

# Sustainability Report

## 2024

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### Introductory notes

This report has been prepared in accordance with the Swiss Code of Obligations, the Swiss Ordinance for Climate Disclosure and the Global Reporting Initiative (GRI). The reporting period is 2024 and the scope of consolidation is Cembra group except where mentioned. Relevant information is mapped to the index table on pages 35-36, and in the GRI content index 2024.

Additional detailed information and explanations are provided in the “Annex to Sustainability Report 2024”. This annex was approved by Cembra’s Sustainability Committee in March 2025 as a part of our sustainability disclosures.

This sustainability report and all related disclosures are available at [www.cembra.ch/sustainability](http://www.cembra.ch/sustainability).

# 1 Letter from the Chairman

## Dear Customers, Partners, Shareholders, Employees and other Stakeholders,

Ensuring sustainability remains an important part of our strategy. In 2024, we continued to foster sustainability and responsible behaviour throughout the organisation, and details of that work are provided in this report. We are proud that we were again able to make considerable progress.

Despite the current economic uncertainty, and thanks to our cautious, long-term risk management approach we delivered solid results while we provided appropriate solutions tailored to customer needs and behaviours (see pages 43-47).

Our risk management framework includes sustainability risk which is defined as the risk that the Group negatively impacts or is impacted by environmental, social and governance matters. For management of sustainability risk, the Group builds on the established risk management process. We describe how we mitigate this risk in our Risk Management Report (see Risk Management Report page 29).

We continued the development of climate-related mid and long-term targets and actions and other elements of the TCFD (task force for climate-related disclosures) framework. We also extended our reporting on carbon emissions in the value chain and we disclose specific climate-related mid and long-term targets and actions. In this context, our total scope 1 and 2 emissions declined by 42%, driven by the further increased share of electric vehicles in our own car fleet, and by low-carbon heating at our headquarters since 2024 (see pages 57-66).

The Sustainability Committee, which is chaired by the CEO, held six meetings in 2024, in which it oversaw ongoing sustainability initiatives and projects. In addition, the committee confirmed the sustainability targets which are designed to drive further improvements along our most material sustainability topics. Sustainability targets have been part of the criteria for determining the Management Board's incentive-based compensation since 2020 (see Compensation Report, pages 123-124).

The Board, supported by the Audit and Risk Committee, provides oversight and strategic direction on sustainability-related topics. We were again seeking external limited assurance for the entire Sustainability Report (see pages 38 and 76-78).

Our longstanding efforts to further improve sustainability were again acknowledged by leading ESG rating agencies. In 2024 MSCI ESG Research confirmed their AAA rating on Cembra. Sustainalytics, an ESG rating agency owned by Morningstar, included Cembra on their "Top industry leaders 2025" list for the first time. Moreover, we were again certified as "Great Place to Work" (see pages 38 and 48).

Your feedback matters to us, and we would like to continue our dialogue with you on sustainability and on our performance in this area. Please do not hesitate to get in touch with us.



**Franco Morra**  
Chairman

## 2 Our approach to sustainability

### Aspirations, values and policies

Cembra has set out a sustainability aspiration which is available at [www.cembra.ch/sustainability](http://www.cembra.ch/sustainability).

#### Aspiration

At Cembra, we seek to generate long-term value by considering the interests and expectations of our stakeholders, encouraging responsible behaviour and practices and actively working to build a more sustainable future. We are aware of our responsibilities and the impact that our operations have on our customers, business partners, shareholders, employees, regulators and communities. In this way, we always aim to adhere to high responsibility standards from an economic, legal, social, environmental and ethical perspective. Our sustainability commitments:

- We ensure our products and services meet high quality and integrity standards, by responsibly creating financial solutions that support aspirations. When developing new products and services and enhancing existing solutions, we factor in the extent to which they will help us to achieve our sustainability targets.
- As a forward-looking business partner, we embrace innovation and leverage new technology in order to develop reliable, demand-driven products and services that generate added value.
- As a credible investee, we adhere to strict corporate governance and risk management practices.
- As an attractive employer, we aim to raise our people up by creating a healthy work environment and promoting diversity, equal opportunities and personal development. We also support our employees' awareness of and engagement in environmental and social responsibility.
- As a good corporate citizen we contribute to community development and use resources sustainably, by continuously reducing our impact on the environment.
- As part of our stakeholder-oriented approach we consult with stakeholders on sustainability topics, we continuously monitor our sustainability performance and work towards our environmental, social and governance-related targets set for the next years.

This policy statement applies to all Cembra employees and is actively shared with contractors, suppliers and other key business partners. The members of the Management Board are responsible for ensuring full compliance with this policy across the company.

#### Values

The daily work of our employees is guided by our values. In line with our strategy announced in December 2021, our values serve as our guiding principles: customer obsession, "trust and team", accountability and empowerment, and change and learning. Our cultural transformation programme which started in January 2022 is driven by what matters to us, enabling us to foster a customer-first mindset and promote an engaging and motivating culture based on a spirit of learning, collaboration, curiosity, and accepting failure as part of growth.

