

A photograph of a classroom full of young children. In the foreground, two girls are leaning on their desks, looking towards the camera. The girl on the left has long dark hair and is wearing a blue top. The girl on the right is wearing a red and white checkered dress. In the background, other children are visible, some with their hands raised, suggesting an active learning environment. The walls are decorated with colorful murals of people and furniture.

Responsibility Chronicle 2011

Credit Suisse Responsibility Chronicle 2011

The Corporate Responsibility Report, which is published annually, provides a wealth of information and data about the ways in which Credit Suisse addresses social and environmental issues and challenges when conducting its business activities.

The report is supplemented by the Responsibility Chronicle, which provides interested readers with a review of 2011 through a selection of articles, interviews, videos and podcasts. The stories featured in the Chronicle show how our company and its employees – in conjunction with partner organizations – support the communities in which we live and work.

Of particular interest is the article on the massive earthquake and devastating tsunami that triggered the disaster in the Fukushima nuclear power plant in 2011, claiming more than 15,000 victims and destroying the lives of thousands of others. As a company that is active in Japan, Credit Suisse was also affected by the catastrophe. Within a short period of time, our Crisis Management team was able to ensure that all 600 of our employees were uninjured and had somewhere to stay. We were also able to continue conducting our business in order to serve clients. Moreover, our employees launched a fundraising campaign which, together with contributions from the Disaster Relief Fund, raised a total of USD 5.5 million to provide emergency aid to those in need. This was supplemented by donations in kind from employees. A number of Credit Suisse employees displayed particular courage and dedication by volunteering to help with the clean-up operations in affected areas.

The Responsibility Chronicle 2011 provides a summary of our diverse activities and commitments in every region of the world. It also depicts the different ways in which we act upon our corporate responsibilities outside our core banking business. All of the articles and reports appeared in our print and online publications in the course of 2011.

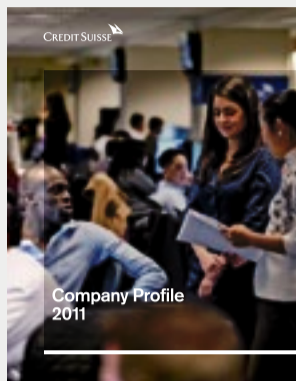
Annual Reporting Suite 2011



Corporate Responsibility Report and Responsibility Chronicle

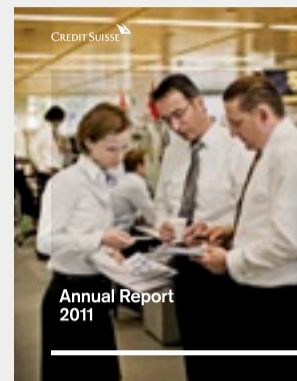
For a detailed presentation on how the bank assumes its diverse social and environmental responsibilities when conducting its business activities, refer to the Corporate Responsibility Report, available for the first time as an iPad version. This publication is complemented by our Responsibility Chronicle, which adds a multimedia dimension to the publication by providing a selection of reports, videos and picture galleries that focus on our international projects and initiatives.

→ www.credit-suisse.com/chronicle



Company Profile

For insights into the work of each of the bank's divisions, including Shared Services, and its regions, refer to the Company Profile. For the first time, this is also available as an iPad version, which includes additional photo and video material beyond what appears in the print version. The Business Review, a summary of the bank's financial performance during the year, is also included in the publication.



Annual Report

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

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MARCH 11, 2011

Earthquake in Japan – 9.0 on the Richter scale. A 10-meter-high tsunami engulfs Japan's east coast. The accident at the Fukushima Daiichi nuclear power plant leaves 400,000 homeless, with another 10,000 having to be evacuated. Credit Suisse and its employees raise over USD 5.5 million to support the reconstruction effort after the disaster and participate in clear-up activities.

→ Disaster Relief

Long-term support for the rebuilding process in Japan

→ A Discussion with Mohamed ElBaradei

A country in revolt

→ News in Brief

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Investors consider social and environmental aspects

→ Research

Award for Stephanie Vuillermot, neurobiologist

→ Start-up Help for Young Russian Entrepreneurs

A hostel for Novosibirsk



Helping Children Cope With Disaster

The earthquake and tsunami that hit Japan on March 11, 2011, devastated large parts of Japan's eastern coastline in Tohoku and left many families living in evacuation centers. In view of the exceptional suffering the country has endured, Credit Suisse in partnership with local organizations are trying their best to help children cope with the emotional trauma of living in an area impacted by radiation from the stricken nuclear plant.



Text: Fabienne de Lannay

We sing songs in the mornings and evenings, paint pictures of Mount Fuji, and build snowmen. We run in open fields and make bonfires at our camp facility. These are things I've missed very much since the earthquake. Like most of his friends, six-year-old Hiroto Takahasi from Iwaki City knows what it means to lose everything from one day to the next. Ever since the earthquake and tsunami of March 11, 2011, he has been living in one of the many areas impacted by radiation fallout from the stricken Fukushima nuclear plant. Now, nearly a year after the earthquake and tsunami, he has finally found some relief. Together with the other children from his nursery school, he has been given the opportunity to take part in a three-day holiday camp in the Fujisan YMCA Global Eco-Village.

Playing Helps to Forget

YMCA Japan, one of Credit Suisse's long-term partners (see box), makes such mini breaks from everyday life possible. Due to the high level of radiation, which still requires children to wear dosimeters even today, children have only been able to enjoy a limited amount of outdoor playtime, which has raised many concerns – especially from teachers – about their health and well-being. There have been reports of noticeable changes in their emotional condition such as increased irritability and stress. The YMCA therefore offers children from local nursery schools an opportunity to play

Credit Suisse and YMCA

The bank has a long-term working relationship with the YMCA in Japan. In addition to the holiday camps, it also sponsors the Clover Education Program, which is an educational development program for children with a variety of learning disabilities associated with autism such as Asperger's syndrome, pervasive developmental disorders and dyslexia. The program has been running since 2007 and has had measurable success in providing children with long-term skills to deal with the many social challenges that they are likely to face in adult life. Credit Suisse has also been an active participant in the annual YMCA Charity Run with over 60 volunteers and runners joining each year.



outdoors in a safe, natural environment in which they don't have to worry about nuclear radiation. "It's very important for children to be outdoors," says Mr. Tsutomu Taguchi, General Secretary of Yokohama YMCA. "During the camps they get a chance to leave their terrible experiences behind – at least for a while. Also, it is vital for their emotional and physical well-being that they can freely play and exercise in an environment free from radiation. Each camp is administered by nursery school teachers and volunteer teachers, and also allows for the participation of Credit Suisse employees, who provide on-site support. Hiroto is very much enjoying the encounter with the volunteers. When asked whether he has made any friends during the camp, he replies: "I really like meeting people who work in a bank. When I grow up, I want to be like them."

**"It's very important
for children
to be outdoors."
Tsutomu Taguchi**

Reconnecting Communities

Similar to the relief efforts provided by the YMCA camps, the Picture Book Bus Project launched by Chikyu no Gakko (“CnG”), a local NPO dedicated to providing a support network to mothers and young children, aims to aid the long-term recovery efforts in the affected areas. With a 28-year track record, CnG has a deep connection within the local community and, by working with the government and local partners, has developed and implemented a number of child welfare programs and other activities. Following the earthquake and tsunami, CnG quickly mobilized relief programs through volunteer networks and in partnership with the public and local government. The Picture Book Bus Project, which is committed to providing books and emotional support to children living in evacuation centers in Miyagi prefecture, is one of the most notable and visible of these programs. More than a mobile library, it also helps reconnect communities that have been torn apart after the disaster by using the bus as a platform to bring people closer and encourage children to meet, read together and take books home. “We could climb on the bus to choose books and also listen to them being read aloud. My friends and I most liked the books about Snow White and Cinderella. My brother and his friends preferred those about dinosaurs and insects,” says five-year-old Aki Sasaki, who took part in the project this month.

Books from around the World

Thanks to the generosity of the Japanese public and the extent of their volunteer work, the Picture Book Bus Project has been inundated with



> 75,000

books donated by July 2011

books. As of July 2011, over 75,000 had been donated, and word is still spreading through the Internet, with books being collected from all over the world. Thanks to the financial support from Credit Suisse that commenced at the end of October 2011 and will continue until September 2014, the picture book bus has made around 100 visits to different cities. It has also helped CnG open a public library filled with more than 10,000 books called the Picture Book Plaza. Olivier Thiriet from Credit Suisse Japan says: “Delivering books to children is something that closely meets our vision. We focus on supporting educational opportunities for disadvantaged children in the region and are therefore very pleased to have entered a partnership with CnG.”

Disaster Relief Covers Many Aspects

The bank has been providing vital support for the areas affected by the earthquake and tsunami right from the start. In immediate response to the disaster, Credit Suisse launched a global fundraising campaign among employees which, combined with the financial contributions and matching gifts made by the Disaster Relief Fund, raised a total of USD 5.5 million. To support the immediate and long-term rebuilding process, employees from Credit Suisse Japan volunteered both in immediate clean-up activities such as those in Minami Sanriku, one of the most severely damaged towns along the Tohoku coastline, and long-term reconstruction projects. In addition, the Credit Suisse Foundation is providing financial assistance to Terra People Act Kanagawa, enabling the organization to help reconstruct a nursery that



Japan in the aftermath of the disaster in March 2011.

was destroyed by the tsunami in Iwate prefecture. On the whole, Olivier Thiriet is very pleased with what the chosen projects have achieved. “Through immediate as well as long-term relief, we have endeavored to alleviate the suffering of the many victims, particularly children who have been deprived of several basic activities that we take for granted such as playing outside. Our projects demonstrate Credit Suisse’s long-term commitment to the reconstruction and support of the Tohoku region and Japan, particularly in those key areas where we hope to bring normality back into children’s lives as soon as possible.”



Mandatory Energy Reduction Targets Met

Within four business days of the March 11 earthquake and tsunami, well before the expected summer peak energy demand, energy shortages began to affect Tokyo. In response to this, a mandatory energy reduction program was imposed by the Tokyo Metropolitan Government. Credit Suisse immediately reacted and implemented energy efficiency measures such as re-scheduling the operation of air conditioning systems, adjusting

temperature set-points, switching off non-essential IT equipment which could be operated in off-peak hours, and turning off electric hot water units. As a result, the bank successfully managed to reduce daytime peak energy consumption in the Tokyo offices at Izumi Garden Tower and the Iidabashi building by 15% between July and September 2011, compared to the 2010 summer consumption levels. These (temporary)

energy reductions were achieved with the diligence and cooperation of all Tokyo staff, while critical systems were kept fully operational without incident. Employees were not obligated to change their working hours, and average temperatures were kept below the target of 28 degrees Celsius (82 degrees Fahrenheit).

Change is an Evolutionary Process

Egyptian opposition leader Mohamed ElBaradei wants to lead his country to democracy after 60 years of dictatorship. In this exclusive interview, ElBaradei talks about the current situation in Egypt, the most urgent measures needed, and what motivates him personally.

“I firmly believe that mankind deserves better.”

Mohamed ElBaradei



Interview: Daniel Huber and Cushla Sherlock

bulletin: If you look back six months and compare the situation back then with the situation today, how has life changed for people on the streets of Cairo?

Mohamed ElBaradei: On the positive side, people feel a sense of freedom and confidence today that has never existed before. They are more confident than they were six months ago that there is a rosy future ahead of them. On the negative side, complete security has yet to return to the streets. But we're working on this, and the positive aspects quite clearly outweigh the negative. You can sense a huge amount of energy on the streets of Cairo. Most people believe that things are going in the right direction and that we can overcome our difficulties.

What are the most urgent changes that need tackling in the new democratic Egypt?

Now, with the revolution behind us, everything has to change. We have to build an entirely new political, economic and social system from scratch. Above all, we must find a way to improve the living conditions of the 50 percent of the Egyptian population who currently live below the poverty threshold. These people must feel that something has changed for them personally as a result of the revolution. I believe that this is something we can achieve, but it will take time. Building up a democracy is a long-term undertaking that can only proceed step by step. The critical basis for this – and our major task in the immediate future –



is to ensure social justice. One advantage we have is that we can learn from other countries that have already been through such a process of democratization.

Do you simply want to learn from other countries, or is there an existing model that you are particularly keen on for Egyptian democracy?

There are more than 115 democracies today, and they all differ in key aspects. Our democracy, too, will have its unique features. That said, we need to scrutinize existing democratic systems closely to find out what the best practices are, and which of those will be most appropriate for Egypt.

What do you think the key factors are in a successful democratic system?

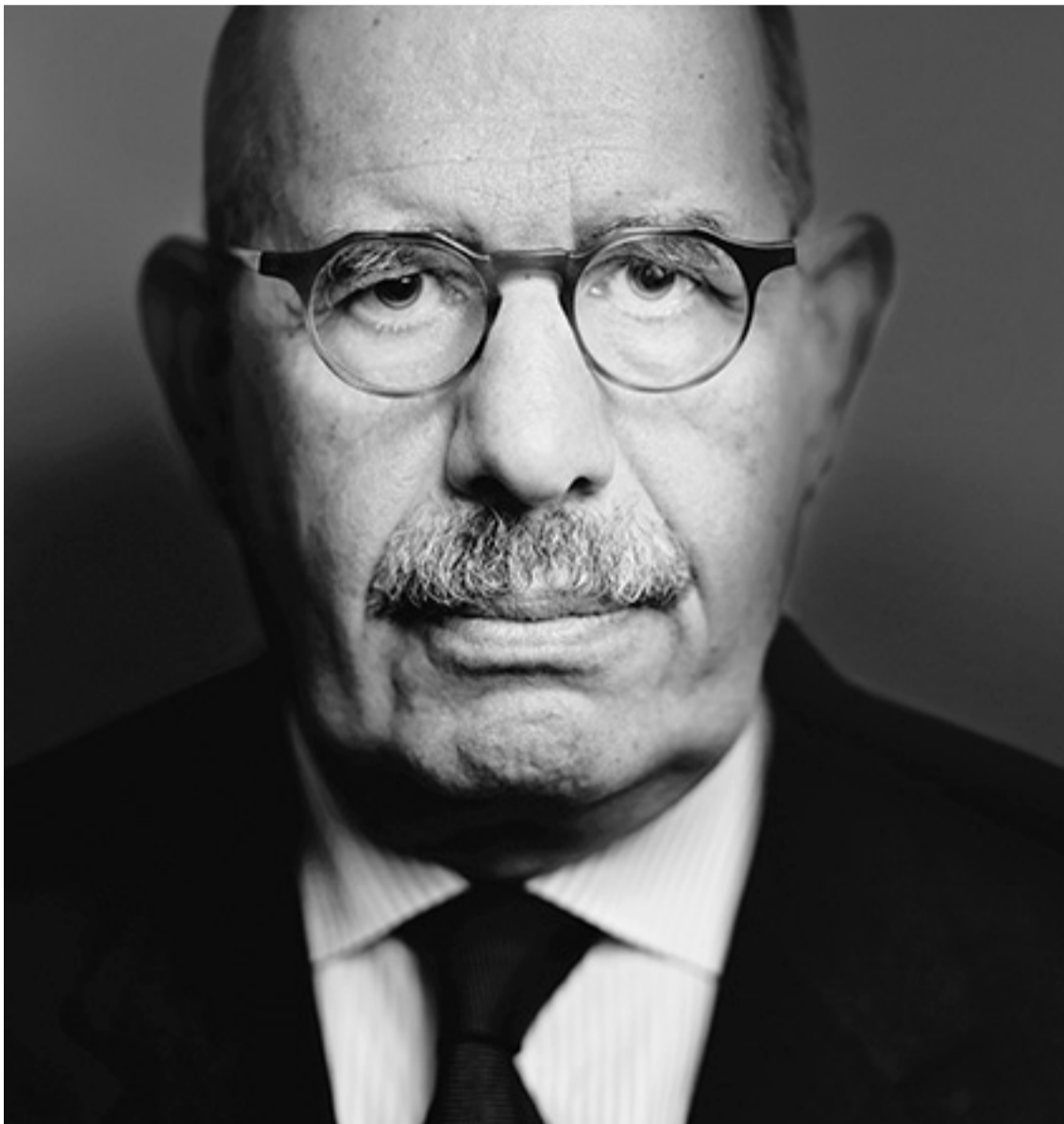
In any democracy, an independent and stable justice system is crucial in ensuring a balance of power while at the same time guaranteeing the protection of minorities. Egypt has a good justice system, but it was overly politicized under the previous regime. The challenge now is to return it to that state of independence. The first thing of all is to ensure that people are free and able to participate in the decision-making process. Accordingly, I think it is important that we pass a “bill of rights” even before the elections. And after the elections our democracy needs to be protected as quickly as possible by a constitution that guarantees equality for every Egyptian, irrespective of his or her origin, views or religion. Just like basic human rights, this equality must be something that cannot be tampered with.

Credit Suisse Salon

The interview with Mohamed ElBaradei took place in Zurich at the beginning of July 2011 in the run-up to the 8th Credit Suisse Salon. This series of events brings together selected clients, international opinion leaders and members of the senior management of Credit Suisse to discuss the latest social, economic and political issues. Participants gain direct insights and inspiration in a very personal setting. Previous guest speakers at Credit Suisse Salons include former UN Secretary-General Kofi Annan, Nobel Peace Prize winner Muhammad Yunus, former Mexican President Ernesto Zedillo and Nobel Economics Prize winner Paul Krugman.

Won't many initial compromises be needed in the face of such radical political change?

Fundamental values like freedom of religion, freedom of speech and equal rights for all are simply not up for negotiation. Certainly things like the time frame to be applied can be discussed, but I'm sure that no one in our country is prepared to



“I am convinced that we can live in a better world where the same laws, security and social justice apply to all.”
Mohamed ElBaradei,
Egyptian opposition leader

compromise where justice and equality are concerned – because these concepts lie at the heart of democracy.

While we're on the subject of time frames, how long do you expect the democratization process to last?

If you're looking to transform a dictatorship of 60 years into a functioning democracy, you shouldn't have to operate under too much time pressure. Most countries that have recently been through a process of democratization, for example in Eastern Europe and Latin America, needed several years. Stability is not achieved by rushing into elections, but by having a clear roadmap for the transformation process and by defining the key development milestones. It doesn't matter to me whether that takes one year or two – what's important is that the people of Egypt understand where the country is going. This won't happen overnight, but I'm convinced that we will make it happen. Until we have a national consensus and a system that people perceive to be stable, our economy will remain under pressure – because foreign investors will continue to sit on the sidelines.

Speaking of the economy, what economic changes do you anticipate as a result of the political and legal reforms?

Wherever we possess a competitive advantage, we need to put new laws and regulations in place so that Egypt becomes attractive for investors. There are many opportunities – take tourism, logistics and agriculture, for example – but we



Mohamed ElBaradei

was born in Cairo in 1942. Having studied law at the University of Cairo, he began to work for Egypt's Ministry of Foreign Affairs in 1964. Among other things, he was a member of the Egyptian delegation at the UN in New York. In 1974, he acquired a doctorate from the New York University School of Law. In 1984, he joined the International Atomic Energy Agency (IAEA) in Vienna as a legal consultant. Between 1997 and 2009, he was director general of the IAEA, during which time he transformed the organization into a politically effective forum. For this achievement he received the Nobel Peace Prize in 2005. At the beginning of 2011, he returned to Egypt as leader of the opposition and is now running for the presidency in the elections scheduled for this fall.

need to put our own house in order before we go courting the investment community. That means ensuring a well-functioning infrastructure, training up good managers, and so forth. There's a lot we can do, and at the same time we need to focus on how we can best integrate into the Middle East region. The Gulf states are already major investors, and I hope that they will be even more heavily involved in Egypt in the future.

What impact will the changes in Egypt have on the rest of the Middle East?

The way in which we handle the situation in Egypt will have repercussions for development in the rest of the Arab world, too. It is fundamentally important for the entire region that we get as many things right now as possible. That's why I want to see that we do it slowly but surely. Change needs to be an evolutionary process, not an armed revolutionary process as we're seeing in Libya at the moment.

What were the driving forces behind the revolution in Egypt? Was it really the young Facebook generation, as is so often asserted?

It is true that the movement was started by young people, but it was supported by all citizens. However, the real triggers of Egypt's revolution were things like illiteracy, poverty and inequality. People could not accept that in the 21st century they were still being deprived of their fundamental rights. They want a share of power as well as the right of co-determination when it comes to how they are ruled and by whom. Aside from a few abuses by the former regime, the revolution un-



folded more or less peacefully. Ultimately we had 12 million Egyptians of all ages out on the street. But at the start – as is the case in most revolutions – it was the young people who wanted to take their future into their own hands and initiated the action.

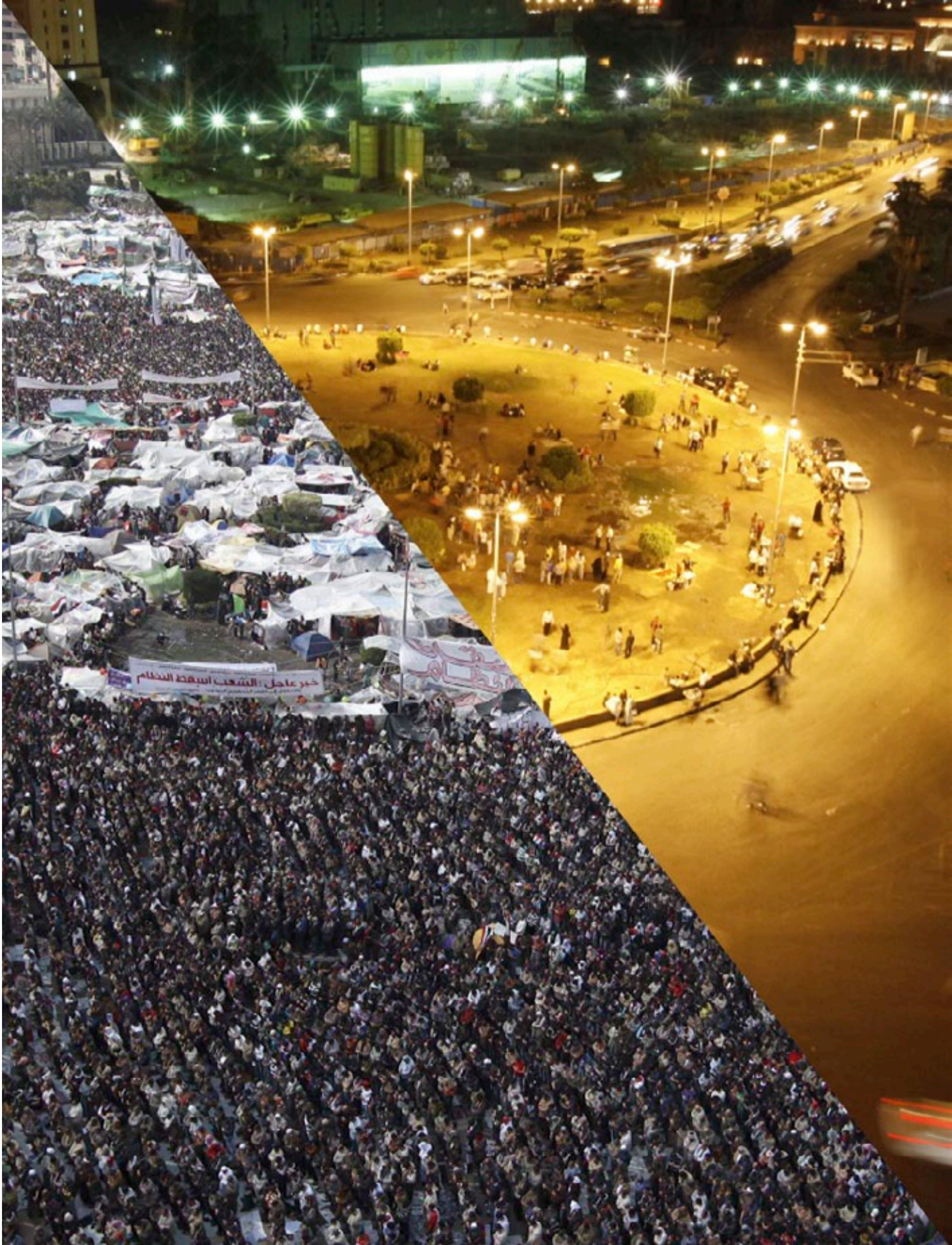
You have spent a great deal of time outside Egypt. What motivated you to move back?

For me personally, it was very painful to watch from outside how the regime was behaving. Because I was convinced that a democratic Egypt could be an entirely different country – one of prosperity, economic progress, social justice and political freedom. Many people urged me in quite blunt terms to come back and help. In the end, I felt an obligation to my fellow Egyptians to offer a helping hand. The country has changed a great deal in recent years. When I was young, it was a lot more multiethnic, multicultural and cosmopolitan in so many ways. Since that time, the situation has deteriorated quite a bit, mainly as a result of the hypocrisy of the dictatorship. A lot of things have really gone backward in this country over the last few decades – and we now need to roll up our sleeves and drag it back into the present.

Are we on the verge of a true renaissance in the Middle East?

I very much hope that's the case, but it's too early to make such statements. Broadly speaking, I'm very optimistic, even though it will take time. But in any case, I don't think we'll be going back to the old ways.



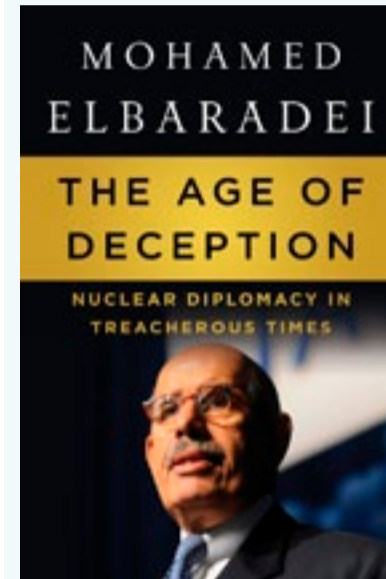


Tahrir Square, Cairo, Egypt.

In your recently published book “Age of Deception,” which covers your time as director general of the International Atomic Energy Agency (IAEA), you describe quite openly the kind of things you saw during negotiations behind closed doors. Can you tell us more about what is going on in the background now in Egypt?

A huge amount is going on, not just on the streets but also in areas far removed from the public eye. People are still frequently taking to the street to vent their frustrations, to demonstrate for greater security and better wages, and to air other grievances. That is a healthy and important process. For the first time in the history of Egypt, people have the opportunity to freely express their opinions. Behind the scenes, there are numerous discussions going on between representatives of the military council and the various interest groups, including me. Together we are trying to establish a clear direction and a binding time frame for the road to democracy. For all of us right now, the most pressing issue is to return law and order to the streets.

Book tip



Mohamed ElBaradei.
“Age of Deception.
Nuclear Diplomacy in
Treacherous Times.”
New York,
Metropolitan Books, 2011.
340 pages.

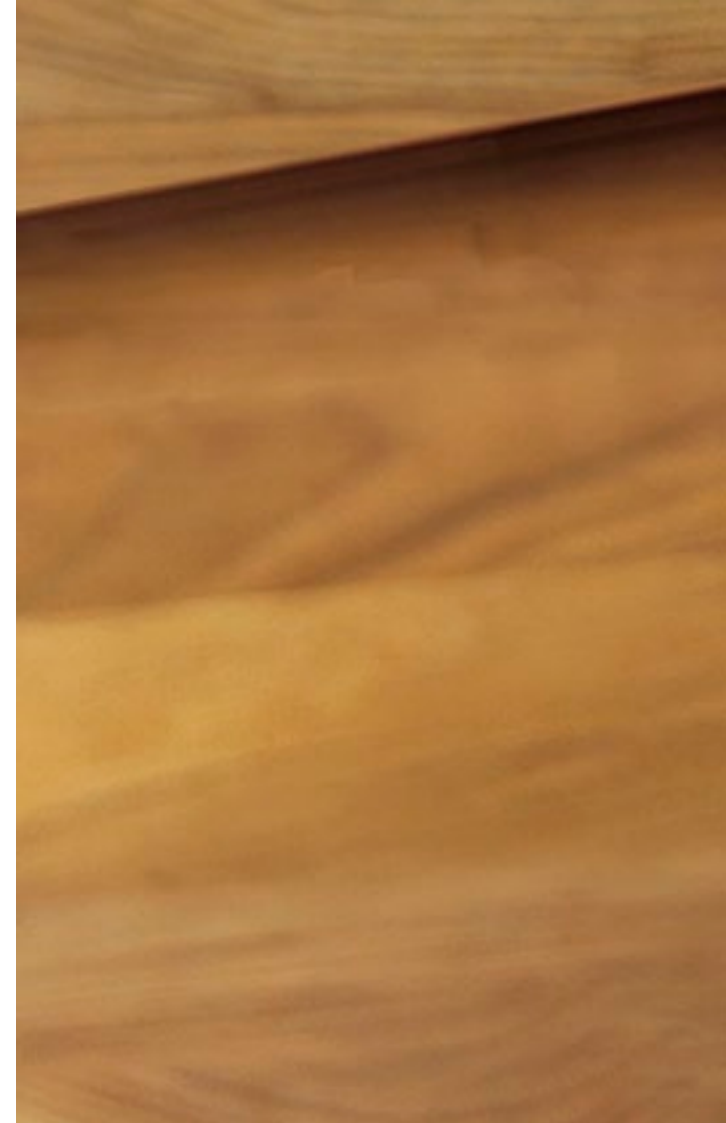
In your book you make the very provocative assertion that representatives of the US government who were in office before the Iraq War should be brought before an international court to account for their falsification of the facts. What were the reactions to your book?

Inevitably there were many different reactions, depending on the political and ideological viewpoints of the individuals in question. My book sets out my purely personal perspective of events as I experienced them. I did not call for any particular person to be brought to justice. But as far as I am concerned, the legitimization of the war against Iraq in the UN Security Council was based quite clearly and deliberately on falsified information. And somebody should bear responsibility for that. This war was not about warding off the threat of weapons of mass destruction, but about bringing down a regime. And there is simply no international legal basis for action of this kind. International law must apply equally to all rather than just being enforced on poor and weak despots.



Your unceasing dedication to truth and justice as director general of the International Atomic Energy Agency and as opposition leader may have won you the Nobel Peace Prize, but it has also exposed you to great dangers for more than 20 years. Where do you get the courage and strength for your work?

My motivation is simply my firm belief that mankind deserves better. I am convinced that we can live in a better world where the same laws, security and social justice apply to all. It was not without reason that I dedicated my book to my three-year-old granddaughter. We can offer her a better world than the one we have today. My courage – if that's what you choose to call it – is essentially based on my desire to stand up for truth. Most of the statements that I made on Iraq and Iran in my function as head of the IAEA, and for which I was so harshly criticized at the time, have in retrospect proved true. No one who bases their actions honestly and truthfully on the facts has any need to be fearful.



News in Brief

Training for Microfinance Employees

The Credit Suisse microfinance partner FINCA International has been active in Malawi since 1994. A total of around 22,000 people in this southeast African country now make use of the banking services and insurance products offered by the microfinance institution. [...]



Helping Teachers to Teach

As part of the regional Americas Education Program, Credit Suisse made a grant of USD 200,000 to the RELAY Graduate School of Education in New York, which offers an innovative master's degree program for novice teachers. After being at the receiving end of a class, [...]



Three New Schools for Cambodia

At the start of 2011, Credit Suisse agreed to support the Cambodian Children's Fund (CCF) with the sum of USD 90,000. The grant is being used to construct three new schools for children from the nation's poorest group. [...]



International Human Rights Forum

The 8th International Human Rights Forum (IHRF) in Lucerne on human rights and migration took place in May 2011. Renowned experts examined the issue from various viewpoints, including a discussion on the responsibilities that businesses have to uphold human rights and [...]



News in Brief



Training for Microfinance Employees

The Credit Suisse microfinance partner FINCA International has been active in Malawi since 1994. A total of around 22,000 people in this southeast African country now make use of the banking services and insurance products offered by the microfinance institution. In order to maintain and further enhance a high-quality client service, FINCA Malawi runs regular training courses for middle management. These courses are delivered by the FINCA Development Academy, an organization launched in 2008 and supported by Credit Suisse. According to one of the participants, credit analyst Alexon Mwakhula “these courses are precisely what make the difference and have helped our organization as a whole to move forward. As a result, our managers now have a better idea of how to lead their employees and the training motivates them. And that has led to improved figures!”

News in Brief

Helping Teachers to Teach

As part of the regional Americas Education Program, Credit Suisse made a grant of USD 200,000 to the RELAY Graduate School of Education in New York, which offers an innovative master's degree program for novice teachers. After being at the receiving end of a class, switching to standing at the front presents a challenge for many graduate teachers. To help improve teaching practices in a concrete manner, the program offers practical advice and teaching methods that can be applied in the classroom immediately. Given the busy schedule of teachers, about 40% of the program is delivered online to offer more flexible access to teaching material such as instructional videos, ready-to-use templates, and resource listings. And, as first results show, better teachers obviously make better students: In 2011, some 98% of the teachers who completed the program demonstrated that their students had made a year's worth of progress in an academic year. In an environment where many under-privileged children who public schools miss out on great teaching and never graduate from high school, Credit Suisse's support for RELAY and the unique teacher training it provides is a step towards creating more equitable educational opportunities and changing the life outcomes for thousands of young people in the United States.



Teachers at the receiving end of the classroom.



Working to meet students' needs.

News in Brief

Three New Schools for Cambodia

At the start of 2011, Credit Suisse agreed to support the Cambodian Children's Fund (CCF) with the sum of USD 90,000. The grant is being used to construct three new schools for children from the nation's poorest group. "The partnership with Credit Suisse allows us to help some of the most disadvantaged and vulnerable communities – those with the fewest opportunities", says Scott Neeson, founder of the CCF. Today, 100 children are already going to school in Sambok Chab, while another school is opening in Toul Ampil in February 2012, and the construction of the third school will start in March 2012. The plan is to provide regular schooling for more than 400 students. For older children who, due to their difficult living circumstances have never attended school or could only do so intermittently to date, the CCF also offers special educational programs that meet their needs and enables them to close their learning gaps.



International Human Rights Forum

The 8th International Human Rights Forum (IHRF) in Lucerne on human rights and migration took place in May 2011. Renowned experts examined the issue from various viewpoints, including a discussion on the responsibilities that businesses have to uphold human rights and a presentation of tools that businesses can use to identify human rights challenges and take adequate measures. Credit Suisse entered into a partnership with the Forum in 2009 in order to support the IHRF in its mission to raise awareness of human rights issues among the general public. By doing so, the bank confirmed the proposition that businesses have a responsibility to help protect human rights, too, and its commitment to respecting human rights based on the UN's Universal Declaration of Human Rights and the human and labor principles laid down in the UN Global Impact.

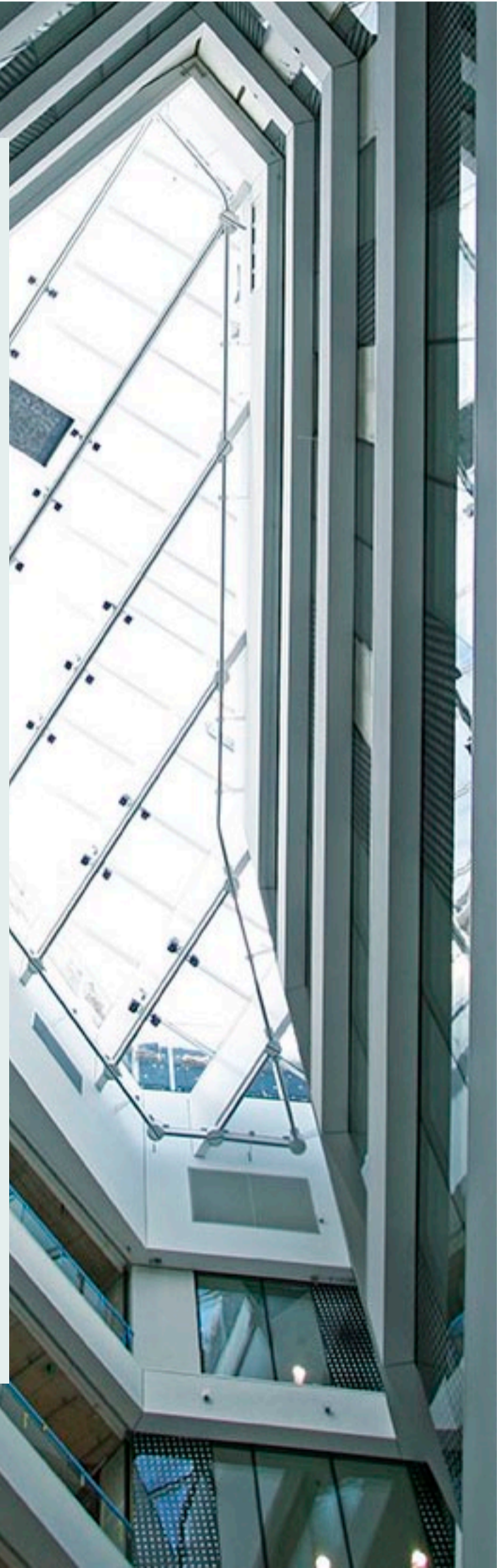


News in Brief

Uetlihof Extension: Setting a Sign for the Environment and Employees

After a year of intense building activity in 2011, Credit Suisse is opening Uetlihof 2 in March 2012, with accommodation for about 2,000 new workspaces in Zurich. The new office building will offer employees ultra-modern workspaces that also meet the very highest environmental standards – thanks to well-lit offices, optimized building systems, and a high level of energy efficiency. Uetlihof 2 has been certified as conforming to the new Minergie-P-ECO® standard, which is granted exclusively to buildings that have very low energy consumption.

