●
▲ Financial System Stability			●	●
◆ Management Compensation			●	●
◆ Tax Issues			●	●
◆ Consumer and Investor Protection			●	●
▲ Financial Results and Company Stability			●	●
▲ Client Focus and Quality of Advice			●	●
◆ Corporate Governance			●	●
◆ Responsibility as an Employer			●	●
◆ Reputation and Corporate Culture			●	●
◆ Environmentally and Socially Responsible Behavior			●	●
● Mitigation of Environmental Impacts and Climate Change			●	●
● Human Rights			●	●
▲ Sustainable Investments			●	●
● Agricultural Commodity Business			●	●

We want to ensure that we comply with applicable laws and regulations in all the markets in which we operate. As part of these efforts, we seek to implement strict internal controls, cooperate with the authorities and define rules governing issues such as business relations with politically exposed persons and the prevention of money laundering and terrorist financing. We also assign priority to combating financial market crime such as fraud and anti-competitive practices.

We work with regulators and legislators globally to learn lessons from the financial crisis and to help strengthen the stability of the financial system. We have rapidly implemented new capital and liquidity requirements.

We are committed to fair, balanced and performance-related compensation practices that align regulatory requirements and the interests of employees and shareholders. We are continuing to evolve our compensation policies in consultation with our shareholders and based on best practice examples.

We focus exclusively on managing declared assets in our business with new and existing private clients. In the case of clients from specific markets, additional confirmations are required and further measures are taken. We will continue to implement this approach rapidly and consistently based on the expectation that the automatic exchange of information will be introduced in the foreseeable future.

We work to ensure that we comply with all applicable laws and regulations. We understand the needs of our clients and safeguard their interests. We conduct our activities diligently and professionally, thus earning the reputation of a bank that acts with integrity.

Our shareholders expect us to deliver good returns. The proposed dividend for 2013 is CHF 0.70 per share. We rapidly adapted our business model in Private Banking & Wealth Management and Investment Banking to the new regulatory and market environment: We strengthened our capital position and reduced risk-weighted assets.

We want to meet the financial expectations of our clients. Our trained and certified relationship managers offer our clients products and services that are tailored to their needs.

Our corporate governance complies with internationally accepted standards. This framework enables us to take account of the interests of all our stakeholders. The transparent disclosure of our governance system helps stakeholders to assess the quality of the bank and our management and assists investors in reaching investment decisions.

To inspire trust, achieve client satisfaction and run our business efficiently, we need to attract and retain well-qualified, responsible and dedicated professionals. We offer them progressive working conditions, attractive development opportunities and varied career prospects.

We are committed to preserving the integrity of our bank and to safeguarding its reputation. The ethical values and professional standards set out in our Code of Conduct form the basis of our corporate culture. Our internal policies and guidelines are designed to ensure that our employees work professionally and responsibly, always placing client interests first.

We have policies and commitments to manage the environmental and social impacts of our activities. Our commitment to sustainability is anchored in our Code of Conduct and the Credit Suisse Statement on Sustainability, and we also uphold international sustainability agreements such as the UN Global Compact. In addition, we make a contribution to society via our global initiatives in the areas of microfinance and education.

We have specific procedures in place to mitigate environmental issues when conducting our business. We assess potential transactions via our risk review process with the goal of identifying environmental or social risks. We have also implemented policies on sensitive industries. Our ISO 14001-certified environmental management system helps us to make more efficient use of natural resources and to maintain the global greenhouse gas neutrality that we achieved in 2010.

We assume our responsibilities relating to human rights based on the International Bill of Human Rights and the principles on human and labor rights in the UN Global Compact. We are also a co-initiator of the Thun Group of Banks, which published a discussion paper in 2013 on how to implement the UN Guiding Principles on Business and Human Rights in the banking sector.

By offering clients products and services that take account of environmental and social issues, we make a contribution toward financing sustainable development. This also opens up sources of capital for the development of new markets and technologies. The Principles for Responsible Investment (PRI) promote the inclusion of sustainability criteria in investment decisions.

The global development of food prices attracts public scrutiny. Credit Suisse is aware of these discussions and takes seriously the concerns sometimes expressed about the role of financial markets in this context.

Credit Suisse Materiality Assessment

In 2013, we performed a materiality assessment for the first time to gain a better understanding of different stakeholder perspectives (see page 9), thus enabling us to actively address important topics and challenges and to report on them transparently. The materiality assessment does not list all of the topics raised by stakeholders but focuses on the issues that are most important to them and to our business. It should be noted that the findings reflect the average values that resulted from an assessment of our different stakeholders' views. The issues were identified in a three-stage process comprising the identification, prioritization and review of these issues. When performing this assessment, we drew on a range of sources – including monitoring tools, sustainability frameworks, internal records and a comprehensive media review. We also obtained input from internal experts who engage in a regular dialogue with stakeholders and provided more detailed information about individual topics. An independent consultancy then evaluated the findings and provided its external perspective.

We intend to reassess and update the list of material issues on a regular basis in future. This is expected to result in the early identification and appropriate consideration of evolving issues and of their relevance to our stakeholders and to our business.

All of the issues highlighted in our materiality assessment are covered in this publication. Further information is available online at:

credit-suisse.com/responsibility/materialityassessment

Key Material Areas and Priorities

We identified 15 material issues in our materiality assessment and grouped them into 3 areas: Creating Value, Operating Responsibly and Managing Our Wider Impacts:

▲ Creating Value

- Financial System Stability
- Financial Results and Company Stability
- Client Focus and Quality of Advice
- Sustainable Investments

◆ Operating Responsibly

- Compliance and Combating Financial Market Crime
- Management Compensation
- Tax Issues
- Consumer and Investor Protection
- Corporate Governance
- Responsibility as an Employer
- Reputation and Corporate Culture
- Environmentally and Socially Responsible Behavior

● Managing Our Wider Impacts

- Mitigation of Environmental Impacts and Climate Change
- Human Rights
- Agricultural Commodity Business

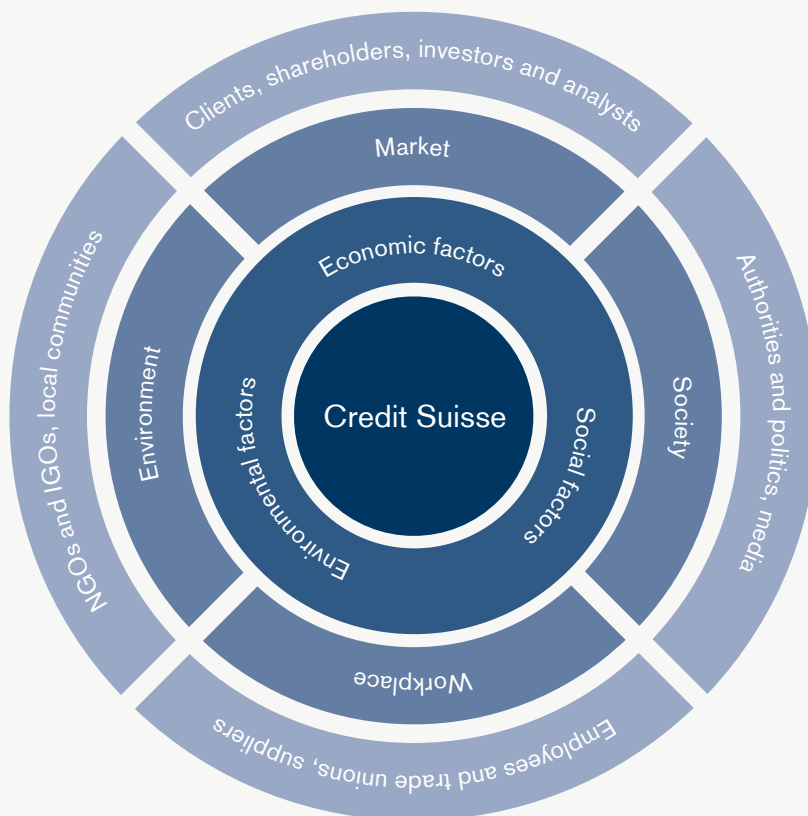


These symbols relate to the topics covered in the report (see page 6).

Credit Suisse Stakeholder Dialogue and Engagement Activities

Stakeholder group	Dialogue with stakeholders	Engagement activities
Clients	<ul style="list-style-type: none"> ■ Annual global survey ■ Regular conferences and events for clients 	We regularly consult with our clients to ensure that our products and services meet their needs and expectations. We also share market research and insights on financial issues and social, economic and political topics with clients.
Shareholders, Investors and Analysts	<ul style="list-style-type: none"> ■ Investor Relations ■ Annual General Meeting ■ Quarterly reporting ■ Annual report and accounts ■ Conferences, e.g. the annual Asian Investment Conference 	We inform shareholders, investors and analysts about our financial and operational performance to support their investment decisions and to help them form an opinion about the bank. In addition, we organize conferences about topics that are of interest to them, including compensation, global economic developments and investment opportunities.
Authorities and Politics	<ul style="list-style-type: none"> ■ Public Policy ■ Regulatory Affairs ■ Regular exchange of information ■ Working groups ■ Trade and business associations 	Government stakeholders and regulators expect Credit Suisse to comply with current financial laws and regulations and to respond appropriately to regulatory developments, including new capital and liquidity requirements and rules governing transparency. Regulators and legislators also expect us to help combat financial market crime. The Public Policy and Regulatory Affairs teams strive to act as reliable dialogue partners.
Media	<ul style="list-style-type: none"> ■ Corporate Communications ■ Media Relations 	Media representatives expect Credit Suisse to communicate about its performance, products and services in an open, transparent and timely manner. In addition to inquiring about the financial strength and performance of our bank, journalists ask about potentially sensitive topics such as compliance, governance issues and compensation. Credit Suisse's Media Relations team strives to act as a reliable partner in this context.
Employees and Trade Unions	<ul style="list-style-type: none"> ■ Employee surveys ■ Town hall meetings with senior managers ■ Credit Suisse Staff Council (PKOM) ■ European Works Council 	To ensure that our employees' needs and interests are taken into account, Credit Suisse has, for many years, worked closely with bodies that represent employee interests. We also conduct regular internal surveys to assess our employees' level of engagement. Their feedback provides an important indication of areas with potential for improvement and the corresponding measures that can be taken.
Suppliers	<ul style="list-style-type: none"> ■ Ongoing dialogue ■ Supplier Code of Conduct 	Credit Suisse is committed to maintaining a fair and professional working relationship with its suppliers. It is important for our business partners to know how our understanding of corporate responsibility affects them. Our Supplier Code of Conduct defines the standards relating to business integrity, labor and social aspects, environmental protection and general business principles that Credit Suisse expects them to meet. To achieve further progress in the areas of social and environmental responsibility, the Supplier Code of Conduct may require suppliers to implement measures that go beyond local laws and regulations.
NGOs and IGOs	<ul style="list-style-type: none"> ■ Sustainability Affairs ■ Discussions and events ■ Participation in global initiatives ■ Corporate Citizenship 	Credit Suisse cultivates relations with non-governmental organizations (NGOs) in discussions and through our involvement in networks and initiatives, as well as by participating in events. We consider this dialogue to be important since it encourages each party to see key issues from a new perspective and it promotes mutual understanding. Our discussions with NGOs center on topics such as climate change, biodiversity and conservation as well as risks relating to the financing of projects and human rights-related issues. Our involvement in intergovernmental organizations (IGOs) such as the UNEP Finance Initiative and the UN Global Compact helps us to observe internationally recognized principles and to promote a proactive approach to sustainability issues within the company. We also engage in long-term partnerships with NGOs in the areas of microfinance and education.
Local Communities	<ul style="list-style-type: none"> ■ Research ■ Discussions and debates ■ Support for employees who hold a public office ■ Employee volunteering 	We cultivate constructive relationships with local organizations and institutions and support charitable causes through financial contributions and employee volunteering. We also consider it part of our social responsibility to support the "militia" system of politics in Switzerland and the work of its political parties in performing functions of state by enabling our employees in Switzerland to hold a public office alongside their regular position at the bank. To promote inclusive growth, we work with partner organizations to make a targeted contribution to economic and social development in the regions in which we operate.

Our Stakeholders



Engaging with Stakeholders

Our business works on the basis of trust. One of the ways we inspire trust in our stakeholders is by knowing what they expect from us and how their expectations are changing. We therefore regularly engage in a dialogue with clients, shareholders, employees, regulators and NGOs, as well as other groups of stakeholders. We gain an understanding of their needs and interests through discussions and by conducting surveys or participating in events, as well as through our involvement in initiatives, forums and associations. Individual groups of stakeholders have different – and sometimes conflicting – interests and consequently have their own specific expectations of us as a bank. By exchanging our views with these stakeholders, we gain a more detailed understanding of our responsibilities in our core business of banking, as well as our responsibilities toward our employees, society and the environment. At the same time, this dialogue enables us to identify potential issues at an early stage, offer our perspective and help develop solutions to current challenges wherever possible.

Further Information

Further information about our engagement with stakeholders, as well as our range of publications that are designed to contribute to the public debate, are available online at: [credit-suisse.com/responsibility/dialogue](https://www.credit-suisse.com/responsibility/dialogue)

Responsibility in Banking

Hong Kong's financial and business district, Central, at night

As a global bank, Credit Suisse has a presence in all of the world's major financial centers – combining our global focus with a local presence. As a result, we are able to serve the diverse needs of our clients around the world, offering them appropriate financial solutions. Our head office for our Asia Pacific region has been located in Hong Kong since the 1960s.

Trust and Expertise

Our success depends on our ability to inspire trust in our stakeholders. We are committed to acting as a reliable financial partner to our clients – offering them expert advice and high-quality services. Our early adoption of new regulations and our rigorous compliance and control culture help to reinforce confidence in our bank.

Our operating environment remained challenging in 2013 despite an improvement in economic conditions compared to the prior year. Market volatility, low interest rates and continued macroeconomic uncertainty resulted in low levels of client activity. At the same time, costs increased due, in particular, to capital and liquidity requirements. To continue operating efficiently, financial institutions worldwide realigned their business models to the new industry landscape.

Evolving Our Business Model

In 2013, we continued to review the profitability, capital efficiency and strategic importance of our business in view of regulatory developments and market conditions and we realigned our activities where necessary.

We made significant progress in transforming our private bank with the integration of our former Private Banking and Asset Management divisions into the new Private Banking & Wealth Management division to better manage the design and delivery of products, advice and services to our clients.

We continued to execute our strategy of allocating resources to those areas of Private Banking & Wealth Management where we can achieve strong and profitable growth. At the same time, we decided to exit a number of smaller markets and continued to adapt our client service model for Western Europe. We believe that Private Banking & Wealth Management has strong growth potential, given that global wealth is expected to increase by nearly 40% over the next five years.¹ It is estimated that the emerging markets will account for 29% of this growth.

In our Investment Banking division, we exited certain areas of activity as part of our efforts to continue transforming our client-focused and capital-efficient business portfolio and rebalance resources toward high market share and high-return businesses. Given the changes in the macroenvironment and the evolving financial and regulatory framework, as well as technological changes in the market, we announced that we are restructuring and simplifying our Rates business. In connection with this measure

Regulatory Developments

Legislative reforms are being implemented in Switzerland and abroad to increase the stability and integrity of the Swiss and global financial system. Initiatives of relevance for Credit Suisse address these issues:

- Prudent capital and liquidity standards for systemically relevant banks (Basel III, Capital Requirements Directive IV).
- Actions to improve the recoverability and resolvability of banking groups (development of recovery and resolution plans [RRPs], recommendations by the Liikanen Group, the UK white paper based on recommendations by the Vickers Group, and the Barrier proposal on bank structural reform).
- 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; legislation governing financial services and financial market infrastructure in Switzerland).
- Strengthening of shareholder rights (implementation of “Minder Initiative” in Switzerland: the provisional ordinance approved by the Swiss Federal Council on November 20, 2013, entered into effect on January 1, 2014; the definitive implementation of the initiative will form part of the revision of Swiss company law).
- Compensation systems (G-20, FSB [Financial Stability Board], FINMA [Swiss Financial Market Supervisory Authority], implementation of “Minder Initiative”).
- Taxation (Art. 26 of OECD model agreement [Organisation for Economic Co-operation and Development]; withholding tax agreements with the UK and Austria; US FATCA legislation [Foreign Account Tax Compliance Act], tax negotiations with the US; signing of OECD/Council of Europe Convention).

¹ Global Wealth Report 2013

we also announced the creation of a cross-asset Global Macro Products group, combining our Rates, Foreign Exchange and Commodities businesses into a single platform – thus offering clients a comprehensive approach across the macro asset classes.

As part of the realignment of our activities, we set ourselves cost reduction targets and achieved savings of CHF 3.1 billion by the end of 2013 compared to the adjusted run-rate for the first half of 2011. We are therefore advancing toward our goal of reducing expenses by over CHF 4.5 billion by the end of 2015 on the same basis. Another step that we announced in 2013 was the creation of non-strategic units to enable us to focus our resources on strategic businesses and growth initiatives. This is an important step toward a more even allocation of capital to Private Banking & Wealth Management and Investment Banking over the medium term.

Regulatory Reforms – Lessons Learned from the Financial Crisis

A number of legislative reforms are continuing to be introduced in Switzerland and other countries with the aim of further strengthening the stability and integrity of the global financial system. Recognizing our responsibilities as a systemically relevant bank, Credit Suisse has been compliant with the Basel III framework as well as the Swiss "Too Big to Fail" (TBTF) regulations since January 2013. We have largely completed the execution of the capital plan we announced in mid-2012 – which included the issuance of contingent capital instruments as well as strategic divestments. Our

common equity tier 1 plus high-trigger capital ratio of 12.9% on a Look-through basis as of the end of 2013 came close to the capital requirement of 13.0% applicable from 2019.

In the year under review, we continued to lower our risk exposures, reduce the size of our balance sheet and further reduce leverage. At the end of 2013, the Group's risk-weighted assets under the Basel III framework decreased by 28% compared to the end of the third quarter of 2011, while the Group's leverage exposure decreased by 20% compared to the end of the third quarter of 2012. We reported a Look-through Swiss leverage ratio of 3.7% at the end of 2013.

A strong capital and liquidity position is important to maintain the trust of our clients. Swiss capital and liquidity requirements are very strict but are nevertheless justified in view of the particular importance of the big banks for the Swiss financial center. However, we believe that a further tightening of regulations – such as an increase in the unweighted leverage ratio – could significantly undermine the competitiveness of the financial institutions in question. We are therefore working with legislators, regulators, politicians and industry associations to make a constructive contribution to the debate and, at the same time, to address the need for future regulations to be coordinated internationally (see page 32).

Other regulatory topics that are currently being debated worldwide include investor protection, market transparency and taxation, as well as the need for enhanced transparency in financial markets (see box on page 11). We consider it important for Switzerland to be actively involved in shaping these international standards and for it to conform with them

Retrocessions

The Swiss Federal Supreme Court issued a decision in the fourth quarter of 2012 in a case brought by a client of another bank seeking reimbursement of commissions paid to the client's bank by providers of investment products. The court ruled that such payments ("retrocessions") received in the context of a discretionary asset management mandate from issuers of investment products are owed to the client (including payments from intra-group companies) unless a client waiver is in place. FINMA subsequently issued a notice requiring all banks to inform potentially affected clients and we have done so by informing all of our discretionary mandate clients in the second quarter of 2013. Based on our current evaluation, we expect no material exposure from this decision. In line with industry trends, we continue to adapt our offering by launching a suite of inducement-free mandates.