- **Customer obsession:** The customer is at the forefront of everything I do.
- **Trust and team:** I act with integrity and care; I collaborate without boundaries.
- **Accountability and empowerment:** I take charge and fix what doesn't work.
- **Change and learning:** I lead change and manage ambiguity; I keep it simple.

For details on our values, see Annex to Sustainability Report 2024, chapter 2

#### Policies

Cembra adheres to high standards in corporate governance, risk management and internal controls. Policies guide decisions and the behaviour of all our employees and business partners. Members of the Management Board are responsible for ensuring full compliance with Cembra's policies. The legal and compliance department in particular supports the internal implementation and development of effective policies and guidelines in this regard. The Board of Directors supervises the business conduct of the Management Board through corporate governance mechanisms with effective checks and balances (see the chapter on business integrity, page 66).

Our other main policies are described on pages 72-74.

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## Organisation

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### Organisation at the Board level

Sustainability matters, including climate-related matters, are addressed periodically by the Board of Directors, which oversees Cembra's processes to identify and manage the company's impacts on the economy, environment, and people, including performance as well as the associated targets, reflecting an important direction of the Group. The Board of Directors regularly reviews the feedback and inputs of institutional investors and other stakeholders. Questions regarding remuneration, the Board's composition and shareholder rights are always dealt with transparently.

The Board of Directors is updated on all sustainability-related activities at Cembra by the Sustainability Committee and by members of the Management Board at least twice a year. In turn, the Board of Directors provides strategic direction and approves Cembra's sustainability approach and periodic reporting as part of the annual report.

In 2024, the Board of Directors held a session on the company's sustainability strategy and targets in March and was updated about climate-related topics in five meetings (in May, July, August, October and December 2024). The Compensation and Nomination Committee reviewed Cembra's ESG performance as part of the strategic lookback assessment for the long-term incentive compensation in January 2025, and the Audit and Risk Committee did again a special walk through this Sustainability Report in March 2025. This Sustainability Report was reviewed and approved by the Board of Directors in March 2025, assisted by the Audit and Risk Committee.

### Organisation at the executive management level

Sustainability, including climate-related matters, is managed by the Management Board through a dedicated Sustainability Committee. It complements the existing Management Board committees, which include the Credit Committee, the Asset and Liability Committee, and the Risk and Controllability Committee. The Sustainability Committee is chaired by the CEO, and members of the Management Board, the head of human resources, and the head of investor relations & sustainability also sit on the committee. The committee's role is to develop and implement the overall sustainability strategy, including climate-related topics, and to monitor key improvement projects and initiatives (see Risk Management Report page 20). In 2024, the Sustainability Committee held six meetings, in January, March, May, July, October and December.

The sustainability-oriented key performance indicators (see page 38) are considered important for the implementation, and they have formed part of the criteria for determining the Management Board's short-term and long-term incentive compensation since 2020 (see Compensation Report, pages 123-124).

### GRI reporting

This report was drawn up in accordance with the Global Reporting Initiative (GRI) Standards and in line with its eight reporting principles, taking into account the Standards' most recent recommendations and guidelines. The GRI Content Index 2024 is available online at [www.cembra.ch/sustainability](http://www.cembra.ch/sustainability).

### Reporting on non-financial matters

This report was drawn up in accordance with the reporting on non-financial matters according to the Swiss Code of Obligations and on the Swiss Ordinance on Climate Disclosure as part of the environmental matters. All relevant information is mapped to the content index table below.

