

# Annex to Sustainability Report 2022

## Contents

1	About this document.....	2
2	Supplemental information: Our approach to sustainability.....	2
2.1	Our values (detailed version) .....	2
2.2	Our contributions to the Sustainable Development Goals (SDG) .....	2
3	Supplemental information: Customer orientation .....	3
4	Supplemental information: Quality and integrity of products and distribution .....	3
4.1	Responsible marketing campaigns .....	3
5	Supplemental information: People and development.....	4
5.1	Employee information.....	4
5.2	Predominantly permanent employment contracts.....	4
5.3	Employee level structure .....	4
5.4	Part-time work of workforce according to seniority and gender .....	5
5.5	Permanent and temporary contracts by gender .....	6
5.6	Turnover and seniority by gender.....	6
5.7	Promotions and exits by gender .....	6
5.8	Gender and age of workforce according to seniority.....	7
5.9	Nationality of workforce .....	8
5.10	Maximum working hours and paid overtime.....	8
5.11	No specific policy on human rights.....	8
5.12	Freedom of association and facilitation of collective bargaining .....	8
5.13	Paid short-term leave for family matters, dependent care and special leave .....	9
5.14	Healthy work environment: emergency response system.....	9
5.15	Champions networks.....	9
5.16	Additional gender-related labour practice indicators .....	10
6	Supplemental information: Environmental stewardship .....	10
6.1	Improvements regarding used materials relating to “Operational environmental management” .....	10
6.2	Waste disposal - no industrial or hazardous waste generation.....	11
6.3	Fossil fuel exposures and low-carbon products .....	11
6.4	Engagement with value chain on climate-related issues is not applicable .....	11
7	Supplemental information: Business integrity .....	12
7.1	Tax policy statement.....	12
7.2	Payments to government .....	12
7.3	Tax policy: no tax-shifting.....	12
7.4	No financial assistance received from governments.....	12
7.5	Equator Principles, micro finance, and other international financing principles .....	12

8	Supplemental information: Community engagement .....	12
9	Supplemental information: Risk management .....	13
9.1	Risk culture: financial incentives incorporate risk management metrics.....	13
9.2	Long-term risks.....	13

## 1 About this document

This Annex to the Sustainability Report 2022 (“Annex”) contains supplementary information and disclosures concerning sustainability at Cembra. This document was approved by Cembra’s Sustainability Committee in March 2023, and it should be read in conjunction with our Sustainability Report 2022 on pages 29–69 of our Annual Report 2022 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 2022, which is available at [www.cembra.ch/financialreports](http://www.cembra.ch/financialreports).

## 2 Supplemental information: Our approach to sustainability

### 2.1 Our values (detailed version)

#### Customer Obsession

The customer is at the forefront of everything I do.  
I make great customer experience our business.

#### Trust & Team

I have got your back.  
I act with integrity and care.  
I collaborate without boundaries.

#### Accountability & Empowerment

I speak up.  
I take charge and fix what doesn’t work.  
I delegate for better decisions.

#### Change & Learning

I lead change and manage ambiguity.  
I see failure as part of growth and learn from mistakes.  
I keep it simple.

### 2.2 Our contributions to the Sustainable Development Goals (SDG)

SDG 4	Quality Education, particularly target 4.4	See the chapter on people and development, sections on “development and training” and “apprenticeship programme” pages 46-48
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SDG 5	Gender Equality, particularly target 5.b	See the chapter on people and development, sections on “diversity and equal pay”, “working conditions” and “women-only networking groups” pages 50-51
SDG 8	Decent Work and Economic Growth, particularly target 8.2 and 8.3	See the chapter on business integrity, section on “longstanding active relationships” pages 62-63
SDG 10	Reduced Inequalities, particularly target 10.3	See the chapter on people and development, section “diversity and equal pay” page 50-51 and this Annex to Sustainability Report 2022, section 5
SDG 12	Sustainable Consumption and Production, particularly target 12.6	See the chapter on environmental stewardship, section “ongoing shift towards financing of electromobility” page 56
SDG 13	Climate Action, particularly 13.1	See the chapter on environmental stewardship, section “operational environmental management” pages 52 and 55-56
SDG 16	Peace, Justice & Strong Institutions, particularly 16.6	See the chapter on business integrity, section on “compliance and risk framework“ pages 57-58

### 3 Supplemental information: Customer orientation

(no supplementary information)

### 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 2022 pages 40-41 and 65) 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 2022 marketing campaign – focusing on personal loans as financing solutions for life-cycle events, e.g. moving to a new apartment, financing a car and further education.