The new annex offices will use only about one-tenth of the energy required by a standard building constructed in 1976 – the birthdate of the old Uetlihof. Moreover, the letters “ECO” included in the certification attest that Uetlihof 2 has been built using mainly ecological materials which not only minimize environmental pollution but also help create an ideal indoor climate. The consistent use of such materials and the excellent air exchange – the air in Uetlihof 2 will be completely replaced every half hour – have resulted in the new offices being granted the ‘GI Good Indoor Climate’ certification.



A New Era of Sustainable Investments

Last year's oil spill in the Gulf of Mexico and this year's nuclear tragedy in Japan are further examples suggesting that social and environmental issues can have a very real impact on a firm's business strategy and financial performance. More investors are realizing that sustainability issues can play a key role in enhancing long-term shareholder value.





Sustainable investment strategies:
Doing good and doing well.

Interview: Robert Ruttmann and Joy Bolli

Sustainability is attracting ever-greater public attention. The topic already ranks highly on the legislative agendas of most governments, and media coverage of global sustainability challenges has proliferated through news channels around the world. But what impact – if any – do these trends have on the way companies are run and how they perform? And more specifically, does the increasing public awareness on sustainability issues have any relevance to the investment community?

Emerging Markets Pose Ecological Problems

To attempt an answer at these questions, it is worth taking a look at how the global context of business is changing. We are currently in a period of history in which the economic landscape is changing faster than at any time in the past – especially with respect to the rapid economic development of the emerging markets. For instance, while it took the UK almost 200 years to increase its GDP per capita from USD 1,000 to USD 2,000, it has taken China less than a decade. This surging growth in China, but also in other populous emerging markets like India, Indonesia and Brazil, has serious implications for the earth's ecological carrying capacity as well.

Humans Will Soon Need Two Earths

According to the World Wildlife Fund (WWF), a non-governmental organization (NGO) focusing on ecological sustainability, the acceleration of the industrialization process in emerging markets is significantly increasing the world's ecological footprint (i.e. the amount of natural resources required to sustain nations), especially since emerging markets account for around 80% of the world's population. The WWF estimates that our current consumption of natural resources already exceeds the planet's ability to replenish them by 25%. And if current consumption trends of natural resources continue, humans will likely need two earths by 2050, according to the WWF.



Shanghai, China.
A nation in a frenzy of growth.

Social Media Platforms Benefit Activists

The analysis above suggests that we are already being confronted with the limits of our ecological system. This very public narrative is pushing consumers, governments and business leaders to pay more attention to sustainability concerns. The growing public attention around sustainability is also transforming the global economic landscape in a very fundamental way. Social and political expectations of businesses are higher than ever before, and the consequences of ignoring the demands of society are more severe. This trend has already been reflected in the surge of regulatory policies aimed at combating climate change that we have seen globally since 2004. At the same time, web-driven participatory media such as Twitter, Youtube and Facebook enable activists to mobilize public opinion, shape policy and steer corporate strategy to a greater extent than ever before.

Public Perceptions Can Change Corporate Behavior

Examples abound of how broad public sentiment can influence corporate strategy. In the pharmaceutical sector, for instance, public perceptions of the excessive prices charged for HIV/AIDS drugs in developing countries have pushed global pharmaceutical firms to make these medications more accessible to the world's poor. Similarly, in the food sector, public concern about obesity (which afflicts 32% of Americans) is resulting in calls for further controls on the marketing of unhealthy foods. And the oil and tobacco industries represent further examples of how changing public perceptions of corporate behavior continue to reshape the ways companies do business.



Public perception also influences the operations of the pharmaceutical industry.

“Doing Good” Versus “Doing Well”

Indeed, business leaders are increasingly recognizing that the creation of long-term shareholder value is inextricably linked to a company’s ability to respond to the demands of society. It therefore comes as little surprise that investors are also seeking to incorporate concepts related to responsible corporate behavior in their assessments of a company’s long-term value. But, up to now, investing in sustainability has largely been the domain of socially responsible investing. Yet socially responsible investing has always been an awkward science. Early approaches simplistically screened out investments in “sin sectors” such as alcohol, arms or tobacco. Returns typically underperformed the market due to the smaller opportunity set of investable stocks. As a result, the mainstream investment community received this approach with a good deal of reservation, since it seemed to force a trade-off between “doing good” and “doing well”.

Responsible Companies Reduce Risks

This rather negative result, however, can be completely turned on its head. This is what the current generation of sustainable investment strategies do. Instead of crudely excluding certain sectors, the emphasis is on identifying companies whose positive approach to stakeholder concerns over environmental and community issues can actually enhance medium-term shareholder value. For example, firms that proactively manage issues around environmental stewardship, social engagement or the implementation of labor standards along their supply chains are likely to be better positioned to prosper in a world in which expecta-

Corporate responsibility is increasingly recognizing that companies can only create long-term shareholder value by fulfilling social requirements.

tions of businesses are changing fast. At the same time, companies ignoring changing social and political expectations are increasingly exposing themselves to risks of potentially costly lawsuits, fines, backlashes from consumers, and – if investor confidence is affected – increased costs of funding. In this context, sustainable investment strategies seek to identify companies that actively manage their reputations by responding to the concerns of society early, and, in so doing, are typically able to attract top talent, improve the motivation of existing employees, and enhance relationships with key stakeholders such as governments, customers and non-governmental organizations – all of which have the power to impact a company's long-term profitability.

Untapping New Revenue Streams

Beyond protecting a firm's reputation in an increasingly demanding business environment, the new generation of sustainable investment strategies also dictates that a proactive approach to sustainability trends can directly affect a firm's profitability by reducing costs and even accessing new revenue streams. For instance, companies implementing policies directed at waste minimization and energy efficiency can reduce their operating expenditures, and as such enhance their earnings. At the same time, firms that develop new products and services related to sustainability trends, such as electric cars, solar panels and energy-efficient light bulbs, can also benefit by tapping into new and potentially very lucrative revenue sources. Toyota's huge success with its Prius is a case that can be largely attributed to a growing

Sustainable investment strategies focus on companies that actively manage their reputation by addressing the concerns of society early on.

interest in environmentally friendly products. Such examples suggest that a company's ability to actively manage the risks and the opportunities resulting from the evolving sustainability trends in our society can have a very real impact on its business success.

Sustainability is Related to Competitiveness

In fact, we at Credit Suisse believe that issues related to sustainability are likely to become one of the more critical drivers of industrial change and economic development over the next decade. The Credit Suisse sustainable investment strategy is one way in which we try to recognize this trend by systematically integrating an analysis of a company's management of sustainability issues into our existing rigorous fundamental investment process. In this context, we view a company's management of sustainability issues as an increasingly powerful determinant of its future ability to navigate change, to position itself competitively and ultimately to generate long-term financial returns.



Efficient and environmentally friendly energy usage with solar panels is a trend.

The Credit Suisse Sustainable Investment Strategy

At Credit Suisse, we define sustainable investment as the explicit recognition that environmental, social and governance (ESG) challenges can impact a company's capacity to generate long-term financial returns. As such, the Credit Suisse sustainable investment strategy is based on three premises. First, the approach is driven by a clear financial imperative, which seeks to identify companies likely to outperform the market in the medium to long term. Second, we view a company's handling of sustainability issues as a powerful forward-looking proxy for a company's overall management quality and ability to respond to a changing business environment. And finally, the third premise of sustainable investment is a long-term investment horizon, which implies investing in firms with an enduring ability to create value and sustain a competitive advantage within a given sector.

120 Environmental and Social Criteria

Our research methodology for sustainable investment begins with an analysis of the sustainability risks and opportunities that can materially impact a company's ability to sustain profitability. To this end, we rely on a rating system that measures 120 environmental and social criteria deemed most likely to contribute to a particular company's financial outperformance relative to peers – criteria such as labor relations, health and safety standards, employee motivation, corporate governance standards, stakeholder engagement strategies, and environmental risk management systems. The

**At Credit Suisse,
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nies to generate long-
term gains.**

output of the model is a rating matrix expressed on a relative scale, similar to those used by credit rating agencies. In a second step, we refine the investment process by integrating the rigorous bottom-up fundamental financial analysis of our sector analysts. As a final step, we adjust our portfolio according to market-specific factors such as country preference, sector, currencies, and other similar factors.

The Index is Rebalanced Semi-Annually

Our Credit Suisse Social Awareness Index is constructed in a similar way. The index measures company sustainability performance relative to the UN Global Compact and its explicit reference to international standards in the areas of human rights, labor standards, the environment, and anti-corruption issues. The idea is that companies without robust policies in place are exposed to greater potential social and environmental problems and in turn expose investors to greater risk. Once a universe of socially aware companies is defined, we use the HOLT database to rank the stocks in terms of corporate performance and its valuation framework. The top 60 stocks are selected as the constituents of the index, with the index being rebalanced semi-annually.

The Credit Suisse Social Awareness Index measures the sustainability performance of companies against the UN Global Compact and its explicit references to international standards relating to human rights, labor laws, environmental protection, and anti-corruption.

Outperformance is Higher in Bull Markets

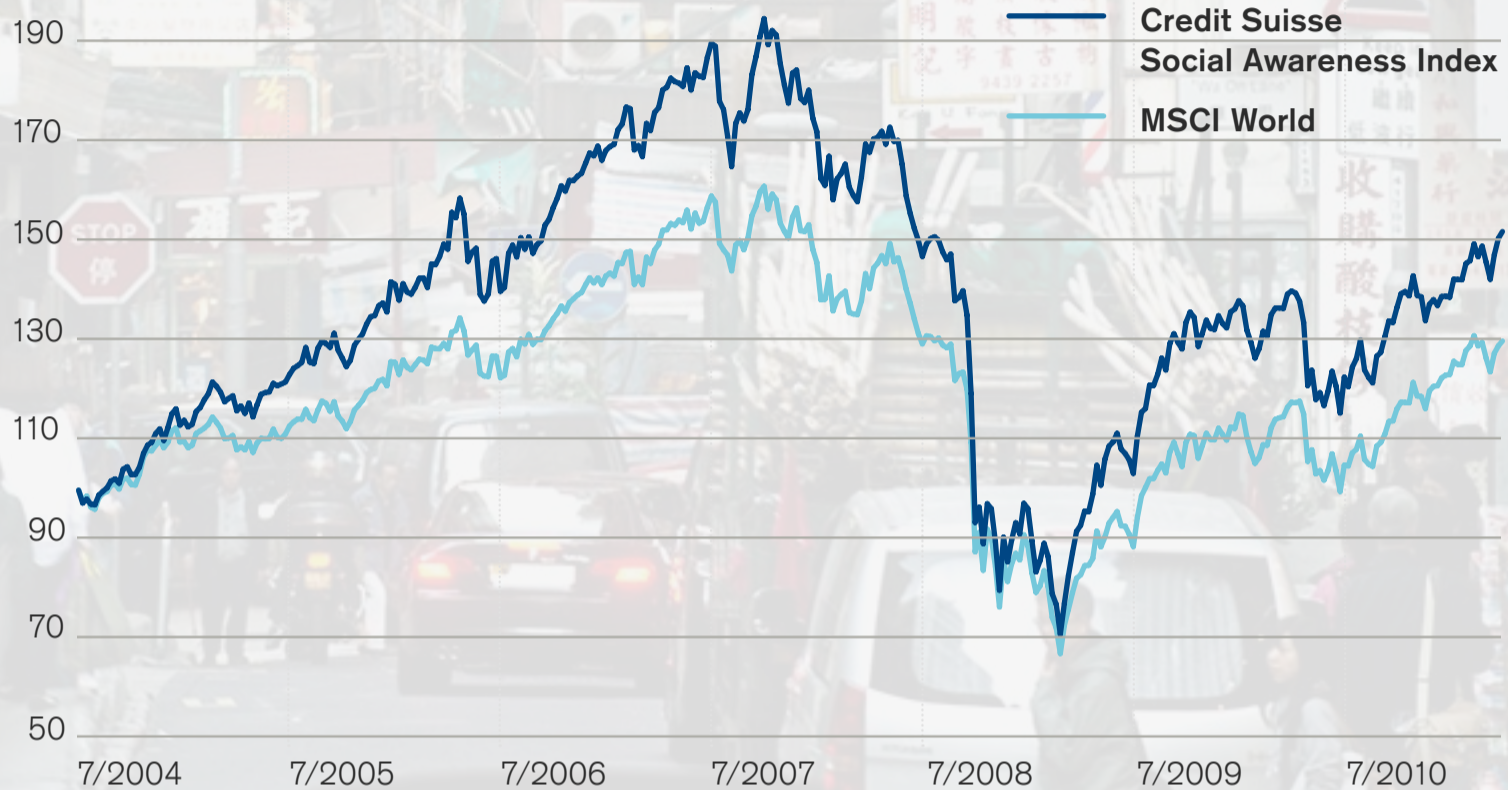
A key question for many investors is whether the integration of sustainability issues into the investment process can deliver acceptable returns over time. At least theoretically, additional information about the long-term economic drivers of a firm should lead to better investment decisions and better performance. For instance, anyone investing in European cement companies with a three-year horizon today would likely want to take into account the potential impact of the evolving carbon emissions trading platform in Europe. Academic studies also increasingly support the view that additional information on long-term economic drivers can enhance company performance relative to the market. And, if one looks at the historic performance of our CS Social Awareness Index, one can see that it has consistently outperformed the MSCI World Index, with the outperformance being particularly pronounced in bull markets. The results suggest that combining “sustainability overlays” with a robust underlying fundamental investment process can indeed generate incremental performance gains.



Sustainability matters are also a focal point in the construction industry.



Credit Suisse Social Awareness Index



In the final analysis, we at Credit Suisse view sustainable investment as a powerful tool to drive investment performance. In this context, we believe the interests of shareholders over time will best be served by companies that maximize their financial performance by strategically managing their performance on sustainability issues. So “doing good” and “doing well” may not be at odds after all.



In Nobel's Footsteps

The time spent in the womb can already lay the foundation for later illnesses. Stéphanie Vuillermot, a 26-year-old neurobiologist, has proven this for schizophrenia – and in return received the 2011 Empiris Award for fundamental research in the field of brain disease.

Text: Claudia Hager

Thought disorders, hallucinations, loss of touch with reality, social withdrawal, flattened emotions – schizophrenia is a disease that manifests itself through a wide range of behavioral disorders. Around 1 percent of the world's population is affected. Although thanks to effective medication it is possible today to treat schizophrenia, a cure for the disease is still a long way off. There is also a lack of knowledge about the many factors that can cause schizophrenia. Scientists are therefore attempting to use animal models to simulate such forms of behavior in order to gain a better understanding of the disease's mechanisms. One of these researchers is Stéphanie Vuillermot. The neurobiologist has taken the search for the causes of schizophrenia a long way back – to the womb of the mother. “A viral or bacterial infection of the mother causes the dopamine system (a messenger substance system) of the fetus to undergo changes that





**“In some cases,
the foundations
for later-life impaired
consciousness
are already laid in
the womb.”**

**Stéphanie
Vuillermot**



Stéphanie Vuillermot in her realm,
the neurobiology laboratory.

increase the risk of schizophrenia in adulthood. This means that in many cases the foundations are already laid in the womb for an impairment of consciousness later on," explains Vuillermot in summary of the key findings of her PhD. The researcher goes on to point out that the connection between infections such as influenza, German measles and toxoplasmosis on the part of the mother and the later onset of schizophrenia on the part of the child was already known. However, what is new is the knowledge that the malformation takes place in the dopamine system – and already sets in during the fetal stage.

Schizophrenic Mice?

Vuillermot gained her findings by means of mouse models. And through teamwork: "It was only thanks to my laboratory colleagues and in particular the support of my mentor, Urs Meyer, that I was able to carry out this work at all. Over three years we spent thousands of hours examining mice and analyzing the results." In doing so, the team assumed that the structure of the central nervous system and the behavioral patterns of mice were similar enough to permit inferences about human beings. "Obviously animals do not suffer from schizophrenia, and even if they did, we would not be able to prove it because a diagnosis is based primarily on statements made by the patients themselves," explains the scientist. "We therefore had to concentrate on individual symptoms of the disease and reproduce these in the models." For example, in one case attention disorders were tested. The result: Mice whose mothers were infected during pregnancy were later unable to ignore irrelevant

Credit Suisse Client Foundations

Be it for social, scientific, environmental, or cultural purposes, more and more people want to give money to good causes and see their personal ideals put into practice. But not all of them want to set up their own foundation to achieve this. For about 10 years, we have offered an interesting alternative with our client foundations Accentus, Empiris and Symphasis. These umbrella foundations enable bank clients to set up their own subfoundations (or funds, as they are known), leaving the establishment, support, and administration to Credit Suisse – at no monetary or labor cost to clients. This client foundation model is sparking great interest among a growing number of high-net-worth clients in other regions of the world. For this reason, in 2011 we established an umbrella foundation of this kind in the Asia-Pacific region as well. SymAsia is a politically and religiously neutral foundation that offers clients a well-established infrastructure to realize their philanthropic ambitions and endorse their preferred charitable causes.

More information

→ www.empiris.ch

background noise – a form of behavior also occurring among people with schizophrenia. Brain scans then showed that this deficit is linked to changes in the dopamine system triggered by an immune response to the infection. The changes were already measurable during the fetal period.

The Magic World of the Brain

Investigating the effects of prenatal infections is one thing, but becoming pregnant is another thing entirely. Vuillermot, who became a mother six months ago, explains: “It was not always easy to separate pregnancy and the object of my research. When you are so intensively preoccupied with the effects of prenatal infections, you tend to start panicking if you even get a cold. In these moments I had to remember that a complex interplay comprising a large number of genetic and environmentally conditioned factors is responsible for schizophrenia. A prenatal infection is only one of these.” Would it have been a good idea to take a break during the pregnancy? No, she never considered this as her thirst for knowledge and fascination with the topic were too great. “I get my enthusiasm for research from my parents, who are both scientists,” explains Vuillermot, a woman of three nationalities – she is Swiss, French and American. “I always wanted to find out more about how the body and in particular the brain work, so that’s why I decided to study neurobiology. Our knowledge about the brain is modest, and we know even less about brain diseases as these are often not clearly tangible but instead diffuse and run in phases. I find this mystery fascinating.”



This year's prize winner Stéphanie Vuillermot gives an account of her research.

Scientist of Tomorrow

The neurobiologist completed her studies at the Swiss Federal Institute of Technology Zurich very quickly and with flying colors. She promptly went on to carry out research activities as part of her PhD, contribute articles to scholarly publications and later receive invitations to attend scientific conferences as a guest speaker. She had already gained her PhD at the age of 26. Vuillermot was recently distinguished for her PhD thesis with the sixth Empiris Award for Research in Brain Diseases – an award that the charitable foundation Empiris presents each year to talented researchers in that particular field. “Stéphanie Vuillermot is one of the youngest recipients of the award – and one of the most gifted,” underlined Amedeo Caflisch, jury member and professor at the Institute of Biochemistry at the University of Zurich, during the award ceremony in Basel. “Today we are awarding her a sort of Nobel Prize for tomorrow’s leading scientists. Given her talents, it would not be surprising to see her pick up the actual Nobel Prize one day.” Vuillermot laughs heartily when asked about such prophecies. For the time being she just has two goals: to look after her daughter and to find a post-doc position.



The beaming winner with jury member Amedeo Caflisch (left) and Christophe Racine, Head of Credit Suisse Private Banking for Region Northern Switzerland.



Former Federal Councilor Flavio Cotti, Chairman of the Board of Trustees of Empiris, is full of praise.



Young Entrepreneurs in Russia are Given a Chance

Youth Business Russia (YBR) is dedicated to helping young entrepreneurs in Russia start their own businesses by providing consultancy, business training, mentoring and financial support. Elena Kutsenko is one of them.

Text: Clare Irons and Fabienne Delanney

Elena Kutsenko from Novosibirsk is a very ambitious young woman, always looking for things to do and ideas to develop. One day, after talking to tourists visiting her hometown, she realized that there was hardly any budget accommodation in Russia's cities. She decided to improve this situation by opening her own hostel. As the first and only hostel in Novosibirsk was located in the suburbs, she wanted hers to be situated in the downtown area. With this idea in mind, she looked for the best way to put her plan into action. "I took part in a workshop arranged by the City Center of Entrepreneurship. There I was told about the YBR program. The organizers informed me that my participation would not only include financial support but also special business training and work experience with experts. I believe this to be a very important aspect and therefore decided to apply," says Elena.

Youth Business Russia (YBR) is a program of the Russian branch of the International Business Leaders Forum (IBLF). With support from the Credit Suisse EMEA Foundation, the program was recently extended to Novosibirsk. YBR is part of Youth Business International (YBI), a global network of non-profit organizations that provide young entrepreneurs around the world with financial support and business expertise. In December 2010, the Credit Suisse EMEA Foundation approved a three-year grant to support the program.



Elena Kutsenko,
owner of the Central Hostel
in Novosibirsk.

Advice from Experienced Business People

YBI's approach ensures that in addition to loan capital, entrepreneurs are also equipped with business development services and mentoring, a vital component in ensuring the success of their enterprises and the feature that sets YBI apart from some other organizations. Volunteer mentors are generally experienced business people working in the areas in which the entrepreneurs operate, but whom they would normally not have access to. "Mentors provide emotional support and are valuable business contacts for young entrepreneurs. They significantly help to increase their chances of creating successful businesses," says Nick Wilcock, COO Russia and Chair of the Russian Charity Committee and Credit Suisse EMEA Foundation trustee. At a recent workshop, Elena Kutsenko described the benefit she receives from mentoring: "If I had not been provided with a mentor, I wouldn't have been able to make some of the better business choices I did because I wouldn't have known any better."

A Story of Success

To date, YBI's members around the world have helped over 120,000 young people to set up their own businesses. It is estimated that globally over 70 percent of these businesses are still operating after three years, creating significant numbers of new jobs in their communities. Nick Wilcock explains why he believes it to be so important to support local organizations like YBR: "Through our partnership with Youth Business Russia we're able to provide young people like Elena with the resources and support they need to set up their

"If I had not been provided with a mentor, I wouldn't have been able to make some of the better business choices I did."

Elena Kutsenko



A group of young entrepreneurs at a workshop by Youth Business Russia.

New Mentoring Program

In September 2011, the Credit Suisse EMEA Foundation expanded its relationship with YBI and is now also funding The Centennial Fund (TCF), YBI's partner in Saudi Arabia. In collaboration with YBI, TCF will develop and implement the 'Star' Mentoring Program, which will enable them to deliver the greatest level of support to the young entrepreneurs they assist and to equip them with the ne-

cessary knowledge they need to launch and grow sustainable businesses.

The overall objectives of this new mentoring program are to improve the support given to young entrepreneurs and ultimately to improve their chances of building strong businesses which can stimulate the local economy and create employment. Funding from private institutions such as Credit Suisse

significantly helps YBI and TCF achieve its goals. "The bank's willingness to invest in new initiatives like YBR's Novosibirsk program and TCF's new Star Mentoring Program means we can extend our services to more young people in need while improving the quality of that support," says Andrew Devenport, Chief Executive of YBI.

own businesses and help make a difference, not only in their own lives, but also in the lives of their families and communities." In total, 12 new business ideas were approved for funding in the first year of the grant, creating 26 new jobs and supporting 18 dependents, and it is to be hoped that over the three-year life of the grant, at least 50 new businesses will be established.

Elena may only just have started her business, but already it is a success. "My hostel has been running for two and a half months and is open to both Russian and foreign tourists. So far, my guests have been very pleased with our services and some of them have even recommended us to their friends. I am very glad to have gotten this chance and hope my business will continue to be successful."

JUNE 14, 2011

Malawi, Africa. A visit to Credit Suisse's partner organization Opportunity International. With the mobile bank, even people at the base of the income pyramid living in remote villages in rural areas can access financial services. In this country in the south-east of the continent, around 22,000 people now use the banking services and insurance products offered by the microfinance institution.

→ Microfinance

A mobile bank provides access to financial services

→ Education

How Lego programmable robots can inspire an interest in IT among young people

→ Youth Debate

The finals: Living democracy

→ Legal and Compliance Training

The Credit Suisse Compliance Academy trains specialists

→ News in Brief

→ Investments in SMEs

Promoting economic growth, creating employment



Banking on Wheels in Malawi

Credit Suisse has been committed to microfinance since 2003, supporting and working with a variety of specialized partner organizations. We paid a visit to two microfinance clients in southern Malawi, in the company of credit advisors from Opportunity International.



Text: Daniel Huber

Early in the morning, Ellen Patrick and the youngest of her four children greet us outside her house in Mathambi, a small village in the Mulanje District hinterland of southern Malawi. The district is named after the Mulanje massif, whose peak at 3,002 m (9,850 ft) makes it the highest mountain range in central Africa, dominating the landscape of southern Malawi. Ellen takes us on a short tour of her modest home with its smoke-blackened walls. She's running late and is impatient to start her day. The back roads lead over red clay soil, past small shops and tailors' stalls, through to a vegetable market and to Ellen's small bakery. Her one employee has already begun making the day's dough. The boss quickly washes her hands and sets to work herself. On a normal day, the two of them

“Before the bank truck started coming to the village, I used to spend any money that I earned straight away. Nowadays I put it into my savings account every Monday and only withdraw it when I need it.”

Ellen Patrick

Ellen Patrick has built up a successful small bakery that sells around 600 rolls a day – enough to support her three children –, thanks to a small loan provided by microfinance specialists at Opportunity International.





On a normal business day, Ellen Patrick and her employee bake up to 600 rolls. A good day brings in the equivalent of CHF 30.

bake around 600 rolls and then sell them at the market for MWK 10 each, an amount equal to a few cents. On a good day, they can earn the equivalent of about USD 34.

Loan from a Trust Group

Ellen visibly enjoys talking about how her circumstances have changed for the better. Today, as a 30-year-old single mother, she supports her children on her own. An orphan, her life was transformed by the opportunity afforded by her first

loan. Two years ago she was accepted as a member of the Tisaiwale trust group. “Tisaiwale” means “not forgotten” in the local Chichewa language. In the case of individuals who have no collateral of their own, trust groups act as borrowers vis-à-vis the bank, and the collective vouches for the individual members. In this way, Ellen received an initial loan of more than MWK 5,000 (USD 28). She used it to buy oil, salt and a 50 kg (110 lb) sack of flour, and set herself up baking and selling rolls. This investment earned her MWK 9,500, almost a third of which she deposited in a newly opened savings account. The foundations of a successful small business had been laid.

Thanks to the Opportunity International microfinance bank, Ellen can access these financial services in her small village in the interior of Malawi, several hours by foot from the nearest bank. The aim of this organization is to use technology to deliver banking services to people who can't get to a branch. In Ellen's case, the “bank” is actually an old red truck that rolls into the village every Monday and provides financial services from Opportunity International. This means that the owners of microbusinesses don't have to make what might otherwise be a long journey to the nearest brick and mortar bank. The back of the truck holds a small but fully equipped bank branch. The two bank employees identify their clients, who very seldom have identity documents and often cannot read or write, using smart cards and fingerprints, which they read with the help of the latest scanning technology. This way of identifying people is also used in the small branches at town markets, whether at the bank itself or at ATMs.

Credit Suisse Microfinance Initiative

Credit Suisse has been engaged in microfinance for close to a decade and today has an industry-leading microfinance franchise across all divisions of the bank. Launched in 2008, the Microfinance Capacity Building Initiative contributes to the quality training of thousands of staff at MFIs through its best-in-class partners and also fosters research, innovation and constructive dialogue in the industry. As part of the initiative, Credit Suisse works with seven carefully selected partner organizations: ACCION International, FINCA International, Opportunity International, PlaNet Finance, Swisscontact, Swiss Capacity Building Facility and Women's World Banking.

Savings Account More Important Than Credit

Ellen tells her story: “In the past I couldn’t afford to buy food or clothes for me and my children. The start-up package from Opportunity International has enabled me to build up a successful



The bank goes to its clients: Every Monday the off-road vehicle drives into the town, offering clients in remote areas of Malawi access to financial services.



In 2012, Credit Suisse celebrates 10 years of engagement in microfinance. We work with six carefully selected partner organizations. Opportunity International is one of them.

business.” Now, however, the key factor for her is not that she is able to borrow money, but that she has a safe place for her savings. “Before the bank truck started coming to the village, I used to spend any money that I earned straight away. Nowadays I put it into my savings account every Monday and only withdraw it when I need it,” explains Ellen. She’s also very happy with her group’s loan advisor, Antony Musonzo, who always has lots of time for them and who gives them practical advice and support, not just with their financial problems but also with their businesses.

Antony has worked for Opportunity International for three years. For him, Ellen is an ideal client. She always makes her payments on time and is now on her fifth loan. That aside, he’s also delighted to see how Ellen’s personality has changed since she took out her first loan. “In the past, Ellen came across as very shy and lacking in confidence,” Antony says. “Today she is confident and self-assured and plays an active part at the group meetings.” Her standing in the community has also risen noticeably, demonstrated by the fact that she is often invited to sit on wedding committees and church planning groups, and to give advice to other women in the village.

Fund Transfers by Mobile Phone

Martha Chawanda runs her business at the market in Mulanje, about an hour away by car from the base of the mountain. She sets up her business at the side of the road surrounded by piles of second-hand clothes, directly opposite the new branch of Opportunity. On her lap sits a small child, one of two orphans she has adopted. When

“Today she is confident and self-assured and plays an active part at the group meetings.”
Antony Musonzo



Antony Musonzo works for Opportunity International and attended to Ellen, among others. In his view, Ellen has made positive progress.

her husband died five years ago, Martha was suddenly left all alone with two small children and no income of any kind. As a member of the Maganizo Abwino (“Good thoughts”) trust group, she received an initial loan of MWK 20,000 (USD 112). She used this money to buy the stock for a small second-hand clothes shop. After repaying her initial loan, she still had around MWK 30,000 left in her savings account. She invested this money plus another loan of MWK 30,000 in a bigger business in the Mulanje market. She’s now paying off her fifth loan.

What’s more, business is good. Martha regularly pays money into her account at the Opportunity branch across the road. This week it was



Martha Chawanda sells second-hand clothes. With a micro-loan, she was able to build up her business, which enabled her to send both of her children to school.

Opportunity International

With more than 800,000 savings clients, 1.5 million borrowers and 1.4 million microinsurance clients, Opportunity International is one of the world's major microfinance organizations. Opportunity is a world leader in development finance, owning and operating regulated banks for the world's poor. It also offers financial products and training. Credit

Suisse supports Opportunity International's E-wallet project.

The project brings banking to clients by way of mobile banks, ATMs, smart cards and small sales outlets. Moreover, the use of biometric technologies enables entrepreneurs lacking formal identity documents to access banking services for the very first time.

Further information

→ www.credit-suisse.com

more than MWK 30,000. "With this money in my account it's easy for me to pay my running costs," explains Martha. "I often do it on my mobile phone using the Opportunity mobile banking service, which is very convenient. There are no long queues and even at night, when all the banks are closed, I can send money to my mother, who lives in the capital city, Lilongwe."

The success of Martha's business enables her to send her children to private schools, to support her mother and to put money aside to buy her own home. So it's no surprise to see the content look on Martha's face as she packs her inventory into massive bags. While the sun sets gently over Mount Mulanje, she seems confident and ready for her next day of business at the market.



This system, which uses modern scanners, is also used in larger branches near to the markets.

Toy Robots at Schools Spark Interest in IT

For some time now, Switzerland has seen a shortage of IT specialists. In June 2011, some Credit Suisse employees started a pilot project at the Freies Gymnasium Zurich. Acting as volunteers, they are offering workshops using programmable robots from Lego Mindstorms to bring the relatively neglected subject of IT to the fore in the Swiss school curriculum. It's a fun way for girls and boys to discover the logic that lies behind every computer program.

Text: Bernard van Dierendonck

The hum of the electric motor dies as it shuts down. The horn sounds. Marco and Shahin, both 12, look at their Lego Mindstorms robot in expectation. It's supposed to do a 180-degree turn and return to its starting point – but there's no sign of life whatsoever. Neither pushing it slightly nor switching it on and off does any good. Instructor Walter Rothlin, an IT specialist with Credit Suisse,





Volunteer Marco Tresch helps pupil Nicolas to solve problems by asking questions instead of offering answers.

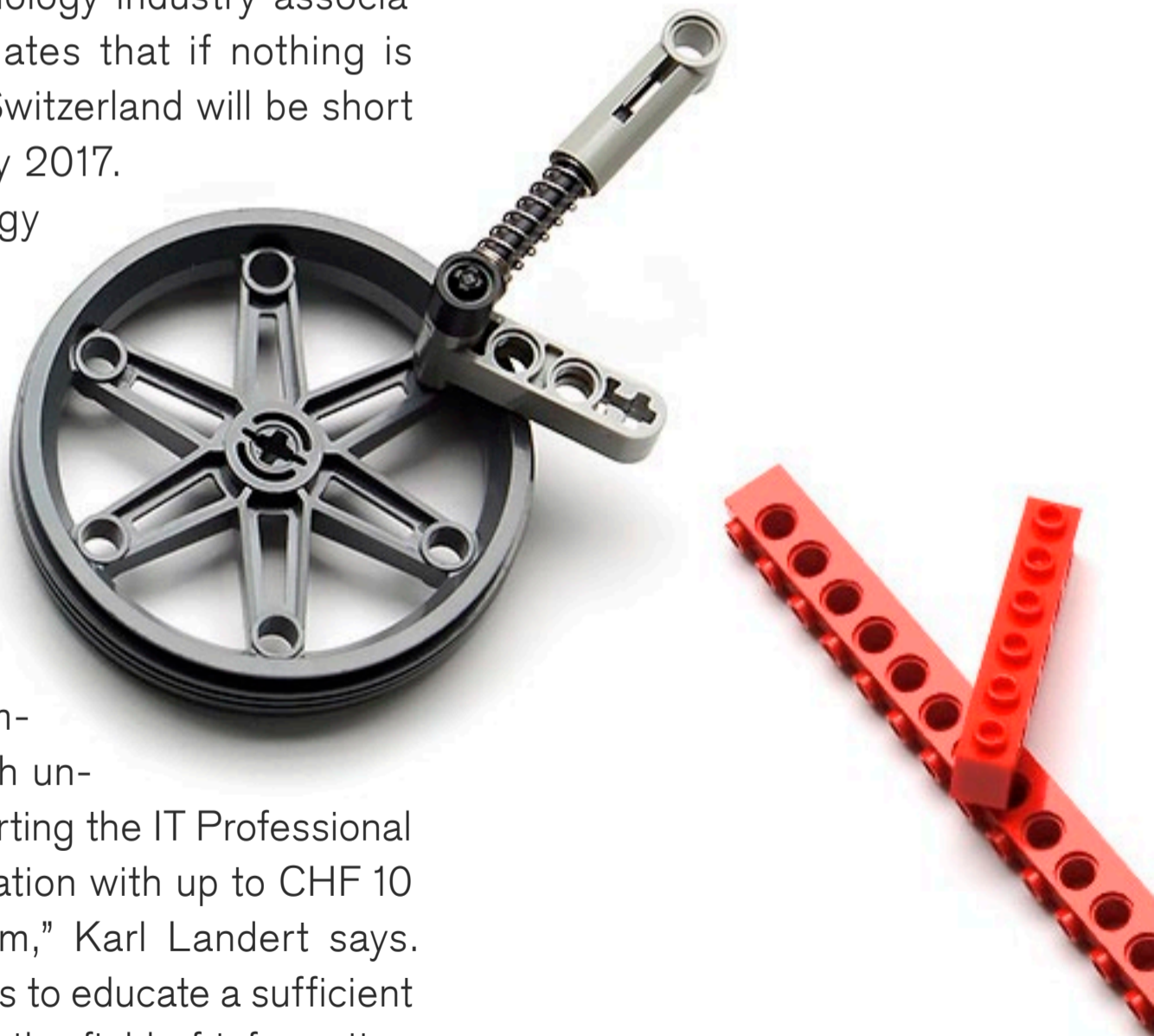
has been watching this first test drive. “Could the problem be that the motion command after the horn sounds is on ‘Stop’?” he suggests. The young IT team at the Freies Gymnasium Zurich goes back to consult the laptop on the desk. The two of them check the individual program steps that they had previously lined up next to one another on the sequence beam using drag and drop. Rothlin was right. The boys move the cursor to the “Drive” checkbox, enable it, and download the corrected program to the robot with a USB stick. The machine goes through the commands according to plan.



