

Corporate Social Responsibility

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Aspiration and Organisation

Cembra Money Bank generates competitive advantage and wealth for its stakeholders in the long-term by actively taking into account the interests and expectations of its most relevant stakeholders. In this way, the Bank always aims to adhere to highest responsibility standards from an economic, legal, ethical, and discretionary perspective.

Based on challenges and opportunities that the Bank faces, four key areas of corporate social responsibility have been identified. This report is structured along these areas, similar to the Corporate Social Responsibility (CSR) Report in the previous reporting period:

- Integrity of products and services;
- Customer orientation;
- Employee diversity and development;
- Social engagement.

The Bank's strategic goal is to enhance its position as a leading provider of consumer finance products and services in Switzerland whilst maintaining its identified corporate social responsibility objectives. The critical success factors for achieving this goal are the ability to raise presence in key markets and to continue to differentiate through outstanding service and operational excellence. Hence, the **integrity of products and services** is crucial to this strategy and to preserving the Bank's future success. In addition to complying with the regulatory requirements, the Bank takes its responsibility seriously and requires that employees always act in the best interests of the Bank and its customers.

Customer orientation lies at the heart of the Bank and its employees, who ensure to provide responsible consumer finance products and services. In addition to the credit capacity of customers that is evaluated according to the legal regulations of the Swiss Consumer Credit Act, the Bank also puts a strong emphasis on thorough verification of the customer's creditworthiness. Embedded in systematic and consistent decision-making and supported by personal, face-to-face customer contact when needed, this process leads to predictable and stable default rates within the defined risk tolerance of the Bank (see Risk Management Report on page 20).

Employees are the key to the Group's success. They embody and share the Cembra values and drive the Bank's future. **Employee diversity and development** are a core element of Cembra Money Bank's corporate culture. This is expressed by the Bank's endeavour to offer an inspiring and collaborative workplace for its employees.

Cembra Money Bank is also committed to **social engagement**. Volunteering for charitable projects has been present in the Bank for the past two decades and is strongly encouraged by the Bank's management. This is not only to give something back to the community; it also provides an ideal way for employees to take on new responsibilities and further explore and develop their personal skills.

These four key areas are interconnected and they influence each other. Employee diversity and development have a considerable impact on how the other three areas are approached. Employees' professional and personal skills, attitudes and beliefs strongly influence product and service integrity, customer orientation, and social engagement through volunteering.

The Bank's corporate culture and the daily work of its employees are guided by values and qualities. These were defined in workshops by 140 employees from all departments and language regions of the Bank. The values of engagement, customer focus, responsibility, and diversity are relevant to the four key areas. The qualities of expertise, customer proximity, imagination & execution, and speed & ease help to manage the four areas in an efficient and professional way.

CSR at Cembra Money Bank is currently managed by a working group composed of senior managers from Compliance, Human Resources, Legal, Sourcing, Communications and Investor Relations. The working group reports to the Management Board. CSR is also addressed regularly by the Board of Directors where the feedback and concerns of institutional investors and proxy advisors are considered. In particular, questions regarding remuneration, Board composition, and shareholder rights are dealt with transparently.

The relevance matrix that resulted from the stakeholder engagement in 2018 will be addressed more systematically in the 2019 reporting cycle. For the identified material topics, the Bank will work on the management approach and respective indicators in the first half of 2019. For the financial year 2019, the Bank aims to publish a report in accordance with the GRI Standards: Core option.