## Swiss CO and Ordinance on Climate Disclosure content index

Swiss Code of Obligations	References and explanations	Page
<p>Art. 964b para. 1 in particular The report on non-financial matters shall cover environmental matters, in particular the CO<sub>2</sub> goals, social issues, employee-related issues, respect for human rights and combating corruption.</p> <p>The report shall contain the information required to understand the business performance, the business result, the state of the undertaking and the effects of its activity on these non-financial matters.</p>	<p>Cembra's most relevant sustainability themes were developed under the GRI framework and are material for Cembra, and they are in line with the legal framework on non-financial matters. The themes are described in chapter 2 under "Most relevant sustainability themes" and include the requirements as follows:</p> <ul style="list-style-type: none"> <li>- Quality and integrity of products and services (including social matters)</li> <li>- People and development (including employee related matters)</li> <li>- Environmental stewardship (including environmental matters and carbon emission goals)</li> <li>- Business integrity (including respect for human rights and combating corruption)</li> </ul> <p>The impact of the non-financial matters on Cembra's financial performance and the effects of its activity (concept of double materiality) are described in chapter 2 under "GRI materiality matrix" and the "Most relevant sustainability themes".</p> <p>Details about the material sustainability themes (non-financial matters) are described in the Sustainability Report in the chapters 3 to 7.</p>	<p>38</p> <p>37</p>
The report shall include in particular:		
Art. 964b para. 2 item 1 a description of the business model.	See chapter 2, under "Business model" (note: part of Management Report 2024 p 19 under "Business model and strategy").	39
Art. 964b para. 2 item 2 a description of the policies adopted in relation to the matters referred to in paragraph 1, including the due diligence applied.	<p>Cembra ensures compliance with the relevant legal frameworks by means of internal regulations and processes, determines key figures and discloses them in accordance with GRI and the UN Global Compact.</p> <p>Cembra has detailed internal policies in place, which aim to prevent bribery and corruption.</p> <p>See chapter 2, under "Policies", "Organisation" and "Coverage and reporting boundaries".</p>	<p>39</p> <p>73</p> <p>33-34</p>
Art. 964b para. 2 item 3 a presentation of the measures taken to implement these policies and an assessment of the effectiveness of these measures.	<p>For each material topic, the measures described in the chapters 3-7 under the paragraphs "Aim and approach" and "Progress in 2024".</p> <p>The assessments of the effectiveness of the measures are made as part of the KPI assessment (see below under 964b 2, 5).</p>	41, 43, 48, 57, 66
Art. 964b para. 2 item 4 a description of the main risks related to the matters referred to in paragraph 1 and how the undertaking is dealing with these risks; in particular it shall cover risks:	<p>Our overall risk management framework includes sustainability (non-financial) risk which is defined as the risk that the Group negatively impacts or is impacted by environmental and social matters including climate-related changes. For management and mitigation of sustainability risk, the Group builds on its established risk management process as a regulated bank.</p> <p>In particular, the assessment of existing and new risks is based, among others, also on climate-related changes. See chapter 6 under "Climate-related risks."</p>	60
Art. 964b para. 2 item 5 the main performance indicators for the undertaking's activities in relation to the matters referred to in paragraph 1.	Cembra's key performance indicators for the most material sustainability (non-financial) themes are described in Chapter 2 under "Commitments, performance measures and assessment 2024".	39
964b para. 3 If the report is based on national, European or international regulations (...), the regulations applied must be mentioned in the report. In applying such regulations, it must be ensured that all the requirements of this Article are met. If necessary, a supplementary report must be prepared.	This report is in accordance with the GRI framework, see chapter 2 under "Reporting".	34
Art. 964b para. 4 If an undertaking has sole control or joint control with other company of one or more other Swiss or foreign undertakings, the report shall cover all these undertakings.	This report covers the Group with the exception of some specific figures and policies where it is mentioned in the report. See chapter 2 under "Coverage and reporting boundaries".	36

Ordinance on Climate Disclosure	References and Explanations	Page
Art. 3 in particular Para 1 and 2 Climate disclosures based on the report "Recommendations of the Task Force on Climate-related Financial Disclosures", version of June 2017, the "Supplemental Guidance for the Financial Sector", "Guidance on Metrics, Targets, and Transition Plans", version of October 2021, and the annex "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures", version of October 2021, comprise, in particular, the implementation of the recommendations on the following topics:	Our climate disclosure is based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and was developed according to the guidelines of the specific reports mentioned in the Ordinance on Climate Disclosure. The thematic areas include the following key information:	
a. Governance;	a. Governance: Our governance on sustainability (including climate-related issues) is described in chapter 2 "Our approach to sustainability" under "Organisation at the Board level" and "Organisation at the executive management level"	34
b. Strategy;	b. Strategy: Our strategy related to climate-related issues is described in chapter 6 "Environmental stewardship". It includes the description of our approach to environmental management, identified risks and opportunities, its impact on our business as well as a scenario analysis to test the resilience of our strategy.	57-58
c. Risk management;	A transition plan has been developed in accordance with Swiss climate goals.	58
d. Key figures and targets	Assumptions, methods and standards used are described.	57
Para 3 The thematic area "strategy" shall cover	c. Risk management: Cembra's risks related to climate are part of Cembra's overall risk management framework and are fully integrated into existing processes. See Chapter 6 under "Sustainability risks".	59-60
a.) a transition plan that is comparable with the Swiss climate goals;		
b.) where possible and appropriate, information in quantitative form, as well as assumptions, methods and standards used		
Para 4 The thematic area "key figures and targets" shall comprise in particular:	d. Key figures and targets: Our climate-related metrics and targets are described in chapter 6 "Environmental stewardship". The metrics and targets were developed in accordance with the sector-specific guidance for financial institutions and quantitative targets have been developed, where possible and appropriate. The chapter also includes the disclosure of all our greenhouse gas emissions as well as the disclosure of assumptions, methods and standards used.	62-64
a.) quantitative CO2 targets and, where necessary, targets for other greenhouse gases;		
b.) the disclosure of all greenhouse gas emissions;		
c.) quantitative information, as well as the disclosure of the main assumptions, methods and standards used		
Para 5 The inclusion of sector-specific guidance for financial institutions when implementing the recommendations of the thematic area "key figures and targets" shall comprise forward looking, scenario-based climate compatibility analyses.	See chapter 6 "Environmental stewardship".	58, 62-64
Para 6 The effectiveness of the measures taken by the company in connection with climate issues can be demonstrated as part of a qualitative or quantitative overall assessment.	See "Overall assessment of the effectiveness of the climate-related measures taken".	65

### Independent limited assurance

This Sustainability Report 2024 was provided independent limited assurance by KPMG with a view to the Global Reporting Initiative (GRI) Standards and the Swiss Code of Obligations including, for the first time, the Swiss Ordinance on climate-related disclosures. For the independent limited assurance and further details see pages 76-78.