The Country Needs IT Specialists

Walter Rothlin is one of six volunteers on the Mindstorms day who are giving two classes – one with 15 and one with 18 students – that introduce the principles of programming. He is also the initiator of the workshop, which is being held for the first time as a one-day pilot project in June. The aim of the campaign, which forms a part of Credit Suisse's Corporate Volunteering program, is to get more students interested in information technology. These days, far too few school-leavers decide to pursue an apprenticeship or degree in this subject. In a position paper, the Information and Communication Technology industry association ICTswitzerland calculates that if nothing is done about the problem, Switzerland will be short of 32,000 IT specialists by 2017.

As a center for technology and innovation, that is a prospect the country can ill afford. Credit Suisse has already taken action, explains Karl Landert, CIO of Credit Suisse and a member of the Board of Directors of ICTswitzerland. "As part of our commitment to combating youth unemployment, we are supporting the IT Professional Training Switzerland foundation with up to CHF 10 million in the medium term," Karl Landert says. "The foundation's main aim is to educate a sufficient number of young people in the field of information technology."



Programming Sensors


Whereas this sum of money is to be invested in professional education for IT, the aim of the volunteer day with Lego Mindstorms is to spark an immediate interest in IT among the students. Both boys, Marco and Shahin, have really been looking forward to the Mindstorms morning in school. Shahin proudly shows off his iPhone, which he has personally reprogrammed. Marco remarks that while programming is all very well and good, he is much more fascinated by computer games. In the past, a Mindstorms workshop would have meant nothing to fellow students Ella and Fiona,



“How can we program our robot to become a football fan?” Marco and Shahin ask.

Lego Mindstorms is not just about programming but is also hands-on.





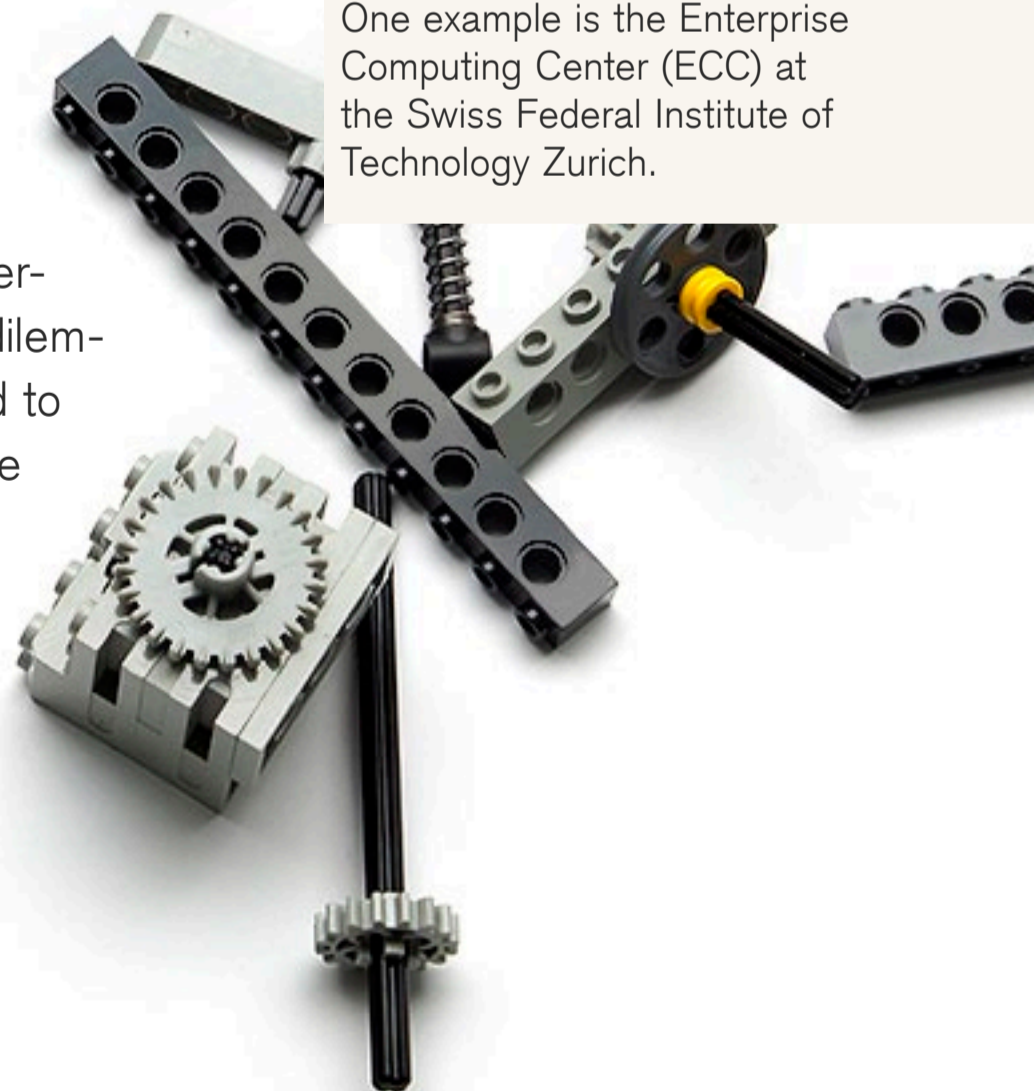
as computers were not their thing. But all it took was some practice to change their attitude. The girls are now tinkering with a shooting device for their robot that is supposed to fire a plastic ball every time the little machine's sensor identifies a sheet of colored paper.

No Room in the Timetable

Shortly after the break – which some of the young programmers immediately decide to spend with their robot – Dr. Thomas Bernet, teacher and principal of the school, visits the workshop. He is amazed at how quietly the otherwise very lively class is working. For Dr. Bernet, the Mindstorms campaign is a perfect fit for his school's other IT initiatives. Together with the Swiss Academy of Engineering Sciences (SATW), for instance, the Freies Gymnasium Zurich organized its first technology day. For the past two years, students at the school have been able to study IT as an elective. Asked about the dearth of IT specialists in Switzerland, Dr. Bernet admits he is faced with a dilemma: "Considering the importance assigned to IT today, this subject is neglected in the curriculum; however, traditional education remains very important and already places heavy demands on the students. As an additional subject, IT would be asking for too much from the children."

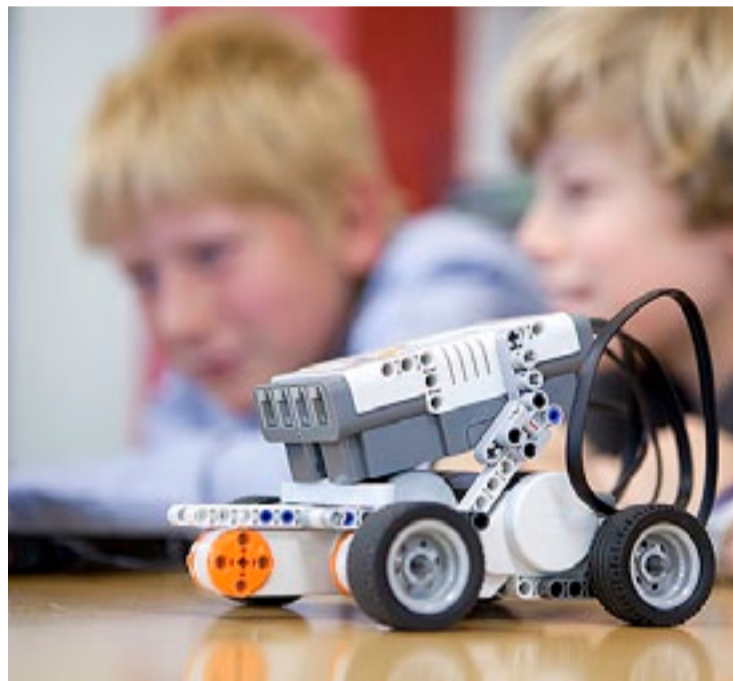
How Credit Suisse Is Helping to Develop Talent in IT

- CHF 10 million will go to support the IT Professional Training Switzerland foundation over the next few years. The funds will benefit professional education and training.
- The number of IT teaching positions is expected to double by 2014.
- The number of entry-level IT positions for university graduates has increased to 80 (as of 2011).
- Research cooperation has been ongoing with universities and universities and technical colleges for a number of years. One example is the Enterprise Computing Center (ECC) at the Swiss Federal Institute of Technology Zurich.

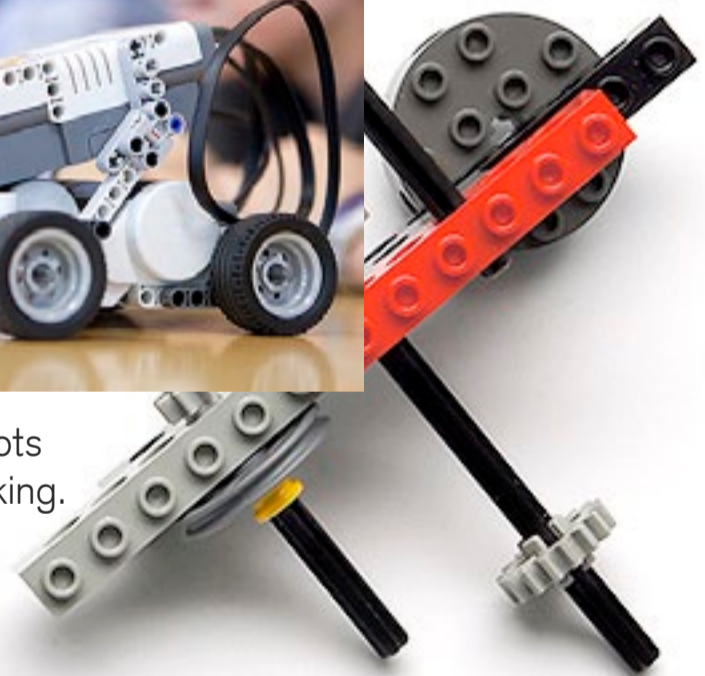


Reset

On the Mindstorms morning, the kids are challenged, but not overwhelmed. After some simple initial tasks, they think up increasingly complicated maneuvers for their robots. The small caterpillar vehicles follow a black track on the ground, responding to noises, colors, and objects. The electric motors whir at a high volume, stop, and shoot colored balls in all directions. On another robot, a small loudspeaker plays a little tune and runs football slogans on its display. When the school bell announces lunchtime – and thus the end of the workshop – the kids look up at the volunteers in disappointment. “What? We have to take our robots apart and delete the programs we wrote?” To console themselves, one or two of them put the robot on their wish list for their next birthday. What about Walter Rothlin? He and his team of IT volunteers are cautiously optimistic when asked to sum up the initial workshop: “We’ve got requests for six project days in 2011, with 190 students and 20 volunteers taking part – proof that our workshop program delivers.”



LEGO Mindstorms robots foster algorithmic thinking.



Who Will Be Youth Debating Champion?

In the “Jugend debattiert” final, young people from the Italian, French and German-speaking parts of Switzerland set a positive example of how democracy works. Their adept display of debating skills demonstrates to the audience that good debate is more than a spirited exchange of ideas: Such events are also an appeal for an end to “dry” political science lessons that focus solely on learning about institutions.



Final of “Jugend debattiert” at Campus Muristalden, April 2, 2011, Berne.

“I’m against stronger policing of the Internet by the state. Police officers already log into chat forums – we don’t need more controls.”

Kajo Krummenacher

“That’s not correct! Since the start of the year, police officers have no longer been allowed to pose as young girls in chat rooms. It’s a pity, because that would be a good preventive measure.”

Andrea Schlatter

Text: Bernard van Dierendonck

I’m against stronger policing of the Internet by the state. Police officers already log into chat forums – we don’t need more controls, says Kajo Krummenacher. “That’s not correct!” argues Andrea Schlatter. “Since the start of the year, police officers have no longer been allowed to pose as young girls in chat rooms. It’s a pity, because that would be a good preventive measure. You need to stop things from happening in the first place!” Kajo and Andrea are two of the four finalists debating in the 13–16-year-old category. They were the winners in a lengthy series of de-



The judges watch the final of “Jugend debattiert,” Category 1: age 13–16, German. From left: Anne-Sophie Busch, Kajo Krummenacher, Andrea Schlatter and Silvan Niederer.


bating contests that took them to the final at the Berne campus of Muristalden on April 1 and 2, 2011. Three weeks ahead of the competition, they were told what issues they would be debating. They did not know whether they would be arguing for or against them; the rules state that they find this out only half an hour before the debate starts.

A German Project Developed in Switzerland

“Jugend debattiert” has its roots in Germany, where it was created as an initiative to promote the German language. Since the start of 1999, the debating contest has spread to Poland, the Czech Republic, Latvia, Hungary, Lithuania, Ukraine, and Russia. Although in these countries the project is confined to German-speaking high schools, in Switzerland it crosses the language barrier. The Swiss debates are organized by the Dialogue Foundation, whose mission is to promote democracy. Its aim is to reinvigorate the culture of democratic debate among young people in French, Italian and German-speaking Switzerland. According to Christian Graf, who heads the project: “The debate helps the opinion-forming process in politics as well as in club and professional life. We’re not talking about something elitist here. For us, it’s about young people debating not only in more academically oriented high schools but also at secondary level 1, in vocational schools – and now beyond that, too, for example in youth centers.”

Big Brother Is Watching You

In the debate about the Internet, Anne-Sophie Busch voices her fears of Orwell’s Big Brother: “I have the right to a private sphere, and feel very



“The debate helps the opinion-forming process in politics as well as in club and professional life.”

Christian Graf



The winner-to-be:
Andrea Schlatter.
Category 1:
age 13–16, German.



Final of “Jugend debattiert,” Category 2:
age 17–20, German.
From right: winner David Maurer,
Thomas Meyenberg, Yannick Frommherz
and Benjamin Steinegger.


uncomfortable when I'm being watched the whole time! I'm also in favor of freedom of opinion, but there are things you're not allowed to do, such as use Nazi language or operate pedophilic websites," counters Andrea Schlatter. "So, not everyone amongst us would be watched anyway."

The debate is entertaining and direct. Unlike political discussions on the television, the argument is well-mannered. Instead of engaging in personal attacks and constantly interrupting one another, the young women and men listen to each other and choose the right moment for their counter-argument. As Klaus Fischer, Chairman of the Dialogue Foundation and Education and Culture Director for the Canton of Solothurn, explains later in a speech to the audience, the fact is that democracy is based on a constructive rather than combative exchange of ideas, and on a respect for the other person's way of thinking.

Call for an End to "Dry" Political Science Lessons

The young people involved value in-depth discussions with opposing positions on subjects that are often strange to them. The contest offers an opportunity to re-examine pre-held views. One participant might say it makes more sense to do battle using words rather than fists, while another is delighted by the fact that he can officially bunk off school in order to attend the debates.

That is grist to the mill for project head Christian Graf. As far as he is concerned, the teaching of political science in schools needs to be about more than studying the concepts of proportional



"I have the right to a private sphere, and feel very uncomfortable when I'm being watched the whole time!"
Anne-Sophie Busch





Menga Keller, winner of the competition in 2009, presents the results to the jury. The finalists wait for the nomination. From left: Thomas Meyenberg, David Maurer, Benjamin Steinegger and Yannick Frommherz.



Klaus Fischer, President.

“Political science is much too heavily focused on political structures. It means young people don’t get enthused about politics. It’s the content and processes that make politics a tangible reality.”
Christian Graf



Final of “Jugend debattiert”, Category 2: age 17–20, German. Benjamin Steinegger (winner of the audience nomination) and Yannick Frommherz.

representation and majority rule, or having an inside-out knowledge of the separation of powers: “Political science is much too heavily focused on political structures. It means young people don’t get enthused about politics. It’s the content and processes that make politics a tangible reality.” For that reason, the Foundation provides a whole package of documents that school classes can use to develop the art of debating. Since 2006, more than 25,000 young people in Switzerland have benefited from “Jugend debattiert” in addition to interesting political science lessons.

Debate on Salaries

In the 17–20 year-olds’ final, every single seat in the hall is taken. Benjamin Steinegger, son of the former FDP (Liberal Party) chairman, argues for a cap on bonuses in listed companies. In a deep voice, he quotes from the reference work Brockhaus, in which wages are defined as “payment for work performed”: “This would mean that someone like (Daniel) Vasella (chairman of phar-

ma giant Novartis) “performs” 500 times more than the average Swiss person. Can someone explain that to me?”

“Bonuses – everyone’s getting so worked up about bonuses!” replies David Maurer, who hails from the Basel region. But there’s nothing excessive about bonuses. That’s a distorted view! They’re a performance incentive.” In response to the example used by Steinegger, he says: “The very same Daniel Vasella has created a lot of jobs, and has been running his firm well for a number of years. Bonuses are often paid out in shares that can only be sold after five years. All managers have an interest in their firm continuing to do well!”

The debate begins to heat up as participants battle it out through the use of metaphors, citing research and underpinning their argument with data on the economy. After 24 minutes of eloquent discussion, the sounding of the closing bell is met with cheers and a round of applause.

And the Winner Is ...

It’s a difficult decision for the jury, which has to weigh up the contestants’ knowledge of the subject matter, speaking skills, conversational ability, and power of persuasion. The people who talk the loudest aren’t necessarily the winners. The jury then declare the two victors of the final tournament: among the participants from the German-speaking part of Switzerland, it was Andrea Schlatter from Berne and David Maurer from the Basel region, who impressed with their agility and overall impression of credibility. The audience, meanwhile, awarded its prize to Benjamin Steinegger, who impressed with his perseverance and dry humor.

Credit Suisse Foundation

The Credit Suisse Foundation has partnered the Dialogue Foundation and supported the “Jugend debattiert” and “Jungbürgerinnen und Jungbürger feiern aktiv mit” initiatives since 2006.

The support provided represents part of the Credit Suisse Foundation’s commitment to society, and helps provide an opportunity for young people to become interested in politics and in working together as a community.



Building Expertise on All Levels

Legal and compliance expertise is crucial for any financial institution and the competition for experienced professionals is fierce. The rapid growth of some markets is making it even harder to secure the right talent in this area. To address this issue, Credit Suisse has established a Compliance Academy in Singapore, giving motivated young people valuable on-the-job training in this field.

Text: Alice Ratcliffe

The General Counsel division provides legal and compliance support to all of the bank's divisions. It helps protect the reputation of Credit Suisse by giving legal and regulatory advice, by setting internal policies and by monitoring and testing compliance with policies and regulations. To support it in an increasingly demanding global regulatory environment, and to meet the growing need for well-trained staff, Credit Suisse has launched a new program based in Singapore. Established in 2011, Credit Suisse's Compliance Academy has presented a way for people entering the industry to gain hands-on training in one of the fastest-growing areas of the financial industry. Despite all these advantages, one of the biggest hurdles the new program faced initially was proving it could succeed.

The new program "did not fit neatly into our existing structure," recalls Eoin O'Shea, who believed the concept could work, at least in theory. When he was appointed as the bank's Chief Central Compliance Officer in March 2011, O'Shea had already spent many years in the region as

General Counsel

The General Counsel division is a key monitoring and testing function. Credit Suisse's reputation for integrity and fair dealing is one of its most valuable assets. The legal and compliance departments within Credit Suisse play a crucial role in maintaining the bank's reputation by providing advice and support for legal and regulatory matters on all levels, establishing global standards and policies, and coordinating the bank's relationships with its regulators.



Chief Executive Officer, Hong Kong, and Chief Operating Officer, Asia Pacific.

The development of the Compliance Academy was based on the idea to create a program similar to an MBA.

Cultivating Compliance Expertise

In his new position, which involves not only overseeing areas like cross-border business and trade surveillance, but also training, O'Shea was ready to put his idea to the test. An "MBA-type program," as he envisioned it, would form the basis of what would become the Compliance Academy. The program called for having participants who were neither on internship, nor on long-term employee contracts. It was something quite new. For two years, participants would do job rotations in areas of compliance. They would also attend demanding courses. Ultimately, if successful, they would gain accreditation. "I had a feeling it could work, but no assurance," recalls O'Shea. For one, he was uncertain if young people would be willing to join a program offering a two-year, fixed-term contract and stipend rather than a salary.

Certainly, though, a program was needed. O'Shea knew that the finance industry had a hard time finding enough experienced compliance staff, particularly in the rapidly growing emerging markets. Yet he also knew, from lecturing at uni-



versities in his prior role, that graduates had an equally tough time getting compliance jobs in the finance industry. A few lucky ones landed internships. But for most, the chances of getting hired by a bank were slim. What the graduates and others new to the industry needed was a way to gain experience. O'Shea believed his new Compliance Academy program could offer critical job experience and training to people new to the industry. The Compliance Academy could also immediately increase the size and capacity of the bank's compliance team at a reasonable cost, and over time would create a larger pool of experienced compliance professionals from which the entire industry could benefit. Being able to train at a top financial institution was a genuine prize. "Students see an enormous value in the opportunity to get on-the-job training at a bank like Credit Suisse," says O'Shea. Perhaps a new program built on the desire for job experience, coupled with the need for support in Credit Suisse's General Counsel division could work. Yet O'Shea wondered if there was a good reason why such an idea hadn't been tried before. "To be honest, I wasn't sure if the Compliance Academy could attract enough candidates with the right qualifications and the right attitude," he said. They must be qualified, and also motivated.

From Concept to Reality

In Singapore, Alice Ng, a senior director in the Central Compliance Group, was having similar thoughts. Like O'Shea, she, too, was concerned by a growing need for professional compliance officers in the Asian region and competition for well-trained candidates.



Eoin O'Shea, Chief Central Compliance Officer, saw a need to leverage training and provide opportunities for recent graduates.



“Due to growth in the financial sector and need to meet the demands of a rapidly changing regulatory environment, it has become imperative to maintain the highest levels of professionalism in compliance,” Ng says.

In the spring of 2011, as O'Shea was preparing to take up his new function, Ng paid him a visit in Hong Kong. O'Shea explained to her his idea for a Compliance Academy. Would she be interested in helping him launch it? It would be challenging, involve entering uncharted territory, and it would

need to be put together within a very short period of time to attract applications from university students who were preparing to enter the job market. “It was clear to me that if the Academy was to be launched successfully, it needed careful planning and execution,” Ng recalls. She jumped at the chance, believing that such a program was an opportunity to position Credit Suisse as an industry leader in offering training for young compliance professionals in Singapore.

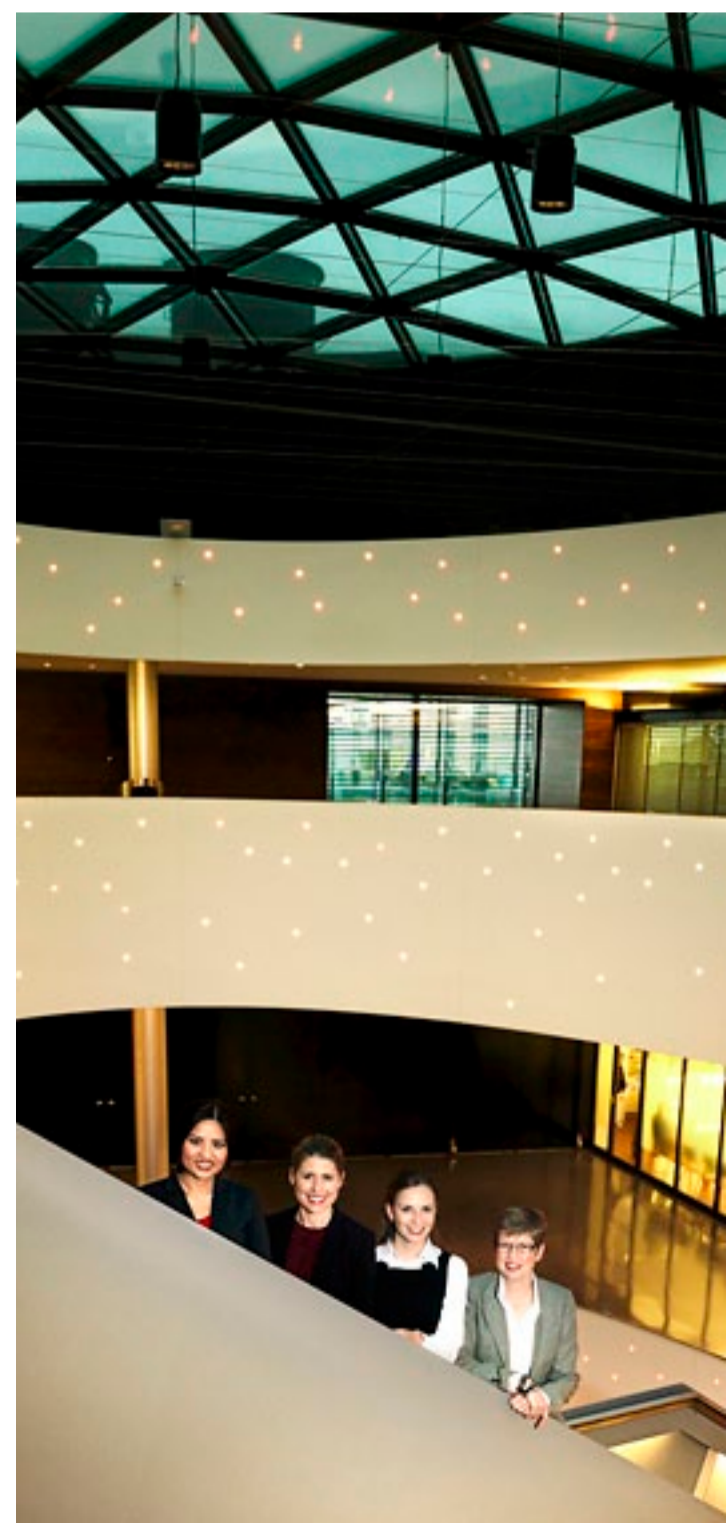
The new program O’Shea envisaged certainly had one major factor working in its favor: There was indeed a strong demand at Credit Suisse for talented individuals within the bank’s Centers of Excellence (CoE), a global sourcing initiative that aims to leverage talent around the world and maximize efficient use of Credit Suisse’s resources. The General Counsel division was among the areas seeking to optimize qualified talent through the CoE strategy. The Compliance Academy that O’Shea was proposing might be part of the solution, if it could fit into the CoE framework. For this, O’Shea turned to Valerie Philips, whose role involves leading several global initiatives within the General Counsel division, including overseeing its CoE strategy. Before the Compliance Academy could get off the ground, aspects such as contracts, approvals, hiring and training guidelines needed to be brought into line to conform with the CoE format. Philips, who describes her contribution to the effort as basically “gluing it all together,” provided structure and facilitated processes and communication. An auditor by training, she, too, was keenly aware of the demand for professional talent, especially in this area.

“It was clear that if the Academy was to be launched successfully, it needed careful planning and execution.”
Alice Ng

“A bank needs to stay focused on a top compliance program,” Philips says. Once approved, the next step was to set up the Compliance Professional Practicum (CPP) in Singapore. Instructors were recruited from within Credit Suisse. The program also received notable support from key authorities in Singapore. This not only meant that successful participants would receive certification from Credit Suisse’s Talent Development department and from the International Compliance Association, but also that their coursework would count towards credits at the Institute of Banking and Finance (IBF) in Singapore, which is endorsed by the Monetary Authority of Singapore. This latter element was particularly important because the IBF is in charge of national accreditation and certification for financial industry competency under the Financial Industry Competency Standards (FICS). Successful participants in Credit Suisse’s CPP would be qualified to take more courses to gain FICS certification, another big advantage in the job market.

The greatest challenge still remained: finding participants. Ideally, 20 people would enrol on the new program. Universities, including some outside of Asia, were contacted. There was only a brief window for applicants to make up their minds. O’Shea worried right up to the last minute whether enough suitable candidates would apply, but he needn’t have worried. The program received more than 160 applications, more than eight times the necessary number. Applicants’ willingness to commit so quickly proved that demand was significant, and that the Compliance Academy truly addressed a pressing need. The successful candidates who

**“If a bank cannot
comply with the
highest standards
of compliance, it
should not be active.”**
Valerie Philips



joined the program in September 2011 came from China, Hong Kong, Indonesia, and Singapore. Eight were recent graduates, and 12 graduates with work experience. They include Titus Seow, a 27-year-old from Singapore, who received a degree in mechanical engineering and further training at



Valerie Philips leads several global initiatives within the General Counsel division. She is also actively involved in developing programs for the Women's Forum through close collaboration with her colleagues.



a marine vessel company. “Through this program, I want to learn how to give meaningful compliance guidance and safeguard the bank’s reputation,” he says. Compliance also offers exposure to a variety of different activities within the bank, which also can be very absorbing. “There is never a dull day,” says Tan Yan Min, a 23-year-old from Singapore with a degree in accounting who spent a year at a global accounting firm. “The program’s system of rotations allows those involved to experience a great deal and explore their interests within compliance,” says Michael Lung, a 22-year-old participant from Hong Kong with a degree in quantitative finance. The demanding schedule requires long working hours, but this doesn’t dampen enthusiasm. Another participant, Aini Said, a 23-year old from Singapore, joined the program after graduating with a degree in physics. She decided to focus on compliance, saying she appreciates the fact that “compliance is an interesting field and a fast-growing profession.”

Talent, Flexibility, Cost-Efficiency

Now that the Compliance Academy is up and running, it is drawing praise from within Credit Suisse. It is “the perfect program at the perfect time,” says Stephen Paine, Managing Director and Head of Policy and Training within Legal and Compliance. “It provides talent development, flexibility and cost-efficiency.” There may also be scope to expand it. There could be prospects for similar offerings elsewhere, perhaps in Zurich, London and New York. Certainly there is demand. “We know how difficult it is for graduating students to get the right preparation to enter this in-

“We know how difficult it is for university graduates to get a job in this field.”

Eoin O’Shea

dustry,” says O’Shea. “This program clearly works for us, and by offering such training we also prepare participants for entering the job market. It is an excellent way to provide well-trained people to fill a growing need for expertise in compliance in the communities in which we operate.” In that regard, the Compliance Academy is proof that it is possible to find a solution of shared values that meets the needs of different parties for highly trained professionals.



There’s never a dull day in this challenging field, according to Tan Yan Min, whose background is in accounting.

Alice Ng with students of the Compliance Academy.

News in Brief



Books Are for Reading

In many rural areas of Zambia, getting from home to school can mean a very long walk, and at school it is common for children to have to share a textbook. There is a lack not only of school buses, but also of textbooks and writing materials. [...]



Networking the Next Generation

Recently there was a major gathering of up-and coming talent at the Uetlihof auditorium in Zurich to mark the inauguration of the Next Generation Network (NGN) with main speaker Urs Rohner, Chairman of the Board of Directors of Credit Suisse. [...]



Full Access to Banking Services

Whether it's a matter of getting cash at ATMs, making payments via online banking, or calling a client advisor, handling banking business is part of normal life for most people. [...]



Sharing Skills and Expertise

In 2010, Credit Suisse launched the Global Citizens Program (GCP), a volunteering program that enables properly qualified employees to contribute their professional competencies to projects with [...]

News in Brief



Books Are for Reading

In many rural areas of Zambia, getting from home to school can mean a very long walk, and at school it is common for children to have to share a textbook. There is a lack not only of school buses, but also of textbooks and writing materials. These circumstances, combined with a teaching style that focuses on rote learning rather than understanding the content, has an impact on the reading ability of many children. To help alleviate this problem, Room to Read (RtR), a partner organization of Credit Suisse's global education initiative, worked closely with the Zambian government to develop a new teaching program and a new textbook for elementary schools, and to train teachers in new methods. RtR also invested in school infrastructures, financing the construction and equipment of school libraries. The various measures taken have improved the reading abilities of many children in only a short period of time, and the books and libraries provided by RtR are now frequently being used. Levy Chilekwa, who is in ninth grade at the Katcheta Basic School, is a library assistant in the newly opened library. "There's so much demand that children and even their parents come to school at the weekend," he explains with obvious pride. "That's why we open the library every day."

News in Brief



Co-Chairs Gabriella Diethelm and Lukas Vonesch of the Next Generation Network moderated the event.

Networking the Next Generation

Recently there was a major gathering of up-and coming talent at the Uetlihof auditorium in Zurich to mark the inauguration of the Next Generation Network (NGN) with main speaker Urs Rohner, Chairman of the Board of Directors of Credit Suisse. This platform, which has been recognized since the fall of 2011 by the Diversity and Inclusion department as CS's seventh employee network, aims to provide new employees at Credit Suisse with support and access to a ready-made network of business contacts in the early years of their careers with the bank. "The network supports employees on all of the typical issues involved in starting a career," explains Gabriela Diethelm, Co-Chair of NGN. Lukas Vonesch, the other Co-Chair, adds: "Exchanging knowledge and experience regularly is very useful, especially in your early career." Regular events are held with the aim of encouraging such an exchange between apprentices and high school and college graduates.

News in Brief



Chantal Cavin, world record swimmer and Credit Suisse employee, visually impaired.

Full Access to Banking Services

Whether it's a matter of getting cash at ATMs, making payments via online banking, or calling a client advisor, handling banking business is part of normal life for most people. But for many people in Switzerland living with a disability, these seemingly simple actions can entail huge challenges, and at times even insurmountable ones. That's why Credit Suisse has worked for years to make its products and services openly accessible to everyone and to create conditions that enable employees with disabilities to work for the bank without any limitations. Since 2007, all office buildings have been retrofitted to make them universally accessible, more than 345 talking ATMs have been installed for the visually impaired and blind, and 42 ATMs have been lowered for people in wheelchairs. We also offer bank statements in Braille and large type free of charge, and a screen reader program provides audio content for our websites, which have supported accessibility functions since 2009, allowing people with visual impairments to use online banking. In addition to changes to infrastructure and technology, training also helps employees to become more aware of the needs of people with disabilities. In 2011, around 700 staff members in Switzerland took part in these training programs.

News in Brief



In China it's not uncommon to find classes of more than 50 students.

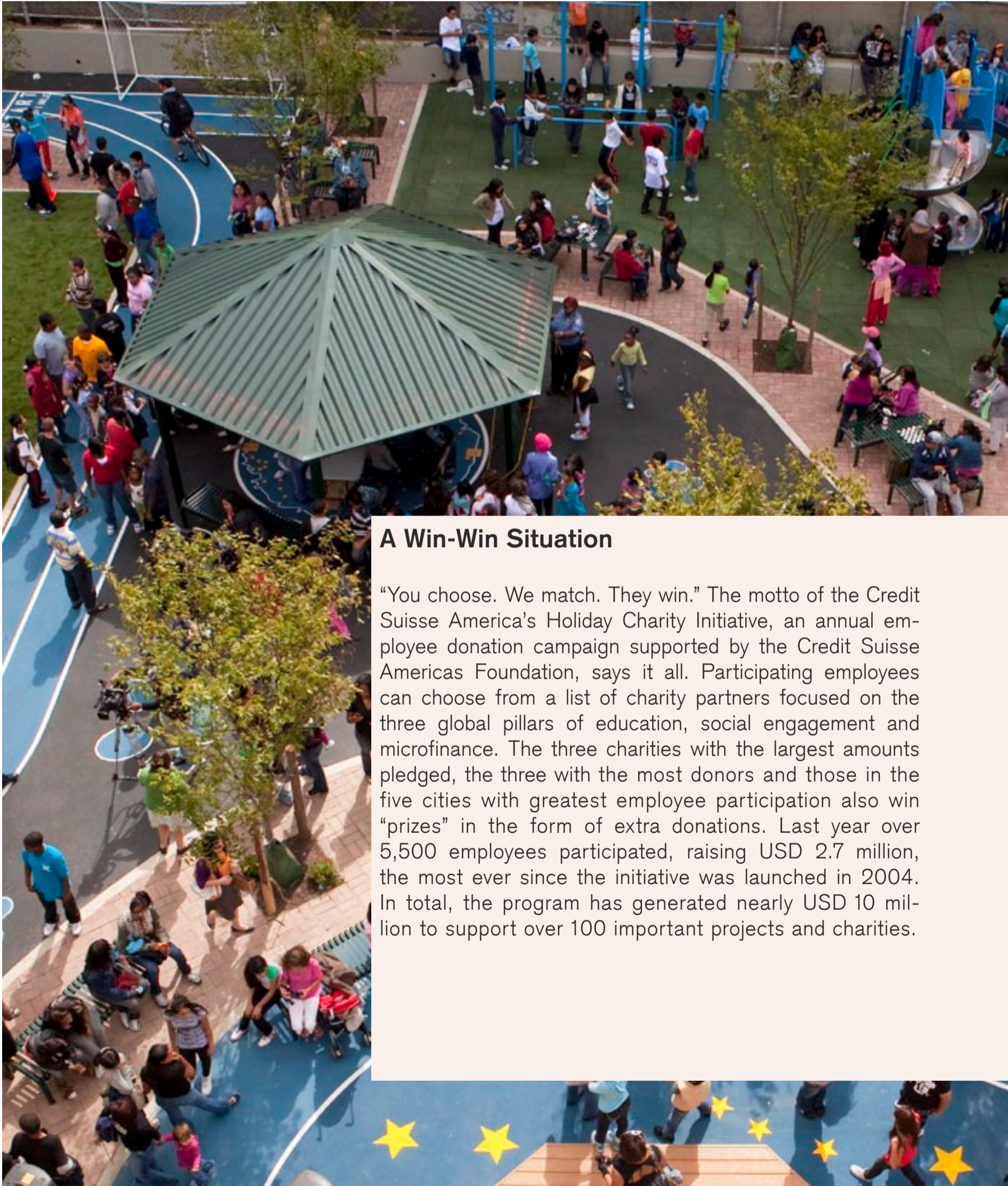


Insight into a shoemaker's business.