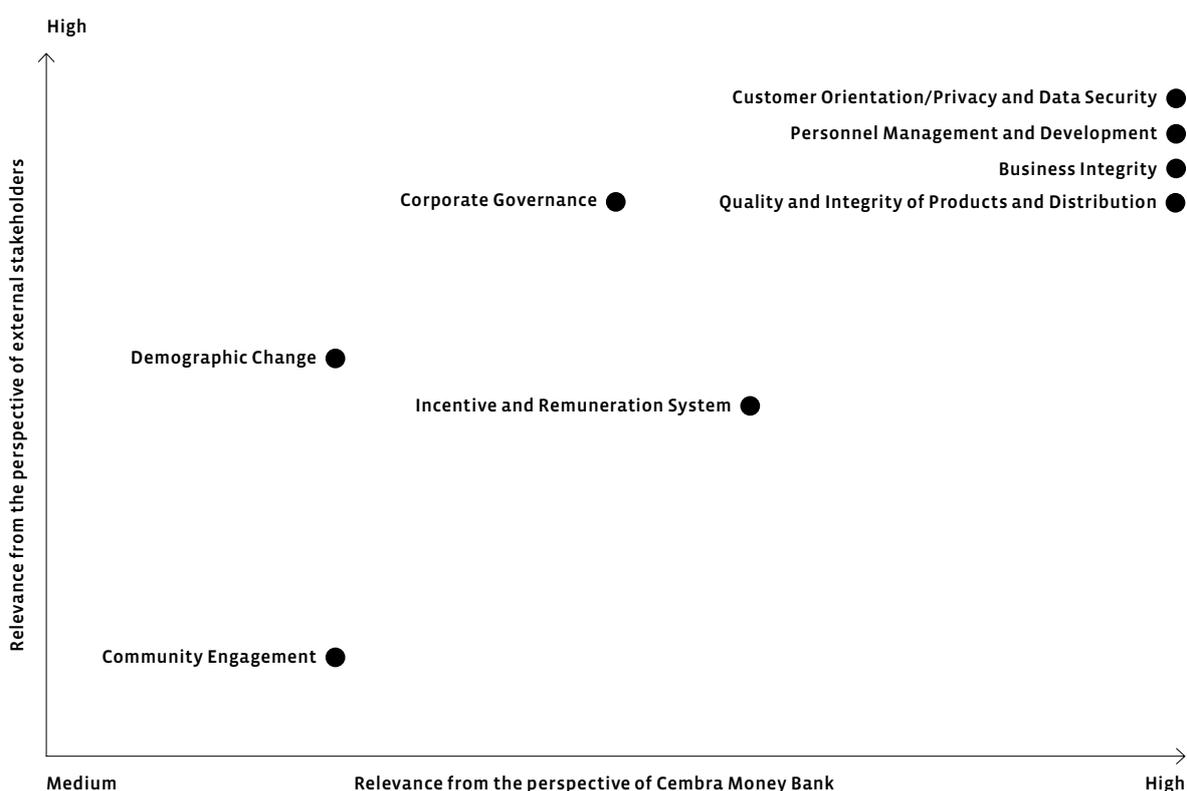
Most Relevant Corporate Responsibility Topics

As each of the defined key areas ultimately is linked to one or more of the Bank’s stakeholders, Cembra chose to involve its relevant stakeholders. A relevant stakeholder is a person, group, or organisation that has an interest in or concern with an organisation and its activities because it is influenced by the organisation and its activities (= interest) and/or has an influence on the organisation and its activities (= influence).

The Bank’s most relevant stakeholders are customers, employees, shareholders, business-related associations and authorities, and non-governmental organisations. Cembra employees from various business functions are in close contact with individuals from these groups. The Bank interacts with other stakeholders such as representatives of civil society, local communities, and non-governmental organisations on a case-by-case basis.

In 2018, Cembra Money Bank reviewed its material topics that were defined in the previous year. The topics were comprehensively discussed during several interviews with relevant external stakeholders as well as with internal stakeholders (employees), who were invited to evaluate the topics from their perspective. The results of this stakeholder engagement are shown in the relevance matrix 2018.

Relevance Matrix 2018



Seven out of eight topics are of medium to high relevance for the Bank: business integrity, corporate governance, demographic change, incentive and remuneration system, personnel management and development, quality and integrity of products and distribution, as well as customer orientation/data security and privacy (see text box for definitions on page 31).

These topics should not be viewed in isolation; they are usually interconnected, and sometimes improvements in one can lead to changes in another. It is expected that development over time (next five years) will increase for all but one of these issues. Only in regard to the incentive and remuneration system do the stakeholders anticipate unchanging relevance over time.

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One topic was rated with medium relevance from an internal perspective, but with low relevance from an external stakeholder view: community engagement. Development over time is expected to be unchanging for the next five years.