### Coverage and reporting boundaries

This report describes the current situation and the progress made by Cembra in the area of sustainability in the 2024 financial year. Most data and indicators are available for the three financial years up to and including 2024. Following the consolidation of Cembra Latvia, a subsidiary and service company in Riga, in the reporting period 2023, Cembra Latvia's activities and figures are included in this sustainability report, with the exceptions of chapter 6 (environmental stewardship, see page 58 for details) or when marked in footnotes.

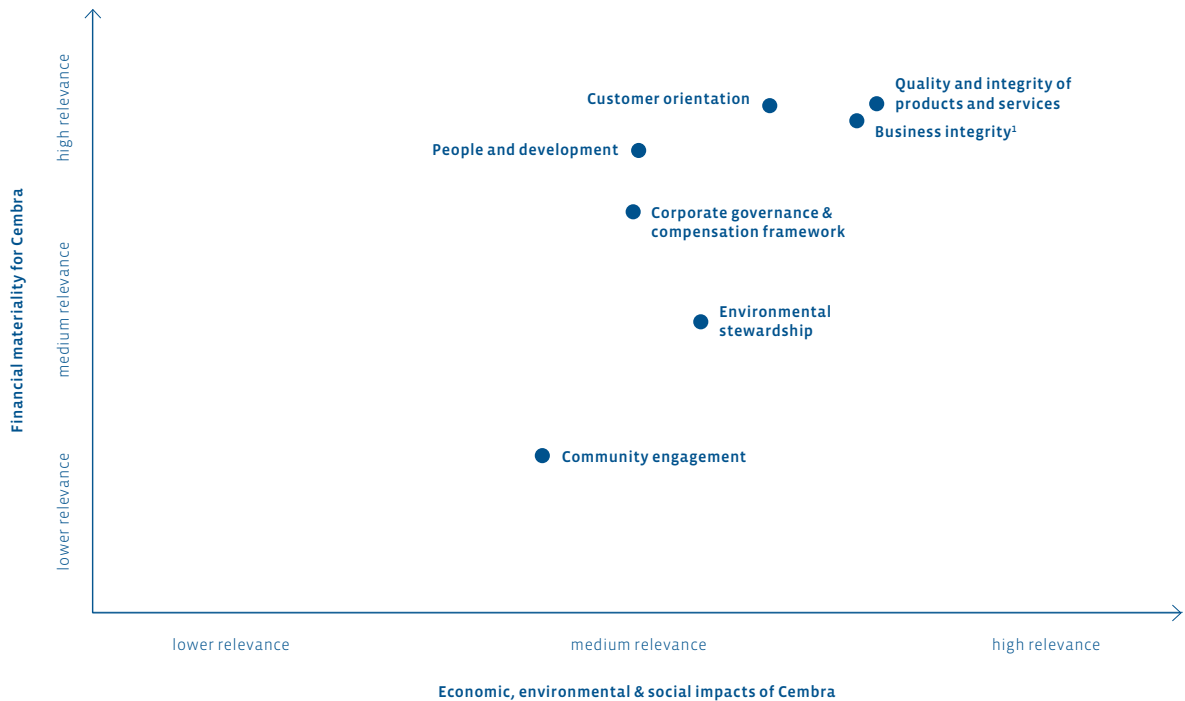
### Stakeholder materiality assessment

We are aware of the impact of our activities and responsibilities towards our stakeholders. We consequently seek dialogue at different levels and with various partners in our everyday business. Cembra employees from various business functions are in close and regular contact with individuals from these groups. The Group interacts with other stakeholders, such as representatives of civil society, local communities and non-governmental organisations, on a case-by-case basis. The feedback we receive from investors, analysts, sustainability rating agencies, proxy advisors and other stakeholders is considered very important and helps us to decide on actions that are taken to manage the material topics and related impacts, and to review the effectiveness of these actions.

As part of our continued efforts to manage sustainability we carried out stakeholder assessments in accordance with the GRI Standards in 2018, 2020 and 2023. The most recent assessment in the second half of 2023 had again been supported by an external specialised consultant. The formal stakeholder engagement enabled Cembra to identify the topics that are most relevant to stakeholders and to understand why they are important. The process resulted in quantified results leading to an updated materiality matrix. In 2023, all previous material topics were confirmed, and no additional material topics were brought up. This made us confident that the current material sustainability topics of Cembra are highly relevant, comprehensive and mutually exclusive. In addition, we received valuable feedback on our focus areas in sustainability management (including the related impacts on economy, environment and people), inputs for its further development, and cultivated relationships with our internal and external stakeholders. For more detail see the Annual Report 2023, page 35.

