

## Annex to Sustainability Report 2020

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## 1 About this document

This Annex to the Sustainability Report 2020 (“Annex”) contains **supplementary information and disclosures** concerning sustainability at Cembra. This document was approved by Cembra’s Sustainability Committee, and it **should be read in conjunction with our Sustainability Report 2020** on pages 27–64 of our Annual Report 2020 and the information available at [www.cembra.ch/sustainability](http://www.cembra.ch/sustainability). The chapters and the page numbers refer to our Annual Report 2020, which is available at [www.cembra.ch/financialreports](http://www.cembra.ch/financialreports).

## 2 Supplemental information: Our approach to sustainability

(no additional information in this Annex)

## 3 Supplemental information: Customer orientation

### 3.1 Financial literacy

Since 2021, Cembra’s new Instagram channel aims to educate customers regarding financial literacy (in German: “Finanzwissen”).

## 4 Supplemental information: Quality and integrity of products and distribution

### 4.1 Responsible marketing campaigns

In addition to our “Policy on marketing activities and external correspondence” (see Annual Report 2020 pages 37 and 62) we are convinced that responsible marketing has to build trust between the company and our customers. This means that our market offering is not only profit-driven, but also reinforcing social and ethical values for the benefit of citizens. For example, we evaluate all advertising and marketing content for gender biases prior to publication.

We integrated all of these elements into our 2020 marketing campaign – focusing on personal loans as financing solutions for life-cycle events, e.g. moving to a new apartment, becoming parents and further education.



In 2019, our marketing had focused on personal loans as financing solutions for life-cycle events, e.g. moving to a new apartment, becoming parents and education.



## 5 Supplemental information: People and development

### 5.1 Predominantly permanent employment contracts

All our staff members are employed under Swiss law. In certain cases, employees are hired on a temporary basis, especially if they are filling in for other employees who are on leave (e.g. parental leave, sabbaticals, illness) or are working on specific projects (e.g. the integration of cashgate). Temporary employees hired through recruitment agencies, generally for a few weeks or months and at short notice, are not included in this report.

### 5.2 Part-time work of workforce according to seniority and gender

Part-time work of workforce according to seniority and gender (headcount):

	2020	2019	2018
<b>Men</b>			
Senior Management	0	0	0
Management	2	0	2
Senior Employees	12	11	13
Employees	27	28	35
<b>Total men</b>	<b>41</b>	<b>39</b>	<b>50</b>
<b>Women</b>			
Senior Management	1	0	0
Management	6	7	6
Senior Employees	43	34	24
Employees	151	135	142
<b>Total women</b>	<b>201</b>	<b>176</b>	<b>172</b>
<b>Total</b>	<b>242</b>	<b>215</b>	<b>222</b>
As % of all employees	25%	25%	27%

Definition of Senior Management: as of 31.12.2020: 7 Management Board members plus 2 extended board members with key responsibilities  
Cembra excluding Swissbilling. Including cashgate since 2020.

### 5.3 Gender and age of workforce according to seniority

Age and gender of workforce according to seniority (headcount):

	2020				2019			
	Age < 30	Age 30-50	Age > 50	Total headcount	Age < 30	Age 30-50	Age > 50	Total headcount
<b>Men</b>								
Senior Management		1	7	8		1	7	8
Management		40	20	60		34	18	52
Senior Employee	5	132	57	194	6	120	51	177
Employee	88	104	49	241	84	91	43	218
<b>Total men</b>	<b>93</b>	<b>277</b>	<b>133</b>	<b>503</b>	<b>90</b>	<b>246</b>	<b>119</b>	<b>455</b>
<b>Women</b>								
Senior Management		1		1		1	1	2
Management		17		17		17	1	18
Senior Employee	4	78	24	106	3	65	21	89
Employee	92	175	83	350	81	159	65	305
<b>Total women</b>	<b>96</b>	<b>271</b>	<b>107</b>	<b>474</b>	<b>84</b>	<b>242</b>	<b>88</b>	<b>414</b>
<b>Total at 31 Dec.</b>	<b>189</b>	<b>548</b>	<b>240</b>	<b>977</b>	<b>174</b>	<b>488</b>	<b>207</b>	<b>869</b>

Definition of Senior Management: as of 31.12.2020: 7 Management Board members plus 2 extended board members with key responsibilities

Definition of Senior Management: as of 31.12.2019: 7 Management Board members plus 3 extended board members

Cembra excluding Swissbilling. Including cashgate since 2020.