The following topics were discussed with internal and external stakeholders regarding their relevance from an environmental, social and governance (ESG) perspective:

- **Business Integrity** covers the compliance with environmental and socioeconomic laws and regulations. This includes compliance with international declarations, conventions and treaties, as well as national, subnational, regional, and local regulations. Business integrity can relate to accounting and tax fraud, corruption, bribery, competition, the provision of products and services, or labour issues.
- **Corporate Governance** refers to good and transparent corporate management. This includes topics such as shareholders' and employees' participation rights, compensation and participation of the top management level or information and control instruments of the Board of Directors vis-à-vis the Management Board.
- **Demographic Change** addresses the consequences of aging, migration and cultural change with effects on consumer behaviour, indebtedness, solvency risks, etc., in Switzerland.
- **Incentive and Remuneration System** deals with responsible compensation policy and practices, compensation of executive management and senior management, and the design and criteria of the Bank's incentive system.
- **Personnel Management and Development** refers to recruitment, education and training, work-life balance, diversity management, health promotion, the performance review process, and communication and embedding of company values.
- **Quality and Integrity of Products and Distribution** covers social and environmental criteria in lending, responsible investing, client advisory, pricing, digitalisation services, product safety, sustainable products and services, fair marketing, and access to affordable products and services.
- **Customer Orientation/Data Security and Privacy** addresses responsive and responsible consumer finance products and services in Switzerland. It also deals with the protection of the privacy of customers with regard to the processing and transfer of their data.
- **Community Engagement** concerns the impact of the Bank's activities on local communities and how to engage with them. An organisation can generate a positive impact through local employment and procurement or through social engagement in the community.
- **Operational Environmental Management**. Due to the Bank's relatively limited environmental footprint as a financial services provider that provides credit in its home market Switzerland only, Operational Environmental Management was deemed not particularly relevant by the stakeholders. It is thus not represented in the relevance matrix.

However, further optimising processes and outputs with environmental impact are addressed within the Bank in several areas, and co-ordinated by the working group (see page 29). Cembra expects electric vehicle leasing to generate a larger share of revenues (see box p 33). The Bank furthers commuting by public transportation as a part of the employee benefits (see page 39).

As for all sustainability topics, Operational Environmental Management is being reviewed as part of regular materiality assessments, and in cases the topic is deemed relevant by the stakeholders the management approach will be adapted.

Integrity of Products and Services

Cembra Money Bank is an independent Swiss bank that has been listed on the SIX Swiss Exchange since October 2013. As a listed company, it meets high regulatory requirements and provides a higher transparency than most of its competitors, many of which are neither listed nor have a banking license. However, the Bank is convinced that higher regulatory requirements and transparency are also a good way to inspire greater confidence among customers and other key stakeholders and to differentiate itself in the marketplace. Transparent information is viewed as an essential part of value generation and confidence building, particularly among customers and shareholders who want to know about the Bank's financial and non-financial services and business practices.

The Bank has various formal processes in place to ensure the high quality of product and service integrity. These processes are based on a framework of guidelines for employees to follow in day-to-day operations.

Responsibility, one of the Bank's four values, states that employees should always act in the best interests of the Bank and its customers. Employees are responsible for their actions, should ensure complete transparency and need to conduct themselves with integrity. Classifying "expertise" as a quality underscores the fact that employees have outstanding knowledge of products, processes and market conditions and stay on top of the latest trends, innovations, and regulations.

Employees: Code of Conduct

The Bank introduced a Code of Conduct 15 years ago. Its last revision was at the end of 2016 to reflect changes in society and financial industry trends. The Code summarises the vision, ethical principles, professional standards and company values that drive the Bank's long-term success. It is an integral part of all employment contracts and training courses; compliance with the Code is mandatory for all Bank employees, for the members of the Board of Directors as well as for subsidiaries. The Code of Conduct is available in three languages.

The Code of Conduct describes employees' reporting rights and obligations and the process for reporting any and all suspected breaches of laws, regulations and the Code itself (whistleblowing process). The Code of Conduct, various directives, and the Bank's intranet provide information on the whistleblowing process for employees and on the procedures and responsibilities that apply to actual or suspected violations of laws, regulations, administrative or judicial orders, and internal policies or procedures. Employees can report suspected violations internally (to their supervisor, Human Resources, Compliance, internal ombudspersons) or to an independent external ombudsperson. All employees are informed about the ombudsperson and educated about what to do and whom to contact if they uncover possible violations. The Bank's operating subsidiaries can submit whistleblowing reports to these individuals and departments as well. Whistleblowers can report their concerns confidentially and anonymously. Cembra does not tolerate reprisals against anyone who reports alleged violations in good faith.