Contingent Capital Instruments

Contingent capital issued by the Swiss big banks qualifies as part of their capital requirements. Contingent capital is a form of debt that converts into equity or is written down to zero at a time of stress if a bank's capital base is significantly depleted and falls below certain thresholds (triggers). Contingent capital may provide the new equity capital needed to absorb losses and recapitalize the bank.

Credit Suisse played a pioneering role in developing the market for contingent capital. We began by issuing high-trigger contingent capital instruments in 2011. As of end-2013, we had issued CHF 7.7 billion of high-trigger contingent capital.

In 2013, Credit Suisse also began issuing low-trigger capital instruments. By the end of the year, we had issued CHF 6.0 billion of low-trigger contingent capital. As a result of these measures – as well as our efforts to build common equity tier 1 (CET1) capital and to reduce risk-weighted assets and the size of our balance sheet – Credit Suisse already came close to meeting the 2019 Swiss capital requirements at the end of 2013.

if they are implemented globally. This will not only preserve the competitiveness of our financial center but will also create the best possible basis to ensure that Swiss banks can access other markets.

Evolution of Legal Entity Structure

Since 2012, we have been developing a program to evolve the Group's legal entity structure as part of our efforts to address the TBTF issue. The program, which we announced in November 2013, has been prepared in consultation with the Swiss Financial Market Supervisory Authority (FINMA) and will address regulations in Switzerland, the US and the UK. Subject to the approval of FINMA, the measures that will be implemented include: Founding of a subsidiary in Switzerland for business that is booked locally (Swiss legal entity); creation of two subsidiaries – one in the US and one in the UK – for Investment Banking; and creation of separately capitalized legal entities in Switzerland and the US that will include Credit Suisse's Shared Services functions. These changes are designed to meet future requirements for global recovery and resolution planning and to allow for an efficient, single point-of-entry bail-in resolution strategy at Credit Suisse. They are also expected to result in a less complex and more efficient operating infrastructure for the bank.

Developments in Global Banking



We are a global bank and offer products and services on a cross-border basis 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 more than 50 countries worldwide, including our Swiss home market. Our Private Banking & Wealth Management division operates 21 booking centers worldwide, which means that we can administer our clients' assets in their home country or in another international hub. At the same time, the Swiss financial center remains attractive to international clients in view of its numerous strengths compared 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.

Integrity of the Financial System

Preserving the integrity of the financial system is a priority for the banking industry. At Credit Suisse, we strive to protect our reputation and to maintain confidence in our bank by observing all applicable laws and regulations in the markets in which we operate and by preventing the improper use of our products and services by third parties. As part of our efforts to fulfill our due diligence requirements, we implement strict internal controls, cooperate with the relevant authorities and issue rules governing topics such as business relations with politically exposed persons (PEPs) or the prevention of money laundering and terrorist financing. To combat acts of corruption, we have implemented and

Credit Suisse's Position on Litigation

Throughout 2013, we continued to manage our legacy legal issues, and we will continue to do so in a responsible manner. With regard to the ongoing investigations by regulatory authorities into whether financial institutions engaged in an effort to manipulate LIBOR and other reference rates, Credit Suisse has seen no evidence to suggest that it is likely to have any material exposure in connection with the LIBOR matter. Furthermore, we are fully cooperating with industry investigations into trading activities and the setting of benchmark rates in foreign exchange markets, which are ongoing and it is too soon to predict the final outcome. Credit Suisse also continues its efforts to resolve legacy private banking cross-border US legal issues. In February 2014, Credit Suisse announced that it reached a settlement with the US Securities and Exchange Commission (SEC) and agreed to pay USD 196 million for violations of US securities laws that centered on activities between 2002 and 2008. Also, in February, the US Senate's Permanent Subcommittee on Investigations held a hearing to discuss legacy tax issues in the Swiss private banking industry. Four members of Credit Suisse's Executive Board testified at the hearing and discussed the bank's efforts to establish tax compliance by US clients. The investigation by the US Department of Justice (DOJ) in this matter remains outstanding. Primarily due to an increase in the litigation provision held against this matter, we announced in April 2014 that we incurred an after-tax charge of CHF 468 million in respect of our preliminary full-year 2013 and fourth-quarter 2013 results. In March 2014, we announced that Credit Suisse reached an agreement with the Federal Housing Finance Agency (FHFA), as conservator for Fannie Mae and Freddie Mac. The agreement resolves Credit Suisse's largest mortgage-related investor litigation, settling claims related to the sale of approximately USD 16.6 billion of residential mortgage-backed securities between 2005 and 2007. Under the terms of the agreement, Credit Suisse will pay USD 885 million to resolve all claims in two pending securities lawsuits filed by the FHFA against Credit Suisse. As a result of this settlement, we incurred an after-tax charge in respect of our preliminary fourth-quarter 2013 and full-year 2013 results of CHF 275 million.

consistently enhance our global minimum standards relating to the prevention of corruption. We operate a range of policies, procedures and internal controls, such as screening third parties who conduct business for or on behalf of Credit Suisse and carrying out dedicated controls for gifts, hospitality, entertainment, internships, charitable contributions and sponsorship. Furthermore, the bank is actively involved in the ongoing development of industry standards that are designed to safeguard the integrity of the financial system. One example is Credit Suisse's participation in the Wolfsberg Group (see page 57) – reflecting our commitment to implementing its anti-money laundering and anti-bribery standards while also staying abreast of important current developments.

Our employees have a central role to play in helping to preserve the integrity of the financial system. To strengthen their personal accountability, they are required to regularly complete mandatory online training on topics such as the prevention of money laundering, terrorist financing and corruption or compliance with sanctions. In addition, we require that they report cases of potential legal, regulatory or ethical misconduct to their line managers or the General Counsel division. Employees worldwide also have the option of reporting such issues to our Integrity Hotline, where they can speak to an advisor anonymously. Meanwhile, the Internal Audit department systematically monitors compliance with internal and external principles, policies and guidelines.

Reports of infractions by employees are referred to regional Disciplinary Review Committees, which assess the breaches that have occurred and make recommendations on disciplinary measures. These measures can include the reduction or elimination of variable compensation awards for the given year in the case of Material Risk Takers and Controllers.

The Audit and Risk Committees of the Board of Directors are periodically informed about disciplinary cases and give directional input regarding the appropriateness of disciplinary measures. The results of the Disciplinary Review Committees' assessment are communicated to the Compensation Committee, together with details of any impacts on variable compensation. In addition, all employees as well as members of the Board of Directors are fully committed to Credit Suisse's Code of Conduct and take part in targeted training courses that include, but are not limited to, developments in the finance industry such as anti-corruption and risk management measures.

Focus on Tax Compliance

Tax compliance is another critical aspect of financial integrity. We have been pursuing a strategy that focuses on private clients' tax compliance for a number of years and are committed to meeting rapidly evolving Swiss and international tax regulations. One of the guiding principles set out

in our Code of Conduct is that we do not assist in any activities that are intended to breach tax obligations. Instead, we support all measures that can reasonably be implemented to ensure that all inflows into Swiss banks consist of declared assets. To further strengthen these efforts, we developed a corresponding policy for all our Swiss entities in 2013, which was published in January 2014. We believe that tax compliance is the duty of each individual. We supply our clients with the documentation they require to comply with tax regulations and only offer them products and services that are entirely compliant with the rules in their home country.

Credit Suisse also believes that it is in the interests of the Swiss financial center for international standards to be developed that offer legal certainty and allow for the resolution of tax legacy issues in the cross-border wealth management business. We are cooperating with regulators and participating in working groups on the topic of tax compliance in Switzerland and abroad. We are convinced that by operating as a tax-compliant financial center – and by offering high-quality advice and services, combined with political and economic stability – Switzerland will be able to sustainably strengthen its position among the world's leading financial centers in the future.

High-Quality Service and Advice

With our integrated model, we are well positioned to deliver our expertise in the areas of private banking and investment banking to our clients. In our Private Banking & Wealth Management business, we serve over two million clients with varying risk profiles in a large number of markets worldwide. Our structured advisory process enables us to develop profiles and to formulate individual investment strategies that are tailored to the needs of these clients. We regularly review the suitability and appropriateness of the advice we offer clients as part of our efforts to inspire them with confidence. 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. Our advisory process incorporates sophisticated analytical tools that can identify counterparty risks and potential returns in client portfolios to provide an objective basis for client investment decisions.

Credit Suisse has, for several years, been strengthening investor protection and has invested in the related systems, processes and employee training. In this context, we support efforts to enshrine investor protection in formal legislation that is designed to produce an equivalent regulatory framework to that in the EU. The Swiss Financial Services Act could fulfill this objective. Our mandatory certification program for relationship managers is at a very advanced stage and we are now focusing on ensuring that their skills are deployed effectively and that their expertise is constantly updated.

Challenges and Responses 2013

Challenge: What was the status of the negotiations between the US and Credit Suisse in 2013 to resolve the tax dispute?

Response: Switzerland and the US signed an agreement in August 2013 to resolve the tax dispute between Swiss banks and the US. This agreement enables banks to resolve legacy issues within a clearly defined framework. Credit Suisse, which is already engaged in negotiations with the US authorities and has obtained the necessary authorization from the Swiss Federal Council, is not directly affected by the agreement (see page 11). However, Credit Suisse also continues its efforts to resolve legacy private banking cross-border US legal issues. For a detailed presentation of this issue, please see page 13.

Challenge: Does Credit Suisse pass regulatory costs on to clients? If so, how?

Response: The finance industry is one of the most strictly regulated sectors.

As a result, banks have to adopt an integrated approach to pricing that also takes account of the operating environment and regulations. The low interest rate environment has an impact on cost structures, for example. At the request of the Swiss National Bank, the Swiss Federal Council has required all banks to hold 1% more risk-weighted capital in their residential mortgage business (counter-cyclical capital buffer) since September 2013. We have not passed on the additional costs incurred as a result. Country-specific adjustments and/or agreements also have an influence on costs. When determining pricing, the bank includes the costs of system-related adjustments as well as the provision of detailed statements for clients. Each bank conducts ongoing reviews to determine whether the costs of extra services can be passed on – often in connection with additional offerings. Free alternatives are often available – generally on an online basis.

Challenge: How does Credit Suisse help clients to address the new reality in the financial world and to deal with changes resulting from rapidly evolving regulatory requirements?

Response: Credit Suisse works closely with regulatory bodies around the world to promote sensible new regulations and to monitor emerging regulatory trends (see page 12). When determining the best way to implement new requirements, we always consider their impact on clients, e.g. by conducting client consultations where appropriate. When it comes to introducing new rules, a significant focus is placed on communicating transparently, explaining strategic rationale and maintaining close contact with clients to help them cope with new processes. We have put in place an enhanced compliance governance system with centralized and global oversight of core compliance functions, supplemented by a regional focus in order to help clients understand and respond to these changes.

This chapter addresses the following issues (see pages 6–7):

- ▲ Financial System Stability; Financial Results and Company Stability; Client Focus and Quality of Advice
- ◆ Compliance and Combating Financial Market Crime; Tax Issues; Consumer and Investor Protection; Reputation and Corporate Culture

credit-suisse.com/responsibility/banking

Corporate Governance

By acting with integrity, fairness and transparency, we can inspire trust in our clients, shareholders, employees and other members of society.

Our corporate governance complies with internationally accepted standards. We adhere to the Swiss Code of Best Practice, including the recommendations on determining the compensation of the Board of Directors and Executive Board. Due to 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, meaning that we are subject to certain US rules and regulations.

Governance Framework

The corporate governance guidelines adopted by the Board of Directors aim to promote an understanding of our governance structure. Our Articles of Association, Code of Conduct and Organizational Guidelines and Regulations, as well

as the Charters of the Board of Directors and our global Compensation Policy, are also important in this context. The Code of Conduct is binding on all employees and members of the Board of Directors. Employees must also comply with all legal, regulatory and internal requirements and with strict standards of professional conduct at all times. Compliance is a critical consideration when hiring employees, developing training tools and defining processes and rules. It is also vital to 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 provide accurate and transparent disclosures in our reporting publications. We strive to produce precise, reliable and comprehensible financial reports that clearly explain our performance, mission and strategy. We also seek to pursue responsible and balanced compensation practices that ensure a prudent approach to risk-taking and align employee and shareholder interests, thus incentivizing the creation of sustainable shareholder value (see box). The Board of Directors also takes account of international legislative and best practice developments.

Managing Risk

Our Risk Management function plays a central role by promoting a disciplined risk culture and the necessary transparency to support management in defining a suitable risk profile. It is instrumental in ensuring a prudent and intelligent approach to risk-taking that balances risks and returns and optimizes the allocation of capital across the Group. A proactive risk management culture and the use of state-of-the-art quantitative and qualitative tools help to minimize the potential for undesired risk exposures in our operations.

Further information can be found in the Annual Report 2013 of Credit Suisse Group or at:

credit-suisse.com/governance

Responsible Approach to Compensation

We believe that the purpose of compensation is to attract, motivate and retain employees who share our values of achieving results with integrity and fairness. Based on shareholder input and emerging practices in the area of executive compensation, we made significant changes to our executive compensation framework in the prior year that formed the basis for Executive Board compensation for 2013. This included the definition of individual targets and caps on incentive compensation, as well as deferred short-term and long-term incentive awards for Executive Board members linked to the achievement of challenging performance targets. In general, deferred variable awards for 2013 were granted in the form of share awards, a proportion of which is subject to clawback provisions, and Contingent Capital Awards (CCAs). The CCA is a new form of deferred award that replaces part of our share-based awards and is intended to reduce the potential dilution to existing shareholders from share-based awards. For the Group as a whole, the total compensation and benefits expense for 2013 was CHF 11.3 billion, down 9% compared to 2012. Variable compensation awarded for 2013 was CHF 3.6 billion, reflecting the improved underlying results of the Group compared to 2012.

In accordance with the Swiss Ordinance Against Excessive Compensation, the Group will submit executive and board pay recommendations for respective binding votes by shareholders for the first time at the AGM in 2015.

Risk Management and Sustainability

A responsible approach to business is essential to achieve long-term success. We therefore expect our employees to act professionally, with integrity and in compliance with applicable laws, regulations, due diligence requirements and industry standards. In addition, we take account of sustainability issues through our risk review process.

It is essential that we display a high degree of risk awareness and operate responsibly in all areas of our business. We therefore expect our employees to act professionally, fairly and prudently at all times. Our Code of Conduct defines six ethical values and six professional standards that are binding for all employees and members of the Board of Directors (see page 5). The obligation to observe the Code of Conduct is prescribed in each employment contract and is incorporated into the annual performance review process of our employees.

Sustainability as an Integral Part of Our Business

We believe that in order to run our business responsibly, we must take environmental and social issues into account. Our commitment to sustainability is therefore also a professional standard in our Code of Conduct. In addition, we have published a Statement on Sustainability that sets out the objectives and principles underlying our commitment to sustainability. It refers to the international agreements that Credit Suisse has voluntarily pledged to uphold, such as the UN Global Compact, of which we were one of the original signatories in 2000. Since its launch, the UN Global Compact has become the leading global sustainability initiative – with 10 broadly accepted principles in the areas of human rights, labor standards, environmental protection and anti-corruption efforts (see box on page 57). We also signed up to the United Nations Environment Programme Finance Initiative (UNEP FI) in 1992. As part of this initiative, more than 200 banks, insurers and asset managers have agreed to promote a sustainable approach to business.

In addition to adopting international sustainability agreements, Credit Suisse follows voluntary industry standards that set out specific due diligence requirements for certain areas of business. They include the Equator Principles, which apply to the financing of industrial and infrastructure projects globally and are based on the environmental and social standards defined by the International Finance Corporation (IFC). A new version of the Equator Principles was launched in 2013 (see box on page 18).

Since 2008, we have also been applying the Carbon Principles to our 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 CO₂ emissions. In 2013, we did not lead any transactions that were subject to the Carbon Principles.

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,

UN Guiding Principles and the Thun Group of Banks

While the UN Guiding Principles on Business and Human Rights mark a milestone in the clarification of the corporate responsibility for human rights, they do not contain industry-specific provisions. A group of banks including Credit Suisse and independent experts – known as the Thun Group of Banks – therefore initiated a collaborative process with the aim of arriving at a shared interpretation of what the Guiding Principles mean for the banking sector. In October 2013, the Thun Group of Banks presented a discussion paper on how the UN Guiding Principles could be implemented in the area of banking. Its focus is on how a bank can be exposed to human rights issues through its business relationships with corporate, institutional and private clients. Credit Suisse assumed a leading role in the drafting of the discussion paper, which recommends that human rights risks should be evaluated with the help of appropriate due diligence in the various core business areas of a bank. The Guiding Principles provide a valuable frame of reference for corporate commitments, policies and processes for evaluating human rights sensitivity as well as monitoring and reporting on how companies deal with human rights.

Respect and Remedy” Framework. During 2013, we were actively involved within the Thun Group of Banks – which Credit Suisse co-initiated – in drafting a discussion paper on how to implement the UN Guiding Principles in the banking sector (see box on page 17). In mid-2013, as a further affirmation of Credit Suisse’s commitment to human rights, we signed the Walk Free pledge aimed at ending all forms of modern slavery. To keep abreast of human rights discussions, we participate in the corresponding UNEP FI working group, and we once again took part in the UN Forum on Business and Human Rights in December 2013.

Credit Suisse’s most direct link to human rights issues is in its working relationship with its employees. This is also the area in which we can exercise the greatest influence. We guarantee our employees fair working conditions, equal opportunities, protection against discrimination, and the right to establish a union. We also address the need to protect human rights when working with suppliers and external service providers (see box on page 21) as well as in our business relationships with clients – particularly if our clients’ business activities could potentially affect these rights. Credit Suisse examines aspects of transactions that are sensitive from a human rights perspective using a clearly defined risk review process (see page 19).

Sector Policies and Guidelines

Certain industries are particularly sensitive from a social or environmental perspective. These include oil and gas, mining, hydropower, nuclear power, controversial weapons, forestry and agribusiness, and palm oil production. In order to assess potential transactions with clients in these industries, we have defined specific global policies and guidelines that apply to them. Some of the issues covered are:

- compliance with industry-specific, internationally recognized standards
- measures to assess and reduce the environmental impact of the operations
- protection of the health and safety of the companies’ employees and surrounding communities
- respect for the human rights of the local population

Our policies are based on standards developed by international organizations such as the UN and the World Bank and set out the activities and business practices that Credit Suisse explicitly will not finance. Exceptions may only be granted in individual cases pursuant to our Reputational Risk Review Process (RRRP) (see box on page 19). A summary of our policies and guidelines can be found online at:

credit-suisse.com/responsibility/sector_policies

We continue to work on integrating topics such as climate change, biodiversity, the scarcity of resources and human rights into our risk assessments, and we are contributing to the ongoing adaptation of the relevant processes.