For the Certo! One Mastercard marketing campaigns launched in H2 2022, naturally a diverse group of persons is shown to represent the individuality and broad target group of the offering:



## 5 Supplemental information: People and development

### 5.1 Employee information

Well-informed employees are important for the success of our Bank. The majority of information is shared via our intranet. There, all employees can find information such as news from Cembra and the Group or individual departments, CEO updates, human resources, internal trainings, updates on directives, supporting material or links to other helpful tools and external information. Other channels are also used such as emails, town halls or top-down communication via line managers.

### 5.2 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 launch of our new credit card Certo!). Temporary employees hired through recruitment agencies, generally for a few weeks or months and at short notice, are not included in this report.

### 5.3 Employee level structure

We have an employee level structure that fits the size of the Bank and ensures fairness and equity in attracting, retaining and engaging highly qualified talent. The levels are Employee, Senior Employee, Management and Senior Management. In addition, every role has a job code assigned.

Employee Level	Definition
Senior Management	Management Board members plus extended Management Board Members with key responsibilities.
Management	Senior people managers and specialists, key roles without leadership
Senior Employee	People manager, specialists and experienced employees
Employee	Junior specialists and professionals

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

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

	2022	2021	2020
<b>Men</b>			
Senior Management	2	1	0
Management	3	2	2
Senior Employees	14	12	12
Employees	22	25	27
<b>Total men</b>	<b>41</b>	<b>40</b>	<b>41</b>
As % of all men	8.3%	8.2%	8.2%
<b>Women</b>			
Senior Management	2	2	1
Management	6	5	6
Senior Employees	42	43	43
Employees	136	145	151
<b>Total women</b>	<b>186</b>	<b>195</b>	<b>201</b>
As % of all women	42.2%	41.9%	42.4%
<b>Total</b>	<b>227</b>	<b>235</b>	<b>242</b>
As % of all employees	24.1%	24.6%	25%

Definition of Senior Management as of 31.12.2022: 7 Management Board members plus 5 extended board members with key responsibilities  
 Definition of Senior Management: as of 31.12.2021: 8 Management Board members plus 4 extended board members with key responsibilities  
 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.

## 5.5 Permanent and temporary contracts by gender

	2022	2021	2020
<b>Permanent Contract</b>			
Male	480	480	488
Female	440	454	461
<b>Temporary contract</b>			
Male	12	10	15
Female	11	11	13

## 5.6 Turnover and seniority by gender

	2022	2021
<b>Total turnover rate</b>	<b>15%</b>	<b>12%</b>
Turnover Senior Management	33%	8%
Turnover Management	11%	11%
Turnover Senior Employees	13%	10%
Turnover Employees	16%	14%
<b>Total turnover rate</b>	<b>15%</b>	<b>12%</b>
Of which women	42%	47%
Of which men	58%	53%
<b>Total average number of years of employment</b>	<b>7.4</b>	<b>9.7</b>
Of which women	7.2	9.9
Of which men	7.5	9.4

Coverage: Cembra excluding Swissbilling. Including cashgate since 2020.

## 5.7 Promotions and exits by gender

	2022	2021
<b>Total internal promotions</b>	<b>51</b>	<b>36</b>
Of which women	49%	58%
Of which men	51%	42%
<b>Total exits</b>	<b>148</b>	<b>129</b>
Of which women	41%	45%
Of which men	59%	55%

Coverage: Cembra excluding Swissbilling. Including cashgate since 2020.