### 5.4 Nationality of workforce

Nationality of workforce according to seniority (headcount):

	2020		2019	
	Swiss	Non-Swiss	Swiss	Non-Swiss
Senior Management	6	3	7	3
Management	53	24	45	25
Senior Employees	188	112	167	99
Employees	436	155	402	121
<b>Total</b>	<b>683</b>	<b>294</b>	<b>621</b>	<b>248</b>

For definition of Senior Management see table above. Cembra excluding Swissbilling. Including cashgate since 2020.

### 5.5 Maximum working hours and paid overtime

In Switzerland, maximum working hours for employees are defined in the Swiss Federal Law on Employment in Trade and Industry (Employment Act; “Arbeitsgesetz”). Overtime is regulated in the same Act as well as in the Swiss Code of Obligations. Even though maximum working hours and paid overtime are topics already covered by applicable Swiss law, Cembra has also covered these aspects in its “Working Hours Regulations” policy.

## 5.6 No specific policy on Human Rights

Human rights are covered in the Code of Conduct (see section VI, paragraph 1, “Our responsibility to society and the environment”). In this context, Cembra is signatory of the UN Global Compact since 2020.

Cembra is operating in Switzerland only, and Human Rights are anchored in the Swiss constitution as well as the European Human Rights Convention. Therefore there is no human rights policy, or no monitoring process to measure effectiveness of its human rights policy, or a policy against trafficking in human beings.

## 5.7 Freedom of association and facilitation of collective bargaining

All Cembra employees are employed under Swiss law, which ensures freedom of association under the Federal Constitution and the Workers’ Participation Act (Mitwirkungsgesetz). The employee’s right to form and join trade unions and employee representative bodies is additionally explicitly mentioned in Cembra’s Code of Conduct. Furthermore, termination of the employment contract by the employer on the grounds that the employee belonged to an employee association or legally exercised a trade union activity is unlawful under the Swiss Code of Obligations. There are no statutory collective agreements in Switzerland, nor did Cembra voluntarily agree to one. Salaries are set during the contract negotiations and are generally based on the salaries customary in the financial industry. Cembra respects the right of employees to form and join trade unions and employee associations. Employees who are members of a trade union or employee association are at no time disadvantaged or favoured. Cembra does not collect information on whether employees join an association or not.

## 5.8 Paid short-term leave for family matters, dependent care and special leave

We grant employees paid days off for various family matters, such as their own wedding, the wedding of close relatives, the death of a close family member, and moving house (see Article 38 of the Staff Regulations, which are available on request).

Our flexible work arrangements and rules governing work-time reduction (see pages 47-48 of our Annual Report) generally allow employees to provide dependent care when needed. In addition, employees are entitled to get paid leave for dependent care three days off each time their children or other family members are sick (the statutory minimum in Switzerland, see Article 38 of our Staff regulations). In addition, as part of the flexible organisation of work, employees can compensate overtime and/or take leave at short notice.

Cembra offers fully paid maternity leave of 16 to 24 weeks (depending on seniority). This exceeds the legal requirement of 14 weeks. Fully paid paternity leave is 10 workdays (the current statutory minimum in Switzerland is one day).

Unpaid leave (e.g. long-term elderly care) can be taken after consultation with superiors. There are no special requirements to be met in this respect.

The company provides access to onsite lactation rooms.

As a direct financial support to families, Cembra pays CHF 3,000 per year to employees if at least one child under 18 years lives in the same household (e.g. to cover a part of the costs for childcare facilities).

## 5.9 Healthy work environment: emergency response system

Cembra has an emergency response system. Emergency first-aiders have been appointed for all branches and at headquarters. They receive training every two years to hone their skills and stay up to date.

In this context, a Total Recordable Injury Rate (TRIR) is not applicable because Cembra is a financial services provider operating in Switzerland only.