Equator Principles

The Equator Principles are a framework for the management of environmental and social risks that is applied by banks when financing major industrial and infrastructure projects. More than 70 financial institutions have adopted the Equator Principles, thus committing themselves to examining the potential impacts of industrial or infrastructure projects before agreeing to provide financing or advisory services. They require clients to take concrete measures to mitigate potential negative consequences of the projects for people or the environment (e.g. by reducing pollution of air, water and soil or by consulting with and involving the local community) on the basis of environmental and social impact assessment reports.

We were one of the first banks to sign up to the Equator Principles in 2003 and also played an important role in the development of the most recent version, Equator Principles 3 (EP3), launched in June 2013. The EP3 reflect the 2012 version of the International Finance Corporation (IFC) Sustainability Framework, on which the Equator Principles are based. The framework calls, among other things, for the potential biodiversity impacts of infrastructure projects to be considered more consciously and for local populations possibly affected by such projects to be consulted more extensively. In addition, the scope of the Equator Principles was extended to cover certain corporate loans and bridge loans if they are to be used to finance specific infrastructure projects. In 2013 we carried out employee training on the application of EP3.

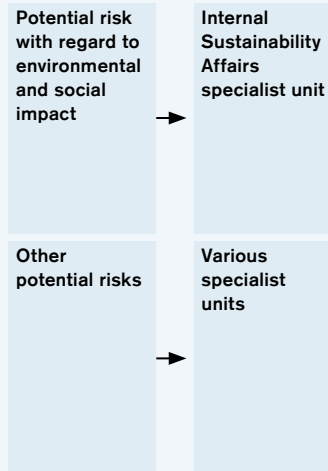
This means, among other things, that we continually update our sector policies and guidelines in line with the latest developments and challenges. In 2013, for example, we revised our oil and gas policy and included the practice of hydraulic fracturing (known as “fracking”) as a sensitive activity, requiring a higher level of scrutiny for related transactions. We also implemented additional guidance relating to agricultural commodities investments.

The Challenge of Addressing Complex Issues

From time to time, Credit Suisse has to make decisions about controversial transactions where opinions about the potential environmental and social impacts can differ widely, depending on the perspective and standpoint of each party. For example, companies operating in sensitive sectors frequently play a key economic role in the global supply of commodities and energy, as well as being important employers in economically underdeveloped regions. At the same time, the projects and activities of companies such as these can, in some cases, have a significant impact on the climate, biological diversity, water sources or the inhabitants of a specific area. We are aware of these differing aspects and the tensions and conflicts that can potentially arise in this context. We therefore strive to meet high standards when examining the related risks and considering the interests of different stakeholders.

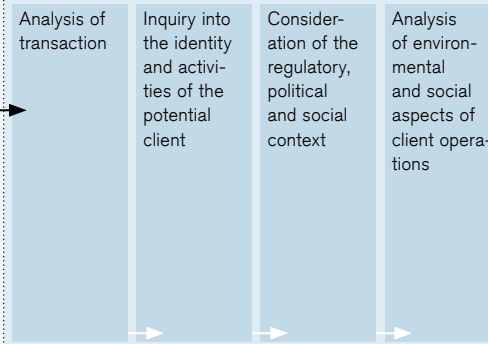
Assessment of Sustainability Risks within the Reputational Risk Review Process

1. Risk classification and responsibility

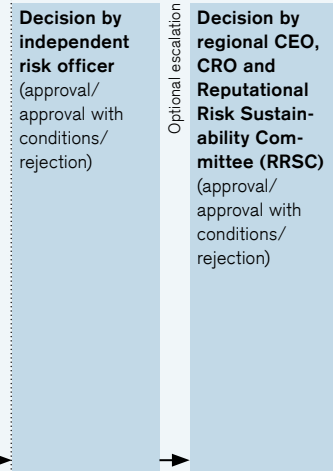


2. Assessment and recommendation

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 2013

77%
approved

14%
approved with
conditions

9%
rejected
or not
pursued

519
transactions
assessed

Risk Review Process

If there are grounds to believe that a potential transaction could pose an unacceptable risk or is not compatible with our existing agreements or internal guidelines, Credit Suisse conducts a bank-wide, standardized Reputational Risk Review Process – consulting with independent external specialists where appropriate. Potential risks may arise from a variety of sources, including the nature and purpose of a proposed transaction or service, the identity or activities of a potential client, and the regulatory or political climate in which the business will be transacted, as well as potential environmental and social impacts of the client's activities.

Assessing Sustainability Risks

If a transaction poses a potential risk for environmental or human rights-related reasons, the analysis is performed by the internal Sustainability Affairs specialist unit. Using the Reputational Risk Review Process, it evaluates whether the potential client complies with the relevant industry standards and whether the transaction is compatible with Credit Suisse's policies and guidelines for sensitive sectors. Based

on this analysis, Sustainability Affairs makes an assessment and submits its findings to the designated Regional Reputational Risk Approver. These risk approvers are experienced senior managers who are independent from the business segment in question and have the authority to approve, reject or impose conditions on our participation in a transaction or on the provision of a specific service. In the case of particularly complex or cross-regional transactions, the decision may be referred to the Executive Board.

The most senior governing body responsible for the oversight and active discussion of reputational risk and sustainability issues is the Reputational Risk Sustainability Committee (RRSC). It establishes policies and procedures and monitors our compliance with the voluntary sustainability agreements we have signed. The committee consists of members of the Executive Board and the heads of cross-divisional specialist units (such as Legal & Compliance, Public Policy, Risk Management, Sustainability Affairs and Corporate Communications). It is chaired by the bank's Chief Risk Officer and also supported by four Regional Reputational Risk Councils, of which the regional CEO is a member.

Sustainability Risk Assessments in 2013

	Trans- actions assessed ¹		Equator Principles transactions ²			
	2013	2012	2013		2012	
			Number ³	Volume ⁴	Number ³	Volume ⁴
By region	519	428	8	455	8	513
Switzerland	188	112	1	50	3	240
Europe, Middle East and Africa	111	124	3	200	1	172
Americas	77	62	2	100	1	70
Asia Pacific	143	130	2	105	3	31
By sector	519	428	8	455	8	513
Mining	158	154	6	355	6	266
Forestry and agribusiness	39	35	0	0	0	0
Oil and gas	113	83	1	50	1	75
Power generation and transmission	36	44	0	0	1	172
Chemicals	17	10	0	0	0	0
Defense	35	28	0	0	0	0
Infrastructure and transportation ⁵	58	0	1	50	0	0
Other	63	74	0	0	0	0

For a comprehensive disclosure in accordance with Equator Principles 3 requirements, see:

credit-suisse.com/equatorprinciples

¹ Including Equator Principles transactions.

² Equator Principles projects are divided into different risk categories (A–C; A being the highest risk), and additional clarifications and actions are initiated if required by the degree of risk involved. In 2013, 2 transactions were classified as category A (0 in 2012), 5 as category B (7 in 2012) and 1 as category C (1 in 2012).

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

⁴ In USD million.

⁵ New category since 2013.

In 2013, Sustainability Affairs analyzed a total of 519 transactions or client relationships as part of the Reputational Risk Review Process to assess environmental or human rights-related risks. In total, 399 (77%) were approved, 72 (14%) were authorized subject to certain conditions, and 48 (9%) were rejected or not pursued further. 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 to assess compliance with our sustainability standards. These statistics exclude potential transactions or business relationships that were not formally reviewed 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.

Dialogue about Sustainability and Due Diligence Requirements

We engage in an ongoing dialogue with a range of stakeholder groups on sustainability issues relevant to the bank. This includes leading an Equator Principles working group to foster an active dialogue with NGOs throughout 2013, and sharing perspectives with our peers and NGO representatives at a multi-stakeholder meeting in Munich in the fall of 2013. Further discussions with stakeholders in the past year focused on topics such as climate change and biodiversity, human rights and risks relating to the financing of projects.

Reflecting the growing importance of due diligence, we also joined various stakeholder engagement activities on this issue in 2013. We participated in the Sustainable Finance Week in Beijing, which included the UNEP FI Global Roundtable, and we shared our views on environmental and social risk management at an event organized by Business for Social Responsibility (BSR) and UNEP FI.

Training and Knowledge-Sharing

We provide training for our employees to raise their awareness of the complex issues at the interface between business and sustainability and to ensure that the necessary expertise is embedded within the organization. Our training concept consists of three modules: general training about Credit Suisse and sustainability; information about the Reputational Risk Review Process for employees with client contact; and sector-specific training for relationship managers serving clients in sensitive industries. Intranet-based e-learning modules complement this approach. Special training sessions that are tailored to the needs of client-facing units remained a key priority in 2013 and were held at various locations. A total of 813 employees received training in sustainability risks (not including e-learning).

Code of Conduct for Suppliers and “Know Your Supplier”

Credit Suisse strives to maintain a fair and professional business relationship with its service providers. In return, we expect our partners to address risks responsibly and to conduct their business in a socially and environmentally responsible manner that complies with applicable laws, regulations and ethical standards. In 2010, we 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 expect our partners to achieve high standards and to continuously improve their environmental and social performance. Under the Supplier Code of Conduct, the companies we work with may, in certain cases, also have to meet standards that exceed local legislative requirements.

In 2012, Credit Suisse rolled out its “Know Your Supplier” risk assessment process globally. This structured process examines aspects such as the environmental and employment standards of our suppliers and service providers. It is based on global research into environmental issues and labor law. As part of the process – which forms an integral part of the procurement process – Credit Suisse also submits questions to suppliers, as appropriate. Risks are assessed using a range of criteria, and risk mitigation measures are implemented where necessary.

As a response to the growing need to build capacity among financial institutions in emerging markets in support of sustainable finance, Credit Suisse has also been active in developing an environmental, social and governance (ESG) toolkit in collaboration with WWF in the Asia Pacific region. The ESG toolkit will assist banks – particularly those that are active in emerging economies – in developing human and systems capacity to integrate ESG considerations into their investment banking activities. The launch of the ESG toolkit will be accompanied by a number of implementation workshops that are planned for 2014 and to which Asian regional banks will be invited.

This chapter addresses the following issues (see pages 6–7):

- ◆ Environmentally and Socially Responsible Behavior; Reputation and Corporate Culture
- Mitigation of Environmental Impacts and Climate Change; Human Rights; Agricultural Commodity Business

credit-suisse.com/responsibility/banking

Challenges and Responses 2013

Challenge: Possible global increases in food prices are a topic of concern that attracts considerable attention among various stakeholders since such increases can have serious consequences for disadvantaged people. The influence of commodities trading activities, as well as the role of banks, hedge funds and professional and private investors, are also under scrutiny. How does Credit Suisse respond to this challenge?

Response: We are not involved in proprietary trading in agricultural commodities. Any commodities investment products offered by Credit Suisse that include soft commodities are based primarily on non-edible commodities (e.g. oil, metals or cotton). The small number of Credit Suisse products that are based exclusively on food commodities are being phased out as they mature, and we have no plans to issue new products of this kind.

Challenge: How does Credit Suisse balance its commitments relating to the environment and human rights with short-term economic pressure in a challenging business environment?

Response: We endeavor to apply appropriate standards when assessing environmental and social risks in our business transactions using our detailed internal risk review process and by conducting awareness-raising and training sessions with relevant front office staff and control functions (see pages 19–21). In order to understand each other’s rationale, we also engage in a constructive dialogue between the business and internal risk functions. Through our engagement with a variety of external stakeholders and our involvement in international working groups, we explore ways of further contributing to the development of sustainable business practices.

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.

In order to accommodate the increasing demand for investment opportunities that meet our clients' personal values and objectives, we further expanded our bank-wide range of products and services that focus on environmental and social themes in 2013. Our range of sustainable products and services includes responsible investment funds, individual discretionary mandates and index solutions. The corresponding instruments cover virtually all asset classes and different risk/return profiles. Credit Suisse also partners with experts from research institutes, non-governmental organizations and leading think-tanks when developing products and services in the field of sustainable investments.

Our Private Banking & Wealth Management division designs investment solutions that are based on the three-pillar Philanthropy Services & Responsible Investment (PS&RI) framework (see page 23). Our teams help clients to consider social and environmental objectives in the management of their wealth by setting up philanthropic

structures, investing in products in the areas of impact investment and microfinance, or integrating sustainability criteria into their investment portfolios.

Principles for Responsible Investment

Credit Suisse signed up to the Principles for Responsible Investment (PRI) in January 2014, emphasizing our commitment to acting in the best long-term interests of our clients by further incorporating environmental, social and governance (ESG) criteria into our investment processes and decisions. We consider it part of our responsibility to support the development of a more sustainable global financial system. In addition to financial data and metrics, investment managers also look at non-financial ESG information to gain a more complete picture and thus make better investment decisions. Two leading examples of ESG-related activities at Credit Suisse are the launch of the LGBT Equality Index (see adjacent box) and the Credit Suisse Real Estate Green Property Fund (see page 25).

Investing in Equality: Lesbian, Gay, Bisexual and Transgender (LGBT) Equality Portfolio

In October 2013, Credit Suisse launched its LGBT Equality Index in response to growing client interest in this area. The first of its kind, the index tracks the equity performance of companies recognized for supporting and promoting equality for members of the LGBT community. Credit Suisse simultaneously launched the Credit Suisse LGBT Equality Portfolio. The portfolio invests in blue chip companies with strong capital appreciation potential that have a proven track record of supporting LGBT employees. This offering – which was developed in conjunction with Credit Suisse's LGBT Network – reflects the belief that companies that have good policies regarding LGBT employees are likely to experience a positive economic impact as a result.

Access to Improved Financial Services through Microfinance

Credit Suisse regards microfinance as an effective means to support the achievement of the UN Millennium Development Goals, such as the eradication of poverty and the provision of universal primary education. Investments in microfinance 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 small businesses and establish a basic livelihood. To date, we have provided over 2.4 million people with access to improved financial services through our funds and initiatives. Our commitment to microfinance dates back to 2002, when we co-founded responsAbility Social Investments AG, a social investment firm in Zurich, Switzerland. We have formed partnerships in this field and

Philanthropy Services & Responsible Investment at Credit Suisse



Sustainable Real Estate in International Portfolios



The Credit Suisse Real Estate Fund International (CS REF International) was granted a building permit for the planned 31-story office tower project “The Exchange” in Vancouver. The first building in Canada to implement a LEED Platinum heritage conversion, which includes the renovation of the old stock exchange building, it will meet the highest standards for sustainable building design defined by the Canada Green Building Council once it is completed. The building will have half the energy load of traditional office buildings of a comparable size, lowering the operating costs for tenants. A team of architects led by the Swiss architect Harry Gugger has designed the heritage conversion of Vancouver’s first stock exchange, which was built in 1928–29. The facade and lobby of the building will be retained, and the original trading floor will be recreated from archived plans.

More detailed information on the project is available at: theexchangebuilding.ca

have jointly developed solutions generating financial returns in addition to social and environmental benefits. 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 micro-enterprise owners.

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 indicates that investment banking services are becoming increasingly important in this area. In Private Banking & Wealth Management, our current offering includes several global microfinance funds, two local currency microfinance notes – with the Local Currency Microfinance Note 2 launched in 2013 – and a private equity fund of funds that allows investors to participate in small businesses that serve economically disadvantaged people in emerging and developing countries. Our commitment to microfinance is ultimately aimed at promoting financial inclusion for the estimated two-thirds of the global population who are still unable to access the financial system. With the Microfinance Capacity Building Initiative and the Credit Suisse Global Citizens Program (see page 40), we continue our commitment to the responsible development of the industry, by supporting initiatives like the Smart Campaign, Financial Inclusion 2020 and multiple partner NGOs. At the end of 2013, Credit Suisse’s volume of assets under management in the area of microfinance totaled over USD 2 billion.

Sustainable Real Estate

With over CHF 45.5 billion of assets under management at the end of 2013 and a portfolio of around 1,300 properties across 20 countries, Credit Suisse Real Estate Asset Management (REAM) is one of the world’s largest real estate

Assets under Management with High Social/Environmental Benefits¹

2013 in CHF m

7,304²

2012 in CHF m

5,263

¹ In this category we include various funds 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.

² The 2013 assets under management with high social/environmental benefits include an additional category of CHF 770 million that was not accounted for in the previous year.

fund managers. As rising energy prices and regulatory changes are continuing to impact the real estate business, a proactive sustainability strategy is necessary to address future challenges and we therefore regard sustainability as an essential requirement when managing and developing our real estate holdings. REAM is currently working with Siemens Switzerland and Wincasa on a project to systematically reduce CO₂ emissions at almost 1,000 of its properties. The goal is to reduce their total energy consumption by approximately 13,000 metric tons of CO₂ versus 2010. Commencing in 2014, REAM will have access to tools that will enable it to check the energy consumption and CO₂ emissions of these buildings online and in real time. More detailed information on the project is available at:

credit-suisse.com/sustainableproducts

In 2013, Credit Suisse REAM took further steps to apply the Swiss sustainability strategy to its international portfolios. A pilot project was carried out in two buildings in Germany in order to evaluate the implementation of Siemens' energy management and controlling (EMC) tool.

The sustainable Swiss real estate fund Credit Suisse Real Estate Fund Green Property (CS REF Green Property) currently has investments in 21 properties in Switzerland with a total value of CHF 719 million (as of December 31, 2013). Launched in 2009, it is the first Swiss real estate fund to invest in sustainable products and properties in economically important urban locations in Switzerland. It

focuses on new high-quality construction projects in key economic regions of the country. New properties must meet the strict standards of the "greenproperty" quality seal – an initiative launched by Credit Suisse Real Estate Asset Management that considers social, economic, energy-related and environmental factors – in order to be included in the fund. In October 2013, the fund was floated on the SIX Swiss Exchange with a total volume of CHF 714 million.

Renewable Energy Project Finance

Our Investment Banking division continues 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 Power and Renewables Group has been involved in 58 cleantech transactions with an aggregate volume of over USD 16 billion since 2010. In 2013, for example, Credit Suisse acted as a joint bookrunner for First Solar in its USD 391 million follow-on offering. Credit Suisse also acted as exclusive financial advisor to ABB in its acquisition of Power One, which manufactures parts for solar power systems. This technology converts the power generated by solar panels so it can be used in a home or business and allows surplus solar power to be fed into the grid.