All new employees are given the Code of Conduct with their employment contract and attend an in-depth workshop on the Bank's corporate values and Code of Conduct as part of an obligatory introduction package. After induction, all employees are required to attend annual compliance classes that cover key components of the Code of Conduct. They take annual tests to demonstrate that they understand the contents of the Code of Conduct and all related procedures. Code violations have a negative impact on employee performance reviews and may affect performance bonuses. Code violations may also result in dismissal. Regular controls based on the three lines of defence model ensure that compliance risks regarding the Code of Conduct are identified and actively mitigated as needed. Suspected employee violations of laws, regulations, or the Code of Conduct must be reported to the alleged offender's supervisor, the Compliance department, the Human Resources department, or the ombudsperson (whether internal or external). Violations by the Management Board must be reported to the Chairman of the Board of Directors.

All employees attended the obligatory classes in 2018 and pledged to comply with the provisions of the Code. Code violations were addressed rigorously.

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Partners: Independent Intermediaries, Car Dealers and Partnerships in the Credit Card Segment

The Bank conducts business across Switzerland via a network of 18 branches as well as alternative sales channels such as the internet, credit card partners, independent intermediaries (personal loans), and car dealers (auto leases and loans). In many cases, partnerships have evolved over several decades. To ensure quality and product integrity, formal processes govern the selection, training, instruction, and monitoring of independent intermediaries and car dealers. The precautions and requirements for independent intermediaries are particularly strict and tightly regulate the Bank's business dealings with them. The following paragraphs cover the processes for **independent intermediaries** and **car dealers** as well as for the **credit card** business.

The portfolios and specific customer segments are regularly assessed for quality. Independent intermediaries in the personal loans segment are reviewed monthly, with more in-depth reviews conducted quarterly. Car dealers are normally reviewed yearly or at least every three years.

The Bank requires its independent intermediaries and car dealers to meet high standards for integrity. The number of active independent intermediaries in the personal loans segment has been deliberately reduced in recent years in order to focus on long-term partnerships that have proven valuable, with continuity, performance, and integrity of partners being key criteria. In 2018, 140 independent intermediaries originated personal loans for the Bank. In the auto leases and loans segment, the Bank partners with more than 3,900 car dealers.

The Bank provides training for independent intermediaries, focusing on business and product strategy, products, processes, and compliance. Regular training is provided for car dealers, too. Four classes are generally taught in Zurich each year, and one to two classes are taught in the French and Italian regions of Switzerland. All told, 70 to 80 car dealerships and 140 independent intermediaries receive training each year.

Various departments (including Compliance, Underwriting and – through guidelines and escalation processes – Risk Management) are involved in the quality assurance processes described above. Specific policies for independent intermediaries ensure professional delivery of services and full compliance with ethics requirements. These policies are included in every business relationship in order to minimise compliance risk. Car dealers are regularly visited by the Bank's 27 sales area managers, who report their findings via an online tool. Abnormal findings are investigated, and in case of non-compliance of the dealer the partnership is terminated.

The Bank maintains close, longstanding relationships with its distribution partners, who are needed to excel in a "people's business" and are viewed as a business asset. Over 50% of business volume is transacted through car dealers that have been Bank partners for at least 25 years. The average sales area manager has been with the Bank for 18 years.

While independent intermediaries and car dealers enter potential customers' credit applications in the application system, Bank departments handle the budget calculations and underwriting processes internally. The Bank, in other words, always has the ultimate responsibility for approving a loan or car lease and bears the risk for possible losses due to default.

In the **credit card** business, the bank offers attractive value propositions to retail customers. Most of the 892,000 credit cards issued (+11% in 2018) charge no annual fee, and in independent consumer ratings the Bank's credit cards regularly receive top ratings in terms of customer value. In 2018, the Bank continued its longstanding partnerships. Switzerland's largest retailer, Migros, was the Bank's first credit card partner. In 2006, the Bank and Migros launched one of the first credit cards in the Swiss market to charge no annual fee. The card is linked to Cumulus, the Migros loyalty programme that provides customers with attractive special benefits. The Bank is also continuing its relationships with Conforama in Switzerland (credit card partner since 2008), Touring Club Schweiz (since 2011) and French retailer Fnac (since 2016).

Electromobility

The Bank has a relationship with an electric car manufacturer in the area of auto leases and loans in Switzerland. In 2018, the Bank's share of electric vehicles saw a significant year-on-year increase from a low level and now stands at approximately 2.5% which is roughly in line with the overall market. The Bank offers loans and leases for electric vehicles at highly favourable terms. Electric vehicle leasing is expected to generate a much larger share of the Bank's total revenue over the long term. Declining prices for electric vehicles and a larger supply of used vehicles will further strengthen the significance of electromobility, as will tighter CO₂ requirements and regulations.