**Materiality matrix**

With a view to the EU’s Corporate Sustainability Reporting Directive (CSRD), the non-financial matters according to the Swiss Code of Obligations and the GRI standards, the topics were assessed according to the principle of double materiality, i.e. from an in-side out perspective (x-axis = impact of Cembra) and an outside-in perspective (y-axis = financial materiality for Cembra).



<sup>1</sup> including data privacy & security

**Continued strong ESG ratings performance**

Cembra actively participates in several ESG ratings by leading ESG rating agencies both in order to demonstrate the company's sustainability performance and to learn about relevant areas of improvement. In May 2024, MSCI confirmed the ESG rating on Cembra of AAA, and our "Low ESG risk" rating by Morningstar Sustainalytics was reaffirmed. Selected ESG rating levels are mentioned on page 230.

**Inclusions in ESG indices**

In the reporting period, Cembra was included in several ESG indices of leading index providers by the Swiss stock exchange. In January 2025, the ESG rating agency Morningstar Sustainalytics included Cembra in their "Top industry performer 2025" list in the category global diversified financials. Until 2023 Cembra had been included in the Bloomberg Gender-Equality Index which was not updated since then.

**Most relevant sustainability themes**

As a result of our engagement with our main stakeholders, Cembra focuses on the five most relevant sustainability themes.

- **Customer orientation** (chapter 3) addresses Cembra's aim of providing high customer value and setting ourselves apart through our outstanding and transparent services as well as our operational excellence. Cembra's offerings are designed to meet current clients' needs and address changes in customers' financial behaviour. Being a reliable provider of access to specific financial services, we offer high value for our retail customers.
- **Quality and integrity of products and services** (chapter 4) covers the responsible provision of financing products and services that adhere to strict safety standards. Access to financial services, taking into account individual situations, can have a positive impact on customers' personal lives. Our overall goal is to provide customers with the amount of credit that suits their individual situation. Cembra aims to prevent customers from taking on too much debt, as this would not only have a negative impact on our customers' personal lives but also could affect Cembra's credit default risk.
- **People and development** (chapter 5) includes recruitment, education and training, personal development, health promotion, work-life balance, diversity management and embedding Cembra's corporate values. These aspects directly impact the work and lives of employees and their families. Our employees are one of our most important stakeholder groups. Their commitment and contributions enable us to be a successful bank in Switzerland.
- **Environmental stewardship** (chapter 6) is achieved by optimising processes and outputs that have an environmental impact. It is addressed both within the Group (direct impact) and in the area of financing (indirect impact). Further, Cembra recognises that climate change poses a significant risk to society, nature, our business, our customers and our partners.
- **Business integrity** (chapter 7) covers compliance with laws and regulations, as well as governance, risk management practices, human rights, combating corruption, and ethical business conduct. It also covers the protection and security of customers' privacy, limiting the potentially negative impacts with regard to their personal data.

Community engagement (chapter 8) was not considered a material topic by our stakeholders. Nevertheless, Cembra has been committed to a number of community-related and philanthropic activities since 2003, and we report on this engagement in chapter 8. The topics "Corporate governance" and "incentives and the compensation framework" were combined because incentives and compensation are commonly regarded as an aspect of corporate governance by external stakeholders, especially by proxy advisors and other governance specialists. Details of these topics are included in the Corporate Governance Report and in the Compensation Report.

In December 2024, the Sustainability Committee reviewed the stakeholder assessment and the prioritisation of material topics and confirmed the most relevant sustainability themes.



## Commitments, performance measures and assessment 2024

We have developed commitments and key performance indicators for each of the five most relevant topics

Most relevant topics	Customer orientation	Quality and integrity of products and services	People and development	Environmental stewardship	Business integrity
Commitment	We strive for satisfied customers who reward us through high retention and loyalty	We are a responsible provider of financing products and services	We are a Great Place to Work (GPTW) <sup>1</sup>	We reduce our environmental footprint per employee	We take a zero tolerance approach to non-compliance
Key performance indicators	Net promoter score of at least +30 on a scale from -100 to +100	Qualitative assessment of lending portfolio quality metrics	GPTW employee trust index of at least 70%	Reduce scope 1+2 emissions until 2025 by 75% (basis 2019). Reduce scope 1+2 and operational scope 3 emissions <sup>2</sup> by at least 25% by 2030, and achieve net zero carbon emissions by 2050 (basis 2023)	Qualitative assessment of reported complaints and cases
Assessment 2024	Net promoter score of 23 (2023: 21)	Continued solid asset quality metrics	Employee trust index of 72% in 2024 (2022: 71%), measured every two years	Reduction of scope 1+2 emissions by 40% in 2024, and on track to reach targets	No reportable cases
Reference and details	Page 41	Page 43	Page 48	Page 57	Page 66

<sup>1</sup> [www.greatplacetowork.ch](http://www.greatplacetowork.ch)

<sup>2</sup> Scope 3 categories 3.1 Purchased goods & services, 3.2 Capital goods, 3.3 Fuel & energy related activities, 3.5 Waste, 3.6 Business travel, 3.7 Employee commuting

Details of the five most relevant topics and their key performance indicators as well as on and our community engagement are provided in the following chapters.