## 6 Supplemental information: Environmental stewardship

### 6.1 Detailed improvements regarding materials (Annual Report 2020 page 53):

- **Eco-friendly credit card.** In October 2020 Cembra announced it will issue the first recyclable credit card in Switzerland as part of the partnership with IKEA in the first quarter of 2021. The credit card is made from 99% recycled plastic materials and it will be recyclable.
- **Energy-efficient IT equipment and infrastructure.** We aim to improve energy efficiency in our own operations but also strive for high standards in our value chain. By law, IT equipment has to comply with stringent standards. We dispose of old equipment through standard Swiss channels and this is included in the purchasing price. We make use of infrastructure services, and the majority of our IT infrastructure is managed and operated by Swisscom, which runs a strict environmental monitoring programme.
- **Free water dispensers.** At the headquarters, plastic water bottles and plastic cups were replaced with tap water dispensers and all employees got a sustainable water bottle from the Drink & Donate Foundation, supporting a good cause. With our contribution in 2020 we gave 1,000 people in a developing country access to clean drinking water for a year. The project was implemented by a working group of Radix, the junior management development programme.
- **Plastic-free catering.** In order to reduce our environmental footprint, we are working towards more sustainable catering for employees at our headquarters. For 2020, the aim was to reduce the use of plastic for catering, and to raise awareness of the importance of sustainability among Cembra employees. This task was assigned to and implemented by an internal voluntary sustainability project team.
- **Low paper consumption:** Compared with other companies in the same sector, paper consumption in total and per employee is low at Cembra. Many documents exist in online-only versions. We use electronic devices (e.g. laptops and video screens in meeting rooms) to a large extent, instead of printing paper for internal work. Employees are encouraged to refrain from printing documents whenever possible. We use FSC®-certified paper for printed documents for internal use and customer mailings. The paper consumption declined significantly during the covid-19 pandemic and it is planned to keep the achieved reduction also after the pandemic, in addition to guidelines on zero internal colour printing.

### 6.2 No industrial or hazardous waste generation, or water emissions

The disposal of hazardous waste is regulated in Switzerland. No industrial or hazardous waste is generated by Cembra except for empty printer toner cartridges, which are sent back to the producer. We therefore do not have a hazardous waste disposal programme. There are no industrial or hazardous water emissions, or untreated discharged waste water.

### 6.3 Fossil fuel exposures and low-carbon products

Except for our vehicle financing products, the company car fleet and our gas consumption, all of which are described on pages 51-54 of the Annual Report 2020, Cembra considers that it has no other significant exposure to fossil fuels.

Cembra classifies electric vehicles financing as low carbon products (see page 54 of the Annual Report 2020).

### 6.4 Engagement with value chain on climate-related issues is not applicable

As Cembra does not directly invest in companies, engagement with investee companies is neither relevant nor possible. The engagement with our business partners is described in the Business partners principles of conduct, where also environmental and social issues are addressed.

## 7 Supplemental information: Business integrity

### 7.1 Payments to government

In the financial year 2020, Cembra paid CHF 55.6m in income and capital taxes (2019: CHF 41.5m). The payments were exclusively made to the government authorities in Switzerland.

### 7.2 Tax policy: no tax-shifting

There is no tax-shifting between different locations as Cembra operates exclusively in Switzerland.

### 7.3 No financial assistance received from governments

Since the IPO in 2013, including during the 2020 financial year, Cembra has not received any financial assistance from the governments of individual countries (e.g. grants, tax relief, and other types of financial benefits).

### 7.4 Equator Principles, micro finance, and other international financing principles not applicable

Cembra is only active in consumer finance, not project finance. The **Equator Principles** as a risk management framework for assessing and managing risk in international projects are thus not applicable to the company.

**Micro finance** or the involvement herein is not applicable. Microfinance does not exist in Western European countries like Switzerland, and Cembra is operating exclusively in Switzerland. For the same reason, **other principles** or practices, including e.g. biodiversity and ecosystems preservation practices, or exposure to areas of high water stress (WRI), industrial waste, operations affect species or national conservation list species (IUCN), deforestation policy are not applicable to the company.

### 7.5 Annual compliance risk assessments

Cembra conducts annual compliance risk assessments based on applicable regulations, as part of the annual audit review of the FINMA financial market supervision.

## 8 Supplemental information: Community engagement

Partnerships and activities in 2020. In 2020, the number of participating employees and hours spent was significantly lower, as several of the initiatives were halted due to the Covid-19 pandemic.

Partner	Since	Activities	# employees 2020	Hours spent 2020
Theodora Foundation	2015	<b>Children in hospitals</b> “Giggle Doctors” bring magical moments to children in hospitals, and employees co-organise a Kid’s Day.	0 (2019: 20)	0 (2019: 130)
YES	2004	<b>Business in schools</b> Practice-oriented YES training programmes, where employees teach business-related topics at schools ( <a href="http://www.yes.swiss">www.yes.swiss</a> ). YES is member of JA worldwide ( <a href="http://www.jaworldwide.org">www.jaworldwide.org</a> )	2 (2019: 4)	20 (2019: 50)
Childhood Cancer Switzerland	2006	<b>Childhood cancer</b> Our employees work with affected families at two children’s holiday camps	0 (2019: 22)	0 (2019: 300)
Swiss Red Cross	2005	<b>Blood drives</b> We organise blood drives at our headquarters twice a year	0 (2019: 154)	0 (2019: 85)
Pink Ribbon Charity Walk	2010	<b>Charity Walk</b> sponsored by Cembra for employees with their families and friends, outside working hours. Proceeds go to the Zurich Cancer League.	90 (2019: 90)	5 (2019: 5)

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