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Monitoring Process

The Bank uses the three lines of defence, a proven governance framework, to manage risk and monitor compliance with legal requirements and internal policies. See the Risk Management Report on page 20 for details.

Binding, regularly updated processes likewise ensure that the Bank follows all applicable laws and regulations. As a financial intermediary, the Bank is subject to the Anti-Money Laundering Act and thus operates a programme to prevent illegal transactions. It systematically assesses customers and partners before entering into a contract or business relationship. This exhaustive onboarding process protects the Bank from engaging in relationships with individuals or entities that have been placed on international sanctions lists. Politically exposed persons (PEPs) and high-risk relationships are thoroughly analysed. Customers and partners continue to be regularly reviewed after the contract or business relationship has been formed. Apart from the continuous review of customers, transactions and payment practices are constantly monitored. Suspicious transactions are flagged and reviewed by the Bank's Compliance officers.

All new Bank employees receive an introductory training that covers the Bank's anti-money laundering programme and then attend regular refresher classes in subsequent years.

Third parties such as advisors, intermediaries, sales representatives, suppliers, outsourcing service providers and independent contractors who represent the Bank are also required to comply with the Code of Conduct. Compliance is confirmed when concluding new contracts with these third parties and is regularly verified thereafter.

Data Security and Data Protection

The Bank cares deeply about information security, data protection and data integrity, which is why it has implemented an extensive framework to protect customer data. Various directives and internal policies cover employees' use of electronic media and their handling of Bank and customer data while ensuring compliance with relevant laws on banking secrecy, data protection, and record retention. The Bank's business requires it to respect and safeguard privacy. Customers rightly want to know that their assets and privacy are protected. The Bank constantly reviews and optimises its processes in order to protect customer data now and in the future. Employees also receive regular training on issues relating to information security and data protection.

Customer Orientation

Customer focus is one of the four core values at Cembra Money Bank. The Bank's goal is to provide its customers with personalised solutions. The Bank has also made customer proximity one of its four core competencies, underscoring the importance it attributes to customer needs. Personal customer relationships and responsible, competent advisory services drive the Bank's success.

To satisfy the needs of its customers of tomorrow, the Bank invests in forward-looking infrastructure, including the development of a user-friendly, needs-based digital platform. The Bank pursues a smart follower strategy with regard to new payment technologies.

Responsible Lending

Cembra Money Bank takes its responsibility to customers and society very seriously. This explains its commitment to preventing over indebtedness: the Bank evaluates every consumer loan application carefully and systematically, assessing the customer's financial circumstances and personal situation. Its evaluation extends to the applicant's borrowing capacity and creditworthiness. The borrowing capacity assessment is based on the legal provisions of the Consumer Credit Act. The assessment of creditworthiness is supported by an automated scorecard-based credit risk rating system that relies on available customer information. These tools enable consistent, systematic decision-making for all credit products and take account of risk tolerance and risk limit requirements that apply throughout the Bank.

Lending, or rather the underwriting process, requires detailed budget calculations based on the customer's current inputs as to the current incomes and expenses. Applicants who do not meet the necessary criteria are denied credit. Customers should be granted loans only if they understand how the loan repayment works and are expected to deal with it without financial difficulties. Once approved, customers have a legal 14-day cooling-off period based on the Consumer Credit Act in which they can cancel the contract. Furthermore, customers can make additional early repayments at any time during the contract term, which lowers their total interest payments. The Bank has also set itself the goal of establishing responsible credit terms instead of maximising contract terms and repayment periods.

Personal customer contact is absolutely essential to the Bank's business. Knowing the borrower and the borrower's

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personal situation not only keeps the underwriting process concise, but also helps enormously in identifying the best possible financial solution for the customer's individual situation. The Bank has also set itself the goal of establishing responsible credit terms instead of maximising contract terms and repayment periods.

If loan repayment difficulties nonetheless arise due to unforeseen events such as unemployment, sickness or divorce, the Bank always aims to find a fair, affordable repayment solution. The Bank's internal collections department thus can respond appropriately and fast to any unusual situations. In addition, the quality of new transactions is regularly monitored internally to ensure that underwriting requirements are fulfilled and that the loan approval process still contains credit risk effectively. Underwriters receive regular feedback from their supervisors so that decisions leading to unwanted outcomes are prevented.

The combined assessment of borrowing capacity, creditworthiness and personal contacts reduces the risk of customer over indebtedness and enables a solid portfolio quality and moderate default rates.