## 5.8 Gender and age of workforce according to seniority

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

				2022
	Age < 30	Age 30-50	Age > 50	Total headcount
<b>Men</b>				
Senior Management		2	6	8
Management		40	17	57
Senior Employee	4	143	68	215
Employee	66	93	53	212
<b>Total men</b>	<b>70</b>	<b>278</b>	<b>144</b>	<b>492</b>
<b>Women</b>				
Senior Management		3	1	4
Management		12	5	17
Senior Employee	2	81	27	110
Employee	67	166	87	320
<b>Total women</b>	<b>69</b>	<b>262</b>	<b>120</b>	<b>451</b>
<b>Total at 31 Dec.</b>	<b>139</b>	<b>540</b>	<b>264</b>	<b>943</b>

For definition of Senior Management see table 5.2 Part-time work of workforce according to seniority and gender.  
Cembra excluding Swissbilling. Including cashgate since 2020.

				2021
	Age < 30	Age 30-50	Age > 50	Total headcount
<b>Men</b>				
Senior Management		3	7	10
Management		35	19	54
Senior Employee	7	130	64	201
Employee	73	99	53	225
<b>Total men</b>	<b>80</b>	<b>267</b>	<b>143</b>	<b>490</b>
<b>Women</b>				
Senior Management		1	1	2
Management		11	6	17
Senior Employee	3	82	25	110

Employee	84	169	83	336
<b>Total women</b>	<b>87</b>	<b>263</b>	<b>115</b>	<b>465</b>
<b>Total at 31 Dec.</b>	<b>167</b>	<b>530</b>	<b>258</b>	<b>955</b>

## 5.9 Nationality of workforce

Nationality of workforce according to seniority (headcount):

	2022		2021		2020	
	Swiss	Non-Swiss	Swiss	Non-Swiss	Swiss	Non-Swiss
Senior Management	7	5	8	4	6	3
Management	51	23	49	22	53	24
Senior Employees	194	131	189	122	188	112
Employees	388	144	411	150	436	155
<b>Total</b>	<b>640</b>	<b>303</b>	<b>657</b>	<b>298</b>	<b>683</b>	<b>294</b>

For definition of Senior Management see table 5.2 Part-time work of workforce according to seniority and gender.  
Cembra excluding Swissbilling. Including cashgate since 2020.

## 5.10 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 Employment 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.

## 5.11 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.

## 5.12 Freedom of association and facilitation of collective bargaining

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. 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.

### **5.13 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 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 which is also the statutory minimum in Switzerland. A statutory 14-week parental leave is granted for caring for a child with a serious health condition.

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).

### **5.14 Healthy work environment: emergency response system**

Cembra has an emergency response system. Emergency first-aiders have been appointed throughout the Group. 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.

### **5.15 Champions networks**

There are group-wide internal networks of "Champions" in charge, including compliance and BCM topics:

- Business Continuity Champions
- CCRP (Customer complaint resolution process) Champions
- Communications Champions
- Compliance Champions
- Data Governance Champions
- Governance Managers
- Operational Risk Champions

### 5.16 Additional gender-related labour practice indicators

In addition to Annual Report 2022 p 50-51 and to section 5.7 above, we provide gender-related indicators according to the Bloomberg disclosure standard.

Indicator	2022	2021
Share of women in total workforce (as % of total workforce)	47.8%	48.7%
Share of women in executive positions	14.3%	0.0%
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	32.1%	32.7%
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	34.0%	34.9%
Share of women in middle management positions	32.9%	37.0%
Share of women in top management positions (as % of total top management positions)	24.4%	25.3%
Share of women in management positions in revenue-generating functions as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	28.9%	32.0%
Share of women (manager and non-manager) in revenue-generating functions as % of all (i.e. excluding support functions such as HR, IT, Legal, etc.)	54.7%	55.5%
Share of women in STEM <sup>1</sup> -related positions (as % of total STEM positions)	13.2%	19.3%

## 6 Supplemental information: Environmental stewardship

### 6.1 Improvements regarding used materials relating to “Operational environmental management”

Improvements relating to operational environmental management (AR pages 55-56) made in 2022:

- **Eco-friendly credit card.** In July 2022 we issued the Certo! Mastercard, made from 80% recycled plastic materials to replace the old Cumulus-Mastercard credit cards which make up the lion share in the number of credit cards we issue. At the same time, the new Certo! One Mastercard was introduced, which is made from 100% recycled plastic materials. In 2021 we had issued the first recyclable credit card in Switzerland as part of the partnership with IKEA. The credit card is made from 99% recycled plastic materials and it is recyclable.
- **Server Room temperature increase:** Since November 2022, Cembra runs its Server Room temperature between 26°-29° instead of 22° - 25°. This increase is still acceptable and supports electricity saving targets.
- **Campaign to save electricity:** in November 2022, Cembra started within their employees to increase awareness about energy saving.