Credit Suisse Sustainability and Thematic Indices

Index Name	Description
Credit Suisse Social Awareness Index	60 businesses that adhere to the 10 principles of the UN Global Compact
Credit Suisse Global Warming Index	40 businesses that are active in renewable fuels or electricity, emissions limitation or demand management
Credit Suisse Water Index	30 businesses in the fields of water generation, preservation, infrastructure, treatment and desalination
Renewable Energy Index Switzerland	Economic indicator for turnover, order backlogs, delivery periods, inventories and employment in the sustainable energy solutions sector
Lesbian, Gay, Bisexual and Transgender (LGBT) Equality Portfolio	Includes businesses that have proactive and industry-leading LGBT policies and that both enforce and foster equitable treatment and non-discrimination (see box page 22)

Barrier-Free Access to Credit Suisse Banking Services

Credit Suisse products and services are widely accessible, and we have trained our employees to recognize and respond to the needs of clients with disabilities. Since July 2008, we have installed 499 talking ATMs throughout Switzerland. Further enhancements have since been made to these ATMs to meet the needs of individuals with severely impaired vision. Voice output in German, French, Italian and English is triggered automatically when clients with vision impairments plug their headphones into the machines. In addition, tactile function keys were added to some ATMs, which 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 more accessible to people with disabilities. Credit Suisse also provides clients with bank statements in braille or large print upon request. In 2013, we reprogrammed our intranet platform, providing barrier-free access to online information and applications for employees with visual impairments.

credit-suisse.com/accessibility



In addition, Credit Suisse continues to support the purchase and installation of thousands of residential solar systems by financing distributed solar power initiatives in the US market. Other recent transactions in the solar sector include Credit Suisse's role in the SolarCity concurrent convertible note and its follow-on offering, as well as in SolarCity's inaugural securitization of its solar assets, which consisted of USD 54.4 million of notes backed by a portfolio of photovoltaic systems. This represents the industry's first-ever asset-backed security transaction of a portfolio of residential, commercial and governmental solar receivables.

Credit Suisse is also continuing to support the fuel-cell sector through its investments in Bloom Energy's portfolios of proprietary fuel-cell power-generating systems. Since 2009, a cross-business collaboration between the Strategic Transactions Group (Fixed Income) and the Global Markets

Research Publications

Credit Suisse Research Institute

How do economic, social, environmental and demographic trends shape global markets? The Credit Suisse Research Institute explores 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. For example, the Credit Suisse Research Institute presented detailed data on the global distribution of wealth in its "Global Wealth Report 2013".



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.



Solution Group (Investment Banking) has committed capital to 13 renewable energy opportunities with an aggregate commitment value of approximately USD 1.3 billion.

In January 2014, Credit Suisse acted as joint bookrunner for the first European Investment Bank Climate Awareness Bond launched in the Swiss franc market, a CHF 350 million issue due February 4, 2025. The offering was targeted at Swiss fixed income investors with a focus on socially responsible investments.

Research

Throughout 2013, our research teams produced regular publications and thematic coverage on current sustainability topics. The Global Research monthly "Megatrends" series produced by the Private Banking & Wealth Management division looked at disruptive technologies of the future, air

pollution in China and emerging new solar technologies. A publication entitled “Resource Efficiency” explored investments in energy efficiency in emerging markets as well as new materials, waste and recycling as megatrend investments. The “Corporate Governance in Emerging Markets” report analyzed how companies with superior corporate governance can best be identified. 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 the power markets. In March 2013, Credit Suisse received an award for the “Best Piece of ESG Research” from the ESG Australia Group for integration research conducted in the previous year that valued the impact of ESG on all Australian companies covered by Credit Suisse.

This chapter addresses the following issue (see pages 6–7):

▲ Sustainable Investments

credit-suisse.com/responsibility/banking

Challenges and Responses 2013

Challenge: What measures is Credit Suisse taking to meet the growing demand for sustainable products and investments?

Response: We want to promote the development of regular portfolio assessments and reviews that are based on sustainability criteria, as well as developing new products and ideas. The launch of the Local Currency Microfinance Note 2 and the publication of a study on investments in education that we produced in conjunction with the Swiss Agency for Development and Cooperation (SDC) are examples of our efforts in this area. In the area of education and health we are working on two new initiatives and products, partnering with public and private sector organizations. We want to ensure that investee companies strengthen their own ability to deliver financial and social returns. We involve our Global Citizens (see page 40) in the development of these new products, thus leveraging the expertise, entrepreneurial drive and social commitment of our employees.

Challenge: How does Credit Suisse implement the Principles for Responsible Investment in investment decisions?

Response: The Principles for Responsible Investment (PRI) are a voluntary, investor-led framework that integrates a set of environmental, social and governance (ESG) criteria into investments (see page 22). ESG integration can take many forms. Credit Suisse includes these indicators in tools that allow relationship managers to screen client portfolios for a wide range of ESG criteria. Credit Suisse also produces ESG research and ESG-themed indices and investment products, such as the Green Property Fund and the LGBT Equality Index.



Responsibility in Society

Intersection in Shibuya, Tokyo

As an integral part of society, Credit Suisse assumes its responsibilities at a variety of levels. We strive to run our business in a way that creates value for all our stakeholders.

Our Role in the Economy and Society

Our primary function as a global bank is to create value for our clients and shareholders by conducting our business responsibly and efficiently. Through our banking activities, we also make an important contribution to the economy, thus helping to drive growth.

As a global bank, Credit Suisse is an integral part of the economy and society and we therefore have wide-ranging responsibilities. Our main focus is on assuming our responsibilities toward our clients by providing them with the financial services they require. We make a direct contribution to the economy as a financial intermediary, bringing together lenders and borrowers of capital globally – ranging from companies and public sector bodies to private individuals and institutions. This includes supplying businesses with the capital they need to develop their activities and fund innovation, thus helping to foster overall economic growth and contributing to job creation.

We also recognize that we have a responsibility to help build a more robust banking system and a sound financial infrastructure to meet the needs of the private and public sectors, as well as individual clients. The effective management of risk is also of great importance in this context. We closely measure, monitor and manage credit exposures. By defining appropriate interest rates for each risk category and by pursuing a carefully balanced capital policy, we work to ensure that our bank is capable of absorbing potential credit losses in different stress scenarios. As one of the world's leading investment banks, Credit Suisse also contributes to the management of market risk.

Helping to Strengthen the Global Competitiveness of the Swiss Financial Center

In 2013, we engaged in an active dialogue with Swiss politicians, regulators and legislators regarding the definition of a strategy to preserve and enhance the quality, stability and integrity of the Swiss financial center – thus strengthening its competitiveness.

One of the main topics discussed in this context was measures to further increase system stability (see pages 11–15). The integrity of the financial system is another important aspect. In order to strengthen it, further steps were taken in 2013 as part of the Swiss Federal Council's strategy for a tax-compliant and competitive financial center. In addition, work continued on the revision of the Swiss Federal Act on International Mutual Legal Assistance and the Swiss Federal Act on Combating Money Laundering.

Market access and the competitiveness of Swiss financial institutions are further topics that we considered in 2013. Credit Suisse believes that steps must be taken to secure long-term market access if the Swiss financial center is to remain competitive. We therefore support efforts to further develop a future-oriented strategy for the Swiss financial center that takes account of this issue and identifies ways of improving market access.

Our Importance in Our Swiss Home Market

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 around 1.8 million affluent and retail clients and more than 100,000 companies – or 1 in 3 Swiss businesses. A large proportion of our corporate clients are small and medium-sized enterprises (SMEs). They are not generally able to access the capital markets for finance and are therefore reliant on business loans to fund sales and investment. We were one of the leading providers of unsecured loans to Swiss businesses in 2013, with a market share of 26%. In addition, many export-oriented Swiss SMEs need the support of a global bank when expanding into international markets.

As one of the world's most competitive economies, Switzerland is home to many multinational companies, which account for up to one-third of Swiss GDP and therefore make an important contribution to the country's growth and prosperity. Credit Suisse is a long-term strategic partner to these companies and contributes its expertise to help ensure that they have the support needed to conduct their international activities effectively and to access global markets.

A number of activities that Credit Suisse performs in Switzerland are considered to be of vital importance for the functioning of the economy and are therefore classed as systemically relevant. They include the execution of payment transactions, the domestic deposit-taking business and lending operations, comprising the provision of loans and credit lines to Swiss businesses, as well as the granting of residential mortgages. At the end of 2013, Credit Suisse

had over CHF 150 billion of loans outstanding, including mortgages and loans to private sector companies, the public sector and private clients.

As an employer, purchaser and investor, Credit Suisse makes a substantial contribution to economic output and employment in all Swiss regions. The production of goods and services that the bank needs, the construction and extension of its premises, and consumer spending by its employees generate added value and jobs.

Credit Suisse as an Employer

Credit Suisse employs around 46,000 people in over 50 countries worldwide. Of our total workforce, around 17,900 employees are based in Switzerland – making us one of the largest employers in our home market. The bank offers employees fair working conditions, competitive compensation and interesting career opportunities across a range of businesses.

Credit Suisse invests in the future and therefore offers a range of training programs for young people who are interested in a career in finance. In Switzerland, for example, we provide a total of 750 IT and commercial apprenticeships for high school graduates each year. Around 80% of these young people continue to work at Credit Suisse after completing their training. We also run a Junior Banking Program, which was attended by 120 high school graduates in 2013. Outside Switzerland, we enable young people to gain their first professional experience in full-time positions or internships (see pages 44–45).

SME Lending Policy in Switzerland

Credit Suisse supports companies of all sizes – especially SMEs – in Switzerland by operating a fair and reliable lending policy. Despite the evolving market conditions witnessed in recent years, our lending practices have remained essentially unchanged. We determine risk premiums and pricing based on the same set of qualitative and quantitative criteria, which take account of aspects such as the borrower's business model and potential for growth, the quality of its management team, the risks involved for the lender and the client relationship as a whole.



Risk Capital for Growth and Innovation in Switzerland

Credit Suisse joined forces with the Swiss Venture Club in 2010 to establish SVC – Ltd. for Risk Capital for SMEs, which is providing up to CHF 100 million of venture capital in the form of equity capital or loans with equity characteristics to Swiss small and medium-sized enterprises (SMEs). Its focus is on strengthening Switzerland's employment base and creating and preserving jobs. This venture provides financing that Credit Suisse cannot offer as part of its regular banking services due to certain risk considerations but that is, nonetheless, very important for this segment of companies. By the end of 2013, SVC – Ltd. for Risk Capital for SMEs had invested around CHF 65 million of capital in 31 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 1,015 people and are expected to create 660 new jobs in the next three to five years. In addition, they hold more than 250 patents, reflecting their innovative strength.

660

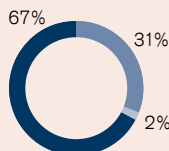
new jobs over the next 3–5 years

1,015

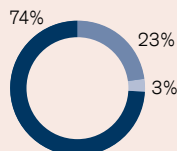
employees today (portfolio companies)

> 250

patents of 31 portfolio companies



Percentage of funding requests by region



Percentage of investments by region



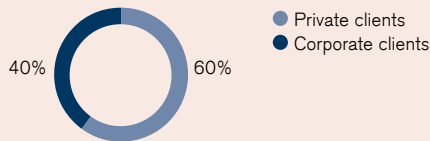
Total investment: CHF 100 million

- German-speaking Switzerland
- French-speaking Switzerland
- Italian-speaking Switzerland

- Total by December 2013: CHF 65 million

Switzerland and Credit Suisse

Breakdown of credit volume (CHF 150 billion)



Over CHF 150 bn

is Credit Suisse's volume of loans outstanding in Switzerland at end-2013, including mortgages and loans to businesses, the public sector and private clients.



This chart is part of the leaflet "Switzerland and Credit Suisse," which provides an overview of our activities in our home market. Further details, as well as information on the Swiss financial center, can be found in the app "The Swiss Financial Center and Credit Suisse." The leaflet and the app can be downloaded via the following link: credit-suisse.com/financialcenter

Supporting the Swiss Political System

Credit Suisse makes an important social contribution by supporting the "militia" system of politics in Switzerland, where the bank has its roots and is headquartered. Under this system, Swiss citizens assume roles in political bodies at federal, cantonal or community level alongside their regular professions. Consequently, Swiss members of parliament are not professional politicians and the parties do not receive state funding.

In order to support the functioning of this system, Credit Suisse offers working time arrangements to employees in Switzerland who hold an elected public office in their local community alongside their role at the bank. These individuals are permitted to devote up to 20% of their working hours to a public role while receiving their full salary from the bank – irrespective of their party affiliation and views. Each year, Credit Suisse's Public Policy department organizes a meeting for around 350 employees who hold an office in the cantonal authorities or at community level. This annual event enables them to take part in workshops and to engage in discussions with their colleagues as well as the bank's top management. The 2013 meeting focused on the topic of demographic change and its impacts on politics and business.

Another important way in which Credit Suisse helps to strengthen the "militia" system in Switzerland and promote political diversity is by making financial contributions available to political parties that



request funding, irrespective of their political agenda and position. This financial support does not give rise to any obligations among the political parties that receive it. The only factor that influences the support given by the bank is the number of parliamentary mandates held by each party at cantonal and federal level: To be eligible, 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 around CHF 200,000 for each of the largest parties. This is a long-term commitment and is reviewed regularly. This support is exclusive to Credit Suisse's home market; the bank does not offer financial support to political parties in other countries. In the US, however, employees have the option of making voluntary private donations within the bank through a Political Action Committee (PAC).

Economic Importance as a Client and Contractual Partner

Credit Suisse makes an indirect contribution to the economy in a variety of ways, including in our role as a consumer. In 2013, we purchased over CHF 6 billion of goods, services and licenses from suppliers across the four regions – Switzerland, Europe, the Middle East and Africa (EMEA), Americas and Asia Pacific.

Credit Suisse runs programs to increase efficiency and reduce its cost base. At the same time, we remain committed to pursuing a responsible approach to business by, for example, requiring our major suppliers to meet strict standards in areas such as business ethics and integrity, employee health and safety or environmental protection, as defined in our Supplier Code of Conduct

(see page 21). The establishment of reliable relationships with supply partners helps to guarantee the quality and value of the products and services we source.

Role as a Taxpayer

Over the past five years, Credit Suisse has paid an annual average of CHF 0.7 billion in corporate income tax worldwide. The bank is also subject to other taxes that are not related to income, which totaled around CHF 0.5 billion in 2013 alone.

Cultivating an Open Dialogue

Credit Suisse holds discussions with a wide range of stakeholders in the economy and society to understand the issues that are important to them and to help find constructive solu-

Dialogue with Regulatory Bodies, Business Associations and Umbrella Organizations

Credit Suisse participates in industry associations, umbrella organizations, financial center bodies and chambers of commerce around the world.¹ 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 its 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 create a discussion forum for global issues relating to the financial sector. We are active in the regional arms of the GFMA: AFME (Association for Financial Markets in Europe) in Europe, SIFMA (Securities Industry and Financial Markets Association) in the US and ASIFMA (Asia Securities Industry and Financial Markets Association) in Asia.
- **Institute of International Finance (IIF):** The IIF brings together interna-

tional financial institutions, including banks and insurance companies.

We are an active member of its Board of Directors and various committees and working groups, including the Special Committee for Effective Regulation, which is headed by Credit Suisse, as well as 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, 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 is involved in 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 in its specialist committees. Through our role in the SBA, we also participate in the European Banking Federation.

- **Swiss Finance Council (SFC):** The Swiss Finance Council was co-founded by Credit Suisse in 2013 to engage in a dialogue about policy developments in finance at a European and international level. It will represent the interests of internationally active Swiss financial institutions and provide a platform to share their experience, expertise and knowledge through a permanent representative office in Brussels.
- **World Economic Forum (WEF):** We have been a member of the WEF for over 20 years and have been a strategic partner since 2006. The forum provides a platform for leading economic experts, politicians, academics and journalists from around the globe to come together to debate the most pressing issues facing the global economy. Credit Suisse is actively involved in various WEF initiatives and projects on topics such as financial inclusion.

A list of Credit Suisse's main memberships can be found at:

credit-suisse.com/network

¹ The names of people who perform functions of public interest within these associations are listed in the publicly accessible areas of the respective associations' websites. The corresponding information can generally be found in the "About Us," "Board of Directors," "Governing Bodies" and/or "Committees" sections of the websites.

tions to present challenges. This dialogue has grown increasingly important in view of international developments and discussions surrounding the finance industry and the global economy (see page 13). We consider our contribution to the political debate to be important in this context. Credit Suisse is therefore a member of various umbrella organizations and industry associations such as the Swiss Bankers Association, *economiesuisse* and the Swiss Employers' Association. These different bodies represent the interests of their members. They also engage in a dialogue with stakeholders such as politicians, legislators, regulators and representatives of the business community and society, who are important for them and their members. The measures they take in this context include the definition of strategies and the formulation of their position on certain topics. The work

performed by these associations therefore requires specific expertise, which is contributed by managers and specialists from the member organizations who are involved in the governing bodies, committees and working groups of these associations. Credit Suisse and its employees therefore take part in a large number of different governing bodies and committees (see box on page 32).

In our home market of Switzerland, we not only regularly exchange information and ideas with politicians but also actively support the functioning of the Swiss "militia" system of politics (see box on page 31).

Contributing to the Public Debate

Credit Suisse produces publications, analyses and specialist articles on economic, political and social issues, as well

Youth Unemployment Initiative and Youth Barometer

Committed to the Next Generation



Credit Suisse takes the needs and wishes of young people into account, including through its efforts to address issues such as youth unemployment. In Switzerland, for example, we are investing up to a total of CHF 30 million from 2010 to 2015 in training courses and individual support provided by six non-profit organizations to improve the employment prospects of young people. In view of the proven effectiveness of these coaching methods, Credit Suisse is working with its partner organizations to continue this commitment on a sustainable basis from 2015.

Reflecting our commitment to engaging in a dialogue with the younger generation, we conducted our fourth annual Youth Barometer survey – which spanned four countries on four continents – in 2013. It provided a valuable insight into the lifestyle, attitudes and problems of members of the 16 to 25 age group. The findings reflect the challenging economic climate in the respondents' home countries and their concerns about not finding work. At the same time, the survey showed that despite their different cultural backgrounds, the respondents share the same basic goals in life of owning their own home, following their dreams and achieving a good work/life balance. These insights help Credit Suisse to gain a better understanding of the specific needs and concerns of its younger generation of clients and employees.

The full survey results are available at:
credit-suisse.com/youthbarometer

Youth Unemployment Initiative¹

Over
4,200

people successfully completed a program

Over
2,500

people subsequently secured permanent employment

Over
850

people obtained fixed-term positions

Over
800

people embarked on training

¹ Figures relate to the period from 2010 to 2013

as commissioning studies from independent research institutions on a variety of topics. In addition to serving as a point of reference for clients and investors when making decisions, these publications attract the interest of politicians, business representatives and the media – thus contributing to the public debate. One example is our Worry Barometer, which Credit Suisse has published annually for the past 37 years. It is based on the findings of a representative survey of Swiss citizens that assesses the issues that are of greatest concern to the public to find out how they perceive the current economic situation in Switzerland as well as the country's social and political institutions. The results help to gauge the mood in the country and are an important source of information on current social and economic trends. The 2013 survey identified unemployment, immigration issues and pensions as the main issues of concern to the Swiss public. We also carry out an international Youth Barometer survey each year (see box on page 33).

Broader Social Commitments

We consider it important to promote social cohesion and stability through a range of social commitments in all the regions in which we operate. We do so by working with partner organizations to support social initiatives, as well as through employee volunteering in various projects around the globe. In 2013, 17,583 Credit Suisse employees around the world volunteered 185,764 hours of their time to help charitable causes (see pages 35–41).