The Bank exercises an equal amount of caution to ensure responsible lending in the car leasing and credit card business.

Responsible Marketing and Business Practices

The Bank is committed to marketing its products responsibly. Its advertising targets adults. The members of Swiss Consumer Finance (KFS), the Swiss Leasing Association (SLV), and other lending and leasing institutions have agreed to self-regulate their advertising for consumer loans and take appropriate preventive measures. The self-regulation agreement, which was approved by the Federal Council, took effect on 1 January 2016. The Bank has expressly adopted the agreement.

A new advertising campaign developed in 2018 states that loans should be taken out only for good reasons. The campaign addresses certain situations in life when a loan might be considered: education, housing and vehicle purchases. A loan, in other words, needs to be more than just "simple, quick and discreet"; it should also be an appropriate response to life circumstances.

Internal policies govern how employees treat customers. Specific policies on business practices are laid out in an internal directive.

The Bank regularly surveys its customers. In 2017, over 80% of customers surveyed in the personal loans, auto leases and loans and credit cards business units gave a score of at least 7 out of 10 points when asked about their overall satisfaction with the Bank and its customer service. The Bank's credit card programmes also regularly garner top scores in Comparis product comparisons and in Bonus.ch's customer satisfaction surveys.

Employee Diversity and Development

The management of Cembra Money Bank holds its employees in high esteem because it is convinced that they are essential for upholding the trust of customers, business partners, and other key stakeholders. The employees embody the values of the company culture: engagement, customer focus, responsibility, and diversity. A number of different programmes, initiatives, and specific training courses are aimed at retaining and promoting qualified and responsible-minded staff.

Internal Training

Cembra Money Bank offers a wide range of training programmes for its employees. These include management and leadership courses as well as social skills training. Every year the organisation's needs are assessed in order to offer the most appropriate instructor-led courses. The Bank strives to find a balance to ensure that employees are given the opportunity to develop skills to help them professionally but also personally. In 2018, 311 training days were completed from the Bank's internal training curriculum.

Employee training is an essential part of employee performance, satisfaction, and retention. By training employees well, we enable them to reach their full potential. This starts with the welcome-aboard training offered during the first days of employment to all new hires. New employees, supervisors and team leaders who will be working in an operations role within the Bank attend a specific on-boarding training aimed to prepare them for future responsibilities. These trainings are developed and carried out by internal functional trainers, who are well versed in the detailed requirements of the various jobs, have become subject matter experts themselves, and are able to share their know-how and understanding with newly hired employees. The trainings last between two and five weeks and are a mix of classroom and online training, one-to-one coaching, testing, self-studying, job-monitoring and many other exercises. The structure is adapted to the specific needs and resources of the employee, and we aim to make the learning content as personalised as possible.

Ongoing functional refresher training to improve the operational readiness is also given when necessary. This includes instructing employees on changes in the IT and solutions environment and on new or modified products. Further trainings are given when management intends to re-emphasise a special topic in the behaviour of customer service employees, e.g. managing complaining customers, improving negotiation skills, handling retention issues, and cross-sell or up-sell activities.

Cembra Money Bank engages a team of 6.5 full-time equivalent (FTE) functional trainers, and in 2018 about 1,500 participants were trained in 44 different courses.

As part of the Bank's benefits programme, the Bank also supports external trainings. Each division has a budget for technical and functional trainings that are conducted by external providers. Cembra generously supports employees in their language skills and further professional development.

Apprenticeship Programme

One important pillar of the Bank's efforts in developing new talents for the future is its internal apprenticeship programme. Generally, the Bank hires seven new apprentices every year. Over the past eight years, 30 apprentices successfully finished their programme at the Bank, of which 13 are still employed at the Bank. After the apprenticeship, the Bank aims to take on all the apprentices and offer them the desired position, often successfully.

Once the apprenticeship has come to an end, the Bank supports young employees in completing their vocational secondary education with the possibility to work part-time. Of the apprentices in 2018, three are still working in a 60% job position and attending vocational education.