Sharing Skills and Expertise

In 2010, Credit Suisse launched the Global Citizens Program (GCP), a volunteering program that enables properly qualified employees to contribute their professional competencies to projects with our partner organizations in the fields of education and microfinance. In 2011, Credit Suisse employee Gabriela Cotti Musio of Lugano, Switzerland, traveled on assignment to Beijing, where she developed a strategy and concrete marketing activities for Teach for China. Teach for China is a partner organization with our global education initiative and recruits the best high school graduates in China and the US for two-year stints as teachers in rural regions. Additionally, Jatin Modi traded his desk in New York for a volunteering opportunity in Mumbai at the microfinance organization Swadhaar, a partner of our microfinance initiative. "In both projects that I took part in, I was able to use and share my professional knowledge to help our partner organization with specific projects. My job was to train the staff of Swadhaar to improve their control structures, reduce costs, and optimize working processes. With nine years of banking experience, I was able to use my knowledge from investment banking successfully at the other end of the income pyramid. The field work I did as part of our microfinance initiative has convinced me that microfinance offerings for people in developing countries can be an effective form of self-help and that economic empowerment, not charity, is the answer to poverty," states Modi.

News in Brief



A Win-Win Situation

“You choose. We match. They win.” The motto of the Credit Suisse America’s Holiday Charity Initiative, an annual employee donation campaign supported by the Credit Suisse Americas Foundation, says it all. Participating employees can choose from a list of charity partners focused on the three global pillars of education, social engagement and microfinance. The three charities with the largest amounts pledged, the three with the most donors and those in the five cities with greatest employee participation also win “prizes” in the form of extra donations. Last year over 5,500 employees participated, raising USD 2.7 million, the most ever since the initiative was launched in 2004. In total, the program has generated nearly USD 10 million to support over 100 important projects and charities.

Perpetuum Mobile for Growth

SVC Ltd for Risk Capital for SMEs can look back on a successful first year of activity: Demand is strong, and the portfolio of companies in which investments have been made is both attractive and widely diversified.

Text: Andreas Schiendorfer and Veronica Zimnic

The interest and resonance among the media, promoters of economic development, and representatives from industry and commerce was overwhelming. “Even though we are highly motivated by what we’re doing in any case, it’s still very pleasing to receive confirmation that we are on the right path,” says Johannes Suter, CEO of SVC Ltd for Risk Capital for SMEs (SVC Ltd), looking back to the events of June 6, 2011. For it was on this day that the Credit Suisse subsidiary invited large numbers of guests to information conferences in the cities of Zurich, Basel and Lausanne. In all three centers, there was plenty of recognition for the valuable activity of SVC Ltd, which in just one year has invested CHF 20 million in 13 SMEs, thereby helping not only to preserve 180 jobs but also to create a further 300 over the next four to seven years.



SVC Ltd group picture (from left): Eric Gisiger, Chairman, Reto Isenegger, CEO, Johannes Suter, Nadya Steiner and Gianni Peduzzi. Not pictured is Nicolas Faivre, who was attending the information event in Lausanne.

Combining environmental protection with the pleasure of the open road:
elmove CEO Wilfried Karl (right)
and Head of Marketing
Bernd Kuhlin.



Omnisens the Oldest SME, Founded Just a Decade Ago

The praise received by SVC Ltd was all the more valuable as no attempt was made to avoid addressing various issues with a critical eye. In *Le Temps*, for example, Marie-Laure Chapatte suggested that SVC Ltd should think about putting an advertisement in the newspapers: "Venture capital fund, with another CHF 80 million of un-

used funds, seeks healthy old companies for investment,” which is an original way of pointing out that the existing SVC Ltd portfolio still lacks any long-established SMEs; the Morges-based Omnisens is only ten years old. In the Tages-Anzeiger, Andreas Flütsch stressed that “supporting young companies makes sense and gives them a real boost.” At the same time, however, he questioned whether it was genuinely reasonable to finance the globalization phase of the already established HeiQ. That is something open to debate. But at the very least, SVC Ltd can claim to have subjected all its investments to clearly comprehensible criteria.

Fighting Unemployment

“There’s no doubt that Switzerland is a leading country in the area of invention and innovation, but it is not always at the cutting edge when it comes to the implementation of such ideas,” explained Hans-Ulrich Meister, CEO of Credit Suisse Switzerland, at the information event in Zurich. At the end of 2009, the frequently voiced fears of the Swiss people regarding unemployment and youth unemployment in particular – as reflected in the Credit Suisse Worry Barometer – motivated Meister to make the sum of around CHF 150 million available for a four-part package of measures to create new jobs.

First of all, this will have the effect of increasing the number of apprentices at Credit Suisse by 25 percent within three years, which in the vast majority of cases ensures their further employment after completing their apprenticeship (current conversion rate: 85 percent); second, Credit Suisse is providing valuable support to the attempts



Carlo Centonze, CEO of HeiQ, impressed a large audience in Zurich.



Hans-Ulrich Meister, CEO of Credit Suisse Switzerland, is firmly behind SVC Ltd.

of ICT Switzerland to eliminate the deficiency in specialized IT staff in Switzerland (which is of course in the bank's own interests, too); third, Credit Suisse is working with seven selected partner organizations in an initiative to fight youth unemployment; and last but not least, in May 2010 SVC Ltd for Risk Capital for SMEs was founded. This organization commenced operations just a month later, and was reporting its first investments before the end of September.

Thanks to a donation of CHF 100 million, Credit Suisse has initiated a "perpetuum mobile" in the creation of new jobs. The venture capital company does not have to return any profits to its parent company: All it has to do is operate according to commercial market criteria, generating sufficient returns on its investments to continue investing in further companies. Once the full sum of CHF 100 million has been invested, the portfolio should (on a sustainable basis) comprise some 40 to 50 SMEs from all regions of the country, and from all sorts of industry sectors. Because the focus has to be on creating new jobs within a foreseeable period of time, SVC Ltd is deliberately not investing in innovation start-up phases (seed financing) and has identified market acceptance as one of its key criteria.

Partnership with the Swiss Venture Club

In Lausanne, Andreas Koopmann, the Chairman of the Investment Committee, explained the slightly surprising name of the company: On the one hand, it acknowledges the partnership with the Swiss Venture Club, whose Chairman Hans-Ulrich Müller was a leading voice behind the creation of precisely such

Facts & Figures up to May 2011



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



- CHF 20 million invested in 2010/2011

a support vehicle SMEs, while on the other hand it also stresses the independence of the key decision-makers. This makes sense because Credit Suisse, when granting debt capital to companies as part of its lending operations, applies different criteria to SVC Ltd, which provides additional equity for SMEs in its capacity as a venture capital company. This means it can base its view on future opportunities.

And indeed, only a fifth of applications for capital backing were referred by Credit Suisse corporate client advisors, and a number of companies in the portfolio do not have any business relationship with Credit Suisse, as the journalists from French-speaking Switzerland immediately established through research for their reports.

In Basel, CEO Johannes Suter looked back on a successful first year of activity (see charts on page 61). No fewer than 411 serious applications had been scrutinized in detail. The regional breakdown of these inquiries appears fairly balanced, even if eastern Switzerland, the Basel region and Ticino are somewhat under-represented.

Investments were made in 13 companies, which on average received the sum of CHF 1.5 million. By the time this article first appeared in Credit Suisse Bulletin, that figure was expected to have grown to 16, and by the end of 2011 to around 25. The Investment Committee meets every two months and normally reaches a decision on five investment applications, of which around three ultimately come to fruition.

From Dried Fruit to Trout

The sectoral breakdown of applications and therefore also the final investments themselves is very broad.

180

employees at present
(13 portfolio companies)

300

new jobs over the next
three years

> 100

patents held by the 13 portfolio companies

Inquiries also come from
established companies

25%

older than 3 years

75%

younger than 3 years

85

applications currently
being processed

10

at an advanced stage

While it is perhaps no surprise that high-tech companies have received support, so too have an innovative dried fruit producer, an organic fish farming operation, and a chocolate factory. At the information events, CEOs Carlo Centonze (HeiQ), Darren Kerr (Stratpharma), and Marc Nikles (Om-nisens) introduced their companies and their collaboration with SVC Ltd. The companies agro-frucht-Inn, Poken, sonic emotion and Silentsoft featured briefly in bulletin 5/2010 – below you can read up on a few more SME pearls. All the companies that received investment are featured on the website www.svc-risikokapital.ch, where their activities are also described.

Further information

→ www.svc-risikokapital.ch

Many Swiss SME have an Innovative Spirit

Royal Tag SA

Whether its a herd of sheep or items of clothing in a large commercial laundry, Royal Tag technology makes it easier to count and manage large quantities with its RFID system.

SELFrag AG

Using the enormous power of artificial lightning, the company Selfrag from Kerzers breaks down rocks, concrete, electric waste, glass, and other materials in a manner that meets the highest standards of cleanliness.

Solar Industries AG (SIAG)

The company Solar Industries, which is based in Niederurnen and has plans to set up a production facility in Langenthal, is convinced that Switzerland does not have to suffer an energy shortage if it decides to abandon nuclear power.

Consenda AG

LocalPoint, operated by Consenda AG, a company from Gstaad, provides local newspapers with an attractive way to distribute news content in digital form.

elmove AG

Electric bicycles with the elmove propulsion unit guarantee a fun experience – without noise or environmental damage.

HeiQ Materials AG

The company HeiQ from Bad Zurzach, winner of the Swiss Innovation Award 2010, researches, develops, and produces sustainable textile effects for textile and medical applications.

Royal Tag SA

→ www.royal-tag.com

Year established 2005

Employees 23

Headquarters Muzzano

CEO Valentino Benicchio

Chairman of the Board

Gabriele R. Brogini



A small chip made by Royal Tag, led by CEO Valentino Benicchio, provides order when it comes to the identification, tracking, and monitoring of animal herds – or even mountains of laundry.

Royal Tag became the first SME based in Ticino to receive investment funding from SVC Ltd. The company manufactures a special microchip known as a transponder, which enables it to identify, track, and monitor large numbers of animals, laundry items, or other objects in a comparatively straightforward and, above all, highly reliable way. Baggage items that have gone missing at airports will in the future be able to be located within a very short space of time, and it is even conceivable that a waiter will soon be able to explain to environmentally conscious guests in a gourmet restaurant anything they might want to know about the production process of the meat on their plates.

SELFRAG AG

→ www.selfrag.com

Year established 2007

Employees 30

Headquarters Kerzers

CEO Frédéric von der Weid

Chairman of the Board

Anton Affentranger



Frédéric von der Weid can alleviate global commodity concerns with his artificial lightning.

It's a good thing that gravel is in rather short supply in Switzerland. This situation motivated a Langenthal-based mechanical engineering company to seek out new ways of recycling concrete more efficiently. The result was so promising that it led to the spin-off of SELFRAG (a name formed from the words "selective fragmentation"), which uses state-of-the-art technology. Artificial lightning bolts of up to 400,000 volts flow through the rock material in special machines, where it meets increased resistance on every surface. The resulting shock waves have the effect of separating the different component parts, but without affecting their size and purity. Furthermore, the energy required is kept to an absolute minimum. If this process were to be successfully applied to the mining industry on a broad scale, the global consumption of energy would fall by 4 percent. The combination of more efficient commodity extraction and an optimized recycling process would also help to address the lack of rare materials like silicon. The technical breakthrough has been made, and the system works perfectly – it is now "just" a question of developing the machinery so that around a hundred tons can be processed an hour rather than just a few kilograms.

Solar Industries AG (SIAG)

→ www.solarindustries.ch

Year established 2008

Employees 30

Headquarters Niederurnen,
Langenthal

CEO Rolf Wägli

Chairman of the Board

Rolf Wägli



The country needs new roofs, and Rolf Wägli, CEO and Chairman of Solar Industries, is convinced solar is the way forward.

As a private individual, Rolf Wägli discovered the benefits of solar energy at his holiday home in Ticino more than 20 years ago. The investment he made back then has long since paid off, and the system continues to function flawlessly. Ever since, this financial specialist has become an expert and champion of clean technologies. His private equity company New Value has helped to further develop the Meyer Burger Group into a technology leader in mechanical engineering, and specifically across the entire value creation chain in photovoltaics. He is now planning to do the same thing with Solar Industries AG in the manufacture and sale of solar modules. The inauguration of a production site in Langenthal represents a decisive step forward, and the company received an additional boost when the Federal Council and the Swiss Parliament resolved that the country should exit nuclear energy. But even before this announcement, Rolf Wägli had laid out his vision of a Switzerland with numerous solar roofs, which would enable the state to give up nuclear energy within 15 years. Skeptics should sit up and listen: “If the world’s most significant solar energy market can evolve in Germany, why should there be any problems replicating it further south in Switzerland?”

Consenda AG

→ www.consenda.com

Year established 2007

Employees 27

Headquarters Gstaad

CEO Xavier Ferguson

Chairman of the Board

Xavier Ferguson



Consenda supports small newspaper publishers in their cross-media strategy (right: CEO Xavier Ferguson).

“Local advertising is not a nuisance, it is attractive content in its own right,” stresses Xavier Ferguson, whose LocalPoint system ensures that newspaper advertisements are automatically visible across all digital media. A growing number of local Swiss newspapers such as Engadiner Post, Bremgarter Bezirks-Anzeiger and Schaffhauser Landzeitung have all used this system to positive effect: They are swimming with the times and winning additional readers through new media – without any losses in print sales and without additional costs, as the advertisers are happy to pay a surcharge for cross-media advertising. For small and medium-sized print houses, LocalPoint opens up new avenues of opportunity.

elmove AG

→ www.elmove.com

Year established 2009

Employees 5

Headquarters Zurich

CEO Wilfried Karl

Chairman of the Board Yves Doutaz



Italjet is the first motorcycle producer to rely on elmove. Source: Sebastian Schiendorfer

“There is still no real market in electronic mobility. What should be an attractive form of transport is suffering from too little acceptance.” This statement was made as recently as March 2011 in *Neue Zürcher Zeitung*. But things are about to change very quickly. Or such at least is the conviction of Wilfried Karl, CEO of elmove. The arguments in favor of such a market – environmental compatibility and low noise pollution – are simply too powerful, particularly as the value for money offered by providers is increasing all the time, as are the ranges of vehicles. The electrical engines of elmove will hopefully play a key role in this development. A short test drive should at the very least provide food for thought. Both acceleration and the excitement factor are remarkable: Humming through the neighborhood on an electrically powered motorcycle in beautiful weather is pure unadulterated fun.

Nonetheless, interested parties will hunt in vain for an own-brand elmove motorbike. “We don’t build our own motorbikes – we offer our engine systems to existing companies,” explains Wilfried Karl. The first models should arrive on the market at the beginning of 2012 – either way, collaboration with the Italian brand Italjet and the German brand MZ is at a very advanced stage. Electrobikes powered by elmove engines will end up in the mid-price segment, with exceptionally low operating costs. Over the course of time, not only will prices fall, but the range of a fully charged bike will gradually increase. If public charging stations become more widespread and in particular the price of gas continues to rise, elmove will find itself very much in the fast lane.

HeiQ Materials AG

→ www.heiqmaterials.com

Year established 2004

Employees 23

Headquarters Bad Zurzach


CEO Carlo Centonze

Chairman of the Board

Georg Hahnloser



Consciously or unconsciously, fashion-aware and comfort-driven outdoor sports practitioners have long relied on the expertise of HeiQ – such as whenever they wear clothing by Odlo or Marmot, for example. But in connection with the massive oil catastrophe in the Gulf of Mexico last year, the Bad Zurzach-based SME created a sensation in another different area altogether. Within a short space of time, Carlo Centonze and his team developed the Oilguard, a textile mat with a special chemical coating that has the ability to absorb 8 to 10 times its own weight in oil while at the same time repelling water. The contribution of SVC Ltd and not least the Credit Suisse global network should enable the Oilguard – which has already notched up its first sales successes – to achieve a higher level of global awareness. Given the 70 or so oil spills that occur every day around the world, this will meet not only an economic need but above all an environmental one. HeiQ was the winner of the Swiss Innovation Award 2010.



AUGUST 20, 2011

Switzerland, the US, Brazil – around the world, which issues are important to young people today? Where do they see problems in our society and what inspires them with optimism and hope? Each year, the Credit Suisse Youth Barometer survey gauges the thoughts and opinions of over 3,000 individuals aged between 16 and 25 in an international dialogue with the next generation.

→ Youth Barometer

An insight into the values, concerns, and views of young people from Switzerland, Brazil, and the US

→ Prix Credit Suisse Jeunes Solistes

Mi Zhou, a cellist from China, embarks on a great career

→ Clouddog

A kick start for the future

→ Woodland Conservation

How banks can lend a helping hand

→ Spotlight on Sustainability

Credit Suisse experts discuss the topic of sustainable investments



Young People Are Showing Greater Environmental Awareness



CH



How do young people in Switzerland relate to spirituality? And how do they feel about religious minorities? The 2011 Credit Suisse Youth Barometer focuses on religion, but also reveals other significant findings.

Text: Yvonne-Denise Köchli

More than three-quarters of the younger generation (76 percent) believe that different religions can peacefully co-exist in Switzerland. A similar number (70 percent) feel that religious minorities should have the freedom to practice their religion, but only as long as their practices in everyday life are consistent with Swiss laws. This fundamentally tolerant attitude is combined with the expectation that religious minorities should adapt to Swiss customs (59 percent).

This second Credit Suisse Youth Barometer focuses on religion, while the subject of new media was the focus in 2010. The mind-set of young people living in Switzerland toward religious issues is complex and ambivalent, and in particular there is a degree of unease with the state church.

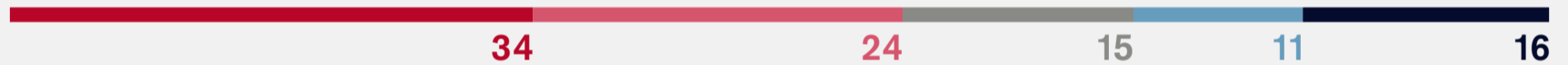




Statements About Spiritual Views

Please indicate which statement most closely corresponds to your spiritual views. Indicate whether each statement applies to you.

There is a higher power.



God exists.



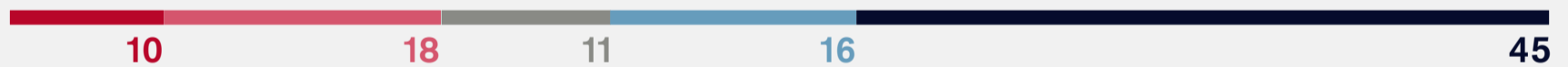
I do not believe in god or a higher power.



All religions believe in the same god.



I do not know what to think.



I agree **I agree somewhat** Don't know/no answer **I disagree somewhat** **I disagree**

Residents between 16 and 25 years old in percent

Feeling Alienated by the Church

Nearly three-quarters of 16- to 25-year-olds in Switzerland indicate that they belong to a Christian denomination (73 percent), specifically the Roman Catholic Church (39 percent) and the Swiss Reformed Church (27 percent), each of which has a membership rate of about 40 percent of the to-



tal population. This very high rate despite the implications stands in contrast to dramatic internal emigration. Only about one-fifth of youths feel like they really belong to a religious community (22 percent), whereas three times that number explicitly said they did not feel that way (68 percent). This figure is significantly lower than that for those who feel that they are members of European society (37 percent).

It should therefore come as no surprise that only a little more than one-quarter of young people attend church or another place of worship several times a year (27 percent). Most of them attend only on special occasions such as baptisms, weddings and funerals (56 percent). Conversely, only one-seventh of respondents categorically rule out attending church (15 percent).

Four-fifths Oppose the Use of Violence in Religious Conflicts

More than half (58 percent) of young people believe in a higher spiritual power, while almost half (43 percent) believe that power is God. Of these, nearly three-quarters are convinced that all religions ultimately believe in the same god (31 percent), which almost surely results in the documented tolerance in questions of faith. Two-thirds indicated that they are sympathetic to the struggle for religious freedom (63 percent). No less than four-fifths (81 percent) of respondents believe that people should not resort to violence when religious conflicts arise. Even in Switzerland, however, almost one-tenth (9 percent) of young people approve of the use of violence in religious conflicts, which represents a potential threat that



should not be underestimated. A clear majority (61 percent) of young people expect that religious conflicts will increase, and an astonishing number (27 percent) have already experienced such a conflict in their own environment.



Statements About Religion

We have gathered some frequently heard statements on the subject of religion. Please indicate if you agree completely, agree somewhat, disagree somewhat, or disagree completely.

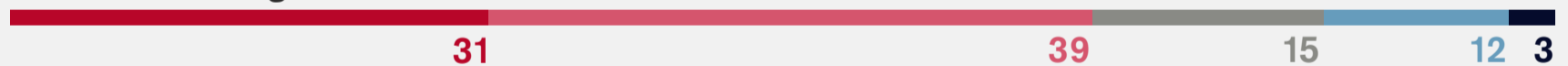
No sympathizing with violence.



Peaceful coexistence in Switzerland.



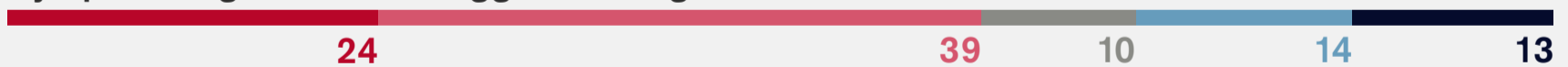
Freedom of religion for all.



Adapting to Swiss customs.



Sympathizing with the struggle for religious freedom.



Increased conflict.

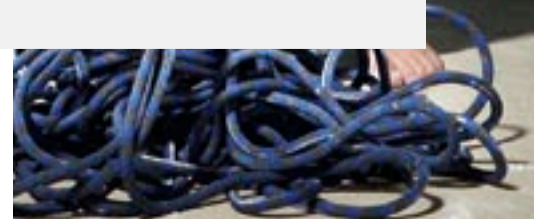
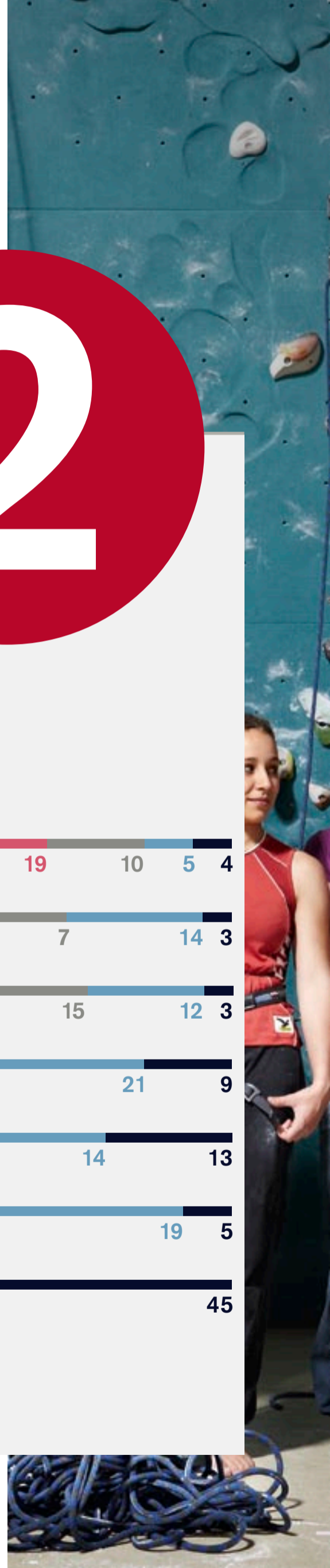


Conflicts in the immediate environment.



I agree **I agree somewhat** Don't know/no answer **I disagree somewhat** **I disagree**

Residents between 16 and 25 years old in percent



The Five Most Important Problems

The question of the five most important problems is interesting because, in Switzerland, the answers can be compared with the results of the traditional Worry Barometer and thus with the attitude of everyone in the population who is entitled to vote. Unemployment has topped the Worry Barometer for years, followed by retirement provisions and health care. For financial reasons, both of these areas simply cannot maintain their current standards without additional attention, and they represent yet another challenge for today's young people for demographic reasons. The Youth Barometer shows a different emphasis, however. Health care issues (18 percent) are no longer at the forefront, and unemployment/youth unemployment (39 percent) and retirement provisions (36 percent) hold second and third place. However, the rating for unemployment is almost twice as high (76 percent) in the Worry Barometer.

Young people are most worried (45 percent) about issues surrounding foreigners, who make up 22 percent of the Swiss population. This may be related primarily to discussions regarding freedom of movement between Switzerland and the European Union, which is leading to an additional increase in the foreign population and to integration problems. In addition, young people view racism and xenophobia (23 percent) and refugee and asylum issues (22 percent) as problems. Young people consider violence and crime-related issues to be problematic to a somewhat lesser extent than expected (18 percent); the general population largely blames these problems on foreigners. The right of foreigners to vote, which was polled in another con-





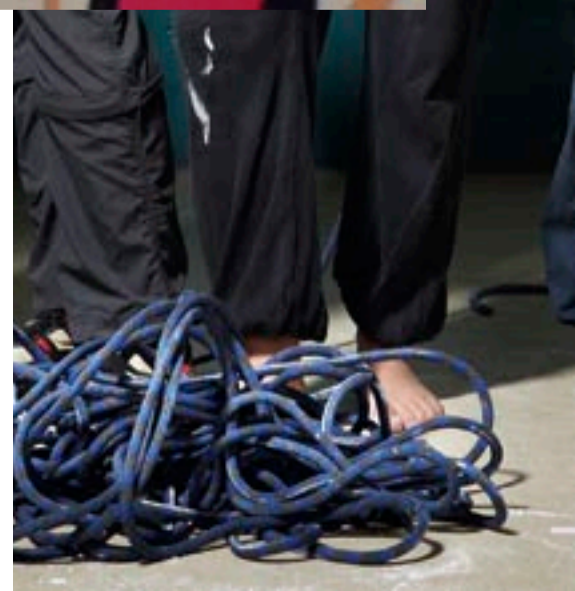
Swiss Youth Find Friends and Family Extremely Important

Having friends they can count on is what young Swiss people find the most important when asked what they strive for in their lives.



Residents between 16 and 25 years old, who find the following things extremely or very important for them personally

text, was endorsed by 29 percent of those surveyed. This is a higher approval rating than for lowering the voting age to 16 (23 percent), but lower than for introducing mandatory voting (38 percent).



Environmental Protection Gains Importance

The challenges surrounding environmental protection (34 percent, + 5 percent) and nuclear energy (27 percent, + 14 percent) issues have clearly gained significance among young people. This corresponds with the question of issues that are important to individuals. For youths, protecting the environment takes top priority (58 percent, + 5 percent). Certain financial considerations resonate with them as well, however. Increasing oil and gasoline prices worry a growing number of young people (19 percent, + 6 percent) a great deal.

A Good Boss and an Exciting Career

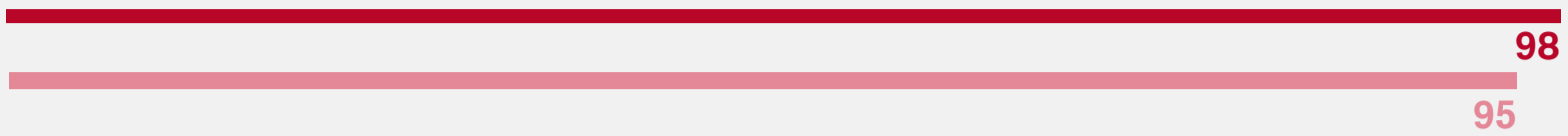
How do 16- to 25-year-olds define the ideal employer? The vast majority of them would like to work either for a family-run business (77 percent) or a large-scale enterprise operating internationally (67 percent); reversing the preferences from 2010. The public sector (53 percent) and large-scale enterprises operating exclusively in Switzerland (52 percent) are significantly less attractive, although they both still exceed the 50-percent mark. Slightly behind them are state-owned enterprises such as Swiss Post and the Swiss Federal Railways (47 percent) and charities and non-governmental organizations (41 percent).

Trend: Preferred Characteristics of Employers

How important to you are the following employer characteristics?



Good boss



Generous and tolerant toward employees



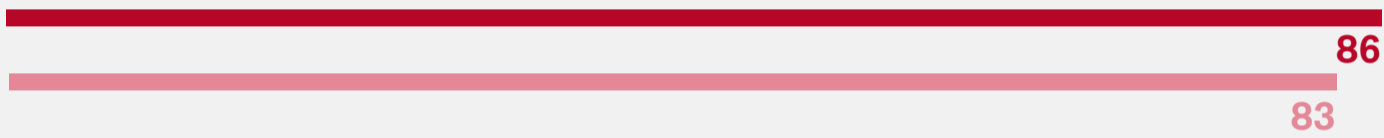
Modern and creative



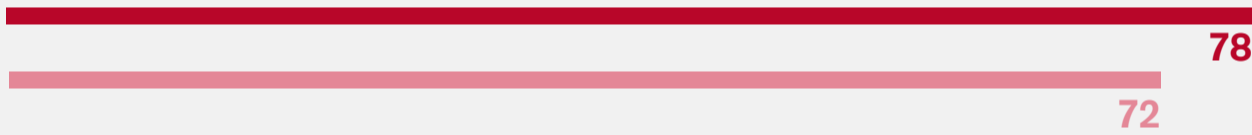
Provides opportunities for education and training as well as temporary assignments abroad



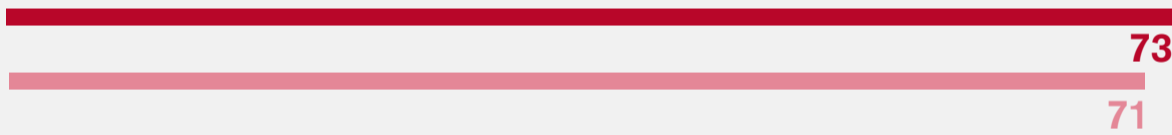
Modern working environment



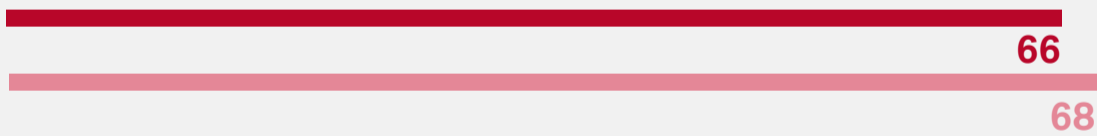
Environmentally friendly



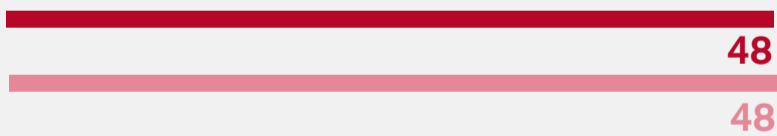
Women have good career opportunities



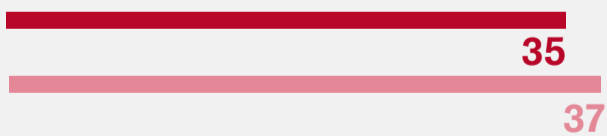
Involvement in social/charitable projects



Sponsors cultural and sports events



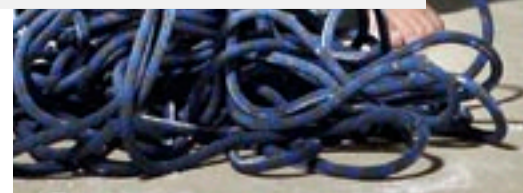
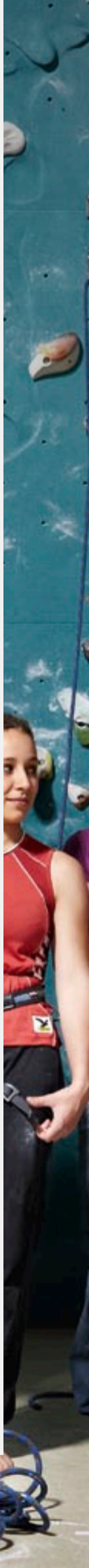
Working from home is an option



May 2011

August-October 2010

Residents between 16 and 25 years old in percent, who found them very important or somewhat important



A person's direct supervisor is obviously crucial to personal well-being. Young people want to have a good boss (98 percent). Employers should be generous and tolerant toward their employees (98 percent), have a modern and creative outlook (87 percent), offer a modern working environment (86 percent), and provide opportunities for education and training as well as temporary assignments abroad (89 percent). Likewise, many young people feel that it is important for their employers to be environmentally friendly (78 percent) and provide career opportunities for women (73 percent). Involvement in social causes (66 percent) and sponsorship of cultural and sports events (48 percent), in contrast, are somewhat less important when it comes to evaluating one's own employer.

Finally, young people simply want to have an exciting job (85 percent) and receive good continuing education (77 percent). This continuing education provides personal satisfaction, above all; an astonishingly low number of youths are truly concerned about having a serious career (40 percent), and it seems that public recognition is not a goal they consider worthy of pursuing (23 percent).

Personal well-being therefore depends on one's personal environment, rather than on a professional or public-sector career. Having friends that one can rely on (95 percent) is the highest life goal, followed by a good family life or partnership (89 percent), based primarily on a combination of honesty (89 percent) and loyalty (87 percent). These are followed by an exciting job and an enjoyable life (85 percent each), as well as being respected as a person (80 percent). The percentage differences are extremely small and sometimes



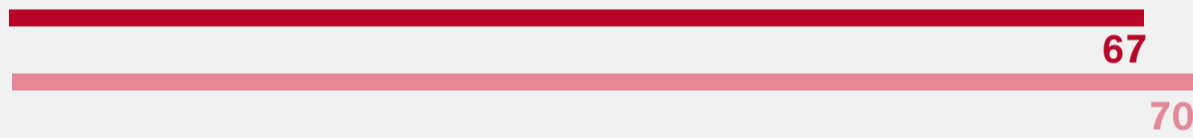
fall within the sampling error range, but the order of these seven items is the same as it was the previous year. Only living a responsible life (78 percent) edged out good education and training (77 percent).



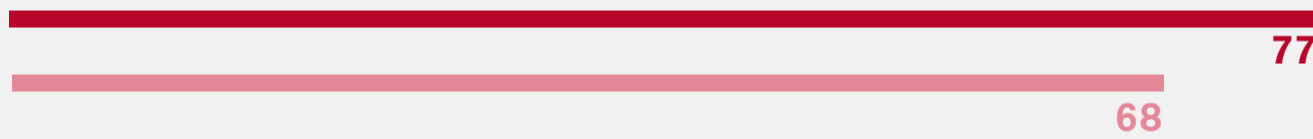
Trend: Employment Preferences

What is your preferred work environment?

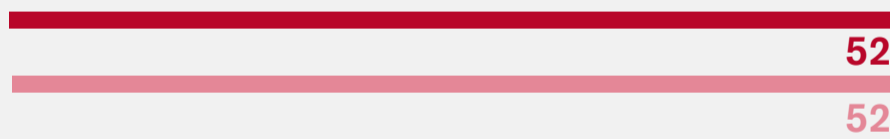
An internationally active large-scale enterprise



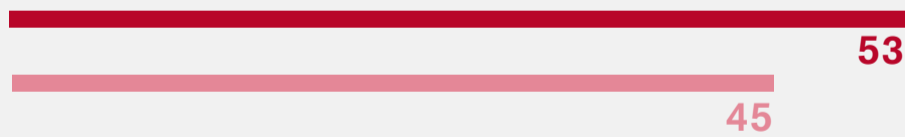
A small or medium-sized private company



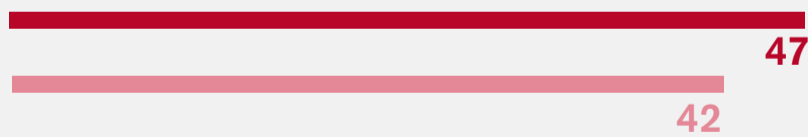
A large-scale enterprise active only in Switzerland



Federal, cantonal or local government



A public sector entity, Swiss Federal Railways, Swiss Post, etc.