This chapter addresses the following issues (see pages 6–7):

- ▲ Financial System Stability; Financial Results and Company Stability
- ◆ Responsibility as an Employer; Environmentally and Socially Responsible Behavior

credit-suisse.com/responsibility/society

Challenges and Responses 2013

Challenge: What contribution is Credit Suisse making to the realignment of the Swiss financial center and to ensuring it is competitive and well positioned for the future?

Response: We have provided input on the realignment of the Swiss financial center both directly and through our involvement in industry associations. One example is the Group of Experts for the Further Development of the Financial Market Strategy, which addresses topics such as market access, tax issues, the structuring of regulatory processes, and economic risks. We have also engaged in a dialogue with the authorities and members of parliament about various current issues concerning the financial center (international tax topics, investor protection, system stability) (see pages 29–33).

Challenge: Which other measures does Credit Suisse believe could be effective in resolving the TBTF issue?

Response: Credit Suisse has conducted a detailed analysis of the proposals (mandatory separation of investment banking and private banking activities, separation of proprietary trading from other areas of business, increase in the leverage ratio) and we have continued to develop the bank's views on these subjects (see pages 11–15). Credit Suisse has presented these views during its ongoing dialogue with various stakeholders and in specific forums (e.g. Group of Experts for the Further Development of the Financial Market Strategy, parliamentary hearings) as well as in the public arena (see pages 32–33).

Our Social Commitments

Credit Suisse and its employees have been committed to addressing social challenges for many years. We support our partner organizations and their 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 stable economy and a sound social environment. In addition to our core banking activities, we are committed to acting as a reliable partner and to making a contribution to economic and social development in the regions in which we operate. Credit Suisse has therefore entered into long-term strategic partnerships with selected non-profit organizations (NGOs) in these regions. We support the UN Millennium Development Goals – such as the eradication of poverty and the provision of universal primary education – through our global initiatives. In addition, we tackle social challenges such as youth unemployment through various local programs. In emerging and developing economies, we regard microfinance and education as effective tools to promote inclusive growth and as a means of helping people to help themselves. Through our Microfinance Capacity Building Initiative, we help to improve management training and development and foster product and process innovation in microfinance institutions at a global level to give people at the base of the income pyramid better access to banking services. Our Global Education Initiative, 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 38 countries worldwide (see page 39).

As an employer, we also strive to assume our social responsibilities by encouraging our employees to lend their support to worthwhile causes, thus complementing the financial contributions made by the bank. All employees have the opportunity to dedicate up to four days on full pay to participate in charitable projects. In addition, Credit Suisse offers them 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 work on projects to increase the capacity of our global microfinance and education partners as part of Credit Suisse's Global Citizens Program (see page 40).

Global Strategy, Regional Implementation

Our aim is to implement our strategy in the area of social commitment as effectively as possible in all our regions, en-

sureing that our resources are deployed efficiently and that the projects we support generate long-term benefits. To guarantee 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 more than 800 partner organizations worldwide. The Credit Suisse Foundation allocates funds to our Global Education Initiative and Microfinance Capacity Building Initiative 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 40). 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 across our Asia Pacific region and Corporate Citizenship APAC drives employee volunteering with local partners.

Switzerland

Our main focus in Switzerland is on the transfer of knowledge. For example, our employees take part in mentoring programs for students at the University of St. Gallen or work as volunteers in the "Business Weeks" run by our partner organization, the Ernst Schmidheiny Foundation (see page 37).

Our Youth Unemployment Initiative, which was launched in 2009, is designed to help young people to successfully join the labor force. We have pledged a total of CHF 30 million from 2010 to 2015 for projects offering specific support to young people. Between 2010 and 2013, over 4,200 individuals successfully completed a program, with more than 2,500 participants subsequently securing permanent employment, over 850 obtaining a fixed-term position, and over 800 embarking on training (see page 33). In 2013, the bank invited employees in Switzerland to select a "Charity of the Year" for the first time, raising awareness of the bank's social commitments. They chose the Aladdin Foundation, which is committed to supporting the parents of children with severe diseases or disabilities. Through 2014, the bank plans to conduct various charitable events and campaigns to benefit the Aladdin Foundation.

Europe, Middle East and Africa

In the EMEA region, education is at the center of our efforts to help disadvantaged children and young people. For example, we partner with the organization Teach First in the UK, which has adopted a strategy of recruiting successful university graduates and training them to become teachers. We also work together with City Year UK to improve the education system and address high levels of youth unemployment. City Year UK sends volunteers aged between 18 and 25 into schools in socially disadvantaged areas so that they can support and encourage students both in the classroom and during extracurricular activities. Credit Suisse not only gives financial assistance to City Year UK but also provides the young volunteers with experienced mentors and engages with them on topics such as networking, mentoring and career planning (see page 37). In Poland, where the bank has been active for several years, we continued to develop our volunteering activities, including selecting a "Charity of the Year."

Americas

Support in the Americas is concentrated on organizations where our employees are personally engaged and on those that create educational opportunities for disadvantaged young people. As part of our focus on community engagement, we offer employees the opportunity to learn about voluntary service on the Boards of Trustees of NGOs, and we assist them in finding suitable placements. Board service makes a significant contribution to organizations while building employee leadership skills. Since the program launch in 2010, over 800 employees have been trained and more than 200 are currently applying their specialized knowledge of finance and governance in the non-profit sector. Through the Americas Education Program, we help schools in socially disadvantaged areas to improve student achievement and thus give them better opportunities in life. To address major qualitative disparities in the school system, a focus is placed on training teachers, promoting innovative learning methods and providing financial support to schools.

Asia Pacific

The Asia Pacific region encompasses both countries affected by severe poverty and more advanced economies. To improve the living standards of disadvantaged people and encourage economic development in poorer countries or communities, we focus our commitments on education and microfinance projects. Our employees also support our partner organizations by completing volunteering assignments that enable them to apply their expertise for the benefit of our partners. This region is also frequently affected by natural disasters. The provision of emergency humanitarian aid following catastrophes such as Typhoon Haiyan in the Philippines, as well as our support for the long-term

reconstruction efforts in Fukushima in Japan, represent further important aspects of our social commitments in this region.

Disaster Relief Fund

In November 2013, Typhoon Haiyan – one of the most powerful storms of its kind in over 30 years – hit the Philippines, causing widespread devastation. Almost 10 million people were affected. Credit Suisse encouraged employees to donate money to help the victims of this catastrophe and subsequently matched the sum they raised on a 1:1 basis. In total, over USD 630,000 was donated to support the efforts of the aid organizations Gawad Kalinga, Habitat for Humanity Philippines and the International Federation of Red Cross and Red Crescent Societies.

This chapter addresses the following issues (see pages 6–7):

- ◆ Environmentally and Socially Responsible Behavior; Reputation and Corporate Culture

credit-suisse.com/responsibility/society

Challenges and Responses 2013

Challenge: How can Credit Suisse contribute to economic and social development in emerging markets and developing countries?

Response: We support efforts to achieve the UN Millennium Development Goals – such as the provision of better access to education and the eradication of poverty – through our global initiatives. We regard microfinance as an effective means of driving inclusive growth and of helping people to help themselves. We therefore support microfinance institutions in developing the necessary capabilities, products and processes to help people at the base of the income pyramid to gain better access to financial services. Our Global Education Initiative, which we launched in 2008, aims to provide large numbers of children and young people with access to education (see pages 38–39).

Challenge: How can Credit Suisse's volunteering programs benefit our partner organizations while simultaneously enabling our employees to develop?

Response: Our skills-based volunteering programs focus on the transfer of skills and knowledge between our employees and partner organizations (see page 40). These programs not only enable our employees to make targeted use of their expertise for the benefit of partner organizations but, at the same time, provide a valuable learning and leadership experience.

Selected Projects in 2013¹



Switzerland: Ernst Schmidheiny Foundation

The "Business Weeks" are a prime example of how schools and businesses can work together effectively. Under this program, students take part in a seminar week and gain first-hand, practical insights into the functioning of the market economy. During the 2013 Business Weeks, more than 50 Credit Suisse employees shared their expertise with students, further strengthening this partnership spanning over 20 years.



Americas: Uncommon Schools

A key partner in our education program, Uncommon Schools won a US national award in 2013, earning distinction for its achievements over the past four years. Uncommon Schools operates charter public schools in the US to serve low-income students. Key attributes of these schools include: a college-preparatory mission, high standards for academics and social skills, a structured learning environment, a longer school day and longer school year, a focus on accountability, and a faculty of committed and talented leaders and teachers.



EMEA: City Year UK

It is with the slogan "Give a year – change the world" that City Year UK encourages young adults aged between 18 and 25 to spend a year supporting primary and secondary students in their school-related work. Credit Suisse employees volunteer to help the City Year UK volunteers to optimally fulfill their coaching tasks.

Read an article about the collaboration of City Year UK and Credit Suisse at:

credit-suisse.com/onemagazine/en/cityyear



Asia Pacific: Ars86Care Kindergarten

For children to have the best possible start to their education, it is important for them to be offered appropriate learning opportunities early in their lives. Working with Ars86Care, Credit Suisse employees helped to renovate the Nusah Indah kindergarten in Damak, Central Java (Indonesia), where pre-school children are introduced to learning through play. This is a successful venture involving the local community, teachers, workers from the village, Ars86Care and architects.

¹ For a list of supported projects in the regions in 2013, see: credit-suisse.com/responsibility/projects

Focus Theme

Microfinance

Microfinance Capacity Building Initiative

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 pages 22–24). 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 responsAbility Social Investments AG 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 on strengthening the management of microfinance institutions and on developing their products and processes. Credit Suisse 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:

credit-suisse.com/responsibility/initiatives

Virtual Volunteering

To enable our employees to get involved in our partners' projects without having to leave their desks, we have extended the scope of the virtual volunteering program in microfinance that was launched in 2011. This program enables interested employees to contribute to projects right from their place of work. From risk management and market analysis to financial inclusion for people with disabilities – virtual volunteers at Credit Suisse devoted hundreds of hours of their time in 2013 to benefit the Center for Financial Inclusion, Women's World Banking and Swisscontact. Several of the projects' achievements were highlighted at the Financial Inclusion 2020 conference held in London in October 2013.

Mentoring Female Entrepreneurs

As part of a Swiss Capacity Building Facility project involving Credit Suisse, Trestle Group Foundation, our microfinance partner Swisscontact and Kenya-based Equity Bank, female entrepreneurs in Tanzania who have established their own successful SMEs were given the opportunity to work with female mentors and teams of volunteers from Credit Suisse. In turn, these entrepreneurs will serve as role models for 250 female microentrepreneurs in the development of their businesses.

Learn more about the successful entrepreneur Fatma Riyami from Tanzania, who runs what is now one of the country's largest mango export businesses, at:

credit-suisse.com/responsibility/riyami/en



The Swiss Capacity Building Facility is a public-private partnership between the Swiss Agency for Development and Cooperation (SDC) and key players from the Swiss private sector. Together with the other mem-

bers of the Swiss Capacity Building Facility, Credit Suisse supports the development of the financial services industry and the creation of jobs in developing countries.

Microfinance – Selected Figures for 2013



Over 6,179
local employees
trained



Over 2.4 million
people with access to
improved financial services



282,390
electronic transactions
completed

Focus Theme

Education

Global Education Initiative

We believe that education is key to economic growth. Credit Suisse's Global Education Initiative, which complements existing educational activities in our four regions, supports a variety of programs run by our international development partners to improve access to education and the quality of educational opportunities. Supporting the UN Millennium Development Goal "Achieve universal primary education", we set ourselves the objective in 2008 of providing 45,000 children and young people in emerging and developing countries with access to education. Over the past five years, we have exceeded this target in collaboration with our partner organizations Camfed, CARE, Plan International, Room to Read, Teach For All and Worldfund. To ensure a sustain-

able impact, these organizations work with communities and educational authorities at a local, national and regional level. The education programs run by our partners focus on measures such as providing scholarships for disadvantaged children – especially girls – as well as teacher training, provision of school equipment and specialist educational materials. Our support also enables the organizations themselves to grow and improve their programs. Based on the success of the Global Education Initiative since its launch in 2008, the new signature program that will be rolled out in 2014 will focus on financial education for girls and young women.

Find out more about this topic at:

credit-suisse.com/responsibility/initiatives

Credit Suisse Employees as Guest Lecturers at African Universities

The collaboration with B360 education partnerships seeks to promote economic and social development in the southern regions of Africa. It focuses on the transfer of business knowledge. As part of the exchange program, experts from Europe teach at universities in Africa, while African students have the opportunity to complete internships at companies in Europe. We have been working with B360 since 2011. While the initial focus of this partnership was on the internship program – with six students from Namibia having completed internships in the bank's Asset Management business – five Credit Suisse employees took up positions as guest lecturers at universities in Namibia, Zambia and South Africa in 2013. This enabled them to pass on their knowledge to both students and entrepreneurs.



Read more about the experiences of Credit Suisse's guest lecturers at:

credit-suisse.com/onemagazine/guestlecturers

Global Education Initiative – Selected Figures for 2008–2013



38

countries in which the Global Education Initiative is active



436

schools that have benefited from our support



15,431

teachers trained



100,277

students have benefited from improved access to education and/or improved quality of education

Focus Theme

Employee Engagement

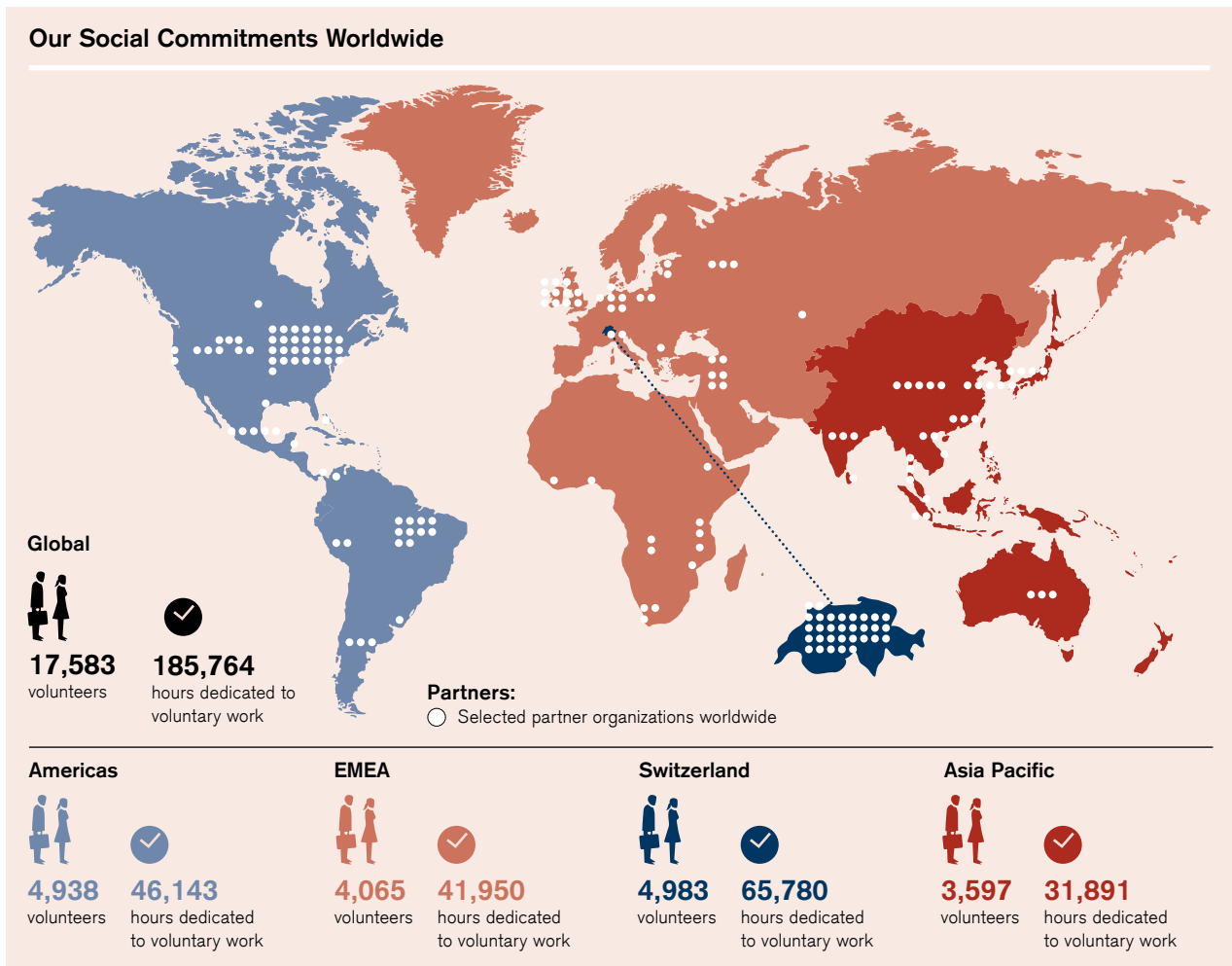
We enter into partnerships with organizations to facilitate the volunteer work of our employees. In 2013, we continued to focus on volunteering programs that promote the transfer of skills and knowledge between our staff and our partners. This allows our employees to use their expertise for the benefit of our partner organizations, as well as giving them the opportunity to develop their own talents and skills.

Find out more about this topic at:
credit-suisse.com/responsibility/initiatives

Global Citizens Program

Credit Suisse's flagship employee engagement scheme is the Global Citizens Program, which was launched in 2010 and gives suitably qualified employees the opportunity to share their expertise with our partner organizations. At the same time, our employees can gain valuable professional and personal experience that can be applied in their own day-to-day work. The fact that employees from all regions and divisions work together in these projects helps to promote stronger interregional cooperation. In 2013, a total of 25 employees worked as volunteers with partner organizations in the Global Education Initiative, going to 16 countries (see page 39). Another 12 employees spent up to three months working on site with one of our microfinance partners (see page 38) in 10 different countries. Since 2010, a total of 130 employees have completed assignments in 29 countries.

Read an article about the Global Citizens Program at:
credit-suisse.com/responsibility/ghana/en



Sponsorship

Credit Suisse has a variety of sponsorship commitments in the areas of sport and culture at a national and international level. We assign particular importance to the promotion of young talent and the exchange of cultural experiences.

In the field of sponsorship, like in other areas, we consider it important to work with individuals and institutions that share our values – such as our commitment to delivering exceptional performance and to achieving sustained success. A prime example of this is our collaboration with the Swiss tennis star Roger Federer and his foundation (see box below). We offer our clients and members of the public the opportunity to enjoy performances by our partners at a range of cultural and sporting events. Partnerships such as these allow us to strengthen relationships with existing and potential clients and to grow our market presence. At the same time, the financial resources that we make available to our partners enable them to concentrate on planning and realizing their objectives.

Roger Federer Foundation



Since 2009, we have been partnering with Roger Federer and his foundation, which we support with USD 1 million of funding each year. The Roger Federer Foundation (RFF) promotes education, sports and

leisure activities in Africa. Credit Suisse's support has 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 their transition to primary school.