Junior Talent Programme

In 2016, Cembra Money Bank launched the junior talent programme "Radix". Since 2018, the programme has been conducted in collaboration with the University of Applied Sciences in Business Administration Zurich (HWZ) for a CAS (Certificate of Advanced Studies) and has been extended by a module in General Management. The new Bank-wide programme consists of 22 training days over a period of eight months. It is designed to further develop professional and personal competencies. Graduates have the opportunity to sharpen their business understanding, gain new perspectives, and learn to develop solutions based on challenging cases as well as to expand their network. Nine talents started the programme in 2018, selected on the basis of their engagement and skills

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Dedicated Development Programmes for Women

The internal “Connect” programme provides women across different functions and hierarchies with various platforms to facilitate personal growth, to encourage career advancement and to foster an exchange of ideas in line with the Bank’s values. A team of ten employees contributes to the organisation of the talks, panel discussions with internal and external speakers, and events on topics such as diversity, networking and courage. The programme also supports participation in the annual Pink Ribbon Charity Walk for the prevention of breast cancer and donates to the Women’s Shelter Zurich. In 2018, the events were organised under the theme “Just go for it”. The programme is open to all female staff within the organisation, some events are also open to men, and it is sponsored by a member of the Management Board.

Cembra is a founding member of the “Advance” network for women. “Advance” aims to increase the share of women in leading positions and to further increase gender diversity. “Advance” offers its approximately 100 member companies skill-building and mentorship programmes as well as role-model exposure and best practice sharing on innovative working models. “Advance” organises various events and leverages the most innovative talent management tools of each associated organisation. As a premium member, the Bank has access to 17 exclusive training days for talented women in middle and upper management, the mentorship programme for one selected female employee, and a variety of workshops, seminars, and networking events offered throughout the year. Giving female employees the opportunity to take part in this external networking group is an efficient way for women to come together and offer each other peer support, to meet valuable contacts, and to gain ideas, and it provides them with a space to discuss gender issues and equality without judgement.

The Bank’s HR Learning & Development Leader is a board member of “Advance”. Cembra Money Bank hosts at least one of the platform’s annual events by making its facilities available.

Work-Life Balance and Employee Health Programme

The Bank aims to give employees the opportunity to develop their skills not only professionally but also personally. The Bank offers courses such as change management, business networking, conflict management, mindfulness and positive psychology for everyday work life as well as health & leadership, digital detox, and sleep and movement management (all about remaining physically and mentally fit) as complementary trainings to help foster better work-life balance.

The “Vitality” initiative helps employees find a healthy work-life balance. In 2018, it included sports events, and the company took part in a workplace health and engagement programme (“Virgin Pulse Global Challenge”) measuring the daily distance covered on foot by more than 350 million people around the world tracked using pedometers. Cembra Money Bank has been taking part since early 2014. In 2018, 119 employees in 17 teams participated and together tracked 122,933,988 steps or 78,678 km.

Other offerings of the “Vitality” programme include an in-house gym at the Cembra head office at no charge to all employees, massages at reduced rates, outdoor activities, seasonal fruit, a one-day seminar on quitting smoking, a test of individual fitness levels provided by an external partner, as well as information sessions and awareness campaigns on various topics related to nutrition, well-being, and first aid. Employees outside the head office receive financial support for individual workout programmes.

Employee Satisfaction Surveys

Cembra has conducted employee surveys every two years since 2016. The first survey in autumn 2016 resulted in an overall employee satisfaction index of 67% with a participation rate of 72%. Specific measures implemented include bottom-up feedback, more productive work environment, information sharing, and a communication platform for senior management to become more approachable to all levels of staff. The impact of these measures was evaluated by a follow-up survey in 2017.

In autumn 2018, another employee survey was conducted. 77% of all employees participated in the survey. The measures introduced in response to the feedback received in the 2016 survey clearly contributed to better results. The overall employee satisfaction index increased from 67% to 69%.

The Great Place to Work® Trust-Index® employee survey is taken by millions of employees in more than 50 countries every year. The companies that get the best feedback from their employees are awarded each year. Detailed information about this label is available on www.greatplacetowork.com.

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Employee key figures ¹	Turnover rate – permanent contracts	Turnover rate – temporary contracts	Average years of employment	New recruits 50+	Nationalities
2015	12%	3%	9.1	8	
2016	14%	2%	9.3	8	
2017	13%	2%	9.6	5	38
2018	13%	1%	9.3	19	37

¹ Cembra Money Bank AG including Swissbilling SA

In 2018, the employee turnover rate remained stable compared to the previous year. The comparatively high average number of years of employment with the Bank reflects employees' loyalty and engagement. The call centres, which are typically intermediary stages for young professionals, traditionally have a significantly higher turnover rate. In this area the turnover rate is about five times higher than the Bank's average. The number of new employees over the age of 50 increased significantly in the reporting year.