### Business model

Cembra is a provider of financing solutions and services in Switzerland. The company operates by offering individuals in Switzerland a diverse range of secured and unsecured consumer lending, credit services and savings. The products include personal loans, credit cards, auto loans and leasing, invoice financing solutions and savings products as well as providing access to related insurance products (for details see Annual Report 2024 page 5). Revenues are generated through interest income and fees on these financial products, often in collaboration with partner businesses for co-branded credit cards, vehicle leasing and other financing options. Cembra places significant emphasis on risk management, utilising credit assessments and underwriting processes to maintain a robust loan portfolio. Cembra operates within the Swiss regulatory framework, adhering to laws and regulations related to consumer lending and banking (see Management Report page 19).

### UN Global Compact and Sustainable Development Goals

Cembra is a signatory to United Nations Global Compact (UNGC) since 2020. Cembra is committed to supporting the Ten Principles on human rights, labour, environment and anti-corruption and to making these part of our strategy, culture and day-to-day operations. Regarding our support of the UNGC principles for human rights for see chapter Business integrity page 66.

Our commitment to fully supporting the Sustainable Development Goals (SDGs) is borne out in our sustainability aspirations and our participation in the UNGC since 2020. In 2024, we re-assessed where Cembra can make the most significant contribution. As a result of these discussions, we confirmed that Cembra has the greatest impact on SDGs 4, 5, 8, 10, 12 and 16. We also concluded that Cembra can play a role in promoting SDG 13 (i.e., taking urgent action to combat climate change and its impacts) by participating in the on-going transition to a low-carbon economy through segments of our vehicle financing business (see section Environmental stewardship on page 57 for details). For further information on our contributions to the SDGs see the Annex to Sustainability Report 2024.

### **Other specific sustainability-related characteristics**

Cembra operates predominantly in Switzerland. Given the stringent regulatory environment, and as we are a purely financial services company, our approach to many environmental, economic and social aspects already meets high standards, or the topics are not material.

- In 2024, 93% of Cembra's total assets were in cash (or cash equivalents) or in unsecured and secured loans (net financing receivables) in Swiss francs and provided almost exclusively in Switzerland.
- Although we are a bank, we offer no investment funds or financing for international projects. Cembra does not manage any third-party assets, and responsible fund investment considerations are therefore not a critical issue for the company. As a consequence, there are no investments in the fossil-fuel sector.
- Most of our suppliers are based in Switzerland. Our Business Partners' Principles of Conduct (supplier standards, see page 65) help us to identify, manage and mitigate national and international sustainability risks.

This forms a solid basis for our sustainable and responsible business model.

## 3 Customer orientation

### Aim and approach

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We aim to ensure that our customers are satisfied and reward us with a high level of retention and loyalty. For us, customer orientation means that we want to provide high customer value and set ourselves apart through outstanding service and operational excellence. We are committed to offering our clients transparent and responsible solutions that meet their needs and foster sustainable behaviour.

We have made “customer obsession” one of our values (see page 32), thereby underpinning the importance we place on customers’ needs. We are aware of the fact that our products can significantly impact the financial situation of our customers. Taking responsibility for ensuring that our customers have a good understanding of our products and services is of utmost importance. We have several internal policies that govern business practices and define how employees should behave towards customers. But while the way we behave with our customers is of utmost importance, we also need to make sure we keep pace with their ever-evolving needs. Customer behaviour is shifting, with increasing use of digital services and changing financing needs. This, of course, effects the way we approach and interact with our customers.

Cembra uses several indicators to assess customer orientation. The most relevant indicator is customer satisfaction for each business (excluding BNPL), measured by the net promoter score (NPS). The NPS evaluates customer loyalty towards a company. Customers are asked how likely they are to recommend a company to a friend or family member. The score can range from -100 to +100.

We seek to improve our NPS by carrying out continuous surveys of our three main businesses – personal loans, auto leases and loans, and credit cards. The surveys identify the factors that drive customer satisfaction and areas where customers think there is room for improvement. Net promoter scores were introduced at Cembra in 2016, and the Management Board is responsible for them. In 2023, Cembra had implemented continuous feedback collection for NPS measurement which is complemented by separate surveys on products and services throughout the customer life cycle.

### Progress in 2024

In 2024, Cembra’s new NPS as measured on a continued basis came to +23 (2023: +21) on a scale of -100 to +100. The positive trend in 2024 supported our aim to achieve an NPS of at least +30 in the mid term, through ongoing and planned action and initiatives.

### Transparent, needs-based offerings

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As a leading provider of financing solutions in Switzerland, we aim to provide transparent and needs-based offerings across our businesses.