Nurturing Talent

The cultivation of young talent is one of our main areas of focus. We run various programs to help young artists around the world to develop their talents and skills. Examples include the Prix Credit Suisse Jeunes Solistes and the Credit Suisse Young Artist Award, which have been presented since 2000.

We are also committed to promoting young sporting talent. As the main sponsor of the Swiss Football Association, we have successfully supported all of Switzerland's

junior and senior national teams. In 2013 – due in part to the inclusion of several talented young players in the squad – Switzerland's national team qualified at the top of its first-round group for the World Cup finals in Brazil in 2014 without losing a single match.

Swiss Football



Through its comprehensive commitments in this area, Credit Suisse is helping to create a good basis for Swiss football while facilitating outstanding performance at all levels. The bank is especially

committed to promoting young talent, with half of its sponsorship funding earmarked specifically for junior players. Credit Suisse has been the main sponsor of the Swiss Football Association and a partner of all junior and senior national teams in both men's and women's football since 1993.

International Cultural Exchange

Credit Suisse's commitments in the field of cultural sponsorship are focused on classical music and the 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 orchestras – the New York Philharmonic and the Sydney Symphony Orchestra. We also lend our support to various leading museums in Switzerland and abroad by providing funding for exhibitions of international importance. The National Gallery in London and the Kunsthhaus Zürich are among our partners.

As a founding sponsor of the independent Internet platform Project Firefly, we also facilitate the exchange of ideas and thus promote a dialogue between students, scientists and entrepreneurs. Young people are given an opportunity to suggest new and interesting approaches to current and future problems in business, politics and economics.

credit-suisse.com/sponsorship

Responsibility as an Employer

Credit Suisse offices in Sihlcity, Zurich

To position our bank as an attractive and reliable employer, Credit Suisse aims to offer employees progressive working conditions – including modern workspaces, interesting training programs and diverse career opportunities in an international environment.

Responsibility as an Employer

Our long-term success depends on our ability to inspire trust and generate client satisfaction. To achieve this, we require qualified, responsible and motivated employees. We therefore 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 continue to perform well, we must offer clients best-in-class products and services. We can only realize this objective if we continuously strengthen our position as an employer of choice to attract the most talented professionals to our company. We can gain a competitive advantage if we retain the knowledge and experience of our employees within the bank and grow our human capital from within. Demographic changes, which are intensifying the competition among companies for highly qualified employees, represent another 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 in line with our business priorities and creates the basis for the generation of long-term value within the company. This strategy has three pillars: building a partnership culture, strengthening our relationship managers' client skills and promoting the development of talent within the bank through our "Grow Your Own" initiative.

A Culture of Performance and Development

Our employees' performance objectives are aligned with the bank's strategy. In particular, 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 consistent performance management system is used for this purpose. In 2013, we enhanced the transparency of this system – thus making it easier for line managers to assess the previous performance and career progression of employees and to identify their development potential. We also assessed and documented the potential of 83% of our employees in 2013 with the aim of systematically identifying and tracking their potential to assume future functions.

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 evaluation of development

potential. A total of 80% of Credit Suisse employees have now drawn up their own personal development plan. To help line managers provide their team members with the best possible support in achieving their professional objectives, we offer special training courses for managers in the form of simple and efficient online tools.

Recognizing Performance

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 the requirements prescribed by regulators (see page 16 for further details on compensation). Another way in which we recognize outstanding performance is by presenting our annual CEO Leadership Awards in categories such as Client Leadership, Leadership in Compliance & Control and Corporate Citizenship.

Client Skills and Compliance

Our employee training and development programs ensure that we can continuously enhance the quality of our service and advisory offering and adapt our business to new market requirements and opportunities. For example, all of our relationship managers in Private Banking & Wealth Management are required to complete our Frontline Training certification program 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. Since the program's launch three years ago, more than 4,000 relationship managers have obtained certification. To enable employees to share their knowledge and experience with one another, we also organize a variety of events at which best practices can be discussed.

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 (see page 45). We expect our employees to remain informed

Employee Facts and Figures

as of December 31, 2013

35%

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 13**

members of the Board of Directors

1 of 9

members of the Executive Board

Part-time work**25%**

of all female employees and

8%

of all male employees work part-time

Employment contracts**46,000**

permanent contracts (full-time equivalents)

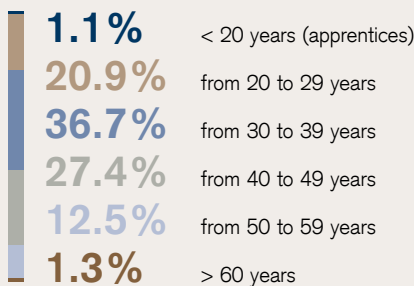
3,700

fixed-term contracts (full-time equivalents)

Employee turnover

2013: voluntary turnover 9.1% / involuntary turnover 6.1%

2012: voluntary turnover 8.9% / involuntary turnover 6.7%

Employee split by age

about the continuing changes in regulatory requirements and to act responsibly and in accordance with the applicable rules at all times. To ensure that they are always up to date in this area, 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. In addition, all relationship managers complete courses on cross-border business activities that inform them about the regulatory requirements in individual markets. The completion of training modules on topics such as the prevention of money laundering, trading sanctions, records management and IT risks is mandatory for all employees.

Internal Mobility

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. In 2013, around 4,400 employees took the opportunity to assume a new role within the bank. During the year, 46% of all roles were filled through internal appointments. In top management, 60% of leadership roles were filled internally. In comparison, 44% of all vacancies were filled through internal appointments in 2012. In the UK and Americas, Credit Suisse launched its "Internals First" initiative in 2013, enabling internal recruiters to actively approach internal candidates. A total of 32 positions were filled through this initiative in the course of the year.

Investing in Young Talent

As part of our strategy to develop 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 for the long term. We work closely with leading schools and universities around the world in the area of campus recruiting. In 2013, 47% of external hires were candidates who were still at entry level – meaning they were either directly out of school (23%) or had less than two years of work experience (24%). We hold recruitment events for various target groups in order to attract new graduates to our company. In 2013, we held our first US event targeted specifically at students with military training. The bank also runs campus stands at universities with the aim of recruiting more women to the bank.

Internships and Programs for Career Starters

In Switzerland, we are currently training 250 new university graduates through our Career Start Program. A total of 120 high school graduates took part in our Junior Banking Program in 2013. These programs last between 12 and 24 months. We also offer 250 internships for students. Out-

side 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. Once they have obtained initial experience, the bank provides them with further opportunities to build on their knowledge and broaden their understanding of different client needs. For example, in our Europe, Middle East and Africa (EMEA) region, we ran a two-month program combining work experience in various areas of business with classroom training and presentations by seasoned Credit Suisse managers for the fourth time. As part of this program, a manager is appointed to act as a mentor to each participant. We also have various programs to help young people from minorities to enter a career in finance; these programs are run in the US and Australia. In the UK, several students took part in a London-based program offering summer work placements, scholarships and mentoring for high school students. Here too, the initiative aims to provide permanent positions for students who perform well during their time with the company.

Promoting Young Talent in Switzerland

In our Swiss home market, we provide a range of opportunities for talented young people seeking a career in the banking industry. Since 2010, we have increased the number of apprenticeships by 25% and employ a total of 1,370 young talents, of whom 750 are enrolled on commercial or IT apprenticeships. We have a high level of success in training these individuals: our 184 apprentices in 2013 had a 93% success rate and 82% of them continued to work for Credit Suisse. In 2013, 219 apprentices began their training at Credit Suisse. As one of Switzerland's largest employers in the field of IT, we are also committed to promoting young talent in this field. In addition to doubling our number of IT apprenticeships, we have engaged in volunteering at Swiss schools. For example, Credit Suisse specialists ran over 40 one-day Lego robotics workshops for children aged nine and above to increase their understanding of technology and IT, and we have designed a special mentoring program to provide female students with an insight into the world of IT. Credit Suisse is one of three companies to have received an award in 2013 from the association ICT Professional Training Switzerland in recognition of its longstanding commitment to the training and development of young people in IT.

Diversity and Inclusion

If we are 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 gives us 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. Credit Suisse today employs people from 161 different

Number of Employees

Full-time equivalents as of December 31, 2013

Credit Suisse

46,000¹

By Division

26,000

Private Banking & Wealth Management²

19,700

Investment Banking³

By Region

17,900

Switzerland

9,600

EMEA

11,100

Americas

7,400

Asia Pacific

¹ Including 300 positions in the Corporate Center and excluding fixed-term contracts

² Full-time equivalents, including Shared Services employees who work for Private Banking & Wealth Management

³ Full-time equivalents, including Shared Services employees who work for Investment Banking

Talent Development in 2013



500

classroom leadership training sessions

83%

average level of satisfaction among course participants

72,000

participants in instructor-led courses

650,000

participants in e-learning courses, including mandatory modules

64,000

classroom-delivered training days

17

hours of training per employee (average)

Diversity and Inclusion: Awards

- Ranked fourth (overall) in the Diversity Index of the Institute for Financial Services Zug (IFZ), ranked first among providers of financial services in Switzerland
- Recognized again as one of the top 50 employers for women in the UK (The Times)
- Shortlisted for Race for Opportunity's Future Workforce Award
- Recognized as one of the top 100 employers for women in the US (Working Women Magazine)

nations. 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. We are also a member of the non-profit organization Catalyst, which collaborates with businesses and different professions to build inclusive environments and expand opportunities for women at work: Credit Suisse is one of 25 companies working together in this context to share best practice in the field of diversity and inclusion. As a further commitment in this area, we have participated in a project that was financed by the Swiss government and was run in conjunction with the University of Lucerne to develop a diversity index for Swiss companies in 2013/2014.

Our internal experts work closely with our businesses across all regions to ensure that our diversity and inclusion strategy is firmly embedded in our corporate culture. They advise managers on the planning and implementation of the necessary internal structures and measures to ensure we can offer an inclusive working environment that is free from discrimination and can take the specific needs of 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. We have received various awards in recognition of our efforts in the area of diversity and inclusion (see box).

In addition, Credit Suisse launched a Lesbian, Gay, Bisexual and Transgender (LGBT) Equality Portfolio, offering our clients the possibility to invest in a suite of companies with a proven track record of supporting LGBT employees while also being attractive in terms of traditional valuation processes (see page 22).

Advancement of Women and Mentoring

We want to continuously increase the proportion of women in management positions. To bring us closer to this goal, we take specific steps to attract female professionals as part of our recruitment process. We have, for example, been able

to increase the proportion of women hired in our Investment Banking business in the region Europe, Middle East and Africa (EMEA) from 25% in 2012 to 29%. In 2013, Credit Suisse in Switzerland joined Advance, a group of companies that is committed to increasing the representation of women in management positions to 20%.

Studies and experience gathered over many years show that mentoring is an effective tool to help women advance their careers. We have therefore set up special global and regional mentoring programs for women. Over 300 female employees took part in these programs in 2013. In India, a new mentoring program for women was launched at middle management level. A multicultural mentoring program for African-American employees was set up in the US. In Switzerland, we launched a reversed mentoring program in which employees from the Next Generation network aged between 20 and 30 act as mentors for members of the 50+ network. Further examples from 2013:

- Switzerland: A total of 146 women began a one-year cross-divisional mentoring program. In addition, 58 female employees from all levels of the company took part in workshops on topics relating to the advancement of women, and over 500 female employees participated in workshops for junior talents.
- EMEA: Continuation of a program under which senior managers were assigned to act as mentors to 200 female employees across the bank.
- Finance, Operations and IT division: Two global mentoring programs specifically targeting women were held, benefiting a total of 196 employees.

Internal mentoring programs are open to all employees. Similar offerings are available across all our regions and divisions for different target groups. In 2013, the bank offered a total of 21 mentoring programs that were attended by more than 1,600 employees.

Networks to Promote Knowledge-Sharing

We currently support more than 40 internal employee networks worldwide that serve as a platform for the exchange of knowledge and experience – fostering mutual understanding and helping to strengthen our corporate culture. The networks within the bank – which are run by employees on a voluntary basis – are dedicated to addressing the concerns of women, families, LGBT individuals, people with disabilities, US veterans, the older and younger generations, and employees from various ethnic backgrounds. Former employees can keep in touch with colleagues at the bank through the alumni network and have access to internal job postings. In 2013, these networks organized 635 events worldwide.

We are also committed to cooperating with external organizations in the field of diversity and inclusion. Organizations and events supported in 2013 are listed here:

credit-suisse.com/responsibility/partnerships



Our Employees' Opinions Are Important

In order to assess employee satisfaction and to gain a better understanding of the views of our people on work-related topics, we conduct an employee engagement survey with an independent consulting firm every two years. In 2013, 71% of employees responded to the survey. The results provide a picture of our strengths as well as the opportunities where we can improve, and enable us to gauge our progress since the last survey.

Owing to the ongoing changes in the finance industry, we have realigned a large number of our business areas and implemented disciplined capital management and cost reductions. Against this backdrop, it is no surprise that our engagement score is lower than in 2011. However,

with a result of 68%, we continue to have a higher employee engagement level than the average among other companies within the financial services sector (64%). We are encouraged that 72% of our employees are satisfied with their work and have the resources and means they need to work efficiently (industry average 65%).

Overall, our employees assess the management skills and coaching of their direct line managers positively and believe that they have clear goals and a full understanding of how their performance is evaluated. Employees also value the fact that Credit Suisse attaches great importance to diversity and equal opportunities, and promotes an inclusive culture and work environment. Furthermore, we have

succeeded in turning one aspect that was identified as a weakness in earlier surveys into one of our strengths: appropriate recognition of good performance.

The results also provide us with information about areas where we can improve. It is clear that the magnitude of change within the bank and in our industry has impacted employee engagement, particularly in our home market, Switzerland. We will need to intensify the dialogue with our employees regarding our strategy and the strength of our business platform. Each division and region has analyzed the survey results and identified which global, regional or divisional topics should be addressed.

Attractive Working Environment and Flexibility

We are convinced that our employees' level of satisfaction with their work has a direct impact on their well-being, motivation and productivity. We therefore strive to offer them modern, flexible working models and a state-of-the-art office environment. In 2013, we issued a global policy on home working to confirm existing practice and to ensure that we accommodate our employees' differing ways of working without adversely affecting everyday business. In addition, the Smart Working concept has now been rolled out in certain business areas across our different regions. Launched in 2010 as a global strategic initiative, the Smart Working Program aims to deliver an attractive work environment that allows employees to choose their workspace based on their current needs and therefore supports flexible and mobile working. Around 6,000 staff now work in Smart Working environments in Europe and Asia.

To ensure that our employees' needs and interests are properly taken into account and to promote dialogue between employees and managers, Credit Suisse has worked closely with organizations such as the European Works Council and the Credit Suisse Staff Council (PKOM) in Switzerland for many years. In consultation with various specialist units, we have developed offerings that help our employees combine their professional and personal commitments as effectively as possible. These include:

- flexible working arrangements, such as part-time positions, job sharing, compressed working weeks and home working
- maternity and paternity leave
- advice on personal, health and financial problems

Impact of Cost Reduction Measures on Employees

We plan to reduce costs by more than CHF 4.5 billion by the end of 2015, compared to the cost run-rate for the first half of 2011. The need for adjusted operating efficiency results from the changing regulatory and market environment, including higher regulatory costs, narrowing margins and lower client activity. By the end of 2013, the bank had achieved CHF 3.1 billion in run-rate savings and is on track to achieve the 2015 target. The savings were achieved via infrastructure savings as well as a number of efficiency measures in Private Banking & Wealth Management and Investment Banking. These measures also resulted in a reduction in the size of our global workforce, which took place across all business areas and regions. Throughout this period, we have worked closely with bodies that represent employee interests, such as the European Works Council and the Credit Suisse Staff Council (PKOM), to take into account and address the needs of the affected individuals. We assist them in the search for a new position and strive to minimize the impact of the reduction in employee numbers through internal transfers and natural turnover. Our Staff Council has confirmed that we are assuming our social responsibility and are offering a good package of measures to assist affected employees. During 2013, we deployed further services to our four Centers of Excellence (CoEs) around the globe. We moved functions from our hub locations by either expanding existing CoE teams that perform similar processes or developing the CoE teams to undertake more complex tasks and additional responsibility. We expect the strategic importance of our CoEs to increase further and anticipate that our CoEs in Poland and India will expand significantly (see page 48).

- since 2012, we have also offered support for employees in Switzerland 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 as well as an Employee Assistance Program to support employees with their personal and professional well-being
- nursing rooms for mothers
- prayer rooms
- a wide range of courses on topics such as health and nutrition, stress management, and sport and fitness
- free medical check-ups in a mobile prevention and diagnostic center as part of a health initiative were once again available to employees in Switzerland in 2013
- benefits such as pension provision and study grants

This chapter addresses the following issues (see pages 6–7):

- ▲ Client Focus and Quality of Advice
- ◆ Responsibility as an Employer; Compliance and Combating Financial Market Crime; Management Compensation; Reputation and Corporate Culture

credit-suisse.com/responsibility/employer

Challenges and Responses 2013

Challenge: To make responsible use of resources and to ensure that our work is performed by employees in the most appropriate locations. What impact does this have on the structure of the company?

Response: In view of the ongoing transformation of the financial services industry, low levels of client activity and rising costs, we transferred additional services from traditional locations to our four Centers of Excellence (CoE) around the world in 2013. This meant that we reduced the number of positions in traditional locations while at the same time moving functions and services to our CoEs, which now account for more than 25% of our workforce. Our CoEs in Poland and India, in particular, are expanding significantly. We are actively strengthening the role of our CoEs by assigning them functions with greater responsibility and by providing targeted training to further enhance the expertise and management skills of our employees. These measures provide increased career development opportunities and help us to attract and retain the best talent for our CoEs (see page 47).

Challenge: Credit Suisse conducts an employee engagement survey in conjunction with an independent consulting firm every two years. In 2013, 71% of employees took part. How do you act on the findings of the survey?

Response: In view of the continuing changes within Credit Suisse and the banking industry as a whole, it has become clear that employees want the bank to increase its communication activities and to engage in a more intensive dialogue about our business strategy and the direction we are taking – particularly with regard to our Swiss home market. We analyze the detailed results of the employee engagement survey within our individual divisions and regions, and we then identify the main topics that need to be addressed at a global, divisional or regional level (see page 47).

Challenge: How does Credit Suisse attract and retain qualified employees?

Response: We consider it important to offer long-term career opportunities in an international environment and we assign considerable importance to professional development. For example, we take targeted steps to promote internal mobility – enabling employees to gain new experience by working abroad or in different business areas. We also regularly carry out internal programs and training courses to enhance the quality of our service and advisory offering. The development of talents is also a key area: In Switzerland, we train 250 university graduates through our Career Start Program and offer 120 high school graduates places on our Junior Banking Program, as well as providing 250 internships for students. Outside our Swiss home market, we enable young people to gain their first professional experience in full-time positions or internships (see pages 44–45).

Responsibility for the Environment

Rhine Gorge in Graubünden, Switzerland

Credit Suisse has, for years, been active in the areas of environmental and climate protection. We have been greenhouse gas neutral at all our locations worldwide since 2010 and take environmental and climate-related aspects into account when managing risks and developing new products.