Headcount as of 31.12.2018 ¹	Female	Male	Total
Employee level	303	217	520
Senior Employee level	68	162	230
Management level	22	40	62
Senior Management level	0	11	11
Total	393	430	823
in %	48	52	

¹ Cembra Money Bank AG only

Cembra Money Bank values and promotes diversity, not only regarding gender, but also regarding nationalities, professional competencies, and age. The Bank's workforce is made up of 37 different nationalities. The Bank and its stakeholders benefit from a diverse workforce in various ways, such as enhanced understanding of the customer base, an increased skill set, improved employee onboarding and retention, a larger talent pool, and raised productivity. The Board of Directors is likewise diverse in terms of background, gender and nationalities.

Overall, the share of women in the Bank is 48%. At the employee level (including employee and senior employee level), the ratio of female employees is 50%. At the management level (including management and senior management level) it is 30%. Female representation on the Board of Directors is 29%, or two out of seven members.

Part-time share as of 31.12.2018 ¹	Female	Male	Total (headcount)
Employee level	142	35	177
Senior Employee level	24	13	37
Management level	6	2	8
Total	172	50	222
in %	77	23	
in % of all employees	21	6	27

¹ Cembra Money Bank AG only

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The Bank offers flexible solutions such as part-time or home office work as it is convinced that flexible ways of working can increase job satisfaction, employee commitment, productivity, and retention. As per year-end 2018, 27% of all employees were working part-time. Many of the part-time employees are working parents. Wherever possible, the Bank offers part-time employment after maternity leave. This depends not only on the desired workload, but also on the position and the current team constellation.

Top to Median Salary Ratio

The ratio of the top to median compensation is 12.5 (2017: 12.7). The median is based on the annual base salary plus variable target compensation for the previous financial year. The annual base salary is extrapolated to full-time working hours.

Non-Salary Employee Benefits

Employees are offered various non-salary (fringe) benefits. As from 1 July 2018, the Bank broadened these benefits for all employees following a review, with the aim of ensuring that all employees can gain equally from these fringe benefits.

The new non-salary benefits include vouchers for public transport, additional offerings for employees with families, and increased amounts for Schweizer Reisekasse (Reka) Genossenschaft checks. All benefits are also published on Cembra's Human Resources website (www.cembra.ch/en/career → What do we offer → Additional benefits).

Social Engagement

The Bank encourages its employees to get involved in charitable projects. Every employee of the Bank is entitled to spend two working days each year to volunteer with qualified organisations. The Bank's volunteer programme aims not only at giving something back to the community, but is also a way to advance employees' notion of social responsibility. Volunteering is a promising way of taking on new responsibilities and further developing personal skills. It complements the existing employee development programmes.

The Bank has partnered with various organisations for over 15 years. The partnerships are initiated primarily bottom-up by the Bank's employees, focusing on civil society organisations with local activities and readiness for longer-term engagements. Activities are identified together with the respective committees.

Some of the volunteering projects and initiatives are the following:

- Volunteer work: Every year, about 150 employees volunteer for one of the projects with a total of 700 hours of volunteer work. In order to continuously improve the volunteer programme, the Bank collects feedback from the employees and the organisations after every event. By actively participating in the programmes, employees can give back to society. In addition, employees also gain insight into charitable institutions and can therefore be seen as "ambassadors" of the respective organisation. The Bank is convinced that social engagement strengthens employee loyalty to the company.
- Theodora Foundation (Stiftung Theodora), partnership since 2015: The foundation's "Giggle Doctors" bring magical moments to children in hospitals. Every year in June, a Kids' Day with Race & Charity for all families and interested parties takes place at the Dielsdorf race course. In 2018, 30 Cembra employees participated in the Kids' Day with Race & Charity for all families.
- Young Enterprise Switzerland (YES), partnership since 2004: YES develops and supports practice-oriented business training programmes for students. The Bank's employees teach business-related topics at schools to provide students with practical business knowledge.
- Childhood Cancer Switzerland (Kinderkrebshilfe Schweiz), partnership since 2006: In 2018, about 25 employees volunteered in the children's holiday camps in Engelberg and Lenzerheide to engage with the patients and their families.
- Blood drives, Swiss Red Cross (Schweizerisches Rotes Kreuz), partnership since 2005: Together with the Swiss Red Cross, the Bank organises blood donation days at its headquarters twice a year. About 70 employees took part in 2018.