A charitable institution or NGO



May 2011

August-October 2010

Residents between 16 and 25 years old in percent, who would like or would very much like to be employed there



The Swiss Love Free Newspapers, Television, and Radio

Young Swiss people prefer to get their news from the following sources: free newspapers (74 percent), television (71 percent), Internet news sites (57 percent) and the radio (52 percent).

In comparison with other countries, the Internet is a much less important information source in Switzerland than it is in Brazil and the USA, for example. Although 87 percent of young people in Switzerland have joined Facebook, social networks are seen by only 32 percent as a significant source of information. This stands in stark contrast to the US (51 percent) and Brazil (67 percent). The Swiss (29 percent) are ahead of the US (25 percent) and Brazil (13 percent) only in terms of news apps for smartphones. Conversely, while Swiss people rely more heavily on free newspapers than Americans and Brazilians do, they also read daily newspapers (35 percent) and weekly papers (23 percent) to a slightly greater extent.



Politics and Economics are also of Interest

More than three-quarters of Swiss people read up on current events at least once a day (77 percent). This makes them (slightly) more information-hungry than Brazilians (76 percent) and Americans (64 percent). Music is very high on the list in all three countries: 57 percent of young people in Switzerland are interested in finding out about music. This figure is exceeded only by interest in the weather (61 percent). Along with the weather, the Swiss are ahead with regards to their interest in regional activities (57 percent), sports (48 percent), politics (47 percent) and business (39 percent), in comparison to other countries.

The Swiss Spend on Vacations

What would young Swiss people do if they were to receive a gift of CHF 10,000 (USD 12,220)? From that sum, they would save an average of CHF 5,345 in some form or another, and spend the remaining CHF 4,655. Spending would first be directed toward a vacation (CHF 1,444), then toward family members (CHF 717), clothing and jewelry (CHF 682), and cars (CHF 678). Other uses for the money – a significant distance behind the others – include donations (CHF 355), gifts (CHF 343), sports (CHF 234) and cosmetics/spa treatments (CHF 202).

This relative propensity toward consumerism among Swiss youth corresponds with their rather hopeful appraisal of the societal situation (31 percent vs. 21 percent with a negative view), and of their own future, in particular (64 percent).





Interest in Current Events

What interests you most in the realm of current events?

Weather 61%

Regional news 57%

Sports 48%

Politics 47%

Music 46%

Business 39%

Culture 39%

Events/parties 38%

People/celebrities 36%

New products/brands 29%

Computers/games 29%

Residents between 16 and 25 years old in percent, who read up on the following at least occasionally



The Seven Main Trends

And finally, the seven key trends among young people in Switzerland are getting together with friends (96 percent), texting (92 percent), sending e-mails (88 percent), traveling abroad (85 percent), meeting new people (83 percent), spending time on Facebook (81 percent), and being themselves (81 percent). In contrast to 2010, television lost some ground (from 80 percent to 76 percent), while Italian foods like pizza and pasta (89 percent) were not included anymore in the poll. But that does not mean that young people in Switzerland no longer enjoy it.

During March and May 2011, the second Credit Suisse Youth Barometer, founded by research institute gfs.bern, was conducted online involving 1,012 participants aged between 16 and 25.



An Optimistic US Youth, Worried About Unemploy- ment, Strives for Honesty

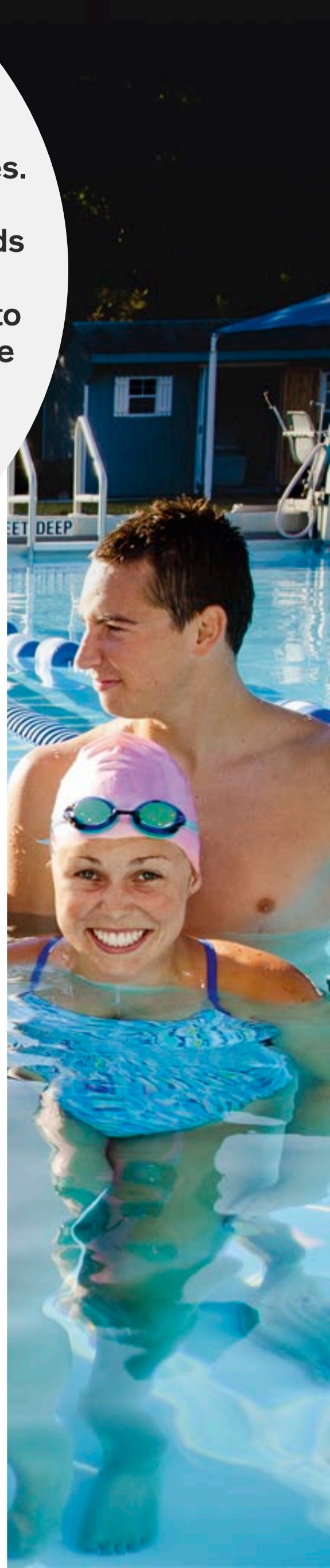


US

Young Americans are optimistic about their own future, but worried about the country's high unemployment and rising gas prices. They spend several hours a day online, prefer to contact their friends through text messaging, and strive for honesty in life, according to the results of the 2011 Credit Suisse Youth Barometer, carried out simultaneously in the US, Brazil and Switzerland between March and May.

Text: Dorothee Enskog

This year's survey depicts a hopeful and optimistic American youth if the means, possibilities, and solutions at their disposal for their own personal future are taken into account (see figure 1). The majority, or 56 percent, are fairly optimistic about their own future. This positive stance clashes with their views about the future of society, where only a quarter are fairly optimistic (see figure 2). Compared with their Brazilian and Swiss peers, young Americans are clearly the most pessimistic; a result that can perhaps be explained by the recent recession the country is emerging from, the country's high unemployment, and the rapid economic rise of China and India.





Optimistic About Their Own Future

The young Americans polled are generally fairly optimistic about their personal future, with less than 10 percent judging it rather bleakly.

Fairly optimistic



Mixed, it varies



Rather bleak



No comment



Pessimistic About Society's Future

The young people polled are much more reserved about their society's future, with less than a third judging it fairly optimistically – which is perhaps not so surprising for those living in the US.

Fairly optimistic



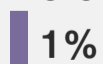
Mixed, it varies



Rather bleak



No comment



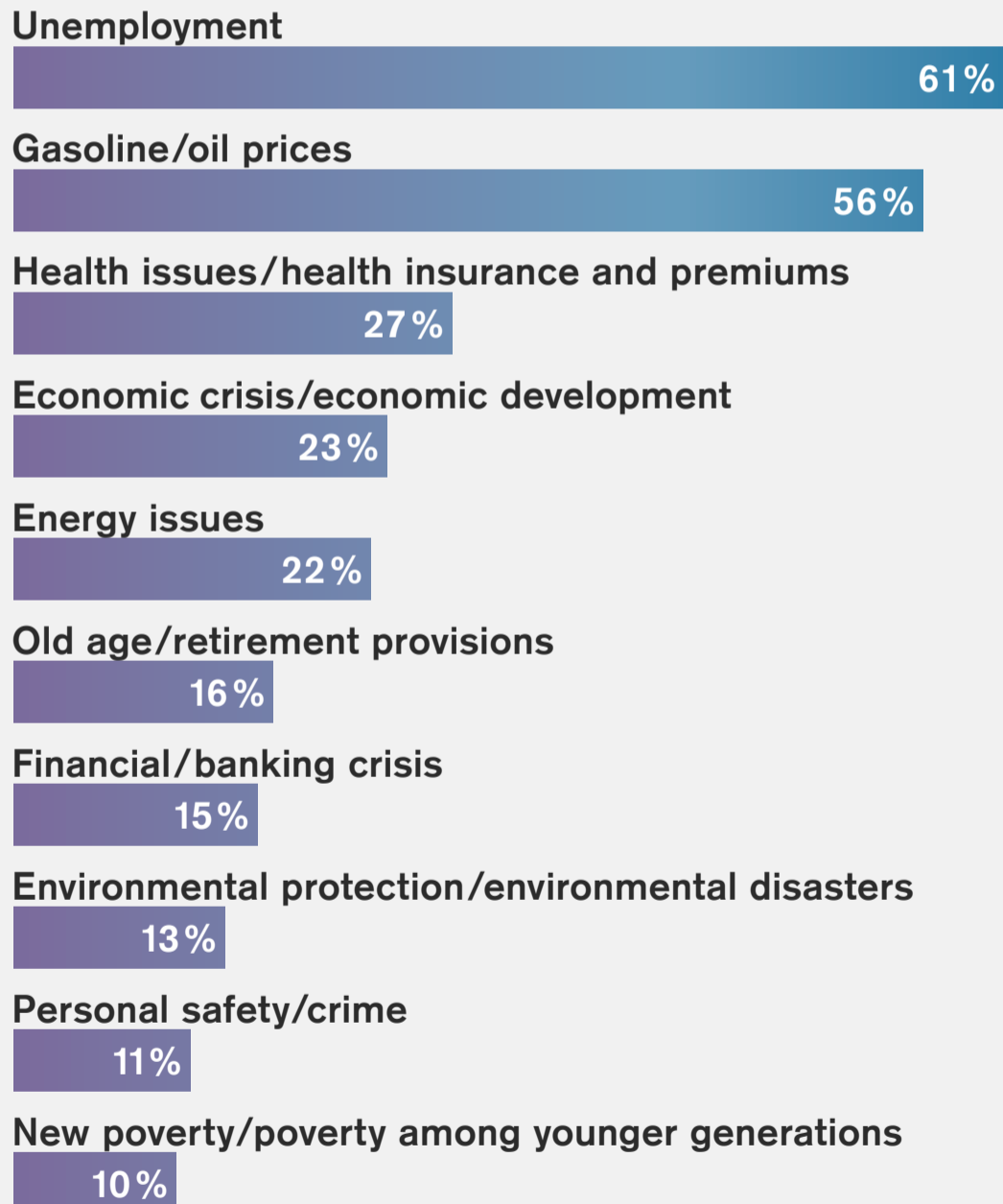
Residents between 16 and 25 years old





Main Worries in the US

Unemployment and gas prices overshadow all other worries – when people were asked to cite the five greatest problems Americans currently face.



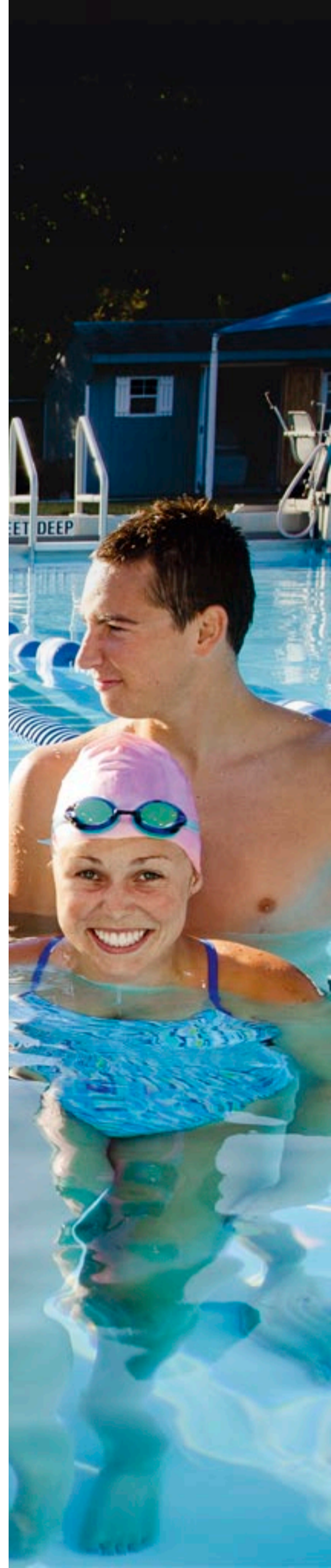
Residents between 16 and 25 years old



Unemployment and Gas Prices Cause Worry

Unemployment is the main worry of young Americans (see figure 3). Three-fifths of those polled cite joblessness among America's five greatest problems. The latest available employment data from the US Bureau of Labor Statistics backs this finding. The proportion of employed 16- to 24-year-olds was 48.9 percent last summer, the lowest rate since 1948, when the collection of this type of data began, while the youth unemployment rate among the same age group hovers around 20 percent – the highest level on record. More than three-quarters of those polled acknowledge that you should be grateful if you even manage to find a job nowadays.

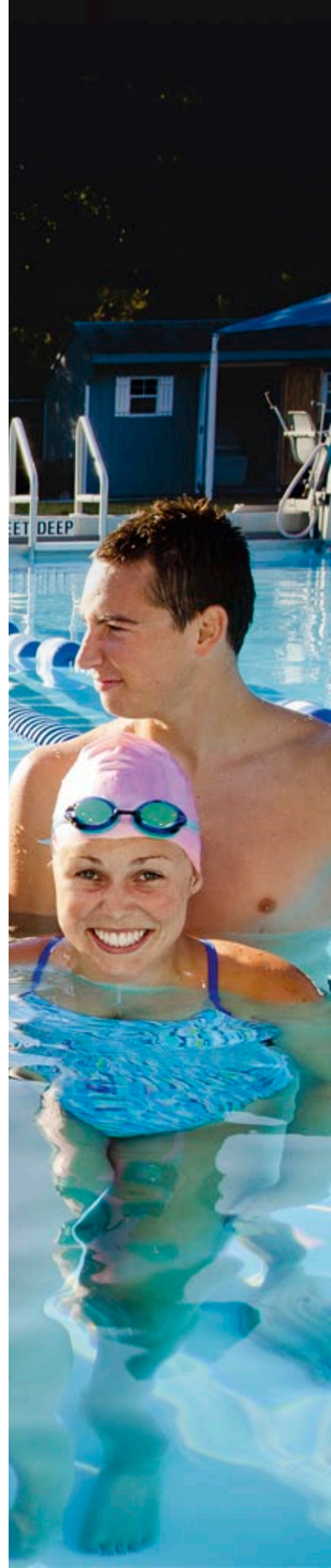
The sharp increase in gas prices also worries young people. Some 56 percent pointed to this rising trend, ranking it as American's second-greatest problem in May 2011 compared to just 41 percent in October 2010. During this period, gas prices at the pump have risen from USD 2.9 per gallon to just above USD 4 per gallon, according to the US Energy Information Administration. Other problems cited – schools and the education system, terrorism, health issues and health insurance, the economic crisis, and energy issues – also cause the US youth concern, but to a far lesser extent. Approximately a quarter of those polled rate these among America's five great problems. The fear of terrorism has declined since the last survey, now worrying 27 percent compared with 33 percent in October. Old age and retirement provisions, the financial and banking crisis, environmental protection and environmental disasters, crime and personal safety, new pov-



erty and poverty among the younger generations worry relatively few – less than 16 percent.

Honesty and Loyalty of Utmost Importance

When asked what they strive for in life, a number of traditional values are cited, with honesty coming first (see figure 4). Some 84 percent of young Americans surveyed view this virtue as extremely or very important, closely followed by loyalty, being respected as a person, leading a good family life/relationship and enjoying life to the fullest – cited by more than 80 percent. In Brazil, on the other hand, obtaining a good education and/or further training and having an exciting job rank among the five most cited objectives. Neither of these two choices ranks among young Americans' top 10 priorities. This, however, does not mean that education and work do not matter to them. Nearly three-fifths of those polled responded that work and education is more important to them than their leisure time. When it comes to their ideal employer, nearly 80 percent would like to work in a small or medium-sized company and around 60 percent for a large company. Working for the government or a local authority attracts just over half of the young people polled, while having a non-governmental organization (NGO) as an employer would be the preference of a quarter.





Young Americans Want to Enjoy Life to the Fullest with Their Families

Traditional values such as honesty and leading a good family life top the list when young Americans are asked what they strive for in their lives – but so does enjoying life to the fullest.

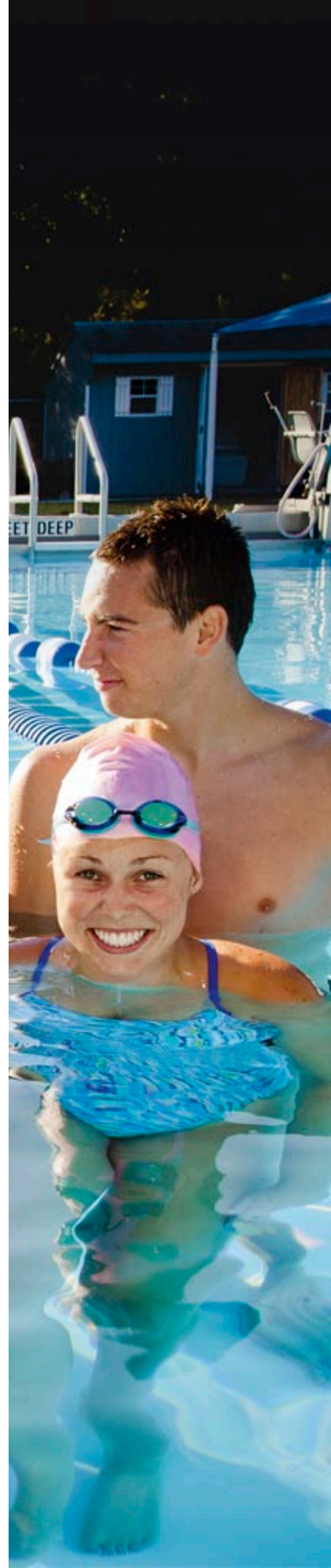


Residents between 16 and 25 years old

Egalitarian, Socially Responsible Youth

For three-fifths of young Americans, actively supporting equality between men and women is important and something they want to do themselves, with half of them stating they want children in the future and plan to share the work of raising them with their partners. Only a quarter of those polled can imagine themselves being a stay-at-home parent. Being involved with a charitable organization or actively supporting environmental issues is an activity approximately half of those surveyed consider as something they want to do themselves, while taking part in political demonstrations only attracts a quarter of those surveyed.

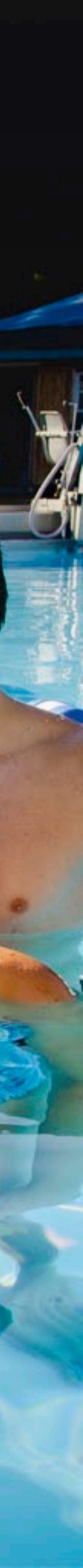
Being themselves and not pretending to be someone else is viewed as important for more than 80 percent of young Americans (see figure 5), followed closely by meeting friends, watching television, going to the movies and getting to know new people. Traveling abroad during their holidays is not a priority for the majority, with just over half of those surveyed acknowledging that they would like to travel to other US states. Going out in the evenings is another important component of young people's lives, with nearly half of them enjoying going to private parties or clubbing. More than 40 percent reply that drinking is something they like or would like to do. Conversely, smoking and taking drugs are considered to be "out", with only 22 percent and 15 percent respectively stating they like or would like to consume stimulants.





Friends, Movies and Television, the Main Leisure Activities

Being themselves, meeting friends, watching movies and television are among the most cited activities they want or would like to do, regardless of whether they consider these as being “in” or “out.”



Going to private parties

49%

Having children

48%

Going to clubs

49%

Drinking alcohol

43%

Actively supporting environmental issues

43%

Going on holidays in foreign countries

41%

Becoming a stay-at-home parent

27%

Taking part in political demonstrations

25%

Smoking

22%

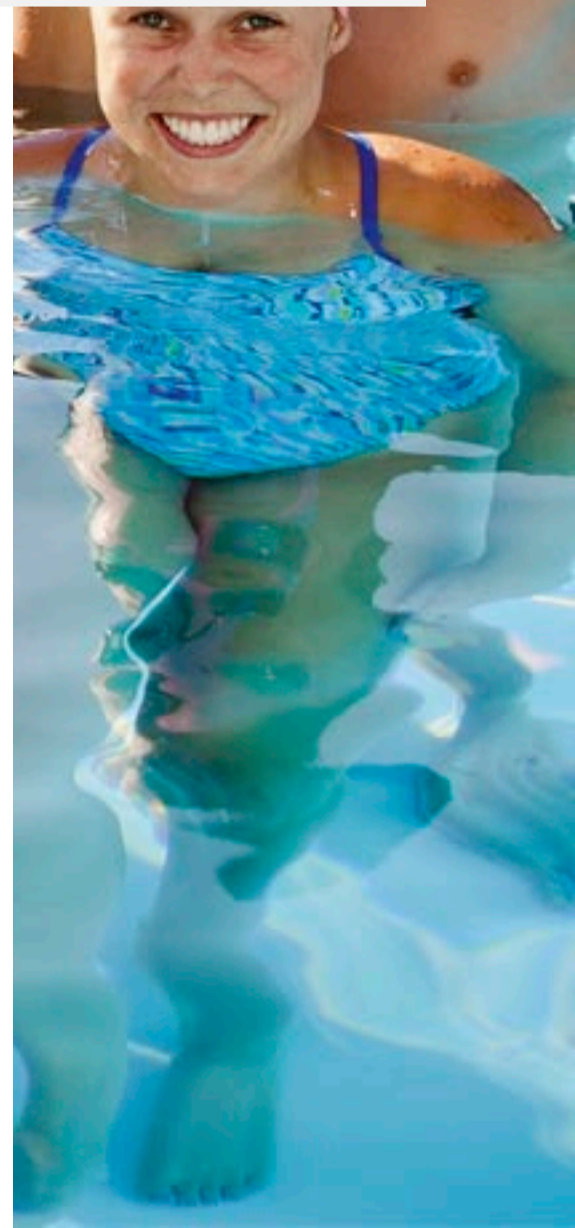
Taking drugs

15%

Residents between 16 and 25 years old

Strongly Interested in Music

More than half of the young Americans surveyed inform themselves about events daily or several times daily; less than 10 percent responded that they never do so. Television, quite surprisingly, remains the most important source of information for 70 percent of young people (see figure 6), with news and newspaper websites coming in second. Social networks such as Facebook, Twitter and MySpace come in third position. The use of social media as a source of information is, for the moment, still a rather American phenomenon that is not seen in the two other countries surveyed. The use of news applications on their smartphones as



a source of information has not yet broken through among young Americans, with only 25 percent responding that they download these.



Television Remains the Main Source of Information

Television remains the most important source of information, closely followed by the Internet. Other media such as radio and news apps on smartphones come way behind.

Television



News pages on the Internet



Facebook, Twitter



Radio



News apps on smartphones



Monthly magazines



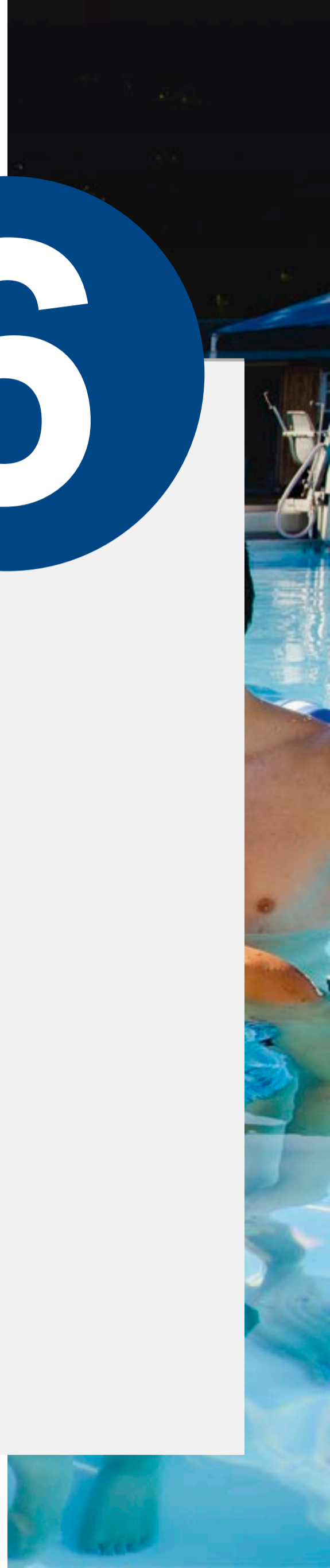
Newspapers



Weekly magazines



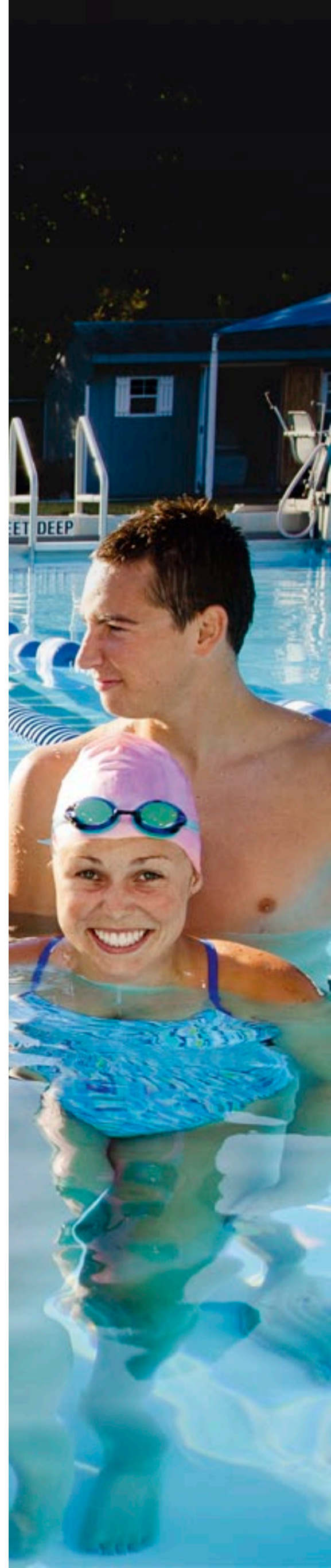
Residents between 16 and 25 years old in response to the question on how they keep up to date on current affairs



When informing themselves about daily events, more than half the US youth keeps up to date about music and weather-related news, closely followed by consumption-related news regarding new products and computers (see figure 7). Culture, sports, parties, people, politics, and regional news come in the middle, interesting approximately a third of young Americans, while business news only attracts a quarter. This probably explains why only 20 percent of those surveyed invest their money in shares, investment funds, or mutual funds. More than 75 percent do, however, regularly save money and the age group's indebtedness is also relatively low. More than 75 percent of the sample group does not hold any private debts or loans, debts to mobile phone providers, car leasings, mortgages, debt to credit card companies, or debt to acquaintances.

A Well-Connected Generation

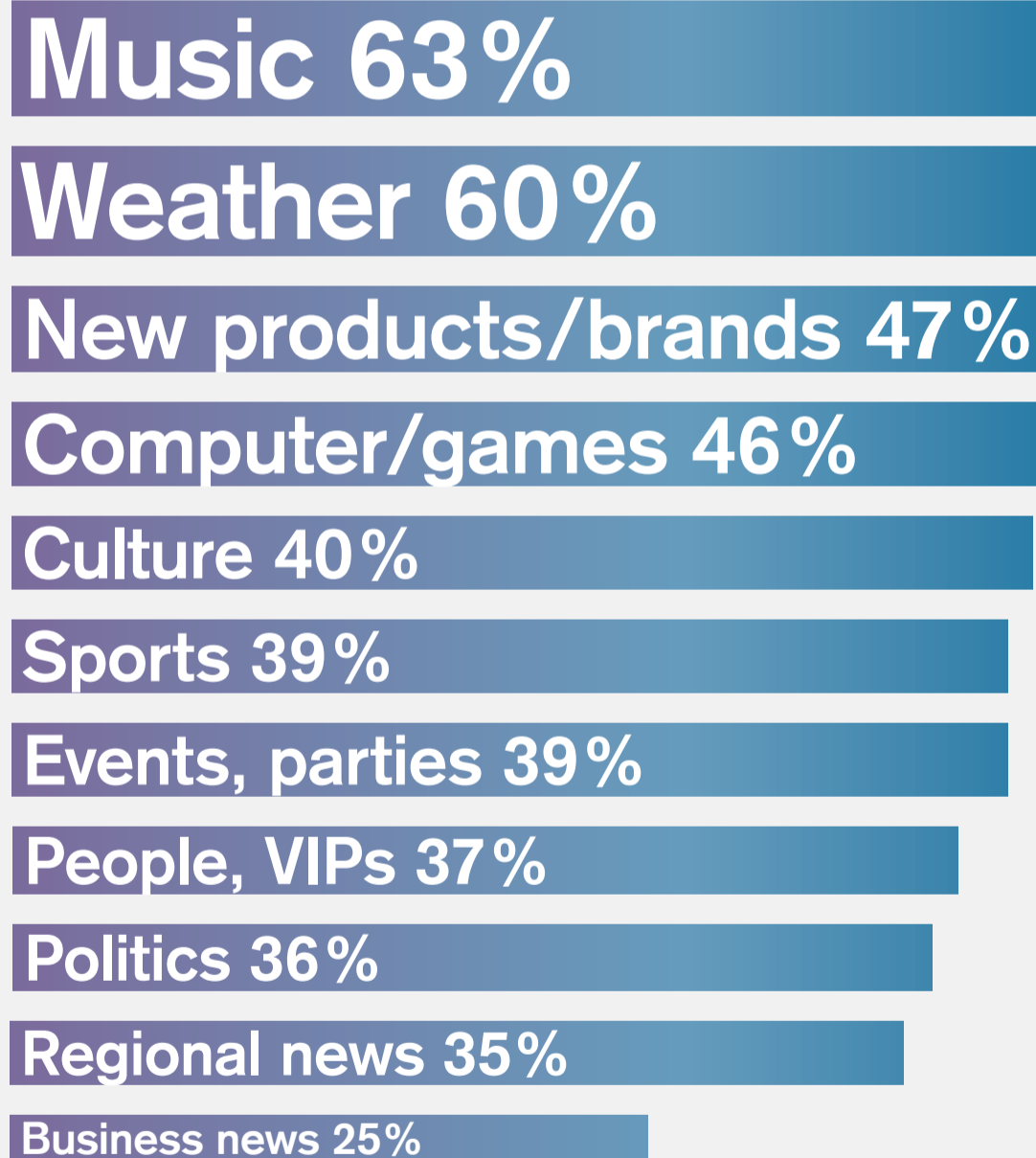
The younger generation spends several hours a day surfing the Internet or watching television. Three-quarters of those polled spend more than one hour a day surfing the web, and two-fifths admit that they use it more than three hours a day. Television seems to be the media losing out most: just over half watch the tube for more than one hour and less than a quarter spend more than three hours a day in front of their television screens. Watching movies and television at home, alone or with friends, nevertheless remains a leisure activity appreciated by more than three-quarters of those surveyed.





Music and Weather the Most Sought-After News

Music and weather-related news are the most sought-after information. Consumption-related news about new products and computers is also of interest.



Residents between 16 and 25 years old in response to the question on what current affairs issues interest them

Despite the numerous hours spent using the Internet, e-mails, messenger services and chats available on the web are not the main channels young people use to contact their friends (see figure 8). Text messaging (SMS) is by far the most used means of communication to contact them (51 percent), with voice calls made on mobile phones and Facebook/Twitter coming in second and third position at 17 percent and 16 percent



Texting Used to Contact Friends

To contact their friends, text messaging is by far the most important means of communications, particularly among women (57 percent compared with 43 percent for men).

SMS



Voice calls on their mobile



Facebook, Twitter



Landline calls



E-mail



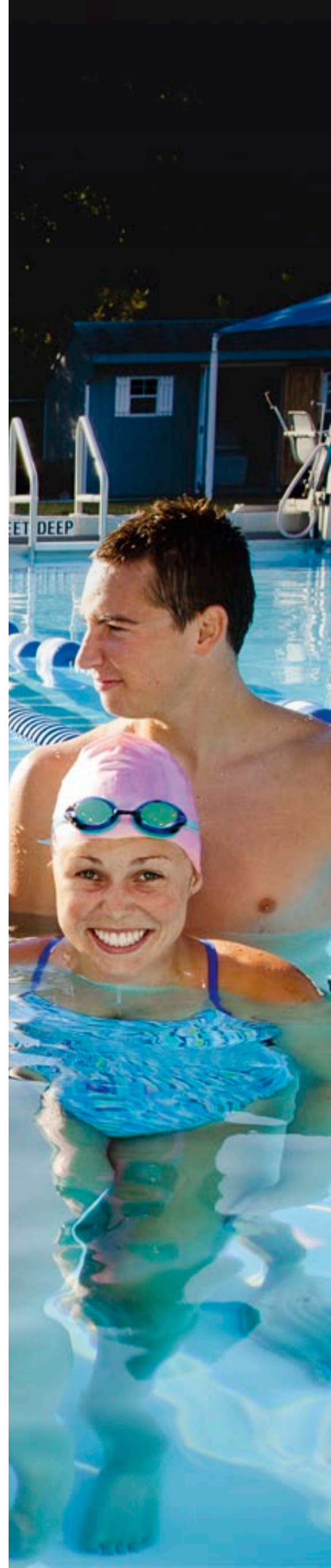
Residents between 16 and 25 years old in response to the question on how they contact their friends

respectively. Landline calls and e-mails are cited by less than 10 percent of those polled as the most important means of communication. The use of chats or messenger services on the Internet is insignificant.

Though 90 percent of young Americans are Facebook members, just over half of them view Facebook as a passing trend. Some 40 percent of those with Facebook accounts have experienced bullying or annoying people trying to chat them up through the social networking service. Despite these negative online experiences, more than three-quarters of the young Americans surveyed believe Facebook is changing the world. They are also well aware that their Facebook data could land in the wrong hands.

Athletic and Mobile

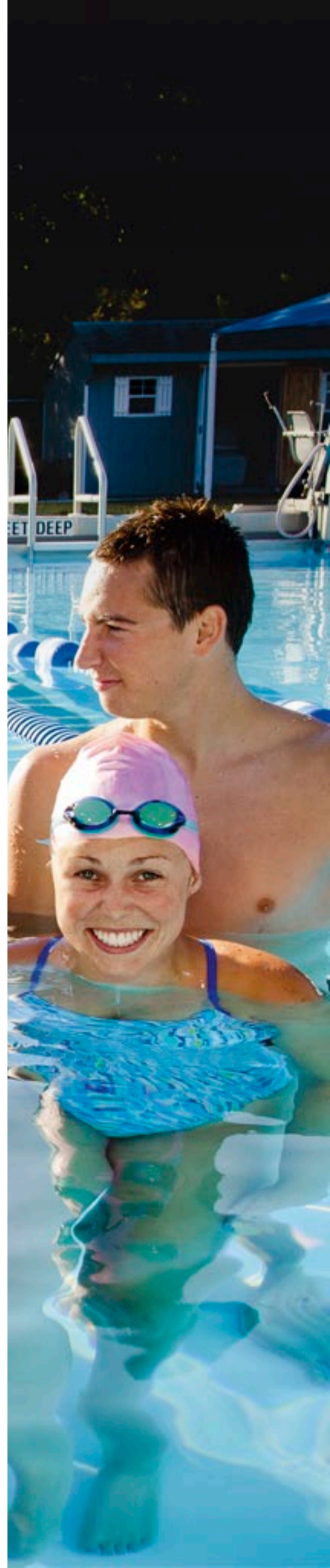
Even if young Americans spend numerous hours a day in front of their screens, physical exercise hasn't been forgotten. Just over half of them like to bike, swim, jog, or work out in a gym. Typically American sports such as football, baseball, softball, and basketball rank in the middle, while golf, motorsports, skateboarding and hockey are the least popular sports cited. Mobility is also of great importance for the US youth. More than 40 percent state that they use public transit such as trains and buses. Other regularly used means of transportation are bikes, sport-utility vehicles and sports cars. It's worth pointing out that "normal" cars were not among the possible replies.



A Spiritual Nation

With regard to denominational affiliation, three-fifths replied that they adhere to a Christian church and one-tenth to non-Christian religions. The remaining third consider themselves as atheists or agnostics, a much higher proportion than in the overall adult US population. According to the American Religious Identification Survey 2008, only a sixth of the adult US population describe themselves as atheist, agnostic or with no religion. There are nonetheless no signs indicating that spirituality is on the decline in the US. More than two-thirds of the young Americans surveyed believe in the existence of a god or a higher power. These spiritual views do, however, not turn them into particularly fervent church-, synagogue- or mosque-goers. Nearly a third replied that they never go to church, synagogue or mosque. On the other hand, a quarter responded that they go at least once a week. Another quarter answered that they only attend religious services for special occasions such as weddings and funerals.

Freedom of religious worship is guaranteed by the US constitution and nearly two-thirds of young Americans completely agree. Just over half of them also replied that they tend not to or do not at all agree that religious minorities should adapt to national customs. Three-quarters of young Americans also responded that different religions can live together peacefully in the US, though two-fifths state that they have experienced religious conflicts firsthand.



Brazilian Youth Have Faith in the Future, While Retaining Traditional Values



BR

Optimistic about what tomorrow will bring, but equally concerned about the social and economic issues troubling the country today. This is the profile of young Brazilians revealed by the 2011 Credit Suisse Youth Barometer. Living in a largely Catholic country riding a wave of economic growth, the country's youth maintain the religious beliefs of their forebears but are completely in tune with digital technology and the virtual world.