<sup>1</sup> STEM stands for science, technology, engineering and mathematics

- **LED Lamps:** Cembra HQ still has a significant number of lamps bulbs with old technology. In November 2022, we ordered almost 600 pieces LED lamps. The replacement will take place in Q1 2023. This will help to achieve our electricity saving targets.

Improvements made in earlier reporting periods:

- **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.
- **Low paper consumption:** The paper consumption declined significantly during the Covid-19 pandemic and was kept low also after the pandemic, in addition to guidelines on zero internal colour printing. 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.
- **Free water dispensers.** At the headquarters, plastic water bottles and plastic cups were replaced with tap water dispensers in the first quarter of 2021. All employees got a sustainable water bottle from the Drink & Donate Foundation, supporting a good cause.
- **Plastic-free catering.** More sustainable catering for employees at our headquarters was implemented in 2020.

## 6.2 Waste disposal - no industrial or hazardous waste generation

Cembra discloses its waste disposal since FY 2019. See AR 2022 table p54 for figures.

Since 2019, Cembra receives a PET recycling annual certificate from PET-Recycling Schweiz. The scope is PET bottles collected and recycled in our headquarters. In 2021, a further decrease on the kilograms recycled was caused by the lockdowns and home-office practice.

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.

## 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 in Annual Report 2022 p54-56, Cembra considers that it has no other significant exposure to fossil fuels.

Cembra classifies electric vehicles financing as low carbon products (see Annual Report 2022 page 56).

## 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 and in the Annual Report 2022 on Supplier standards, principles and processes section (AR 2022 pages 60-61) by our supply management principles, where also environmental and social issues are addressed.

## 7 Supplemental information: Business integrity

### 7.1 Tax policy statement

In September 2022 the Sustainability Committee approved a tax policy statement for Cembra Money Bank AG including its subsidiaries. It is published at [www.cembra.ch/sustainability](http://www.cembra.ch/sustainability).

### 7.2 Payments to government

In the financial year 2022, Cembra paid CHF 34.7m in income and capital taxes (2021: CHF 50.0m). The payments were exclusively made to the government authorities in Switzerland.

### 7.3 Tax policy: no tax-shifting

There is no tax-shifting as Cembra operates exclusively in Switzerland. Under Swiss law, a resident company is subject to income tax at the federal, cantonal and communal levels. The federal statutory tax rate is 8.5%. The cantonal and communal corporation tax rates vary.

### 7.4 No financial assistance received from governments

Since the IPO in 2013, including during the 2021 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).

### 7.5 Equator Principles, micro finance, and other international financing principles

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 policies are not applicable to the Bank.

## 8 Supplemental information: Community engagement

Partnerships and activities are back on track in 2022 after two years of lowered activities due to the Covid-19 pandemic restrictions.

Partner	Since	Activities	# employees 2022	Hours spent 2022	Impact 2022
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.	19 (2021: 0)	143 (2021: 0)	ca. 74 dream doctors 115,000 visited children (2021:74, 115,000)
YES	2004	<b>Business in schools</b> Practice-oriented YES training programmes, where employees teach business-related topics at schools	3 (21: 3)	34 (2021: 44)	52 students (2021:28)
Childhood Cancer Switzerland	2006	<b>Childhood cancer</b> Our employees work with affected families at two children's holiday camps	16 (2021: 13)	232 (2021: 188)	21 families, 47 children (2021:21, 55)

Swiss Red Cross	2005	<b>Blood drives</b> We organise blood drives at our headquarters twice a year	0	0	No impact in 2021 and 2022 due to covid-19 restrictions.
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.	100 (2021: 10)	15 (2021: 15)	400 km (2021:360)

For 2022, the total cost of these activities amounted to CHF 135,000 (2021: CHF 104,000). This amount includes cash contributions, events costs and volunteers' time costs. In addition to the above, Cembra also supports other organizations like the Frauenhaus Zürich and Advance Women in Swiss Business, amounting to CHF 56,000 (2021: CHF 36,000).