- **Premium personalised service in personal loans.** For details on our lending process and services, please see the chapter on the quality and integrity of products and services (page 43).
- **Personalised and flexible service in auto loans and leasing.** We provide a personalised, flexible and efficient auto loans and leasing service through our dedicated sales force and other teams at our four service centres in the German-, French- and Italian-speaking regions of Switzerland.
- **High customer value in the credit card business.** Through partner programmes and our own offerings, we provide a range of credit cards with high customer value. There is no annual fee on most of the cards, and in several independent consumer ratings, our credit cards regularly rank among the best in terms of customer value.
- **Buy now pay later:** Through our brand CembraPay and a partnership with the leading Swiss online payment app TWINT we offer invoice financing services and flexible payment options for both online and point-of-sale selling.

We provide customers with financing solutions. The financial situation of our customers can vary depending on their personal circumstances, and some of our customers need financing for matters such as moving to a new place, mobility and education.

### Investments in digital platforms and training

To satisfy the needs of existing and new customers, we invest in intuitive payment and financing solutions, through use of technology and continued strong customer service, including a user-friendly, needs-based digital platform. In the reporting period, we successfully rolled out a new leasing business platform to all our partners.

Our customer focus is also enhanced by the selection, motivation and training of employees (see page 50-52).

### Moving towards widely accessible products (access to finance)

In the last decade, we have been successfully pursuing a long-term strategic shift towards a balanced product portfolio. In all businesses we offer very good value for our customers. Credit cards are a part of the daily lives of our customers, and we support customers in their daily payment transactions and provide convenient and secure cashless payment solutions. For more information on our products see the sections About us (page 5) and Products and markets (page 11).

### Long-term shift in business mix (as % of net revenues)

	2014	2019	2024
Personal loans	58%	40%	33%
Auto leases and loans	20%	22%	25%
Credit cards	22%	37%	34%
BNPL	–	1%	7%

NB: 2019 not adjusted (including cashgate revenues for 4 months), and BNPL included in Other fee and commission income

Since its initial public offering in 2013, Cembra increased the number of bank customers in Switzerland by about 60% to one million in 2024. The total consolidated number of customers including invoice financing (BNPL) amounts to more than two million customers. This high number of customers in Switzerland – a country with about 9 million inhabitants – is reflecting the high customer value of our products, as well as a long-term shift in business mix towards products and services providing simple and secure access to finance. For other information relating to access to finance see the chapters 4 and 7 in this report as well as the Annex to Sustainability Report 2024, section 7.

## 4 Quality and integrity of products and services

### Aim and approach

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We aim to be recognised by our stakeholders as a responsible provider of intuitive customer solutions in consumer finance. Comprehensive and transparent information on financial products, its opportunities and risks, both have an impact on customers' decisions. We want to provide customers with just the right amount of credit that meets their individual needs and capabilities. While the access to financial services may have a positive impact on customers' lives, Cembra prevents customers from taking on too much debt, thereby mitigating the risk of over-indebtedness and credit default. Swiss laws and regulations require us to handle our products and services with adequate due diligence, protecting customers, partners, the public hand and the bank. In case of unforeseen events leading to excess debt, Cembra facilitates mutually agreeable solutions in close cooperation with the customers. To ensure the quality and integrity of Cembra's operations, we constantly monitor various performance and quality metrics during the lifecycle of our customer portfolio.

The Management Board is accountable for ensuring the quality and integrity of products and services.

### Progress in 2024

In 2024, the main economic trends in Switzerland were a low GDP growth, decreasing interest rates and remaining uncertainty about the economic development in the mid-term. Unemployment increased moderately to 2.8% by the end of the year (see page 10). Overall, Cembra observed a slightly more adverse macro environment with stretched cost-of-living impacting debt servicing capacity in exposed customer segments. Hence, Cembra observed an elevated number of customers facing financial difficulties. This increase is seen as modest as the loss performance in 2024 is mainly a reflection of an anticipated normalisation towards long term trends and is around the communicated mid-term targets. Cembra's overall prudent approach to risk management and adaptations of risk policies help to overcome any potential negative economic consequences on customers during economic downturns.

Cembra continued its robust loss performance in 2024 (see the Management Report, page 16) and our asset quality metrics continued to remain solid.

### Responsible handling of customers in the lending process

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We take our responsibility towards customers and society seriously, enforcing our responsible lending principles by our binding Code of Conduct. We identify and mitigate the risks leading to over-indebtedness throughout the underwriting process and beyond. We are particularly focusing on a rigorous application of the Swiss Consumer Credit Act (CCA) and industry leading best practice.

- Protection of consumers through the Swiss Consumer Credit Act and contractual terms
- Responsible product development
- Marketing and sales
- Customer information
- Evaluation of loan applications and customer behaviour
- Underwriting (including the assessment of creditworthiness and borrowing capacity)
- Loan origination and payout
- Customer service and repayment
- Customer complaint management
- Monitoring and learning

Each step in this process is described in detail below.

### Protection of consumers through the Swiss Consumer Credit Act and contractual terms

We provide lending in accordance with the Swiss Consumer Credit Act (CCA). The CCA aims to prevent consumers from taking on too much debt and sets out precise requirements with regarding the content of the contract and the assessment of the customer's borrowing capacity, including a budget calculation (see insert).