Environment

Credit Suisse is committed to taking account of environmental impacts when conducting its business. We develop products and services that combine economic goals with environmental and social requirements, address sustainability issues when managing risks and participate in discussions about sustainable business practices. We also implement various measures to improve our environmental performance.

Climate change and the decline in biodiversity are two of the biggest challenges of our time, and they affect all members of the global community. Credit Suisse is convinced that it is in the interests of both our organization and our clients to develop and support measures that facilitate the transition to a sustainable economy in order to avert further environmental, social and economic harm. 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). It is also founded on our Statement on Sustainability, which explains our aims relating to the balancing of economic, environmental and social issues when performing our activities as a bank.

Risk Review Process and Product Offering

We take environmental aspects into account when managing transaction-related risks. We use our internal risk

review process to assess whether projects or client activities may pose a risk to the environment, the climate or biodiversity (see page 19), and we have developed and implemented specific policies and guidelines for sensitive industries (see page 18). As a bank, we can also make a contribution to environmental protection by offering our clients a broad range of sustainable products and services. This gives them the opportunity to invest in these areas, while opening up sources of capital for the development of future markets (see pages 22–27).

Climate Change

The Intergovernmental Panel on Climate Change (IPCC) published the first part of its Fifth Assessment Report in September 2013. It shows, among other things, that a reduction in greenhouse gas emissions is essential if climate change is to be limited. The current concentration of

Conservation Finance



In order to preserve the natural habitats and processes that are vital for the survival of human beings, animals and other species, significantly more capital will be required than has so far been deployed. To generate more private capital for this purpose, it is essential to extend the existing range of financial products and make investors more aware of investment opportunities that not only generate financial returns but also have a measurable positive impact on the environment. In early 2014, Credit Suisse published

a study co-authored with WWF and McKinsey that looked at innovative private sector financing structures in conservation and the barriers and enablers to scaling up such approaches. It also hosted and co-organized an expert workshop at the Federal Reserve Bank of San Francisco with the world's leading conservation finance specialists. Around 50 participants from commercial and investment banks, asset managers, private foundations, academic institutions and civil society identified and discussed new ideas for the

market-based financing of conservation, a field that is increasingly reliant on institutional capital to promote scalable and sustainable business models. The issue of conservation finance and the related study were also among the topics discussed at a panel discussion entitled "How Can Private Capital Create Sustainable Impact?", which Credit Suisse hosted during the World Economic Forum (WEF) in Davos in January 2014.

Raising Employee Awareness of Environmental Issues

The responsible use of natural resources is covered by the "Sustainability" standard in our Code of Conduct. Employees are actively informed about environmental issues and are given the opportunity to make a personal contribution to environmental protection.

- **Action on food waste:** In the week of World Environment Day 2013, we informed our employees in Switzerland about how we deal with food waste in our staff restaurants via billboards, posters and leaflets at food stands.
- **bike to work:** Credit Suisse in Switzerland supported this campaign once again in 2013, and over 200 employees cycled to work in June.
- **CO₂-monitor:** Through the CO₂-monitor program, Credit Suisse encouraged employees to calculate their carbon footprint and track, compare, reduce and offset their emissions.
- **Earth Hour:** In 2013, Credit Suisse again took part in WWF's Earth Hour by switching off the lights in 53 of its office buildings globally. During this symbolic annual climate initiative, thousands of cities, towns and landmarks worldwide turn off their lights for one hour.
- **Sustainability Network:** This internal platform enables employees in all regions to take part in a range of sustainability events.
- **Training:** In 2013, Credit Suisse provided 3,408 hours of training on environmental management to 826 employees.

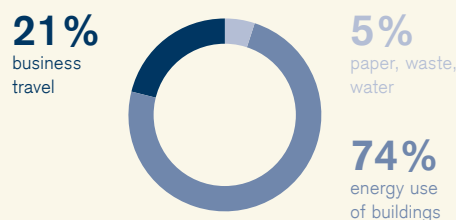
greenhouse gases in the earth's atmosphere is the highest it has been for 800,000 years, and a further warming of the global climate is likely according to the report.

Credit Suisse has been active in the area of climate protection for more than 15 years. The Credit Suisse Cares for Climate initiative helps us to make an active 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. We have been greenhouse gas neutral at all our locations worldwide since 2010 (see page 52).

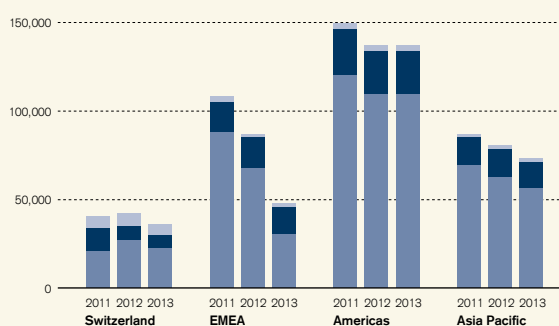
We also participate in the international dialogue about the environment in order to gain insights that can help us to develop strategies for sustainable, climate-friendly business practices. For example, Credit Suisse is a member of an International Chamber of Commerce (ICC) working group, which addresses energy and climate issues. For three years, we have been hosting the Lifefair Forum event series in Zurich at which various climate issues are discussed, among other topics. Last year, these included the green economy and a sustainable transport policy. In 2013, we once again enabled a group of employees to take part in an expedition organized by the citizen science organization Earthwatch, during which they helped a team of scientists to research climate change and its effects. In June 2013, Credit Suisse supported the inaugural Global Investor Forum on Climate Change in Hong Kong, at which potential solutions to global climate issues were discussed.

Credit Suisse promotes sustainable building methods. With a Swiss portfolio of more than 433,000 square meters of energy-consuming floor space as defined by the Swiss Minergie standard, the bank is one of Switzerland's largest investors in environmentally friendly residential and commercial buildings. As a follow-up to a research

Credit Suisse's Greenhouse Gas Emissions



Regional Breakdown of Greenhouse Gas Emissions¹ (in metric tons of CO₂ equivalents)

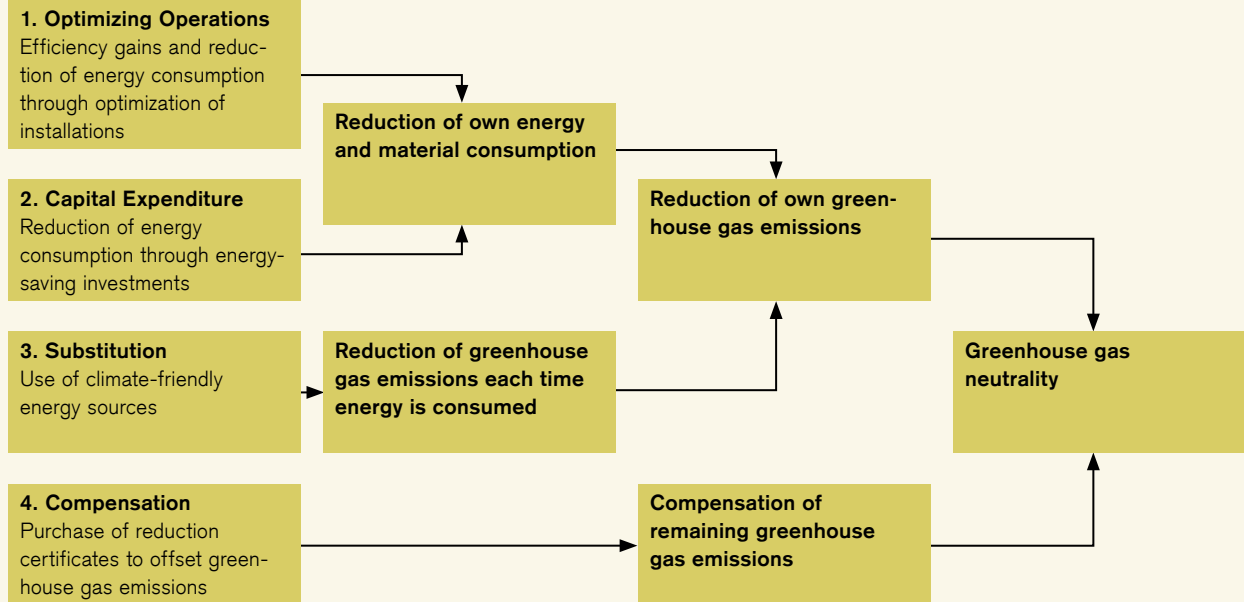


¹ Greenhouse gas emissions for 2012 were updated, as the DEFRA guidelines for measuring greenhouse gas emissions from the electricity procured were updated in 2013. At the same time, findings from data entered in 2013 were used retroactively for 2012, leading to changes in the basic data. For the EMEA region, surplus hydropower certificates (GO Switzerland) were taken into account in the electricity model.

Global Greenhouse Gas Neutrality – Our Four-Pillar Strategy

Our four-pillar strategy to achieve greenhouse gas neutrality worldwide is based on operational efficiency improvements, capital expenditure, substitution and compensation. In 2013, we took action on a number of fronts to continue implementing this four-pillar strategy. As a result, our gross global greenhouse

gas emissions decreased by around 15% to 294,400 metric tons during the year. By purchasing emissions reduction certificates (ERCs) in addition to these measures, we achieved greenhouse gas neutrality.



Portfolio of purchased emissions reduction certificates (ERCs) 2013



report entitled “Decarbonizing Swiss Real Estate” which was produced by Credit Suisse and WWF in 2012, Credit Suisse Real Estate Asset Management (REAM) is currently working on a program to measure and increase energy efficiency and to systematically reduce CO₂ emissions in its real estate portfolio of more than 1,000 buildings (see page 25). The program is intended to lower CO₂ output by at least 10% or 13,000 metric tons by 2015 relative to 2010 levels.

Biodiversity and Natural Capital

Our commitment to sustainable development includes our efforts to protect biodiversity. The methods used to assess

the value of natural capital and the inherent costs of the loss of species and the reduction of ecosystem viability are, however, not yet sufficiently developed to enable them to be included in an appropriate benefit/risk assessment of economic activities. We therefore aim to contribute to discussions about ways of measuring natural capital and to include these considerations in our business operations. Credit Suisse is, for example, involved in an Equator Principles working group on the issue of biodiversity and helped to organize a workshop on conservation finance (see box on page 50).

The industry-specific policies and guidelines that we use to assess the potential environmental impacts of transactions

Measures Related to Our Four-Pillar Strategy

1. Optimizing Operations

Energy consumption represents by far the largest direct climate-related impact that Credit Suisse has on the environment. The 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.

2. Capital Expenditure

We can also reduce our greenhouse gas emissions by investing in energy-saving technologies. When constructing new premises or renovating existing buildings, we focus on installing energy-saving heating, air-conditioning and ventilation systems, and we use highly efficient insulation in our building materials. We also invest in energy-saving technologies for our IT infrastructure. These include switching to renewable energy sources when upgrading heating systems, installing high-efficiency lighting with LED technology and using energy-optimized cooling systems in computer centers.

3. Substitution

When concluding new electricity supply contracts, we verify that climate-friendly energy sources such as wind power, hydro-power and solar energy are included in the mix and, where possible, we replace fossil fuels with renewable forms of energy. As a result, all the electricity used at our locations in Switzerland in 2013 was derived from renewable sources. In many of our other locations in the EMEA, Asia Pacific and Americas regions, electricity from renewable sources accounts for part of the energy mix provided by local utilities. In 2013, Credit Suisse consumed a total of 292 million kilowatt-hours of electricity generated from renewable sources. This corresponds to 55% 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 purchasing ERCs. Last year, we once again offset all of our net greenhouse gas emissions from operational activities, including global business travel (313,000 metric tons of CO₂ equivalents), in this way. Our ERC portfolio included projects involving wind power, hydro power, geothermal power and biomass/biogas power. 10% of the ERCs met the Gold Standard, and the remainder came from climate protection projects verified by independent third parties. The total cost was CHF 660,000, or CHF 14 per employee.

For examples of environmental management in our four regions, see page 54 and: credit-suisse.com/environmentalmanagement

Detailed information about Credit Suisse's four-pillar strategy can be found online at: credit-suisse.com/4pillarstrategy

also address the need to protect biodiversity and natural capital in areas such as palm oil production. In this context we are an active participant in the Roundtable on Sustainable Palm Oil (RSPO). Biodiversity issues are also a regular topic in our stakeholder dialogue.

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 energy management because energy consumption is the area in which our operations have by far the greatest impact on the environment. Credit Suisse's environmental management system defines responsibilities and processes and, combined with appropriate Group-wide operational measures, helps us to conserve resources, reduce environmental impacts and lower costs. In 1997, Credit Suisse was the first bank in the world to achieve ISO 14001 certification, and we have continued to refine and develop the system ever since. Where appropriate, we also involve external service providers and suppliers in these efforts (see page 21). In 2013 we again passed our annual environmental management system audit that was carried out by an external certification company, SGS.

Mobility, New Working Models and Paper Consumption

In addition to measures to improve the energy efficiency of our buildings, we took steps in other areas in 2013 to reduce our carbon footprint. Business travel continues to pose a challenge for us as a global bank. While business travel is often essential to maintain direct contact with clients, it accounts for 21% of our global greenhouse gas emissions. To reduce the number of business flights taken, we require employees to travel by train when covering shorter distances, and we encourage the use of telephone and video conferencing to save time and money. As a result, the global use of specially equipped video conferencing rooms rose to 137,011 hours in 2013. 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 (ERCs). In 2013, we offset approximately 56,000 metric tons of greenhouse gas emissions by purchasing these tickets.

Commuting at a regional level also has an impact on the environment. New working models that enable our employees to work from home from time to time can help reduce traffic-related emissions. In 2013, we also amended

Environmental Management in the Regions: Examples of Action Taken in 2013

Europe, Middle East and Africa

- In October 2013, Credit Suisse Securities (Europe) Ltd., including all its UK branches and subsidiaries, was accredited under the Carbon Trust Standard until the end of 2014. This certification is based on the management and reduction of the bank's CO₂ emissions.
- We have reduced energy consumption and CO₂ emissions in our key EMEA buildings by engaging with suppliers, changing working behavior and promoting energy efficiency. We are achieving this through the monitoring and management of system capacity, matching this to our working patterns and reducing redundant capacity in non-critical operations. In our London headquarters, the efficiency of the central fresh-air system has been optimized to current working patterns, realizing significant energy savings.

Asia Pacific

- At the CeeJay data center in Pune, India, housings were installed for the cold-air zones in the rack cooling systems, resulting in a 10% reduction in power consumption.
- In the Asia Pacific region, the cooling temperature for air-conditioning systems in premises with links to data centers was raised to 28°C or, where possible, the systems were set up in a way that ensures they remain entirely inactive until this temperature is exceeded. Power consumption in Tokyo and Sydney was reduced following the decommissioning and disposal of redundant IT equipment.
- Credit Suisse was awarded "Silver" in the Hong Kong Awards for Environmental Excellence in the Financial, Legal and Business Consulting Services category.
- We received the "Green Mark Platinum" certification from the Building and Construction Agency (BCA) of Singapore for the ONE@Changi City interior office fitout. BCA Green Mark is a green building rating system to evaluate a building for its environmental impact and performance.

Americas

- The Clifton Data Center in New York, which was completed in 2012, has a photovoltaic installation on its roof and was awarded a LEED Silver Certificate in March 2013. LEED stands for "Leadership in Energy and Environmental Design" and is a system for classifying environmentally friendly construction, among other criteria.
- Following the renovation of our branch in Chicago, we were able to reduce total energy consumption by making better use of the space in the building and installing energy-efficient infrastructure components. In addition, the cooling towers at the data centers in Princeton were replaced by more energy-efficient equipment.
- As part of the New York City Mayor's Carbon Challenge, Credit Suisse has pledged to reduce per capita greenhouse gas emissions in its New York City campus by 40% relative to 2006 levels by 2023.

Switzerland

- Improvements in operational efficiency at our Swiss data centers led to a fall in costs in 2013. At the Uetlihof data center, we reduced the amount of energy used in ventilation and convection cooling while also optimizing air dehumidification, and we installed new technology to replace the motors and frequency converters used for recooling. We also replaced the refrigeration unit at the data center in Horgen. All these measures have led to major reductions in power consumption.
- In view of Swiss energy legislation introduced in 2012, Credit Suisse defined a new Group target for energy efficiency in conjunction with EnAW, 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.
- We carried out a pilot project in collaboration with the Minergie Construction Agency with the aim of achieving Minergie-A certification for a renovated

office building. Following its renovation, the Lenzburg branch of Neue Aargauer Bank now uses very little power to heat the building using a heat pump or for air-conditioning and ventilation; it uses no fossil fuels of any kind. Since the completion of the certification process in January 2014, the building's remaining energy needs have been met by a photovoltaic installation with a total surface area of 110 square meters.

- In early 2013, Credit Suisse was awarded the "Watt d'Or" by the Swiss Federal Office of Energy in recognition of our energy efficiency achievements related to the Uetlihof extension in Zurich (largest Swiss building constructed according to Minergie-P-ECO® standard; development of innovative and highly efficient LED standard lamps).

All Regions

- In 2013, we further optimized our global IT infrastructure through increased server virtualization and switched off the equivalent of 7,553 physical servers. As a result, our virtualization rate increased from 34% in 2010 to 56% in 2013 (69% in Switzerland). This led to a reduction in energy usage of around 40 gigawatt-hours globally over a three-year period.
- Following the successful rollout of E-Maximo in around 400 operational premises across Switzerland, we continued to develop this software and implemented it worldwide in 2013. It enables us to analyze the impacts of energy-related operational enhancements and investments more precisely.

A comprehensive list of environmental management measures in all our regions is available online at:

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

Key Performance Indicators for Environmental Management¹

	2013		2012 ²		2011	
	Absolute	per FTE ³	Absolute	per FTE ³	Absolute	per FTE ³
Energy (MWh)	650,000	13.9	688,000	14.2	710,900	14.0
Business travel (km)	528,312,000	11,300	561,843,000	11,600	601,969,000	11,900
Paper (t)	5,200	0.11	5,700	0.12	6,300	0.13
Water (m ³)	1,238,000	26	1,384,600	29	1,332,000	26
Waste (t)	11,600	0.25	13,400	0.28	14,100	0.28
Greenhouse gas emissions ⁴ (CO ₂ equivalents in metric tons)	294,400	6.3	347,200	7.2	386,100	7.6

¹ According to VfU standard (rounded figures)

² Minor adjustments made to 2012 basic data set

³ Annual average; employees (full-time equivalents)

⁴ Gross greenhouse gas emissions

our global policy on home working to take account of the latest developments.

Although the paperless office remains a vision for the future, we are committed to improving our environmental performance in this area. Our efforts include using paper produced from forests which are managed sustainably in line with the Forest Stewardship Council (FSC) criteria – this already accounts for 83% of internal consumption in Switzerland – as well as switching to double-sided printing. In 2012 and 2013, we replaced most of our old printers at our Swiss locations with a smaller number of more modern devices in order to further reduce paper consumption.