Text: Suzana Camargo

It's been a number of years since Brazil was merely the country of football, carnival and women in bikinis on the beach. This stereotypical image has been replaced by the reality of a country that the world now sees clearly as one of the four nations that make up the BRIC countries, or the Big Four, the world's biggest emerging markets: Brazil, Russia, India and China. A country in full economic growth and with a stabilized democratic system, Brazil today serves as an example to other Latin American countries. However, what was said in the past is something that the world and the Brazilians themselves still believe – “Brazil is the country of the future.”

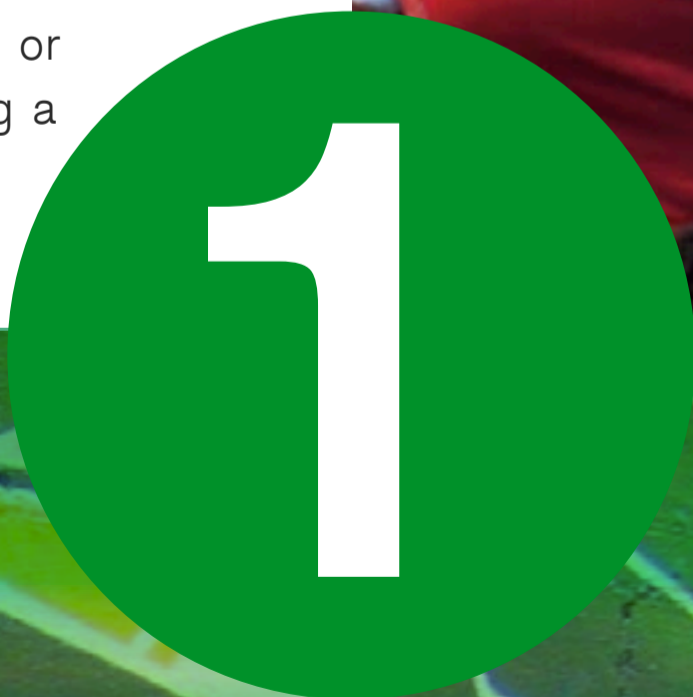
Optimistic About the Future

The 2011 Credit Suisse Youth Barometer undoubtedly bears out this belief. Of the young Brazilians interviewed for the survey, 72 percent said they



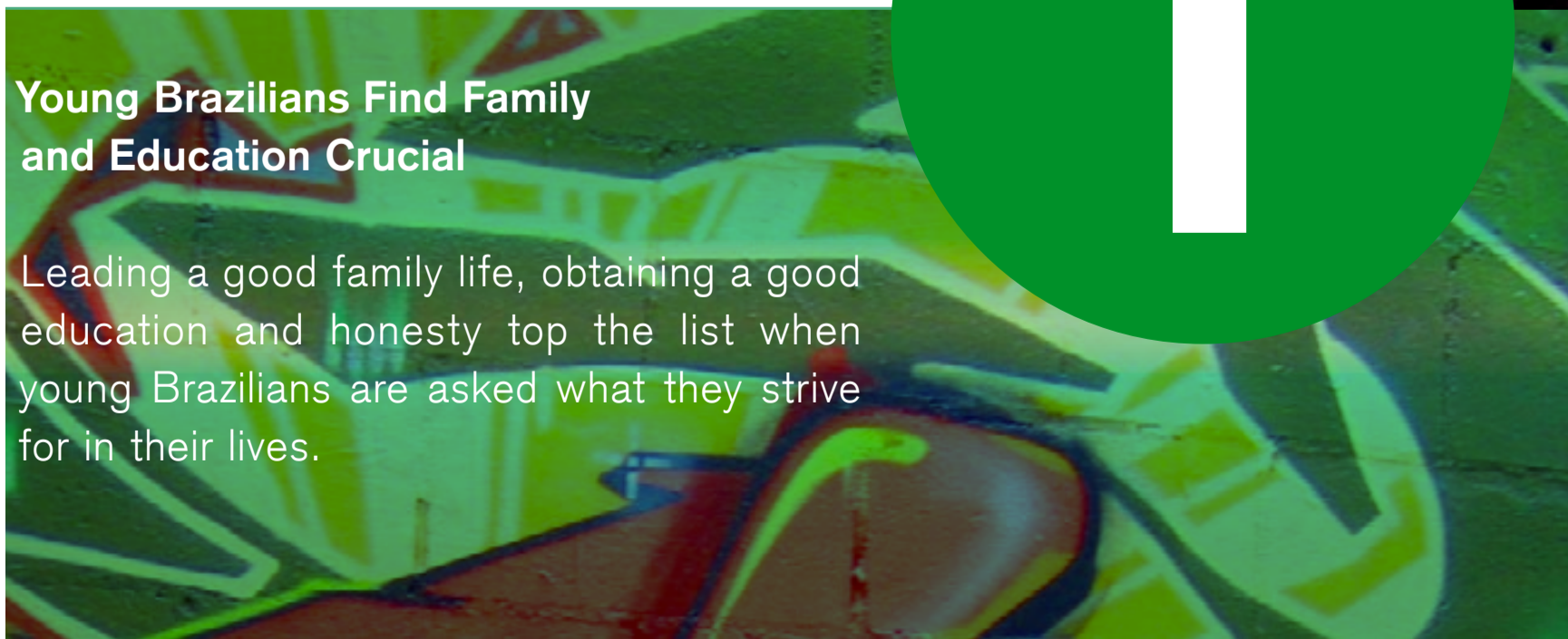
were fairly optimistic about their own future. When questioned about the future of society, they were more cautious: 34 percent expect things to get better and 29 percent said they were not sure what would happen over the next few years. The insecurity shown by the youth in relation to society demonstrates that, despite the economic boom the country has gone through in recent decades, a large proportion of the Brazilian population still faces major structural problems such as a lack of access to good public schools, an efficient health system, and functional public transport. In addition, Brazilians still face the serious challenge of combating violence and corruption in politics.

Bearing in mind the negative side of the social situation, it is not surprising that 83 percent of the young people interviewed highlighted honesty as being an essential part of their lives, judging it as extremely or very important (see figure 1). Out of this total, 66 percent said that being honest is extremely important. Equally important in the life of these young people are good family relationships (84 percent), having a good education or training in the future (83 percent), and having a good career (80 percent).



Young Brazilians Find Family and Education Crucial

Leading a good family life, obtaining a good education and honesty top the list when young Brazilians are asked what they strive for in their lives.





Residents between 16 and 25 years old, who find the following things extremely or very important for them personally

Deeply Religious

In this second edition of the Youth Barometer, religion was a new question for young people in the United States, Switzerland and Brazil. The South American country is considered one of the largest Christian nations in the world. According to data from the last national census carried out in 2010, around 75 percent of Brazilians are Catholic. However, in recent years there has been a change in the religious behavior of the population. Specialists refer to the phenomenon as the “Evangelical explosion,” since so many people have left the traditional Catholic Church to follow a new faith. In fact, the faith known as Evangelicalism in Brazil is nothing more than a new strand of Prot-



estantism. Some theologians argue that the distance between priests and worshippers is one of the main reasons for the migration to the Protestant creed. Another difference compared to the traditional Catholic Church is seen in the current teaching of neo-Pentecostal churches – popular since the 1980s – which spread the theology of prosperity, in which the Christian faith is key to material success. Money and faith are not excluded from the new churches that have sprung up in Brazil.

A Religion That is Lived and Practiced

Out of the 1,018 young people aged 16 to 25 included in the survey, 46 percent said they belonged to the Roman Catholic Church and 22 percent to the Protestant or Evangelical Church. Only 3 percent of interviewees said they were atheists or agnostics, a much lower number than for young Swiss and Americans (12 percent and 14 percent, respectively). Aside from being a generation of young people who mostly believe in the existence of a god (the response of 88 percent of those interviewed (see figure 2), compared with just 43 percent of Swiss and 69 percent of Americans), the Brazilians surveyed also carry out religious observance. The Youth Barometer shows that 36 percent go to church at least once a week and another 19 percent go at least once a month. Thus, a total of 55 percent of young people regularly attend temples and churches (see figure 3).





The Existence of a Higher Power is Unchallenged

The existence of a god or a higher power is unchallenged in Brazil, with nearly 90 percent indicating they believe there is a god or a higher power.

There is a god.



There is a higher force.



All religious communities believe in one and the same god.



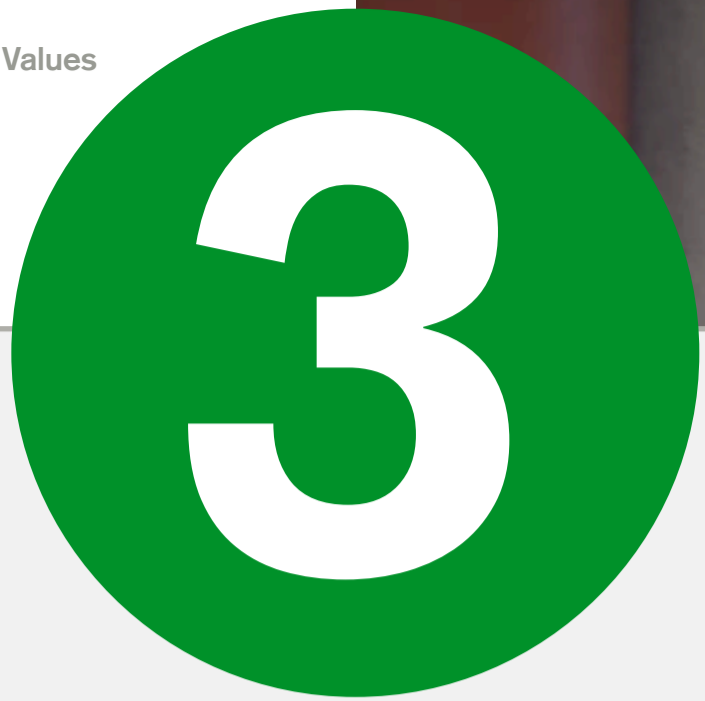
I do not know what to believe.



I do not believe there is a god or a higher force.



Residents between 16 and 25 years old, who agree or slightly agree



Fervent Church-Goers

Some 55 percent of the young Brazilians surveyed attend religious services at least once a month, if not more frequently.

Once a week or more

36%

At least once a week

19%

Several times a year

17%

For special occasions only (baptisms, weddings, funerals, etc.)

14%

Never

10%

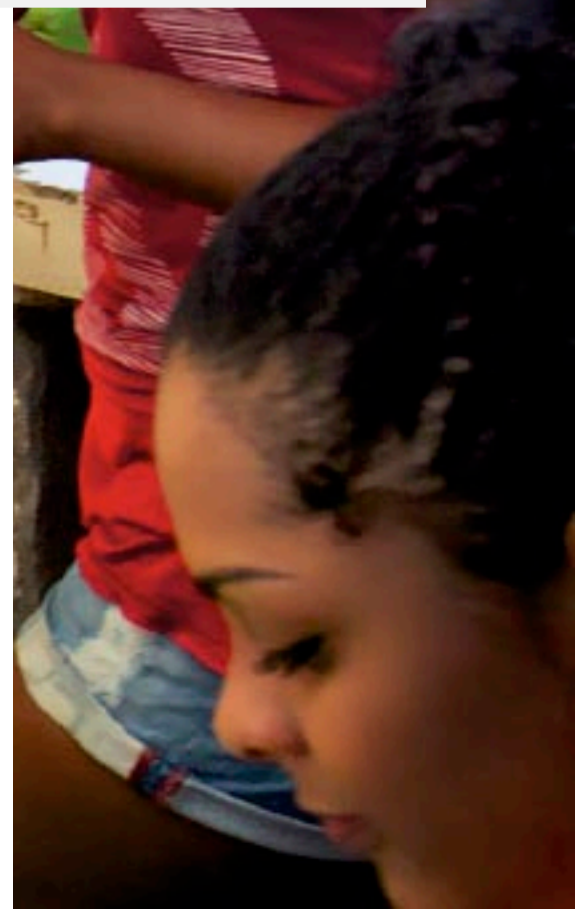
No answer

4%

Residents between 16 and 25 years old going to church/temple/synagogue/mosque

Spirituality with Historical Roots

The strong spirituality of young Brazilians has historic roots. Colonized by Portugal, the country received its religious inheritance from Portuguese settlers, and the native people who lived there were converted by Jesuit priests. There have also been innumerable waves of immigration that have brought huge colonies of Africans, Germans, Japanese, Arabs, and many other nationalities to the

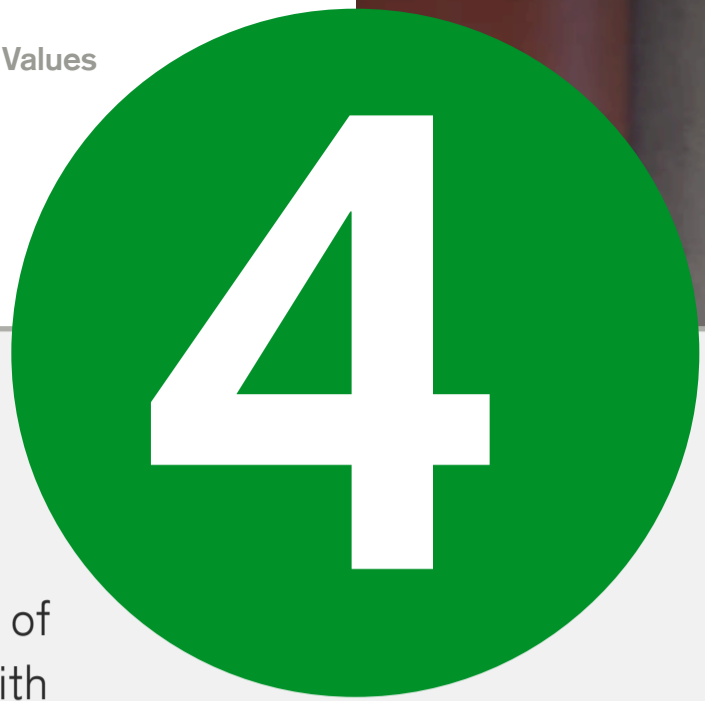


country. The newcomers brought with them different cultures, customs and religions, which means that the Brazilian people have always been more open and receptive to cultural pluralism. As proof of this, 83 percent of those surveyed agree that there should be religious freedom for all, and 81 percent believe in the peaceful coexistence between practitioners of different religions. Surprisingly, however, the Youth Barometer reveals that 68 percent of young Brazilians believe there could be an increase in conflicts caused by religious issues.

Young People of the Digital Age

People used to say that the younger generation was always tuned in. Today, they are connected. Always. At all times. Whether through cell phones, tablets or computers, adolescents stay up to date every day through the new media of the Digital Age. Music, sports, regional news, and culture are the subjects they find most interesting. Like the Americans, Brazilians use television as their main source of information (74 percent), followed by the Internet (68 percent) and social networks such as Facebook, Orkut, Twitter, and MySpace (61 percent). Accustomed to the speed of the web, Brazilians consider the Internet and television to be more important sources than printed media. Only 25 percent of interviewees cited printed newspapers as their news source (see figure 4). The number of Facebook users in the country is growing daily, but the Americans are still the largest group of social networkers: 90 percent of them use such platforms, compared with 79 percent of young people in Brazil and 87 percent in





Television Remains the Main Source of Information

Television remains the most important source of information, followed closely by the Internet, with radio and print media lagging behind.

Television



News websites on the Internet



Facebook, Twitter, etc.



Radio



Newspapers



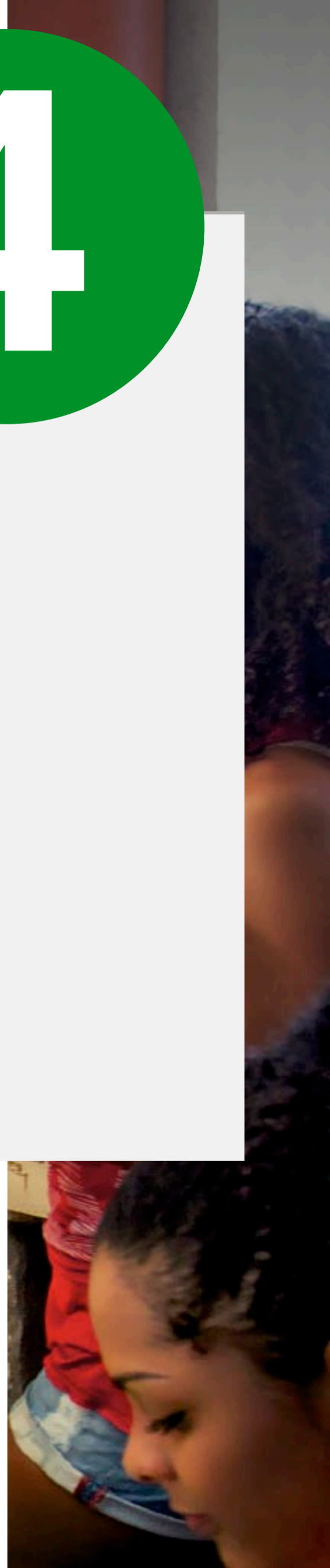
Monthly magazines



News apps on smartphones



Residents between 16 and 25 years old responding how they keep informed about daily events



Switzerland. The Brazilians' less skeptical and more relaxed view of life is highly visible in one of the more curious results of the survey: only 54 percent of them said they fear that information on Facebook could fall into the wrong hands (see figure 5). Both Americans (85 percent) and

the Swiss (89 percent) showed they were much more wary in this regard.

Even though they have some reservations about using social networks, young people believe they can change the world: 66 percent of Brazilians agree with this possibility. However, adolescents in the country that gave rise to Facebook are even more enthusiastic: 77 percent of Americans see the Internet as an agent for change in the world.



Great Confidence in Facebook

Nearly two-thirds agree that Facebook is changing the world, and only just over half fear that Facebook data could land in the wrong hands.

Facebook ...

... is changing the world.

61%

... data can fall into the wrong hands.

54%

... is a passing trend.

50%

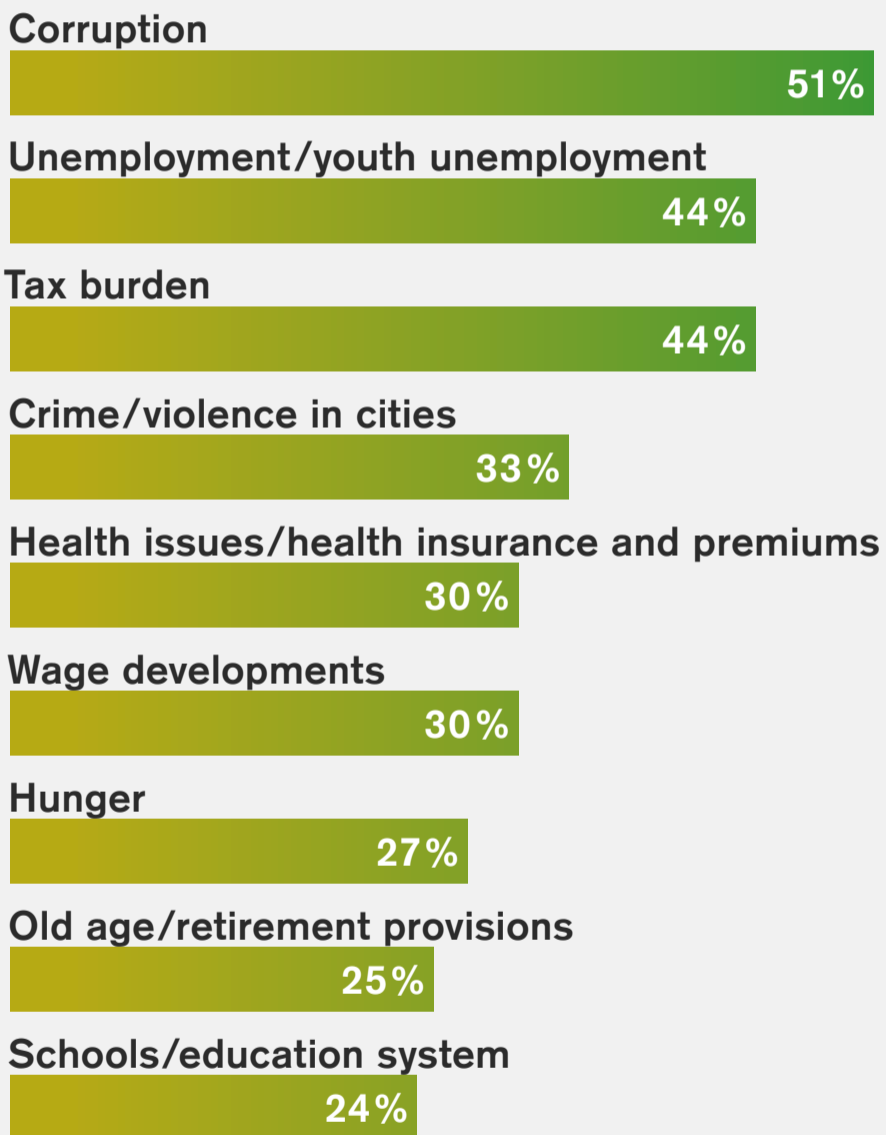
... is used by myself to attend events and parties.

40%

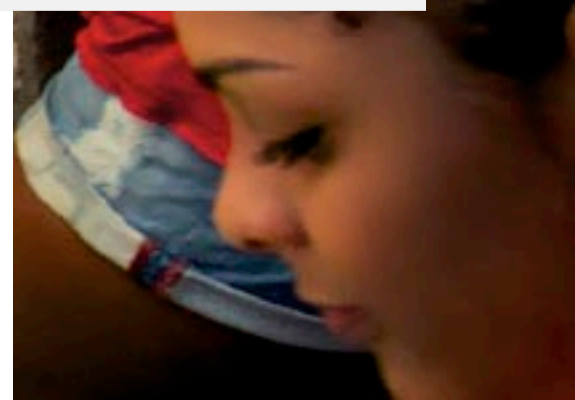


Main Worries in Brazil

Corruption, youth unemployment and the high tax burden overshadow all other worries when young Brazilians were asked to cite the five greatest problems they currently face.



Residents between 16 and 25 years old citing Brazilian's five greatest problems



Access to information has become much easier, faster and cheaper, with the Internet. This seems to be one of the reasons why young Brazilians are more informed, and thus concerned about the economic and social problems in the country. When asked about which issues most affect them today, as in the previous edition of the Youth Barometer, corruption appeared in first place, at 51 percent (see figure 6). It was followed, at 44 percent, by a problem that seemed to concern young Brazilians much less in 2010: high taxes.

Politics and the Labor Market

The election of the first woman president in the history of Brazil at the end of last year provided continuity to the political plan established by her predecessor, ex-president Luiz Inácio Lula da Silva, as both are members of the Labor Party (PT). Like Lula, Dilma has benefited from being highly popular. However, to date there has been no sign of change in the government's economic policy in terms of taxes. Brazilians are some of the most highly taxed people in the world. Unfortunately, few people see good quality services in exchange for the large sums paid by taxpayers. In addition, foreign products are subject to high import charges upon entering the local market, meaning they are very expensive and become less competitive. Against this backdrop, some international companies have lost interest in investing in the country.

For young Brazilians, unemployment is just as worrying as the high tax burden. Obligated to comply with a labor law that is overly bureaucratic and full of hurdles, many employers do not take on full-time employees to avoid employment commit-



ments such as vacation pay, health plans and public holidays. As a result, Brazil has a huge number of informal jobs, in which companies use labor from self-employed workers but have no legal connection with them. In the past, young Brazilians have demonstrated the importance of political engagement at historic moments. This was the case when they took to the streets and the political Left united to fight against the military dictatorship in the mid-1960s. Just over 20 years later, the painted face generation also took part in demonstrations and protests that led to the impeachment of then President Fernando Collor de Mello.

For 35 percent of the young people questioned in the 2011 Youth Barometer, political engagement is still considered important (see figure 7). However, much more important than participating in politics, these young people say that you should be involved in charity and helping the needy (59 percent), the fight for a world with less injustice and abuse (63 percent) and environmental protection (74 percent).





Environmental Protection is Crucial

Close to three-quarters cite environmental protection as a cause they personally find extremely or very important to be engaged in.



Residents between 16 and 25 years old, who find the following things extremely or very important for them personally

No Political Commitment

What is very clear from the three countries in which the survey was conducted is that adolescents do not define political engagement as a priority in their lives. The Americans, Swiss and Brazilians consider social and environmental issues to be much more important. Despite the geographic and cultural distance, they think in the same way on these points. Another conclusion that the Youth Barometer researchers reached is that the higher the young people's educational level is, the greater their involvement in politics will be. This means that young people studying at universities will be closer to political issues than those who do not have access to higher education. Another factor that may lead to greater politicization among adolescents is being part of a religious group. In the case of Brazil, young people affiliated with the Green, Labor and Social Democrat parties seem to be more concerned with politics in the country.

Dreaming About a Bright Future

Optimistic and hopeful by nature, Brazilians dream of a bright future. 86 percent of them want to buy their own property. And if they won USD 10,000, what would they do with the money? The vast majority of them, just like the Americans and Swiss, would put the money in a savings account. Next, they would use the money to buy a house, invest in funds and the stock market, and help their family. For young Brazilians, family is the foundation for everything and so they cannot think about a future without its presence and security.



The Talent Development Pyramid of Credit Suisse

Chinese cellist Mi Zhou will be presented with the Prix Credit Suisse Jeunes Solistes, which is awarded as part of the Lucerne Festival's Debut series. The prize is a cornerstone of Credit Suisse's commitment to classical music.





Mi Zhou, cellist from China.

Text: Andreas Schiendorfer

The roots of classical music lie here in Europe, explains young cellist Mi Zhou enthusiastically. “I have made significant progress training under Thomas Demenga in Basel. In the West there is a conscious effort to enhance the joy of playing, emotional expression and individual interpretation, whereas for us in China the focus is rather on precision and perfection.” The strong reputation of Switzerland in the area of musical training is no coincidence.

Prix Credit Suisse Jeunes Solistes

The prize is awarded every two years by the Lucerne Festival, the Conference of Swiss Music Academies (KMHS) and the Credit Suisse Foundation. The aim is to promote the development of highly gifted young musicians in Switzerland. The right to participate in the competition is gained through nomination by the KMHS.

Previous winners:

2011, Mi Zhou, cello
2009, Andriy Dragan, piano
2007, Aniela Frey, flute
2005, The Tecchler Trio
2003, Pawel Andrzej
Mazurkiewicz, piano
2001, Sol Gabetta, cello

“At the end of the 1990s we started to professionalize the development of talented young musicians. The decisive step was improving teacher training,” explains Christoph Brenner, chairman of the Conference of Swiss Music Academies (KMHS). “Our training requirements for every single music teacher are just as challenging as those for budding soloists or orchestral musicians.”

The Lucerne Festival – A Major Career Step

On August 18 in Lucerne, Rolf Bögli, head of Private Banking Switzerland, will formally present Mi Zhou with the Prix Credit Suisse Jeunes Solistes 2011, which comes with a prize of CHF 25,000 (USD 21,000). “Mi is now on the threshold of a formidable career,” asserts Paola De Piante Vicin Oetiker, her accompanist on the piano, with un-



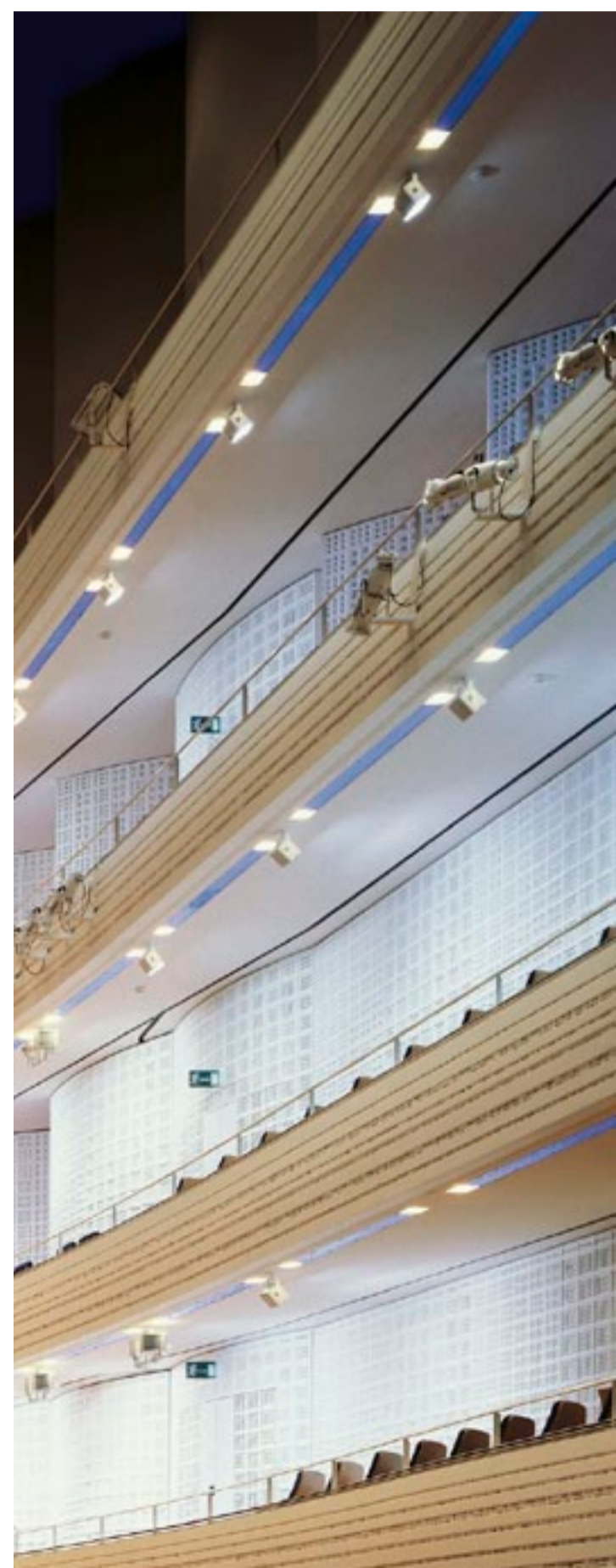
Mi Zhou, a young soloist preparing for the Lucerne Festival.

**“Mi is now on the
threshold of a
formidable career.”**
Paola De Piante
Vicin Oetiker

shakeable conviction. “But at the very start, appearances like the upcoming one at the Lucerne Festival are of crucial importance. And the CD produced on such an occasion – often for the first time – will prove extremely helpful when looking for further engagements. This much was made clear to me by the previous winner, pianist Andriy Dragan.”

Spend Time Abroad

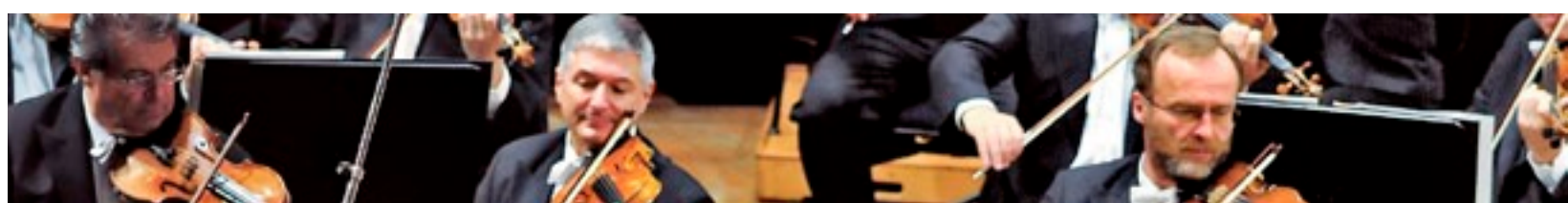
Mi Zhou, Andriy Dragan, Pawel Andrzej Mazurkiewicz, and Sol Gabetta are natives of China, the Ukraine, Poland and Argentina, respectively – so does Switzerland lack its own musical talent? “No,” counters Christoph Brenner immediately. “This illustrious list shows that many of the world’s finest up-and-coming artists are keen to come to Switzerland to acquire that final polish. By contrast, we advise many of our greatest talents to do the reverse and spend time abroad. This is absolutely crucial in terms of personal development.” And of course, the above list of prize winners is far from complete. In 2007, it was Zurich-born Aniela Frey from the Geneva Conservatory who won the prize before taking a position with the orchestra of the Teatro Real in Madrid.



The Tecchler Trio, winners in 2005, can also be designated as a Swiss ensemble.

Strange Inhibition

But the peak of the pyramid is inevitably a rarefied zone. “Like a number of other democratic countries, particularly the smaller ones, Switzerland has always found it tough to produce homebred soloists,” writes Urs Frauchiger, former director of the Pro Helvetia Swiss Arts Council, in his latest publication entitled “Hear, Ye People” (after a Telemann cantata). “Obviously it would be nice to develop some of the world’s elite musicians back home and use them – once ‘discovered’ – to reflect the image of Switzerland and promote tourism, but at the same time there is a strange inhibition when it comes to promoting them in the way they deserve. Democracy and the profession of soloist are to a certain extent diametrically opposing tendencies.” It was actually Frauchiger who developed the concept of promoting talented young artists through musical prizes, together with Michael Haefliger, director of the Lucerne Festival, and Joseph Jung of the Credit Suisse Jubilee Foundation. The aim was also to raise awareness of the need to promote young talent.





Lucerne Festival, September 8, 2008. Symphony Concert 22. The Vienna Philharmonic directed by Riccardo Muti. Soloist and winner of the Credit Suisse Young Artist Award, Antione Tamestit. Photograph: Peter Fischli.

Decisive Breakthrough

The Prix Credit Suisse Jeunes Solistes, awarded every two years since 2001 to make its own mark in the promotion of gifted young musicians in Switzerland. However, in recent years the most valuable prize of all has been the Credit Suisse Young Artist Award, which is awarded in even-numbered years. The aim of this prize is to help extremely gifted young soloists with a suitable educational background and related achievements to launch a major international career by providing them with the means and opportunities to make the decisive breakthrough. Not only does the prizewinner receive CHF 75,000, he or she is also given the opportunity to appear with the Vienna Philharmonic at the Lucerne Festival. All five members of the jury propose a candidate for audition in the Brahms-Saal of Vienna's Musikverein. Each performance is followed by a lengthy discussion between the artist and the jury. These discussions are chaired by Michael Haefliger,

Credit Suisse Young Artist Award

With a prize of CHF 75,000, this prize has been awarded at the Lucerne Festival every two years since 2000. Dieter Flury, general manager of the Vienna Philharmonic and jury member, explains how the performance side of the award came about: "We have had a long partnership with the Lucerne Festival and our annual presence in Lucerne involves three different programs, so we enjoy using the invitation not only as a way of sharing artistic responsibility for this prize for up-and coming world-class soloists, but also by giving the prize a special aura by incorporating the prizewinner into our Lucerne program. We are pleased that our directors have always participated in this exciting task. [...]"

director of the Lucerne Festival. Other jury members include Thomas Angyan, director of Vienna's Society of Music Lovers, Dieter Flury, chairman of the Vienna Philharmonic, Swiss cultural journalist Peter Hagmann, and now also the American-German cultural mediator Pamela Rosenberg. Urs Frauchiger, who retired from the jury at the end of 2010, underlines the significance of the discussion with the artist: "The aim is to get to know the candidate's personality, their artistic ideas and their horizon of experience, because in addition to looking for perfect instrumentalists – a mastery of their craft obviously being a given – we are also looking for colorful, unconventional, curious and risk-taking artists who want to breathe new life into the music scene and set new landmarks."

"Oscar" for Talented Young Soloists

The success of this approach to developing young talent can also be seen in the fact that many journalists now talk of the award as the "Oscar" for talented young soloists. The Frankfurter Allgemeine Zeitung has even gone so far as to state that the award has "no peer whatsoever as a youth prize in the sphere of classical music." The commitment of Credit Suisse to promoting young talent is rounded off by the Swiss Young Musicians' Competition, which the bank has supported since 2004, and the Lily Waeckerlin Prize for Youth and Music, worth CHF 60,000 and used by the charitable foundation Accentus since 2005 to explore innovative ways of promoting music.

[...] It's a complicated issue, not least because at the time they agree to it we do not even know what instrument will be involved, let alone which solo concert will be chosen for the event. Antoine Tamestit is now the first of these soloists to appear with us for the second time, having performed Bartók's viola concerto under Riccardo Muti in 2008. This time he will perform Mozart's Sinfonia Concertante with the winner of the Fritz Kreisler Prize, Fanny Clamagirand, under Franz Welser-Möst."