## 9 Supplemental information: Risk management

### 9.1 Risk culture: financial incentives incorporate risk management metrics

Financial incentives incorporate risk management metrics for management and employees. The Group actively, comprehensively and systematically manages risk and promotes a strong risk and control culture across all business areas (see also Annual Report 2022 page 20: "The Group promotes (...) a strong risk and control culture across all business areas."). The established risk management process comprises four core elements:

- Identification of risks across all business activities
- Assessment and measurement of risks, including stress testing
- Limitation, mitigation and transfer of risks
- Effective controls, monitoring and reporting.

Financial incentives incorporate risk management metrics for management and employees.

The Bank's corporate culture and the daily work of its employees are guided by values and qualities which are part of the regular performance discussion with all employees. With regards to control functions, the Bank ensures that the remuneration structure and goals for control functions are predominantly linked to the core duties of the functions.

- For executive management (see Annual Report 2022, page 111): "Compliance, risk, regulatory and reputational issues or incidents» would be reflected in the variable compensation system as a malus.
- For line managers, the Risk & Control Framework is represented as part of the goals and objectives driving the variable compensation on operational excellence.

### 9.2 Long-term risks

Description of long-term risks, potential impact and mitigating actions taken in light of these risks, as disclosed in the Annual Report 2022.

Long-term risk	Potential business impact of the risk in the future	Mitigating actions, as described in the public domain:
Cybersecurity risk	AR 2022 page 27: "The Group acknowledges the evolving cyber risk landscape and has therefore developed a comprehensive information security framework to effectively manage and control this type of risk"	See AR 2022 page 27: (...)This framework addresses regulatory requirements, is based on international standards and is supported by a cyber-security strategy that ensures continuous improvements. Relevant cyber threats are regularly identified and assessed, and corresponding measures are considered. Specific response plans are maintained. The Group has implemented this framework with the overall goal to ensure the Group's sensitive data and critical information technology are protected. These defined technical and organisational measures include specifically training relevant staff, protecting from and detection of data confidentiality, integrity and availability risks, and making use of vulnerability scans and penetration tests to protect sensitive data and critical systems."
Reputational risk	AR 2022 page 28: "Reputational risk is the risk of losses resulting from damages to the Group's reputation."	AR 2022 page 28: "Reputational risk is the risk of losses resulting from damages to the Bank's reputation. The Management Board directly manages (...) reputational risk. The Management Board directly manages and supervises strategic risk, business risk and reputational risk. Recognising the fact that reputational risk can be difficult to quantify and arises as a consequence of another materialised risk, the Group manages reputational risk jointly with other risks by assessing the inherent reputational impact of those risks."
Climate-related risks	AR 2022 pages 27-28: "Climate-related risks include physical and transition risks."	See AR 2022 page 27-28: "Immediate physical risks are generally considered to be rather low due to being a financial services provider that actively operates exclusively in Switzerland. The Group assesses physical security of its office locations on a regular basis." and "Transition risks could gradually materialise in the form of credit risk where the leased assets may lose term. In connection with its auto lease business, the Group purchases vehicles and resells them in accordance with the lease contract. The risk that the re-sale value of any lease vehicle may be less than the remaining outstanding balance at the time such lease agreement is terminated, at contractual end or during contract term, is borne by the Group. This risk is mitigated by the Group's right under the dealer agreements obliging a dealer to repurchase a lease vehicle at the contractually defined price. Shifting of consumer preferences, including environmental considerations or potential bans for certain engines, such as combustion ones are among others potential reasons for a lower residual value of purchased lease assets, which may have a negative impact on new vehicle sales or used vehicle supply. The Group regularly monitors vehicle brand and model diversification and adopts bespoke mitigation measures.  Cembra's Management Board, through its Sustainability Committee discusses and report regularly on climate-related risks, with updates that include carbon footprint metrics and scenario analysis results. The Group has dedicated resources to understand the risks and opportunities related to climate change on its business activities."

\* \* \*