This chapter addresses the following issues (see pages 6–7):

- ▲ Sustainable Investments
- ◆ Environmentally and Socially Responsible Behavior
- Mitigation of Environmental Impacts and Climate Change

credit-suisse.com/responsibility/environment

Challenges and Responses 2013

Challenge: How does Credit Suisse address environmental challenges such as climate change and biodiversity in its products, services and research?

Response: We address the issue of sustainable, environmentally friendly business practices on a number of levels. In 2013, we conducted a pilot project for the use of carbon emissions data in internal tools to evaluate the carbon intensity of equity investments. To explore private sector investment opportunities in the area of conservation finance, we published a thought leadership research report on conservation finance and hosted an expert workshop on the same topic (see page 50). Furthermore, we promote a dialogue by supporting events such as the Global Investor Forum on Climate Change 2013 in Hong Kong or the Lifefair Forum event series in Zurich. For further examples of environment and climate-related products and services, see pages 22–27.

Challenge: In what way does Credit Suisse reduce its own environmental footprint?

Response: Our ISO 14001-certified environmental management system helps us to make more efficient use of natural resources. As part of this, we optimize our operations to increase energy efficiency, we invest in energy-saving technology, and we purchase electricity from climate-friendly sources. Our four-pillar strategy (see page 52) has allowed us to further reduce our carbon footprint in 2013, and by additionally purchasing emission reduction certificates (ERCs), we have been greenhouse gas neutral since 2010. Our achievements in the area of energy efficiency and carbon management were recognized in 2013 through several awards (see page 54).

Reporting on Corporate Responsibility

Our Corporate Responsibility Report is designed to inform our stakeholders about the principles that guide us in our work as a bank and to illustrate the ways in which we address economic, environmental and social challenges in our daily business activities. Credit Suisse aims to create long-term added value for clients, shareholders, employees and other stakeholders. This includes our commitment to pursuing a responsible approach to business – taking account not only of economic but also environmental and social aspects. The relevant core principles are set out in our Code of Conduct and our Group-wide Statement on Sustainability.

This report forms part of our annual reporting suite (see page 4 for details of all three components). It outlines our principles and goals, as well as the challenges that we face in the area of corporate responsibility, and it describes how we take account of them in our operations. In addition, the report offers an overview of our principal activities and milestones in 2013.

It is only possible to portray a selection of Credit Suisse's activities in the printed publication due to the limited space available. Further information and data are therefore provided online. Our 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. The full contents of this report, as well as our Responsibility Chronicle, can be found on the Internet at:

credit-suisse.com/responsibility

Global Reporting Initiative

This report reflects the requirements set out in the Global Reporting Initiative (GRI) – a voluntary standard for reporting on economic, environmental and social performance. The GRI guidelines help to increase transparency, uniformity and comparability in this area. As in previous years, our GRI-based disclosure on corporate responsibility 2013 will be

externally assessed and independently assured by SGS, and the disclosure level will be evaluated by GRI. Further details regarding our GRI indicators and external reviews of our reporting are available at:

credit-suisse.com/responsibility/gri

Materiality Assessment

Our ability to inspire trust in our stakeholders is a key factor determining Credit Suisse's success. To achieve this, we must first know what our stakeholders expect from us as a bank. We therefore seek to engage in a dialogue with them through discussions and at events, as well as by actively participating in initiatives, forums and associations.

In 2013, we further strengthened our focus on our stakeholders' views and interests by performing a materiality assessment for the first time. This enabled us to capture their different perspectives in a consolidated manner and to identify the issues that are of most importance for stakeholders and our business activities (see pages 6–7). This report addresses all of the issues that were identified as material in this assessment.

Feedback and Suggestions

We also regard our reporting on corporate responsibility as an important basis for our dialogue with stakeholders. We therefore welcome any feedback about our activities. Comments can be sent to:

responsibility.corporate@credit-suisse.com

Sustainability Networks and Initiatives

UN Environment Programme Finance Initiative (UNEP FI)

Over 200 financial services providers 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 to the UNEP Statement by Financial Institutions in 1992.

Principles for Responsible Investment (PRI)

By adopting this voluntary, investor-led industry standard, over 1,200 financial services providers pledge to take account of environmental, social and governance (ESG) criteria when making investment decisions.

Equator Principles

When financing major industrial and infrastructure projects, we observe the Equator Principles based on the environmental and social standards of the International Finance Corporation (IFC). We were one of the first companies to sign up to this voluntary industry standard in 2003 and have been involved in its Steering Committee since 2010.

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 Global Compact. In 2000, Credit Suisse became one of the first companies to sign up to this leading international agreement on responsible business practices. We report annually on the progress made:

The 10 principles of the UN Global Compact

Examples of implementation at Credit Suisse

Human Rights¹

Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	<ul style="list-style-type: none"> ■ Involvement in the formulation of sector-specific recommendations for the application of the UN Guiding Principles on Business and Human Rights (Thun Group of Banks) ■ Participation in the UNEP FI working group on human rights
Principle 2	make sure that they are not complicit in human rights abuses.	<ul style="list-style-type: none"> ■ Application of the Reputational Risk Review Process ■ Implementation of sector-specific policies

Labor²

Principle 3	Businesses should uphold the freedom of association and recognize the right to collective bargaining;	<ul style="list-style-type: none"> ■ Staff Council in Switzerland (internal employee representation) ■ European Works Council
Principle 4	the elimination of all forms of forced and compulsory labor;	<ul style="list-style-type: none"> ■ Progressive working conditions for own staff ■ Supply Management: Credit Suisse Supplier Code of Conduct³ ■ Signing of Walk Free pledge combating all forms of modern slavery
Principle 5	the effective abolition of child labor; and	<ul style="list-style-type: none"> ■ Implementation of sector-specific policies ■ Supply Management: Credit Suisse Supplier Code of Conduct³
Principle 6	the elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none"> ■ Diversity and Inclusion ■ Accessibility⁴

Environment⁵

Principle 7	Businesses should support a precautionary approach to environmental challenges;	<ul style="list-style-type: none"> ■ Application of the Reputational Risk Review Process ■ Implementation of sector-specific policies
Principle 8	undertake initiatives to promote greater environmental responsibility; and	<ul style="list-style-type: none"> ■ Global greenhouse gas neutrality since 2010 ■ ISO 14001-certified environmental management system ■ Credit Suisse Cares for Climate initiative
Principle 9	encourage the development and diffusion of environmentally friendly technologies.	<ul style="list-style-type: none"> ■ Use of clean energy technologies in our operations ■ Offering of environment-related products and services

Anti-Corruption⁶

Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> ■ Active member of Wolfsberg Group ■ Further development of internal standards and training courses for employees
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¹ Pages 17–21, ² pages 42–48, ³ page 21, ⁴ page 26, ⁵ pages 17–21 and 49–55, ⁶ pages 13–14

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 – which assess companies

according to environmental, social and governance (ESG) criteria – 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 Ratings Assigned to Credit Suisse in 2013

Ratings	Credit Suisse
CDP ¹	88 points (disclosure score; rating scale: 1 to 100; industry average: 79) B performance (implementation score; rating scale: A to C)
oekom research ²	C-Medium (not prime) environmental dimension: C+, social dimension: D+ (rating scale: A+ to D-)
MSCI ESG Research Intangible Value Assessment ³	BB (rating scale: AAA to CCC)
RobecoSAM	75% economic dimension: 76%, environmental dimension: 70%, social dimension: 76%; (industry average 44%)
Sustainalytics	70 points (rating scale: 1 to 100) (industry average: 54; ranking: 14 out of 227)
Bloomberg Green Banks Ranking ⁴	5th place

¹ CDP represents institutional investors with invested assets of around USD 92 trillion; its aim is to offer transparent guidance to investors on climate-related opportunities and risks for companies.

² The rating encompasses areas such as: employees and suppliers, society, corporate governance, products and services, environmental management and eco-efficiency.


³ 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.

⁴ The ranking assesses the efforts made by financial institutions to invest in environmentally friendly energy sources and reduce their own CO₂ emissions.

Sustainability Indices 2013

Indices	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 S&P Global Broad Market Index SM that lead the field in terms of sustainability.	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 the 600 largest European companies in the S&P Global Broad Market Index SM that lead the field in terms of sustainability.	Credit Suisse has been a constituent of the European Index of the Dow Jones Sustainability Indices since 2001.
FTSE4Good Index (UK)	Companies that meet globally recognized corporate responsibility standards.	Credit Suisse has been a constituent of the FTSE-4Good Index Series since it was launched in 2001.


Achievements 2013 and Objectives 2014


Banking 		
Objectives 2013	Achievements 2013	Objectives 2014
<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> We largely completed the capital plan announced in July 2012 and have reduced our usage of Basel III risk-weighted assets (RWA) in Investment Banking by 46% since the second quarter of 2011. Furthermore, we added CHF 14 billion in Look-through capital during 2013, including issued Buffer Capital Notes (BCNs) and contingent capital instruments. We developed our legal entity plan and strategic direction over the course of 2013, working closely with our lead regulator, and this was approved by our Board. Our plan was announced publicly, demonstrating our desire to openly communicate our intentions and the way they will be aligned with regulatory requirements, providing a more easily resolvable organization, while still meeting client needs. 	<ul style="list-style-type: none"> Make further progress in 2014 toward achieving our long-term reduction target of approximately CHF 250 billion in RWA. Our legal entity plan entails key measures that will be implemented from mid-2015. In 2014, the focus will be on completing the designs and on ensuring we can realize our future implementation plans. Our designs are intended to maximize flexibility in terms of the booking of the business to enable us to meet future regulatory changes as efficiently and effectively as possible. In 2014, we will work to finalize the bail-in debt strategy and establish the corresponding funding structure. The regulatory environment is undergoing fast and fundamental changes. Credit Suisse aims to actively contribute to shaping new regulations. At the same time, we plan to strengthen our existing robust framework. This will enable the bank to effectively monitor and control compliance with new regulations like FATCA and MiFID II as well as the implementation of the Dodd-Frank Act. We will continue to invest in measures and processes designed to prevent compliance breaches, thus reducing the number of disciplinary incidents and ensuring good conduct. Help to build up the Swiss Finance Council to foster dialogue around policy developments in finance at a European and international level. Implement and apply the updated Equator Principles risk management framework (EP3) in our sustainability risk assessment processes. Implement the recommendations of the Thun Group of Banks discussion paper on how to address human rights issues in the bank's core business activities based on the gap analysis conducted. Evaluate emerging environmental and social risks in the energy sector and update guidelines where appropriate. Further develop offering of solutions in impact investment by expanding into additional themes beyond microfinance, work with not-for-profit partners, generate new opportunities and attract more private capital to the industry.
<ul style="list-style-type: none"> Introduce further bank-wide measures to strengthen our strict compliance and control culture. 	<ul style="list-style-type: none"> The bank has further strengthened its disciplinary process in particular by implementing processes and measures that align performance management, compensation and promotions more closely with individual employee conduct in the area of compliance and control. In addition, the bank has implemented a series of measures to further enhance its monitoring, surveillance and supervisory framework. 	
<ul style="list-style-type: none"> Further integrate human rights considerations into our risk assessments based on a co-authored discussion paper on the implementation of the UN Guiding Principles. 	<ul style="list-style-type: none"> We assumed a leading role in finalizing the Thun Group of Banks discussion paper on human rights, which was published in October 2013. In order to gradually integrate its recommendations into our risk assessments, we have conducted a gap analysis, which identified the need to update Credit Suisse's existing human rights statement and to integrate human rights considerations into business areas beyond investment and corporate banking. 	
<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Further development of public and private partnerships to deliver solutions in multiple impact areas, from financial inclusion to education, housing and agriculture – connecting our clients, partners and employees. 	



Economy and Society

Objectives 2013	Achievements 2013	Objectives 2014
<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> We played an active part in working groups and committees to help find solutions to ensure adequate bank capitalization and liquidity and to allow for the orderly recovery and resolution of banks. Examples include the Swiss Bankers Association (SBA), the Association for Financial Markets in Europe (AFME) and the Institute of International Finance (IIF), as well as various working groups and forums of the Swiss Federal Department of Finance (FDF), the Swiss Financial Market Supervisory Authority (FINMA) and the Swiss National Bank (SNB), such as the National Working Group on Liquidity. 	<ul style="list-style-type: none"> Support further measures to strengthen Switzerland's position as a financial center and a center of research and industry. Continue to engage in a dialogue with political representatives and regulators, and actively participate in industry associations and working groups to develop solutions to strengthen the stability of the financial system, including cross-border resolution. Involvement in a group of experts appointed by the Swiss Federal Council to help formulate efficient solutions for the further development of the Swiss financial market strategy.
<ul style="list-style-type: none"> Strengthen trust through dialogue and by engaging with the relevant stakeholders in society. 	<ul style="list-style-type: none"> We engaged directly with politicians, legislators and regulators, as well as representatives of the business community, academia and NGOs, e.g. through our participation in the World Economic Forum (WEF) Financial Inclusion initiative. 	<ul style="list-style-type: none"> Development of additional skills-based volunteering opportunities to have a positive impact on society by creating win-win scenarios for our partners, our employees and the bank.
<ul style="list-style-type: none"> Actively and constructively engage in implementing the financial center strategy Switzerland. 	<ul style="list-style-type: none"> We continued our dialogue about strengthening system stability and the integrity and competitiveness of the Swiss financial center with the Swiss government and parliament. 	<ul style="list-style-type: none"> The new GEI Signature Program will focus on financial education for girls in order to align the initiative more closely with the bank's core competencies.
<ul style="list-style-type: none"> Maintain current level of support for our partner organizations and initiatives despite a challenging market environment. 	<ul style="list-style-type: none"> In 2013, the Global Education Initiative (GEI) celebrated five years of working with its six partners, benefiting the education of over 100,000 students and more than 15,400 teachers in 38 countries. The Microfinance Capacity Building Initiative (MCBI) and its partners continued their collaboration on multiple projects and on the training of over 8,000 staff of microfinance institutions (MFIs). 	<ul style="list-style-type: none"> Pursue innovative partnerships, e.g. with the Asian Development Bank's Inclusive Business Initiative, to support, through grants and employee expertise, the capacity building of businesses which operate on a commercially sustainable basis while achieving social impact at scale.
<ul style="list-style-type: none"> Further align corporate citizenship activities with core competencies of the bank by focusing on skills-based volunteering activities with selected partner organizations. 	<ul style="list-style-type: none"> Strategy review of the GEI to further develop and more closely align the initiative with the bank's core competencies. The emphasis is now on financial education for girls. Overall employee participation rate in volunteering programs, including via virtual volunteering, increased. Furthermore, a total of 37 employees were sent on Global Citizens Program (GCP) assignments in microfinance and education, providing expertise to our partners – including in the development of new impact investment products. 	<ul style="list-style-type: none"> Launch of the new grant cycle of the MCBI in 2014, building on the success of the previous two cycles.

Employer		
		
Objectives 2013	Achievements 2013	Objectives 2014
<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> In 2013, 47% of external hires were sourced at entry level – up from 45% in the prior year – bringing us closer to our goal of 50%. 	<ul style="list-style-type: none"> Targeted promotion of hiring junior talent in 2014: 50% of all external hires at entry level, 50% experienced professionals.
<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> We continued to defer a significant proportion of discretionary variable incentive compensation and grant awards containing general clawback provisions as well as, in certain instruments, downward adjustments based on performance, share price or losses on Credit Suisse inventory. We achieved a significant increase in the level of shareholder support in the nonbinding vote for the 2012 Compensation Report (87.98% compared to 67.63% in 2011). 	<ul style="list-style-type: none"> Continue to use compensation programs that focus on aligning the long-term interests of employees with the interests of shareholders and the bank, e.g. by deferring a significant proportion of discretionary variable incentive compensation and by using instruments that are subject to clawback provisions based on performance criteria.
<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> In 2013, 16% of senior management positions (Managing Directors and Directors) were held by women. At top management level, 2 out of a total of 13 members of the Board of Directors and 1 out of a total of 9 members of the Executive Board were women. Credit Suisse ran a targeted mentoring program for women during the year, in which more than 300 employees participated. 	<ul style="list-style-type: none"> Target the 300 managers in the bank with the largest spans of control in relation to the number of employees they supervise directly and indirectly, drawing on analysis from the 2013 employee engagement survey and cascade improvement measures through the ranks. Engage more than 3,300 managers to address specific concerns at divisional and functional level as well as team leaders to ensure they have perspective on the motivation and morale of their team, and can develop activities in response to the reports.

Environment		
		
Objectives 2013	Achievements 2013	Objectives 2014
<ul style="list-style-type: none"> Successfully pass the ISO 14001 control audits and make further progress on our objective to reduce our direct impact on the environment. 	<ul style="list-style-type: none"> The ISO 14001 control audits were successfully passed in 2013. We achieved a further reduction in our global emissions by approximately 15% to a total of 294,400 metric tons compared to 2012 thanks to continuous increases in energy efficiency as a result of operational improvements and capital expenditure, as well as the use of electricity from renewable energy sources and other measures. 	<ul style="list-style-type: none"> Implement further improvement measures on an ongoing basis in accordance with our ISO 14001-certified environmental management system with a focus on the main drivers of greenhouse gas emissions.
<ul style="list-style-type: none"> Strive for continued global greenhouse gas (GHG) neutrality. 	<ul style="list-style-type: none"> We achieved global GHG neutrality for the fourth consecutive year through the implementation of measures based on our four-pillar strategy as part of our Credit Suisse Cares for Climate initiative. 	<ul style="list-style-type: none"> Continue to work toward the achievement of the Group efficiency target of 2% per annum in our Swiss premises for the period from 2013 to 2020 in conjunction with the Swiss Energy Agency for the Economy.
<ul style="list-style-type: none"> Work with partners and clients on solutions to address the challenges of biodiversity and climate change for the bank. 	<ul style="list-style-type: none"> We conducted a pilot project for the use of carbon emissions data in internal tools to evaluate the carbon intensity of equity investments. We published a thought leadership research piece on conservation finance and co-organized an expert workshop in early 2014 to discuss new ways of scaling up private sector finance in this area. 	<ul style="list-style-type: none"> Build on the findings of our conservation finance research study. Continue to raise employee awareness about environmental issues and to engage employees in measures to protect the environment (e.g. through employee training and supporting activities of the Sustainability Network).

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 2014 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 adverse resolution of litigation and other contingencies;
- 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 chapter I – Information on the Company in our Annual Report 2013.

In this report, adjusted cost run-rate results are measured against our annualized 1H11 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.

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 are in accordance with our current interpretation of such requirements, including relevant assumptions. Changes in the interpretation of these requirements in Switzerland or in any of our assumptions or estimates could result in different numbers from those shown herein. Capital and ratio numbers for periods prior to 2013 herein are based on estimates, which are calculated as if the Basel III framework had been in place in Switzerland during such periods. Unless otherwise noted, leverage ratio, leverage exposure and total capital amounts included herein are based on the current FINMA framework. The Swiss leverage ratio is calculated as Swiss Total Capital, divided by a three-month average leverage exposure, which consists of balance sheet assets; off-balance sheet exposures, consisting of guarantees and commitments; and regulatory adjustments, including cash collateral netting reversals and derivative add-ons.

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