Previous winners:

2010, Nicolas Altstaedt, cello
2008, Antoine Tamestit, viola
2006, Martin Helmchen, piano
2004, Sol Gabetta, cello
2002, Patricia Kopatchinskaja, violin
2000, Quirine Viersen, cello

Developing Step by Step

But what ambitions does Mi Zhou have for the future? “I want to develop further as a musician, as I’m still a long way from my peak. I’m looking for a position in a Swiss orchestra, but I also want to continue to appear with Paola De Piate Vicin Oetiker while pursuing my solo career. Occasionally I dream of appearing as a soloist with the New York Philharmonic in my hometown of Hubei in China and with the Vienna Philharmonic at the Salzburg Festival. It’s a long, long road to realizing that dream, but it’s one that rings with the sound of music!”



“I want to develop further as a musician, as I’m still a long way from my peak.”

Mi Zhou

From Township to Financial Center

The organization clouddog gives disadvantaged children from London and Johannesburg a kick-start for their future through an unusual mix of natural experience and personal mentoring.

Text: Judith Reker

On 7th Avenue in the Alexandra township, South Africa's past and its future live side by side. When Nelson Mandela first came to the economic hub of Johannesburg as a young man in the 1940s, his first house was at one end of this street. A small museum keeps the memory of his time here alive. When Mandela became the country's first democratically elected president in 1994, discrimination against the black population was made illegal. Yet the legacy of decades of inequality is still an omnipresent feature of South African society.

At the other end of 7th Avenue lives 17-year-old Johannes Mashele. His home is at the end of a narrow, barely shoulder-wide alleyway, directly behind an open-air sanitary block shared by six families. Still at school, Johannes lives with his parents and older brother in an area measuring



some 20 square meters (24 square yards). His mother was a cashier in a supermarket until six years ago, when she lost her sight. His father is in and out of work. He is currently employed by a company that puts up fences. Johannes's parents are caring, loving people. They avoid spending money on themselves in order to give their children a better future. And Johannes's chances of accessing a prosperous future would certainly be slight without outside help. The Credit Suisse office in South Africa is just a few kilometers away from the Alexandra township in Sandton, Johannesburg's business and financial center. When Johannes steps inside the modern, functional building for the first time, from where he can see the outstretched lawns of a country club, he excitedly says: "I've never seen so many flashing trading screens at once!"

A Year Full of Impressions

Together with five other South African and six British schoolchildren, Johannes was selected to take part in a year-long sponsorship program for disadvantaged children. Clouddog is the name of the unusual organization that opens the doors to a brighter future for children aged between 16 and 18 through an innovative combination of natural experience, environmental education and career advice. Mentoring is one element of the sponsorship. Each young person is assigned a personal mentor for a year and has monthly meetings with him or her to exchange experiences. These mentors are volunteers from Credit Suisse's Johannesburg office and represent the businesses that make up the bank's presence in South Africa.



Johannes Mashele, a 17-year-old South African, takes part in clouddog's one-year program aimed at young people from disadvantaged families.

Johannes' mentor is Mark Wadley, a research analyst in the Equity Research department. He welcomes Johannes by taking him on a tour of the Credit Suisse building. When Johannes tells Mark that he is most interested in accounting, the mentor sees this as an excellent first step in the career advice process: "My job involves a lot of auditing. I can show you later exactly what I do," he says. A little later, Johannes listens attentively



Personal mentoring, the development of an environmental project and a three-week stay in a nature reserve are all integral parts of the clouddog program.

as Mark shows him an income statement on his computer and explains what the information in the document is used for. In the trading room next door, Johannes's eyes light up as he sees up to eight monitors in front of each of some 10 traders. The atmosphere is friendly: Johannes is greeted warmly and his questions are answered patiently.

“That was really good. Mr Wadley also helped me with my letters.”
Johannes Mashele

Passing on Knowledge

During the tour, the pair has their first head-to-head discussion. Johannes says afterwards: “That was really good. Mr Wadley also helped me with my letters.” The letters in question relate to another element of the clouddog program: Each student prepares their own environmental project, right through from planning to execution. Experienced environmental educators are on hand to assist them. Johannes wants to encourage his fellow schoolchildren to recycle batteries properly instead of dumping them carelessly into the nearest stream. The project includes explanations about poisoning and battery-related dangers as well as information about collection points. Johannes must now organize the printing of posters, for which he needs to write to a range of printers for assistance.

After the conversation, Mark reports that Johannes has almost no concept of the ways in which different registers are used in different social situations. “He always calls me ‘Sir,’ even though I tell him just to call me Mark. But in letters, he addresses completely unknown companies as if they are his school friends.” Mark, who



Mark shares his professional knowledge and experience with Johannes during their monthly meetings.

has a five-month-old son himself, is looking forward to a year with Johannes. “I hope that I can help him gain insight into the world of work and different jobs,” says the former medical doctor, who came to Credit Suisse via an MBA at Cambridge. “I am a middle-class South African: I had privileges – I went to a private school and then to university. Mentoring is a wonderful way to pass on knowledge and experience.”

**“Mentoring is
a wonderful way
to pass on
knowledge and
experience.”
Mark Wadley**

Increasing Self- Confidence Through Mentoring

Clouddog assists students from inner-city backgrounds in South Africa and the UK to develop self-esteem, focus and direction through environmental education and career advice, thereby improving their chances of a better future. One element of this support is the mentoring program, in which Credit Suisse employees take part as corporate volunteers. Each young person receives a personal mentor for a year, with whom they have regular meetings to exchange experiences. Credit Suisse employees in Johannesburg are taking part in the program for the first time this year. [...]

Experience and Life Support

Clouddog. This poetic neologism is instantly committed to memory, as Teresa Brosnan, the organization's founder, discovered when – many years ago – she was reading about an artist who was talking about the first time his son saw a sheep. The child, who had grown up in a city, had said: “Look, a clouddog!” He was familiar with clouds and dogs, but not sheep. “This anecdote summarizes for me the wonder of childhood, the uninhibited creativity of youth,” says Brosnan. Three years ago, Brosnan gave up her job as a senior executive at J.P. Morgan in London to devote all her time to her idea of helping young people from disadvantaged inner-city areas to unlock the doors to a brighter world; the idea of turning them into confident, target-oriented young adults who dare to hope and to aim big.

For the young people involved, a year full of new experiences lies ahead. One of the most intensive phases will be the three-week immersion component, which consists of intensive conservation and community-based volunteering. During this stage, the six schoolchildren from South Africa will join their clouddog counterparts from London to discover the variety of their world in South Africa's most beautiful nature reserve. Under the leadership of an experienced guide, they will learn to show commitment through stamina, ingenuity and respect for their environment on walking safaris: today in the wild, tomorrow in life.

[...] The Credit Suisse EMEA Foundation has been working with clouddog since 2009, supporting the charity's expansion in South Africa, and fully funding the participation in the program of 12 students from the UK and South Africa. In 2010, the foundation's funding was leveraged to further expand the project, effectively doubling the number of participating students from 12 to 24.

Protecting the World's Natural Resources

Forests in their many forms harbor much of the world's rapidly diminishing biodiversity and are vital to sustaining life on Earth. Andrew Aulisi, Director of Sustainability Affairs Americas, addresses this important topic.

Text: Marcy Frank

For some, forests are a refuge, a place to escape and to find rest. For others they are a home and a source of livelihood. Forests in their many forms harbor much of the world's rapidly diminishing biodiversity and are vital to sustaining life on Earth. Andrew Aulisi, Director at Credit Suisse Public Policy – Sustainability Affairs Americas, addresses this important topic.





Andrew Aulisi, Director at
Credit Suisse Public Policy –
Sustainability Affairs Americas
Photographer: Stefan Thalemann

In what way is a bank connected to forests?

The most important connection is our business with forest products and agribusiness companies, and also industries that can lead to forest conversion through mining, oil and gas extraction, infrastructure building, and other forms of industrial development. We finance and invest in many companies in these sectors. In our finance and investment activities, we need to promote the companies that have demonstrated good conservation practices and achieved sustainability certifications such as FSC, while avoiding finance and investment in companies that are operating irresponsibly.

What tools do you have?

Our global policy on forestry lays out guidelines for our activities in the sector, including a list of explicitly prohibited activities. We will only finance or advise reputable forestry companies with a strong record of responsible management on environmental and social issues. The policy also includes supplementary guidance on palm oil in particular because of its forest impact in Indonesia, Malaysia and, increasingly, other parts of the tropics. A critical prohibition in the policy is that we will not finance forestry companies that operate in high conservation value forests, including what are classified as primary tropical moist forests, unless they are FSC-certified. Also, we will not finance or advise companies whose forestry operations involve protected areas, protected species, the illegal use of fire or illegal logging.

How does Credit Suisse ensure that its forestry-related activities are sustainable?

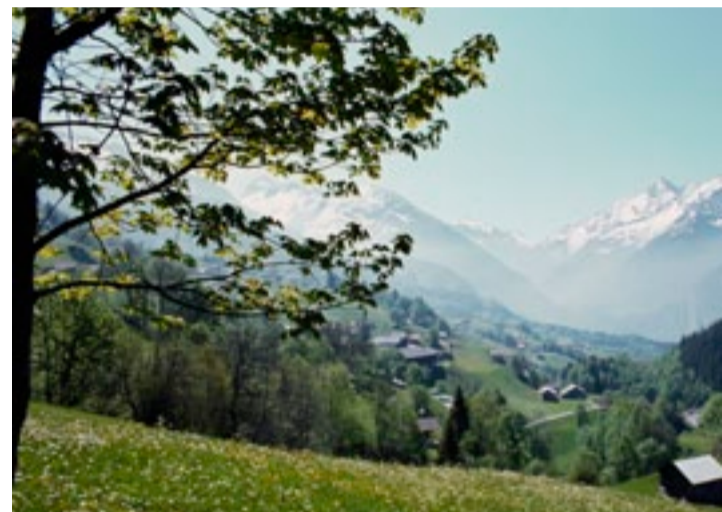
Our forestry policy underpins a transaction review, or risk review, process by which transactions with forestry companies are assessed and the client's operations are subject to review for environmental and social performance. This global process is mandatory for all transactions involving operations in low-income countries. It requires ongoing management and updating as well as internal staff training. And of course we have to complete the transaction assessments and decide whether the deal meets the requirements of the bank.

How many deals go through the process in a year?

In 2010, we reviewed roughly 280 transactions in total, of which about 40 were forest-related. For each transaction, a significant set of information has to be collected, reviewed and synthesized into an assessment, which then gets fed into the approval process. If the client's operations are clearly deficient, it could lead to a declination of business with the client.

In your opinion, what would sustainable usage of forests look like?

Given that demand for forest products is likely to continue growing, the challenge is to achieve a balance between production and forest conservation. We know that trees are going to be cut for wood and paper, but we can do better on deciding where to cut and make better use of sustainable plantations.



280 p.a.

In 2010, we reviewed roughly 280 transactions in total, of which about 40 were forest-related.

What can a bank contribute to the protection of forests?

We are already developing relevant financial products because we believe companies with strong forest management practices and a long-term vision and strategy on sustainability have the potential to outperform and provide attractive returns in the sector.

What measures are being taken internally?

We manage our own supply chain by, for example, buying FSC-certified paper and office furniture. Note that in 2010, 69 percent of all paper used by Credit Suisse in Switzerland was FSC-certified. We also make great efforts to increase our employees' environmental awareness, sponsoring field trips such as the recent expedition to the Rio Cachoeira Natural Reserve in Brazil. Four employees participated in an ongoing research program called "Sustainable Forest Management in a Changing Climate". The idea was to give employees a hands-on informative experience to increase their understanding of key concepts and apply their learnings to Credit Suisse's business and sustainability strategies.

How does Credit Suisse involve stakeholders in its commitment to the environment?

I think the first step is simply to be knowledgeable about the issues of global forest loss and sustainable management solutions. The critical step of course is to take action. Managing supply chains and requiring FSC-certification is a



69%

In 2010, 69 percent of all paper used by Credit Suisse in Switzerland was FSC-certified.

good place to start. And Credit Suisse is always looking for opportunities to work with our stakeholders, especially when we can find financially sound approaches that also promote sustainable production and consumption.

The United Nations declared 2011 the International Year of Forests.

Did Credit Suisse carry out any particular activities or events on that occasion?

We saw the UN Year of Forests as an opportunity to raise awareness about the critical value of forest conservation. In Zurich we worked on an employee seminar on forests, and we organized guided forest tours in some woodland near the city. Activities like these help draw attention to the issue of forest loss and underpin the bank's broader efforts to promote sustainability in the forest and agribusiness sectors.

Summary of the Forestry and Forest Products Policy

Credit Suisse seeks to promote good forestry practices and to discourage net forest conversion and the resulting increase in greenhouse gas emissions and biodiversity loss. Credit Suisse will only finance or advise forestry companies with a record of responsible management of environmental and social issues relating to their operations. Assessments of a forestry company's management practices are based on its ability to demonstrate that it has adequately addressed the following issues:

- Implementation of professional forestry management operations that are generally perceived as responsible and/or

the purchase of resources from such professional forestry management operations.

- Consideration of and, if applicable, response to local community issues in a meaningful and credible way. In the event of any doubts regarding these criteria, the transaction must complete the bank's Reputational Risk Review Process to ensure that it meets Credit Suisse's standards.

- As a rule, Credit Suisse will not finance or advise forestry companies' operations in primary tropical moist forests or other high conservation value forests (HCVF), or on land that was cleared of such forests within

five years prior to the proposed transaction, unless such operations are certified according to the Forest Stewardship Council (FSC) or have made substantial and demonstrable progress towards FSC-accredited certification. Credit Suisse will not knowingly provide financial services to projects and activities prohibited by host country legislation or international conventions relating to the protection of biodiversity resources and cultural heritage including:

- UNESCO World Heritage Sites and Biosphere Reserves
- Ramsar wetlands
- IUCN (International Union for Conservation of Nature) Protected Areas

“Companies No Longer Have the Luxury of Time”

Giles Keating, John Tobin and Stefan Keitel discuss how to integrate an analysis of environmental, social and governance (ESG) issues into the investment process. They also explain why total assets incorporating ESG analysis currently exceed USD 6 trillion globally.

Interview: Willy-Andreas Heckmann

Why do sustainable investments and sustainably managed companies get so much more public attention now compared to ten years ago?

Giles Keating: Environmental, social and governance (ESG) issues are nothing new. You can look back to the entrepreneurs with a social conscience in Britain’s Industrial Revolution who reacted to poor labor conditions by building quality homes and providing services to their employees. And look at the health, safety and environmental legislation that every country has developed over the decades, often in response to poor ESG activities by companies! What is new is the speed at which ESG failings, actual or perceived, get publicized, be it via conventional means or social media, as well as the ability of groups to leverage such issues. That in turn mobilizes consumer and government reactions more swiftly, ultimately making investors more sensitive. Companies no longer have the luxury of time. They need to have proactive ESG strategies in place to avoid issues, and they need procedures for rapid, high-level responses when something does happen. It’s natural for investors to focus on companies that are prepared.





How can doing business sustainably directly affect a company’s business strategy and profitability?

John Tobin: Let me start by pointing out that sustainability goes hand in hand with responsibly managing the environmental aspects of the business. Environmental sustainability is key, but it doesn’t exist in a vacuum. Environmental sustainability and financial sustainability are closely connected. A company conducting business sustainably generally does so because it has made a strategic decision to focus on the longer term, and it is making a clear statement that it seeks to manage environmental risks responsibly by minimizing their long-term impacts. But it is also saying that it seeks to produce consistent, strong returns year after year, rather than simply aiming to maximize returns in the very short term, even at the cost of longer-term profitability.

Doesn’t investment in a sustainably managed company amount to accepting an underperformance in exchange for a clean conscience?

Giles Keating: Quite the contrary: companies with good governance that respect the communities and the physical environment in which they work can perform better over time than those that ignore such issues. Those latter firms might see sales and profits suffer as their actions are rejected by consumers and punished by governments. And there’s an issue of risk, as companies that have low ESG scores can be more vulnerable to sudden adverse events, such as an oil spill or accusations of poor labor conditions.

“Environmental sustainability is key, but it does not exist in a vacuum.”
John Tobin

Over 80% of global Fortune 500 companies already produce corporate responsibility reports. What is motivating companies to monitor corporate practices on sustainability issues more closely?

John Tobin: First and foremost, our stakeholders and the broader public have higher expectations of businesses than they used to. The days when a business simply did what it could, rather than what it should, are gone. Today, businesses must make positive contributions to society and create a sound and stable environment if they are to keep their social license to operate. As society seeks to pull itself out of the financial crisis, the public expects businesses, and banks in particular, to behave responsibly. Part of establishing a solid basis of trust and obtaining a clear understanding of the issues at hand entails engaging in a fair and open dialogue with clients, shareholders, regulatory bodies, politicians and other members of society. By producing reports describing company contributions to society, a business initiates a transparent discourse and provides an overview of how it generates long-term value for the different stakeholders.

“Low ESG scores may make companies vulnerable.”
Giles Keating

What is the link between ESG investments and philanthropy?

Giles Keating: I personally see a range from pure philanthropy through unlisted (and often rather small) social enterprises at one end of the spectrum, to listed (and usually larger) companies that have good ESG ratings on the other end. All of these entities are capable of doing positive things for the community and the environment, but each has a different approach to the future. Philanthropic money is 100 percent devoted to its social or environmental goal. However, it is not really sustainable because charitable money is spent and then gone (even for a long-term endowment fund, the income is channeled into projects).

On the other hand, social enterprises aim to combine those admirable end-objectives with a model of financial sustainability. So, if you put money into a social enterprise, it can be in a sense self-renewing in a way that charitable money is not. Listed companies with good ESG scores are of course less focused on social and environmental aims than a charity or social enterprise, but they are likely able to operate on a large scale and also aim to be financially sustainable. This combination of scalability and financial sustainability means that, in some areas, they may be a better vehicle than either a charity or a social enterprise when it comes to providing benefits to the community and improving our physical surroundings.



Giles Keating

Head of Research Private Banking and Asset Management

Giles Keating heads Private Banking Research at Credit Suisse and is responsible for research groups in Asset Management. He is Chairman of the Global Economics and Strategy Group and Vice-Chairman of the Investment Committee. Prior to joining Credit Suisse in 1986, he was a research fellow at London Business School.

Switzerland is the world’s fastest growing market in sustainable investments, recording 40% growth per year in the last four years. What do you see as the main drivers of this trend?

Stefan Keitel: Catastrophes like Fukushima and Deepwater Horizon caused investors to question what the impact is of their investments on the environment and communities. With the recent and current market turbulence, awareness of sustainable investments has also gained importance. Increasingly, the focus has shifted from the short term towards favoring longer-term sustainable investments. Investors, also in Switzerland, are growing increasingly aware that sustainable investing does not mean just focusing on high-risk alternative energy projects and companies with innovative but unproven technologies. Elsewhere in Europe, especially Scandinavia, sustainable investing has a long history and in some cases is already part of the investment process by law. Therefore, driven by public interest in sustainable investments, a rising demand in Switzerland is closing the gap.

In what sense is Credit Suisse a sustainably managed company?

John Tobin: There are many ways in which Credit Suisse is managed sustainably, and the manner in which sustainability has become part of the fabric of the organization over time is very interesting. Initially, when Credit Suisse took the strategic decision to incorporate sustainability into the way in which the organization is managed, it focused on its own environmental footprint: how it manages

Increasingly, focus has shifted from the short term towards favoring long-term sustainable investments.”
Stefan Keitel

energy consumption, the impact of business travel, recycling, and other direct impacts of our business operations. Over time, it became evident that the direct environmental and social impacts of a bank’s operations are very small compared to the impacts of where it deploys capital, what industries it supports, and what projects it finances. That’s when Credit Suisse started looking a lot more carefully at the environmental and social risks associated with its business activities and managing those risks much more carefully, working both with clients to improve their environmental management and with other banks to agree on industry standards to manage these risks.

Finally, we are now at the stage where we recognize that sustainability is about thinking about the longer term and ensuring that we leave resources, both environmental and financial, to future generations. In connection with this, sustainable thinking is becoming mainstream within the organization. Beyond top management and a few specialist teams, many of our employees are now thinking about our role in society and the impacts of our activities. It is becoming widely understood that we ensure that not only do we act responsibly, but also that we are viewed by others as acting responsibly.

At Credit Suisse, we take economic, environmental and social aspects into account when conducting business because we believe that an all-encompassing approach to corporate responsibility is key to our long-term success. Of course, this also includes being aware of our regulatory environment and actively taking part in the discussions around the world on how to constructively



John Tobin
Head of Public Policy –
Sustainability Affairs

John Tobin, as Global Head of Public Policy – Sustainability Affairs at Credit Suisse, is responsible for managing environmental and social issues. He joined Credit Suisse in 2002 from Clifford Chance in New York, where he was mainly responsible for cross-border financial business.

redefine the regulatory landscape. As a firm, we will continue to assess and adjust our business model in order to generate sustainable earnings in this changing environment.

What is Credit Suisse doing to integrate the analysis of sustainability factors into the investment process?

Stefan Keitel: Currently we follow a sequential investment process for sustainable mandates and funds. In order to benefit from the long-term experience of external research houses, we established ESG criteria and best-in-class research. As a second step, we intend to add our funded and proven valuation approach to the investment process, which yields a very valid stock selection for equities. In addition, we are continuously improving our valuation methods in order to integrate sustainable behaviors of individual companies. We are convinced that companies provide a better yield over time when they have sustainability principles in place as part of their overall strategy.

Can you describe the investment process of the Global Responsible Equities Fund?

Stefan Keitel: We keep the investment process for the Global Responsible Equities Fund very simple. The basis for our stock selection for this equity fund is the universe of the MSCI All Countries Index. We exclude all companies that are not compliant with the UN Global Compact regulations and all companies with measurable exposure to tobacco, alcohol or weapons businesses. To make sure we have an independent filter, we use re-

search from GES Investment Services. This is an independent Swedish research institute that focuses solely on companies that meet the ESG criteria. On a regular basis, GES also screens our holdings and certifies the appropriateness of the selection according to ESG criteria, as previously described. We then bring in our own experience in valuing stocks in order to select the best equities from the remaining universe. In addition, we take positive ESG criteria into account in order to select the best-in-class companies. The combination of our own valuation experience and the ESG knowledge of one of the oldest and most experienced research houses in this field makes this fund unique.



Stefan Keitel

Global Chief Investment Officer
Asset Management and Private
Banking

Stefan Keitel is Global Chief Investment Officer of Asset Management and Private Banking at Credit Suisse, Chairman of the Global Investment Committee and the Global Asset Management Committee, as well as Co-Head of the product area Global Multi-Asset Class Solutions (MACS). He joined Credit Suisse in 2001 from Prudential Securities.

How has it performed relative to benchmark?

Stefan Keitel: The Global Responsible Equities Fund has been designed to be as close as possible to the DJ Sustainability World Index and the MSCI World Index. Since its inception in January 2009, the fund’s retail shares have risen by around 29 percent measured in euros (the fund’s currency). Over the same period, the DJ Sustainability World Index has risen by around 32 percent and the MSCI World Total Return (net) has gained around 33 percent.

Looking ahead, do you see the sustainable investment trend staying limited to niche pure plays such as clean tech, or do you see the integration of ESG criteria becoming an enduring trend in the global investment community?

Giles Keating: It clearly will become more integrated, partly because ESG criteria are becoming easier to measure as companies improve their reporting and better consolidate their data. In addition, consumer, media and political sensitivity to ESG issues looks to be rising, with social media amplifying the effects. Adverse ESG behavior now results in hard financial effects such as lower sales and fines more swiftly and more visibly. And I think the niches themselves are becoming much larger. For example, look at the way electric vehicles have changed over the last three years from an esoteric idea to something embraced by all major manufacturers worldwide.

Where do you see Credit Suisse in five years’ time with regard to sustainable investing?

Stefan Keitel: In our view, sustainable investing should be part of every investment decision and investment process. We put all our effort into becoming a preferred partner for sustainable investors in Switzerland. Being already one of the largest asset managers globally, we have the ability, but also the will, to drive sustainable awareness even further. We aim to provide investors with our expertise in sustainable investments; play a visible, major and leading role in this field; and benefit from the continuous growth in this area.

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→ www.vrpraxis.ch



OCTOBER 3, 2011

Oorja, Romania. A village near the city of Pitesti. The economic and social problems in Eastern Europe are severely impacting the population. Poverty is rife and many people are suffering hardship. Together with our partner Habitat for Humanity, Credit Suisse employees are helping to renovate a number of homes.

→ Habitat for Humanity

Credit Suisse employees work together to address housing shortages

→ Swiss Red Cross

The "2 x Christmas" campaign in Eastern Europe

→ Zambia

Inclusive education for children with disabilities

→ Professional Advice for Clients

Offering the best possible financial solutions

→ Holders of Public Office

Credit Suisse employees performing a political function

→ Roger Federer Foundation

Educating children in Malawi

A Helping Hand to Build Homes

Over the last few months, Credit Suisse employees have jumped at the chance to help repair or build homes for families in need all over the world. The employees in question donated their time as part of a global volunteer program in partnership with the charity Habitat for Humanity.





One of the house owners, Nahapet Davtan, in the attic of his house that was insulated by Credit Suisse volunteers.



Text: Valérie Clapasson Fahrni

Mixing concrete, piling up stones, painting walls – the dust gets into every pore and the sweat drips from your forehead. Nevertheless, the would-be construction workers are firmly focused on the job in hand and in good spirits; most of them are Credit Suisse employees, volunteering in the Armenian capital Yerevan. In partnership with the global non-profit organization Habitat for Humanity, they are helping to fix up the homes of two families struggling with poverty. “In just two days, the team of volunteers has achieved fifteen times what we could have afforded to do ourselves,”

says Nahapet Davtyan, one of the two homeowners, pointing to the newly insulated roof space of his house, which is habitable at long last. Until now, he and his wife, Gayaneh, and their two children Khachik, 14, and Tatevik, 10, lived with his brother's extended family, all in the same house. In cramped conditions, the family only had a single room there.



Homes for Families: Credit Suisse Volunteers with Habitat for Humanity in Armenia.



A Team Effort to Plaster the Walls

Most of the volunteers working on Davtyan's house are employees from Credit Suisse Russia, though there are also people from the UK, Switzerland and Kazakhstan. In no time at all, they have become an efficient team and have made significant progress with the construction work. "This is the first time I've worked on a project like this," says Alexander Yavorskiy from Moscow. "It's an exciting



experience, and I think we're really helping the families here." The project in Yerevan has been prepared and supported by experts from Habitat for Humanity. "There's a huge amount of work that needs to be done in Armenia to renovate inadequate housing and build new homes from scratch," says Paul Butler, Habitat for Humanity's country coordinator in the UK. "A lot of people live in extreme poverty and can't afford to pay for the labor or all of the materials needed." His local colleague, Seda Arzumanyan, adds her own detail: "During the Soviet era, large numbers of new houses were built, but after the collapse of the Soviet Union they were left unfinished," she explains. "Habitat for Humanity is helping to make these ramshackle homes more habitable." Meanwhile, the 30 volunteer builders are busy cementing walls, plaster-

Global Partnership with Habitat for Humanity

In 2009, Habitat for Humanity and Credit Suisse entered into an international cooperation agreement to support projects to tackle the shortage of decent housing. Under this agreement, our employees have the chance to get involved in volunteering all over the world, helping to build homes for families living in poverty. The partnership also includes financial support from Credit Suisse to fund building materials. In the first half of 2011 alone, 419 volunteers spent 5,460 hours building and repairing homes for families in need in 37 different locations around the globe.

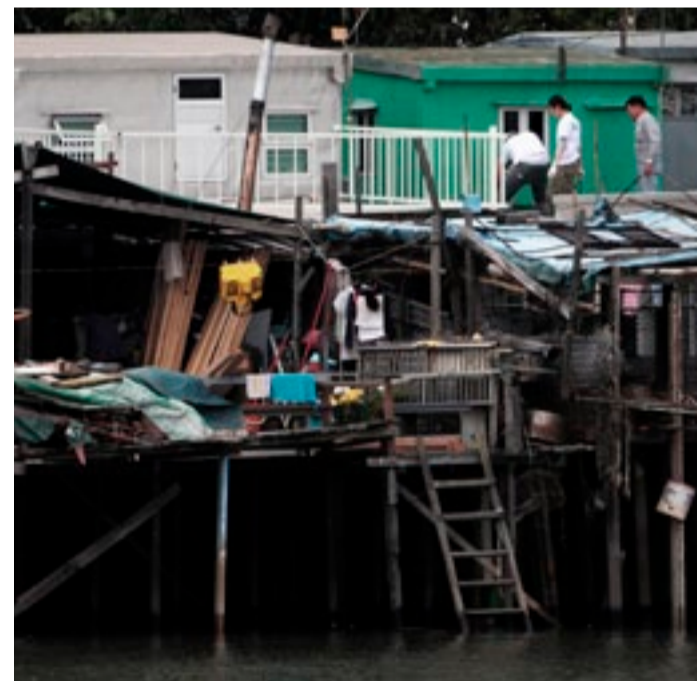
More information

→ [Global Partnership with Habitat for Humanity](#)

ing ceilings and demolishing old livestock stalls at the rear of the house. In scorching temperatures, they toil away for three long days to help the families in need. “If I’d had to do all this on my own,” says Armen Navasardyan, the other homeowner, “it would have taken me more than a month. But the volunteers have managed to do it in just three days!”

Protecting Stilt Houses from the Elements

In addition to the project in Armenia, there have been lots of other volunteering initiatives organized by Habitat for Humanity in 2011, across every region where the bank operates. In the APAC region, for example, several teams of volunteers traveled to Batam in Indonesia to help with a reconstruction effort after successive earthquakes. A team from Hong Kong also got involved, restoring the traditional wooden houses of five families in the village of Tai O on the largest of Hong Kong’s islands, Lantau. “Because of its houses built on stilts over the water, Tai O is known as the Venice of the East,” says Julia Chan. “The village is the last remaining Tanka community in the whole of Hong Kong. It is also the site of the last homes built in this traditional Chinese architectural style.” However, these dwellings, built on stilts, are often unable to withstand the cyclones and earthquakes that regularly pummel the country. The damaged houses are mostly left unrepaired because people simply don’t have enough money. Habitat for Humanity has therefore set itself the goal of helping around 300 families in the village to rebuild and expand their homes.



In spring a team of Credit Suisse volunteers renovated traditional homes in Tai O in Lantau, an island near Hong Kong.



In spring a team of Credit Suisse volunteers renovated traditional homes in Tai O in Lantau, an island near Hong Kong.

Working in Partnership with Local Communities

Families supported by Habitat for Humanity in South Africa face similar challenges. In June, 26 employees from Credit Suisse South Africa took part in a Habitat 'Youth Build,' working alongside local youngsters in Orange Farm, a township located approximately 45 km from Johannesburg. Over 5 days the group of CS volunteers helped build a home for Doris, her two children and two

grandchildren, all of whom had previously been living in a shack with a roof that leaked when it rained, also leaving them exposed to rats running on top of them while they slept at night. The house that the Credit Suisse team helped build was the first proper building this family had ever lived in.

Small but High-Quality Homes

A team from Switzerland has been working for a good cause in Romania: “In mid-September, 17 volunteers continued working on four small homes in Oarja, a small village near the city of Pitesti,” says Martin Koblet, Credit Suisse project coordinator for projects in Eastern Europe. The houses are simple but are nevertheless a huge improvement for the families that receive this assistance. This became very clear when the volunteers visited one of the families in their current home, where three generations live in a small apartment, so it’s very crowded. After the visit, the volunteers were even more motivated and got straight to work. Their main job was finishing the walls inside the houses. They installed thermal insulating plasterboard and stone slabs, then plas-





tered them. The work completed by the team had a very positive impact, and not only in terms of the progress achieved in the building work: “I was particularly impressed by the team spirit,” reflects Lars Häfner, one of the participants. “Everyone was very dedicated and showed initiative, even though most of us didn’t have a great deal of manual labor experience. We were all fast learners and completed even the less pleasant jobs without complaining.”

The projects in Armenia, Indonesia, Hong Kong, South Africa, Romania, and other locations have produced very positive results, and it is clear that the work done by the Credit Suisse volunteers was invaluable to the families concerned. Habitat for Humanity and Credit Suisse are therefore continuing their international partnership.

“I was particularly impressed by the team spirit.”
Lars Häfner

Twice the Cheer

The idea behind “2 x Christmas” is simple. Donations of food and daily necessities that more fortunate people have a surplus of are donated to the needy. With some 400 tons of gifts to be distributed by the Swiss Red Cross, volunteers from Credit Suisse are helping to sort the parcels. By doing so, they learn about the plight of the less fortunate in Switzerland and Eastern Europe.



Text: Bernard van Dierendonck

The idea behind “2 x Christmas” is simple. Donations of food and daily necessities that more fortunate people have in surplus are donated to the needy. With some 400 tons of gifts to be distributed by the Swiss Red Cross, volunteers from Credit Suisse are helping to sort the parcels. This also gives them an insight into the plight of the less fortunate in Switzerland and Eastern Europe.

A Campaign with Tradition

The idea originated 14 years ago with Swiss radio station DRS. Since then, “2 x Christmas” has grown to become very popular. Over a couple of weeks each year, Swiss Post agrees to forward the parcels handed over at its counters to the Swiss Red Cross (SRC) free of charge. The SRC then sorts the gifts and distributes them to people in Switzerland and Eastern Europe. The SRC logistics center located in the town of Wabern, Switzerland, is expecting about 72,000 parcels weighing a total of 400 tons to be donated at the end of the year. “It’s unusual for charities to organize donations of this kind,” says Josef Reinhardt, head of the SRC’s Swiss emergency relief organization and coordinator of the program. Although not a long-term solution to fighting hunger or poverty, gifts help those living on the margins of society to get through a tough winter. The campaign is also viewed by recipients, who sometimes seem invisible in society, as a sign of solidarity. In the previous campaign, 40 volunteers gathered at the



Twice the Cheer

As part of Corporate Volunteering Switzerland, Credit Suisse has been supporting “2 x Christmas” since 2009. To date, 972 employees have given their time to the campaign. 2011 saw 438 employees volunteering – unpacking, sorting and re-packing goods – at the distribution center in Wabern near Berne and in the cantonal branches of the Swiss Red Cross. Before that, goods were also collected in the regional offices in Zurich, Aarau and Geneva. [...]

SRC logistics center to help out. Some of the gifts being sorted were sent to Moldova, the country that was once described as the wine cellar and bread basket of the former Soviet Union, and remains one of Europe's poorest nations today.

Solidarity with Europe's Poorest

Every third adult citizen of Moldova, which borders Romania, works in another European country – and not always legally. Those who stay behind are mostly the elderly, or children sometimes referred to as 'Euro-orphans'. Many of these are left with their grandparents (themselves sometimes in need of care) or shunted into overcrowded children's homes. They are not true orphans, but these children may suffer the same sort of psychological trauma as a result of being abandoned by their parents. The money earned by emigrants, often illegally, is not necessarily sent back to families at home. Even so, the total of remittances exceeds the country's GDP. Without this flow of money, Moldova would be in even worse straits. So the elderly who stay behind tend to grandchildren, and themselves, on a pension that is equal to just CHF 50 per month (USD 56): hardly enough to pay for medicine or to heat a home through the winter. Sanitary facilities are rare: Only one house in ten is linked to a sewer line, and water comes from the village fountain.

"Children's Bicycles for Moldova" Campaign

On its trip to Moldova, the delegation from the Swiss Red Cross (SRK) and Credit Suisse visited the AMIC children's home in Larga in the very North of the country. On meeting the children,

[...] This is how a further two tons of goods came together. Credit Suisse will collect even more gifts in December 2011 and January 2012 in Zurich. Since November 1 the volunteering dates for the the distribution center in Wabern are online – the opportunity to volunteer for the "2 x Christmas" campaign is very popular with many of our teams, so it is first come, first served!

For more information see
→ www.2xweihnachten.ch



Children in the Moldovan city of Ungheni. The gifts from "2 x Christmas" reach Moldova in summer.

the delegation quickly discovered that they weren't interested in iPhones or computers. Instead, they wanted simple bicycles that would provide them with both fun and mobility. This prompted Credit Suisse to launch a bicycle donation campaign among its employees, ultimately collecting 29 bicycles and delivering them to Moldova via the SRK just in time for Christmas. Visit the photo gallery to see just how pleased the children at the home in Larga were to receive the bicycles.



Getting a First-Hand View

At the beginning of June, a delegation from the SRC and Credit Suisse traveled to Moldova and Romania, visiting needy families and institutions to see whether the gifts from the previous year's campaigns had actually been delivered to the intended destinations. On-site distribution is carried out in close cooperation with the Moldovan Red Cross. One Red Cross coordinator told visitors that the cooperation with the SRC had worked well, adding that conditions in the country remained very difficult. Few people can find work and alcohol consumption presents another common problem. Visitors regularly provided a precise picture of what is needed by which families, allowing the SRC to see who has children in which age group so that the distribution of clothes, school supplies and toys could go to the right places. The delegation from Switzerland visited families and elderly citizens living alone in a number of different villages. Zahra Darvishi, Head of Corporate Citizenship Switzerland, was deeply affected by what she saw. A children's home in Larga in northern Moldova, close to the border with Romania, made an especially lasting impression: "The children who live here have experienced some terrible things. They were more or less dumped here by their parents. Only two couples have inquired about how their children are doing. The father of one seven-year-old girl – the girl is now in this home – wanted to sell her. The director of the children's home and her staff are doing a great job and are trying to give the traumatized children some of the warmth and sense of security they lack." It is a formidable undertaking given



Below: Children in a orphanage in Larga in the north of Moldova appreciating the gifts.

Above: A member of the Moldovan Red Cross distributes goods to an elderly couple in the countryside.

the scarcity of resources. Having seen how things are, those involved are motivated to do even more to alleviate the hardships.

Focus on Europe

The SRC's work has included installing a soup kitchen in Tuzla, near Srebrenica in Bosnia and Herzegovina. "By offering soup, we enabled elderly people to get something hot to eat regularly. It is always children and the elderly who suffer most," says Josef Reinhardt, head of the SRC's Swiss emergency relief program. Outside of regions in Europe, those farther afield the SRC buy food locally, meaning about half of the gifts donated as part of the program are taken by truck to Eastern European countries like Belarus, Bosnia and Herzegovina, and Moldova. The other half goes to needy people in Switzerland. This group includes pensioners living below the poverty line, families dependent on social benefits, single mothers, children's homes and asylum seekers' homes.

**"To see the local situation motivates us to do even more."
Zahra Darvishi**

From T-Shirts to Fur Coats

The participants in the Credit Suisse Corporate Volunteers Program include Romana Wood and Mirjam Beeler from the group's Global Knowledge Management area, and Christophe Kuenzler, an investment banker. The three are sorting through clothes that have been donated, wearing face masks to protect themselves from dust. They separate the useful from the junk, throwing threadbare T-shirts into a trash bag and folding up children's garments before placing them in the appropriate box. The majority of the clothes are as good as new, including hand-knit items. Even two fur coats turn up. "Taking action is not just worthwhile, it's also fun. In fact, they should make it compulsory for all staff!" says Christophe Kuenzler. The hall where the gifts are delivered is humming with activity. The volunteers open parcels with sharp knives and spread the items on a conveyor belt. Soft toys are placed in a crate while others are put on an inspection table. The expiry date of each pack of pasta, chocolate bar, and can of food is checked before the item is placed in the appropriate cardboard box. As homemade foodstuffs cannot be checked and therefore pose a risk to the recipient, they have to be thrown away. "The donors are very quality-conscious," says Jürg Zbinden, the SRC worker who coordinates the sorting operation. "Only 6 percent of items are unusable. But even that amounts to two tons per week," he adds. It is striking that most of the gifts – about 70 percent, in fact – were bought specifically for the "2 x Christmas" program.



Volunteers sorting out and packing goods in the distribution center in Wabern, Berne.

Virtual Christmas

To facilitate the dialogue with interested donors, an online platform allows users to create a virtual shopping basket. With the donated total, SRC goes shopping locally. The aim is to appeal to donors who prefer to give to a charity from their homes or at work, rather than going to the post office, which makes things less costly for Swiss Post. While the original idea of giving directly out of one's own personal surfeit of goods fades into the background, the idea remains the same: Everyone can help, directly and in a very real way.

**“The strength
of ‘2 x Christmas’
lies in its
symbolic character:
everyone can
help immediately
and directly.”
Jürg Zbinden**

Inclusive Education

In Zambia, only 10 percent of children with disabilities have the opportunity to attend school. Leonard Cheshire Disability, a partner organization of Credit Suisse, makes it possible for these children to participate in classroom education, and thus to be fully included in society.

Children with learning disabilities in Zambia are given the opportunity to attend classes thanks to the inclusive education program run by Leonard Cheshire Disability.





Text: Joy Bolli

Kelvin Zimba is nine years old. He is a bright boy who loves ball games. He is also proud and happy to be able to attend school. Kelvin lives with a learning disability. When he writes, he uses only short, uniform, wavy lines. “He has his own language,” says his teacher, Mercy Sakala. “Whether it’s English, maths or music, Kelvin writes everything using wavy lines, repeated over and over.” She tells us that she’s proud of this boy, who is determined to learn. “We give Kelvin more oral tasks than written assignments. That way, he can progress at the same pace as his classmates.”

One in Ten Children

In Zambia, it is estimated that only one in ten children with a disability attend school. There continues to be a stigma and discrimination around disability, which leads to some children being kept at home rather than going to school. Just as importantly, a lack of accessible classrooms and trained teachers means children with disabilities are unable to receive the benefits of education. Kelvin is one of 47 disabled children who attend lessons at the Kazemba Basic School. “First of all, we had to learn to recognize disabilities, to understand them and to find ways of developing each child according



Will Kelvin Zimba be an artist one day? Despite his learning disability, he goes to school.

“Just because people have a disability, it doesn’t mean they should be hidden from society.”

Miyoba Hamuhuma

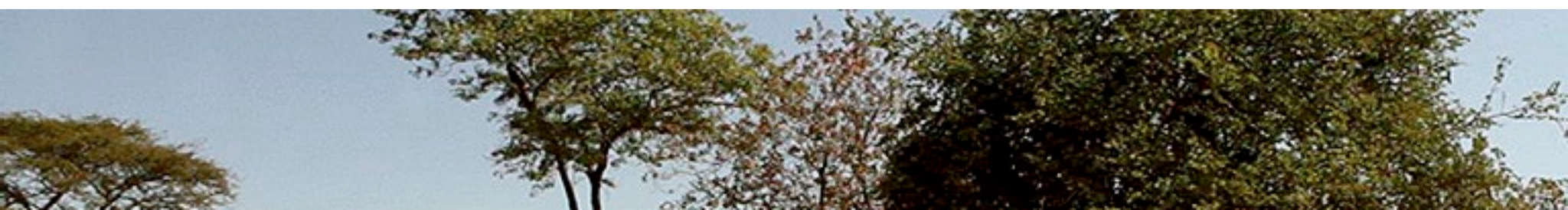
to his or her abilities,” Mercy Sakala explains. This wasn’t always easy. “In the beginning, we found it difficult to include these children in our teaching,” Mercy recalls. “But it became much easier thanks to the inclusive education training provided by Leonard Cheshire Disability.”

Inclusive Education

The aim of inclusive education is to teach disabled and non-disabled children at the same time. This is done by providing physical accessibility in school buildings, training teachers and working closely with parents. As a result, it promotes the inclusion of children with disabilities and their parents into the lives of the community. “What’s more, the children are not segregated,” says Miyoba Hamuhuma, the National Coordinator for Leonard Cheshire Disability in Zambia, adding that “just because people have a disability, it doesn’t mean they have to be hidden away from society.” Leonard Cheshire Disability provides comprehensive support for teachers. With the help of partners such as Credit Suisse, the organization equips schools to meet the requirements of children in the surrounding area. In Kazemba, for instance, ramps were installed to allow wheelchair access to classrooms and lavatories. Headmaster Leonard Himunjile welcomes the collaboration: “With Leonard Cheshire Disability, we can educate parents, helping them to understand their children’s needs and to send them to school.”

Leonard Cheshire Disability

Leonard Cheshire Disability works in the UK and with independent, locally managed partners in over 50 countries, many of whom share the Cheshire name. Together they support over 300 disability and development organizations that, in turn, support people with disabilities to enjoy quality inclusive education, a livelihood, health and rehabilitation services, and a voice in their societies. The charity’s work is underpinned by campaigns to change attitudes and policies as well as a disability and development research center run jointly with University College London. Credit Suisse supported Leonard Cheshire Disability through a grant awarded in 2011 as part of its Education Initiative.





All children benefit when disabled and non-disabled study and play together.

Leonard Cheshire Disability trained teachers of the Kazemba primary school to apply different teaching methods.

Unfolding The Full Potential

Miyoba thinks that the direct cooperation with parents is particularly important: “We have to create an awareness that disabled people also count for something in society.” He speaks from experience, because he himself contracted polio as a child. Since then, he has been unable to walk. In the early years, he tried to get by with the help of friends. “If someone has to help carry you – as well as your heavy wheelchair – up and down three staircases whenever there’s a break, or if

you always have to ask your friends whether they'll help you go to the toilet, which is inaccessible to wheelchairs – that can't carry on for years without problems. At some point, it simply puts too much pressure on the friendship.” Miyoba looked for a solution, partly to avoid losing his friends but mainly to regain his dignity. “Leonard Cheshire Disability was exactly what I needed to get my life back on the right track again,” he explains. “As well as getting support with my school education, I also found a good job. Nowadays I manage the organization's activities in Zambia.” Miyoba makes no secret of the fact that he likes to serve as an example to others. So he also regards it as his duty to visit the schools supported by Leonard Cheshire Disability. At the same time, he checks out their accessibility with his own wheelchair and talks with the children. “I think it's important to show them that you can still go a very long way with a disability.” Kelvin's grandmother, who looks after him, says, “The boy has plenty of talent. We are full of hope. And he hopes to become an artist one day!”




Credit Suisse Global Education Initiative

The Credit Suisse Global Education Initiative was launched in 2008 with the objective of improving educational opportunities for about 45,000 young adults all over the world through partnerships with selected international development organizations. Geared to local needs, the programs aim to provide children and young adults with better access to education and to improve the quality of their educational opportunities.

For more information, please visit:

→ www.credit-suisse.com/responsibility/focusthemes



Nicole Pauli, Head of the Investment Services and Products Business Area of Private Banking, views the core principles for serving clients as quality, planning and sustainability.

Advice You Can Depend On

The different businesses in the bank rely on teams of dedicated professionals – often working in the background – to deliver optimal results. The Investment Services and Products group within Private Banking is one such unit. It provides vital support to ensure that relationship managers have the tools they need to offer clients the best possible financial solutions in response to their individual requirements.



Nicole Pauli.

Text: Iris Kuhn Spogat

In the Uetlihof complex, where 8,000 Credit Suisse employees from Private Banking, Investment Banking, Asset Management and Shared Services have their offices, the 12th floor commands a panoramic view of Zurich. Nicole Pauli's office is situated here, but her attention is focused inward. Since August 2011, she has served as the Head of the Investment Services and Products business area of Private Banking, or "ISP" as it is known. ISP plays a pivotal role in serving the bank's clients, including ultra-high-net-worth and high-net-worth individuals around the world in addition to retail clients in Switzerland. "We provide relationship managers – RMs – with the advisory concepts, investment solutions and the infrastructure they require to offer clients high-quality advice and solutions," says Pauli.

In doing so, quality is paramount. "The quality of the investment and banking products, the quality of the advisory process, the quality of the tools

Private Banking

The Private Banking division provides comprehensive advice and a broad range of wealth management solutions to high-net-worth individuals globally as well as to private and business clients in Switzerland. The division serves more than two million clients around the world, making it one of the largest global wealth managers.

we provide and, most importantly, the quality of our people, is key,” Pauli explains. Ensuring quality, careful planning, and sustainability are core principles that the bank relies on when serving its clients. Together with the integrated business model, which combines Credit Suisse’s expertise in the areas of private Banking, Investment Banking and Asset Management, these principles allow the bank to offer advisory services and customized products to satisfy the needs of each client.

The biggest challenge Pauli faces? “Anticipating client demands, which are constantly evolving, so that the products, solutions, and infrastructure we supply to RMs can help them to meet and exceed their clients’ expectations,” she says. A client’s priorities and wishes may also change over time. The issue of risk, for example, took on a whole new significance following the 2008 market collapse. Today, RMs regard risk as an issue that is on par with performance. “Returns are as important as ever,” acknowledges Pauli, “but appropriate advice is at least as important, including clear rationale when proposing an investment to a client or advising against it.”

Anticipating Client Needs

“Our clients are sophisticated and have individual needs that require tailor-made solutions,” says Pauli. “To deliver the highest possible quality of advice, our RMs follow a systematic approach with the Credit Suisse Advisory Process.” Credit Suisse launched its successful Advisory Process in 2004 and has regularly adapted it in line with new developments. It comprises five different

“Our clients are sophisticated and have individual needs that require tailor-made solutions.”

Nicole Pauli, Head of Private Banking



stages: needs analysis, financial concept, client profile, strategy and implementation.

Numerous factors must be considered before advice is provided, such as the client's liabilities, objectives, investment preferences, risk profile, and investment horizon. To ensure that our clients' portfolios match their needs and objectives, ISP also focuses on the suitability and appropriateness of the products and solutions offered by RMs. Tools such as the Risk Analyzer and various guidelines are in place to facilitate this process. "It is critically important that clients understand the implications and possible outcomes of their investment decisions," says Pauli. RMs use the Risk Analyzer to help clients understand how their current portfolio would be affected by historical market situations such as the global turmoil in 2008. After exploring the impacts of such scenarios, the RM can discuss with the client whether he or she could have tolerated the level of fluctuations shown. If the answer is no, the client's portfolio is adjusted in line with the client's risk profile.

Of course, all of these sophisticated tools are only beneficial if they are understood and applied properly by RMs. This is Dominique Schwab's mission. He is responsible for training RMs in how to incorporate all of these support applications into their daily work. This is no small undertaking given the wide range of products and solutions available to clients in all major markets, onshore and cross-border, through a total of 22 booking centers worldwide.



"It is critically important that clients understand the implications and possible outcomes of their investment decisions."

Nicole Pauli, Head of Private Banking

State-of-the-Art Technologies

Schwab spends a lot of time in London, Frankfurt, Moscow and Geneva – holding a seminar here or giving a presentation there on the merits and diversity of the bank’s Advisory Framework and tools. His most important task is training RMs in how to use the applications within the context of the Advisory Process. One example is INVESTnet, which is used to design, analyze and manage portfolios and to evaluate alternative investment opportunities. Schwab conducted over 100 training sessions in 2011. “There is a natural resistance to and skepticism about change that often comes with using new tools and technologies,” Schwab says. “However, these tools complement an RM’s in-depth knowledge, background and experience to help with the decision-making process as well as with the development of customized solutions that meet client needs.”

RMs are supported by ISP product specialists. “Investing has become very complex,” says Pauli, “and beyond a certain point, product specialists are necessary to provide specific, detailed knowledge about an investment.” One such member of Nicole Pauli’s business area is Yannick Leydet, a hedge fund expert who works at a Credit Suisse’s branch in Geneva. The hedge fund team in Switzerland consists of 15 specialists. With the exception of Leydet, they are all based in Zurich. Leydet, who grew up in the south of France and graduated in Mathematics, took up his position in Geneva in September 2008. “The timing was tricky,” he states, looking relieved that this period is now over. In 2008, the hedge fund industry experienced its most profound crisis to date. For Leydet, who had worked

“There is a natural resistance to and skepticism about change that often comes with using new tools and technologies.”

Dominique Schwab

in this field since 2003, this was also a very challenging time. “It was a scenario that didn’t exist in the minds of investors until it happened,” he explains. “This meant that the dismay over the losses was widespread, even though these losses were typically less than those on the stock markets. The resulting disillusionment was a wake-up

“We never recommend a product if we don’t know who’s behind it.”
Yannick Leydet, hedge fund expert based at Credit Suisse in Geneva



Nicole Pauli chats with colleagues.

Dominique Schwab is responsible for training RMs on applications that support clients in 22 booking centers worldwide. He is shown above (right) with Yannick Leydet, a member of the hedge fund team in Switzerland, who says investor interest in these funds is increasing.

call for the hedge fund industry. Investors punished the entire sector but, in doing so, ignored the fact that investors in hedge funds can earn money even during a downturn. Hedge funds don't require rising markets to perform well." The hedge fund business is picking up again as investors see fewer suitable opportunities amid the current market volatility.

Sharing Expertise to Benefit Clients

"Clients are coming back to hedge funds," explains Leydet, "but there is a lot of catching up to do." In Credit Suisse's Private Banking division, only a small percentage of assets under management are currently invested in hedge funds. The recommended asset allocation for private banking clients based on a diversified investment approach is around 10 to 20 percent, depending on their risk profile. A hedge fund allocation reduces volatility and increases performance compared to a portfolio without any hedge fund exposure. So what is the strategy to close the gap? "We know the product range in minute detail and can help RMs to offer each client exactly the right solution for their specific needs," he says.

Leydet now spends an increasing amount of time with RMs and clients with a potential interest in hedge funds, discussing content and variety as well as the pros and cons of individual funds. While some clients did not previously know a great deal about hedge funds, their knowledge has increased, he says, adding that this is one positive consequence of the crisis.

Like Schwab, Leydet does most of his work behind the scenes without direct client contact. As a hedge fund specialist, he receives constant updates from analysts and researchers within the

**"Clients are coming back to hedge funds."
Yannick Leydet**

bank. He also personally knows all the managers of nearly 100 hedge funds that currently top the rankings. “We never recommend a product if we don’t know who’s behind it,” he says.

Leydet uses his expertise to support around 200 RMs based in the Geneva region. When certain hedge funds are in the news, RMs immediately want to know his thoughts regarding the possible impacts on the client portfolios they manage. He has learned to deal with such situations. “I have steady nerves,” he says.

It is impossible to imagine the Private Banking division without the support of the ISP organization, led by Nicole Pauli. Working to provide RMs with the best infrastructure, advisory tools and investment products is a challenge. By delivering on this goal, ISP helps to ensure that RMs can continuously offer clients the leading advice and solutions that they have come to expect from Credit Suisse.



Yannick Leydet (left) and Dominique Schwab (right).

Political Office as a Secondary Occupation

With the implementation of flexible working hours, Credit Suisse enables around 300 of its employees in Switzerland to take on political office or another secondary occupation in the service of the community alongside their job at the bank. Yet another example of the bank's social commitment.

Text: Nicola Mohler

A key feature of Switzerland and its political system, which is based on direct democracy, is a deep-rooted militia system: public office and the concomitant responsibilities are taken on a voluntary, part-time and honorary basis. Professional parliamentarians, the norm in other democratic states, are unknown. This active civil society makes it possible for Switzerland to operate an extremely diverse and inclusive political system with the involvement of federal bodies, 26 cantonal bodies, and 3,000 municipalities.

A Bridging Function between Politics and Business

However, the militia system in politics also has some drawbacks. Analysis conducted in recent years shows, for example, that there are consistently few politicians who can manage to invest just 30 percent of their total working hours in politics. In 2010, members of Switzerland's Council of States spent an average of at least 67 percent of their working time on their parliamentary duties, while members of the National Council spent 57 percent. This growing time commitment has not only led to an undermining of the militia system, with more and more full-time politicians now becoming involved; it has also had a direct impact on the mix of professions that are represented in parliament. It is becoming increasingly difficult to combine a growing political workload with another occupation.

Credit Suisse sees itself as an active member of society and maintains a constructive dialogue with numerous representatives from the spheres of politics, public administration, business, science, and the non-governmental sector. In Switzerland, the bank also lends its support – through flexible working hours – to the political militia system by enabling around 300 of its employees to run for public office, for example on official bodies in the municipality where they live. “It is important to the Swiss militia system that individuals from the private sector also serve on official bodies and in politics alongside their everyday occupations. They perform a bridging function between politics and business and carry out an exemplary voluntary role on behalf of the community.” This is the

300

Flexible working arrangements allow 300 of our employees to hold a political office.



Daniele Caverzasio (left), Relationship Manager in Private Banking Switzerland, and Sergio Morisoli (right), Market and Business Development Switzerland, Region Ticino, are elected members of the Canton of Ticino parliament.

explanation offered by René Buholzer, Head of Public Policy at Credit Suisse, for the bank's commitment to its employees taking on such roles.

Dependent on Support from Employer and Family

Sergio Morisoli works in Market and Business Development in Private Banking in Region Ticino. Alongside his position at Credit Suisse, he is an elected representative of the Grand Council, the parliament of Canton Ticino, vice-chairman of his local municipal council in Monte Carasso and, since April 2011, chairman of a cross-party parliamentary group with 23 members that concerns itself with economic development and the external policy of the canton. "In Ticino politics is prac-

ticed after work, in the evenings, and on weekends. This means that we and our families have to make significant sacrifices,” explains Sergio Morisoli. “Luckily my family and my employer support me. Credit Suisse gives me the time and flexibility that I need to cope with my dual role.” In addition to weekly meetings of the municipal council, Sergio spends 25 to 30 afternoons a year at the Grand Council. The preparations, lobbying work, and many discussions that these responsibilities entail require a great deal of time and effort. “The most interesting thing about having a job and holding political office at the same time is the dense social network that one builds up over time,” says Sergio. In his case, besides the financial center, these relationships involve institutions in Ticino and northern Italy plus cantonal and federal bodies in Switzerland. As far as the symbiosis between business life and political life is concerned, Sergio concludes: “In a world in which personal and cross-disciplinary relationships are becoming ever more important, this also represents a major benefit for Credit Suisse.”

Enabling Society to Function

Maria Züger is another of the 300 Credit Suisse employees who holds a political office. When she was elected to the municipal council in Freienbach, Canton Schwyz, in 2002, she reduced her working hours at Credit Suisse from 100 percent to 80 percent, and later to 60 percent. “Thanks to the part-time working model, I can take care of the daytime tasks that are necessary if I’m to properly fill the political office to which I’ve been elected.” Maria Züger is a client advisor on the

“The most interesting thing about having a job and holding political office at the same time is the dense social network that one builds up over time.”
Sergio Morisoli

Europe, Middle East and Africa Desk and generally works Monday, Wednesday and Friday at the bank, and Tuesday and Thursday in the community. “However, I’m available by phone all week on both fronts,” she explains. Maria Züger agrees on the many advantages of Switzerland’s militia system. “It means that people who are active in politics don’t see things from just one point of view. Instead, they bring their knowledge and problem-solving skills from a wide range of fields into the political arena.” Since 2009, she has also acted as president of a cantonal foundation that is active in the healthcare sector. “Holding political office and other voluntary positions broadens one’s personal horizons and gives one insights into the structures that underpin society,” she explains.

“Holding political office and other voluntary positions broadens one’s personal horizons and gives one insights into the structures that underpin society.”

Maria Züger



Maria Züger, municipal council member in Freienbach, in the Canton Schwyz.

“An intensive exchange of ideas between political and business representatives is very important for both parties,” explains René Buholzer with reference to Credit Suisse’s commitment. “The political system needs to be engaged in a constructive and regular exchange of ideas with the private sector. This works best through people whose occupations place them in the midst of business life every day. By competently contributing their experience and points of view, they do their bit to develop an in-depth understanding of how political theory works out in real life. In return, however, the business community depends on politicians to create a framework, stability, economic growth and hence prosperity for the community,” he explains.

Large Time Expenditure Requires a Major Commitment

In order to further encourage the exchange of ideas between business and politics, Credit Suisse’s Public Policy department organizes an annual meeting of employees who hold public office. This platform provides them with an opportunity to discuss their experience with colleagues from across Switzerland. The next meeting will be in Zurich in April 2012. Daniele Caverzasio, another holder of public office, plans to attend. “These meetings give us the opportunity to discuss current issues and to work together to find potential solutions.” Daniele has been a member of the Grand Council of Canton Ticino since June 2011 and concerns himself with legislative amendments and financial affairs, among other things. Above and beyond these activities, his work on parliamentary com-

April 2012

The Public Policy department organizes an annual meeting for employees who hold a political office to foster the exchange between politics and the financial services industry.

missions also takes up a lot of his time. He is grateful that Credit Suisse supports his activities in the public sector by offering flexible working hours. “But the flexibility and support that the other people in my team at work provide are also extremely important. They make it possible for me to take time off by ensuring that all key tasks and functions are still carried out professionally. Daniele generally takes care of his political responsibilities in the afternoon and works for Credit Suisse in the morning. He sees the great benefit of the militia system in the fact that Swiss parliamentarians are more deeply rooted in the general population because they, unlike professional politicians, are also part of the world of work. “This means that each individual can bring his or her experience into parliamentary discussions. In the end, this benefits all concerned.” But Daniele is also aware that the heavy workload involved in having a second job as a public representative deters many people from becoming politically active. “But as with everything else,” he explains, “the secret to making progress is to make a start in the first place”. However, the problem should not be underestimated. The time commitment and the increasing complexity of the tasks have a negative impact on people’s willingness to run for public office. More and more municipalities are finding it difficult to fill their vacancies. However, other reasons are cited in public discussions about this trend. The loosening of the militia system at the municipal level, for example, is considered the result of a declining interest in local politics. In contrast, political scientist Wolf Linder in his standard work “Schweizerische Demokratie”

“As with everything else, the secret to making progress is to make a start in the first place.”

Daniele Caverzasio

[Swiss Democracy] also identifies increased geographical mobility as a potential reason. He also suspects that growing economic pressure since the 1990s may be holding employers back from making individuals available for public office. That's why it is so important for businesses to support and encourage their employees to become politically engaged. In this way, the roots of the militia system can grow back and continue to provide the necessary support.



Helping Children in Malawi Get a Better Start

Over the next 10 years, around 54,000 children should benefit from a new early childhood education project set up by the Roger Federer Foundation (RFF). The RFF's biggest project to date was made possible thanks to its long-standing partnership with Credit Suisse. *bulletin* accompanied Janine Händel, Managing Director of the RFF, on her field trip to this very poor but amazingly beautiful country in South East Africa.



Text: Daniel Huber

Just a few minutes after landing in Lilongwe, Janine Händel – traveling with hand-luggage only – is already being taken straight to the Crossroads Hotel in the city’s government district in a car belonging to ActionAid Malawi. There, final preparations are being made for a reception given by the Honorable Theresa Gloria Mwale, Minister of Child and Community Development, to mark the official start of the RFF’s biggest project to date. In the large auditorium of what looks like a very Western conference hotel, the 150 or so guests are welcomed by groups of singing and dancing children. The guests include representatives of ActionAid Malawi and other aid organizations working in the field of early childhood education, selected early childhood caregivers,

other guests of honor, and journalists from radio, television and newspapers. The ceremony is being held to mark the official launch of the project and also to present the initial findings of a baseline study carried out by ActionAid Malawi on behalf of the RFF. The extensive field study seeks to record the current status of early childhood education in six districts of Malawi with a view to ensuring the correct priorities are set and the successes or failures of the measures taken can be gauged over the years.



Impressions of the official launch of the early childhood education project.

Early Childhood Development is Crucial

The mood is relaxed and cheerful. After the welcome address, a master of ceremonies works her way through a packed program of speakers, various vocal and dance groups, and a comedy duo. In her speech, which she begins by praising the diverse beauty of the country, Janine Händel highlights the fundamental importance of early childhood support, which she sees as crucial for a person's overall later development. She refers to Malawi's great tradition in this regard, a theme also taken up by Martha Khonje, who is Country Director of ActionAid Malawi: In excess of 8,000 community-based childcare centers (CBCCs for short) were built in the 1990s, she says, as part of a government initiative. But more than 80 percent of these are either still very basic or scarcely able to operate. What's more, just one-third of infants in Malawi can actually attend such a center.

80 Centers in Six Districts

The aim of the Roger Federer Foundation's new 10-year project – made possible thanks to a long-term partnership with Credit Suisse – is to improve quality at 80 existing CBCCs in six districts of Malawi. These 80 CBCCs are intended to play a trailblazing role for all other centers in the country. However, the plan does not involve ActionAid building a series of completely new, one-size-fits-all centers from scratch. On the contrary, the improvement in standards is to be achieved solely on the basis of existing infrastructure and organizational structures, which will be raised to a uniform level on a highly individual basis through selective improvements. The aim is for all con-



Teachers and children at the Ufulu Center.

struction-related changes to be carried out by the local communities themselves to the extent that this is possible in order to ensure a broad buy-in. The teaching and coaching of around 800 early childhood educators – all of whom work on a voluntary basis – is also vitally important, according to the foundation. Members of the sponsoring committee will also take part in these training modules so that they can gain a better understanding of the importance of early childhood development while learning about management of these centers.

Tour of projects sponsored by the Roger Federer Foundation in Malawi.



With Roger Federer Foundation in Malawi.

Chronology of the Malawi Project

12/2009

In December 2009, a cooperation deal is agreed with the Roger Federer Foundation (RFF) as part of the new sponsorship arrangement entered into with Roger Federer. Over a 10-year period, Credit Suisse will support the RFF with the annual sum of USD 1 million.

01/2010

At an initial meeting in January 2010, representatives of the RFF and Credit Suisse agree that the additional funds will mainly be used to launch a new, multiyear education initiative.

04/2010

In April 2010, representatives from the RFF and Credit Suisse attend a workshop with three external experts. The aim is to narrow down the wide range of possibilities as regards education initiatives in Africa. The idea of a long-term project in the field of early childhood education is born.

06/2010

A second workshop to discuss the geographical scope of such a major project is discussed in June 2010. This leads to two recommendations for the Board of Trustees.

07/2010

The RFF Board of Trustees decides at a meeting at the end of July 2010 that the additional resources provided through the partnership with Credit Suisse will be used to launch and manage a new 10-year program in the field of early childhood education in Malawi. The country is favored not only because it meets the foundation's guidelines, is situated in Africa, and is one of the poorest countries in the world, but also due to its long-standing political stability and its size: 12 million citizens make the project relatively manageable. It is also easily accessible, and English is widely used as one of the official languages. The need for early childhood education has already been identified by the government and corresponding measures taken – albeit to an insufficient degree due to a lack of necessary resources. In a next step, research shows that there are already 44 local organizations active in the field of early childhood education in Malawi. RFF asks a selection of the biggest, most established organizations to draw up key proposals for a 10-year program by the end of September 2010.

09/2010

A shortlist of the submitted proposals is made and presented to a committee of experts at the end of September 2010. This results in two recommendations, one of which is the clear favorite.

10/2010

At the end of October 2010, the RFF Board of Trustees decides in favor of ActionAid Malawi's concept proposal. This entirely local organization has operated in the country for more than 20 years, and is embedded in an international federation of more than 40 national organizations. The headquarters of the federation are in Johannesburg, South Africa.

11/2010

In mid-November 2010, ActionAid is commissioned to produce a baseline study by the end of January 2011. The 80 young children's centers covered by the proposed program, located in six of Malawi's 28 districts, are visited and analyzed in order to take stock of the current situation. The results of the baseline study are important for defining the most realistic – and therefore effective – packages of measures.

03/2011

At the end of March 2011, RFF Managing Director Janine Händel travels to Malawi in the company of Christoph Schmocker, a member of the Board of Trustees, to gain an impression of the current situation on the ground and to discuss the proposed program with the people responsible at ActionAid.

15/03/2011

On March 15, 2011, partner organization ActionAid submits a concrete proposal for the initial three-year phase.

07/04/2011

At a meeting of the RFF Board of Trustees on April 7, 2011, Janine Händel talks about the impressions she gained in Malawi and the status of the

project. Only now does the board give the definitive green light to implement the initiative, meaning an initial substantial sum of money is awarded to ActionAid Malawi.

01/05/2011

May 1, 2011, sees the Roger Federer Foundation's biggest project in Malawi to date get off the ground. The aims are to directly effect a decisive improvement in early childhood education for around 54,000 youngsters over the next 10 years in what is one of the world's poorest countries, and to give the children involved a better start in life, and thus the keys to their own destiny. The project was made possible thanks to the long-standing partnership with Credit Suisse.

12/06/2011

On June 12, 2011, the official launch of the project is celebrated with a ceremony in the Malawi capital of Lilongwe. Among the guests of honor are Janine Händel, Managing Director of the Roger Federer Foundation, and the Malawi Minister of Child and Community Development, the Honorable Theresa Gloria Mwale. At this event, the results of the baseline study conducted by ActionAid Malawi in December 2010 and January 2011 are also presented.



Malawi Impressions.

Map of Malawi

■ Districts where the initiative has carried out projects to promote early childhood development.

Source: pd



Facts about Malawi

Population

13.1 million
40 percent live below
the poverty line

Average life expectancy

52.4 years

Nutrition

19 percent of children under
the age of five are malnourished

HIV/Aids

12 percent of people
aged 15–49 have HIV/Aids

Official national languages

English and Chewa

Main exports

Tobacco, tea, sugar, cotton

Currency

Malawi kwacha

Source: DFID 2009/2010

Country Roads Teeming With People

Over the next two days, we see the day-to-day reality behind the theory with our own eyes. Early the next morning, in two off-road vehicles, we drive at breakneck speed across bumpy asphalt roads to Liwonde, the southeastern part of Malawi – a journey of four hours. The road is constantly teeming with people walking or cycling, either alone or in small groups, carrying wood, potatoes, sugar beets, gherkins, chickens, or just water, from A to B. Very elegantly, some of the women are carrying huge baskets or other loads on their heads. With an average of 105 people per square kilometer, Malawi is one of Africa's most densely populated countries. Privacy is something of a luxury here – even on country roads.



On the way from Lilongwe to Liwonde: The roads in Malawi are always teeming with people transporting goods either on foot or by bicycle.



Children and their mothers, as well as some fathers, gather in Ng'andu in front of the former court building that is used as a CBCC.

Tasty National Dish of Nsima

At a roadside cafe in Liwonde, we eat fish stew accompanied by a mushy white corn-based porridge – known as nsima – with our hands. Then we cross the Shire River and drive for another hour over a paved road to the marshy hinterland of the Machinga district, close to the country's border with Mozambique. After a further 90 minutes down a bumpy dirt road, we come to the small settlement of Ng'andu. There, we're welcomed by singing, dancing women who take the visitors to a ruin where a center for young children has been operating for more than a year now. It's a former court building. Complete with a mango tree, however, it is used by the teachers to house around 160 infants. In addition to the building next door, this tumbledown structure is set to be restored. As with all CBCCs in the project, the plan is to create a kitchen and toilet as well as a large common room and various smaller rooms for class, games and relaxation. There's also playground equipment outside, and a small garden.

Roger Federer's Best Wishes

In their speeches, various village elders and regional managers from ActionAid, repeatedly emphasize the great determination of the village community to ensure the CBCC is completed, and that the children of the area get off to a good start in life. As well as conveying the best wishes of Roger Federer all the way from Europe and thanking everyone for the wonderful reception given to her, Janine Händel strengthens the resolve of all those present to change things through

“One of the primary goals of this project is to make the community more aware of its own resources and to make better use of them.”
Janine Händel

their own efforts. “Enabling the community to be more aware of its own resources and to make better use of them is one of the primary goals of this new project in Malawi,” Janine Händel explained. “Instead of paying a construction company to renovate the buildings, for instance, the project will only procure the necessary tools and materials for the inhabitants of the village to do the job themselves.” ActionAid’s Martha Khonje adds: “The people in charge of the CBCC tell us what they need, and we get hold of it for them or pay the bills.” The same will apply later on regarding the center’s actual operating expenses for items such as stationery and seeds for the gardens. During their stay, the children receive a small meal that normally consists of a portion of nourishing corn porridge.

Clay Bricks Are Shaped, Dried and Fired

On the next day, we get to see this porridge being prepared in a large pot when we visit the nearly completed Ufulu Center only a few kilometers away as the crow flies (due to the dirt track, the journey takes over an hour). This particular CBCC was originally set up and funded by an Italian government aid project. Then, in a storm two years ago, the roof was blown away and activities were suspended. ActionAid has now brought it back to life as part of the RFF project. In addition to the roof, a covered area has been created outside. The toilet wing is also nearly ready. While only the foundations of the kitchen building are in place, several men are busy arranging and plastering the red clay bricks. These bricks are shaped,



Bricks needed to build a new CBCC in Ng'andu are ready and waiting.

dried and fired on-site. Right now, cooking is underway in a makeshift kitchen fenced in by reeds. However, there's also a modern cooker that is encased in concrete, which makes it exceptionally energy-efficient. This was also funded by the RFF project. In a largely deforested Malawi, firewood is in increasingly short supply. Three women are busy preparing the corn porridge in a large pot. In Ufulu, too, a master of ceremonies takes us through a packed program of speeches from CBCC managers and village elders, songs, danc-



Women prepare nourishing corn porridge at the Ufulu Center.



Children at play at the Ufulu Center.

es and other performances. However, it's clear that the children – who are aged between four and six – are somewhat intimidated by the visitors from faraway Europe, who are watching their clay modeling, painting, singing, dancing and skipping activities. To add to their awe, all the important village elders have come for the welcome ceremony.

Complete Reconstruction

The trip ended with a visit to the CBCC in Selemani, which is still housed in a traditional straw hut. Preparations for a complete reconstruction are in full swing, however. A vast number of fired clay tiles have already been laid out and a piece of land that is well-placed at the center of the settlement, right next to the road, has been cleared and prepared. One day, this is where up to 150 of the region's girls and boys between the ages of four and six will receive preparation for a better life. As the sun slowly begins to set – as early as 4 p.m. during the winter in Malawi – we have an abundance of impressions and experiences to hold onto for the long journey home.



In Selemani, in the district of Machinga, a traditional straw hut serves as a CBCC.

More informations and links

Watch the video and pictures of the project launch ceremony in Lilongwe and visits to the centers at:

→ www.credit-suisse.com/bulletin

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Masthead

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