#### The Swiss Consumer Credit Act

The aim of the Consumer Credit Act (CCA) is to protect customers against over-indebtedness. The CCA covers various types of consumer credits to natural persons. The main points of the CCA are:

- **Mandatory check of the borrower’s borrowing capacity:** A detailed borrowing capacity check must be carried out by the lender for loans and leasing agreements up to a total exposure of CHF 80,000, to ensure that the amount requested does not lead to the customer’s over-indebtedness. The borrowing capacity check assumes that the consumer loan will be repaid within 36 months, even if the contract concerned specifies a longer period. For credit cards with a credit option, the law provides for a summary check. These checks are based on the information provided by the borrower regarding their income and assets, as well as information obtained by the lender from the Swiss Central Office for Credit Information (ZEK) on lines of credit registered in its database.
- **Reporting requirement on the part of the lender:** Lenders must inform the ZEK of the consumer credits they grant and of any leasing agreements subject to the CCA.
- **Maximum interest rate:** The Federal Council determines the maximum effective annual interest rate allowed for consumer credit, based on a formula. Lenders must comply with this maximum interest rate. As a consequence of the changes in interest rates, the maximum interest rate increased to 12% for personal loans and to 14% for credit cards as per 1 January 2024, and decreased to 11% for personal loans and to 13% for credit cards as per 1 January 2025.
- **Right of revocation within 14 days (“cool-off period”):** Customers can cancel the contract within 14 days of receiving their copy of the agreement.
- **Early repayment:** Customers are entitled to repay their loan early and, in such cases, to be released from paying any further interest and to a fair reduction in the charges related to the unused part of the loan.
- **Advertising for consumer credit may not be aggressive:** Lenders offering consumer financing in Switzerland follow the rules set by members of the industry association, Swiss Consumer Finance (KFS).

In addition to the requirements deriving from applicable laws and regulations, Cembra makes use of additional measures, based on its long-term experience and empiric data. Cembra’s actions are pre-emptive and in the interests of all applicable parties. It is our goal to establish long term, sustainable relationships, rather than maximising short term profits. In line with the previous years, no material legal infringements have been found by judicial authorities in 2024.

#### Responsible product development

As a responsible provider of financing solutions, we are committed to ensuring the quality and integrity of all our products and services (see the section on our sustainability commitment and performance measures, page 32). Many features of our products are designed to protect customers from the risk of over-indebtedness. We are providing advisory services, and offer financial literacy programmes to enable the customers to make informed decisions. When it comes to financing and related topics, we aim to provide customers with consistent value that goes beyond the product and provide them with alternatives towards more sustainable consumption patterns. We embrace digitalisation, aiming to strike the right balance between convenience securing the customers’ data. In product development and approval processes, several risk factors, such as credit, operational and reputational risk, are considered. Details of new products and the performance of existing products are reported to the Credit Committee, which reviews and monitors risks and product features (see the Risk Management Report, page 20).

#### Marketing and sales

We are committed to marketing our products responsibly and with a certain restraint. The CCA stipulates that marketing for consumer credit may not be aggressive. Extending these legal requirements, the members of Swiss Consumer Finance (KFS), the Swiss Leasing Association (SLV) and other lending and leasing institutions self-regulate their advertising for consumer loans and take appropriate preventive measures. The “Marketing convention for consumer credit in Switzerland”, which took effect on 1 January 2016, is a self-regulation agreement approved by the Federal Council. It goes beyond the commitment not to provide information that is misleading. It also states that aggressive marketing measures must not target young adults and must not suggest taking out credit for expensive short-term investments such as holidays. For the credit card business, a similar convention was adopted by the members of the Swiss Payment Association and took effect on 1 January 2022. This revised convention replaced the previous credit card business agreement of 2016. The agreements are available at [www.cembra.ch/sustainability](http://www.cembra.ch/sustainability) in German. Cembra is a member of

these associations and is committed to complying with their guidelines. In 2024, there were no cases or breaches of the guidelines (2023: no cases). The guidelines and processes concerning marketing activities are detailed in an internal policy (see page 74 for details).

Since 2018, our advertising campaigns have focused on lifecycle events. In other words, a loan should be an appropriate response to life circumstances and events. Campaigns address certain situations in life when a loan might be an option, such as education, housing/moving and vehicle purchases.

Cembra is also committed to adhering to responsible sales practices. To ensure responsible sales and customer service, regular training sessions are conducted for both employees and partners. The trainings focus on enabling standardised and compliant advisory and sales processes. All front-line employees receive regular training (once per year) on regulatory requirements and customer service. Completion tests and certificates confirm the employee's successful participation. Partners (independent intermediaries, car dealers and credit card partners) also receive regular training (see the chapter on business integrity for more details). Sales practices are subject to regular monitoring, and sales personnel receive feedback on their performance and on ethical business practices (see paragraph below on monitoring and learning).

### **Customer information**

We provide comprehensive, accurate and balanced information to our customers: Swiss regulations (such as Swiss Federal Act Against Unfair Competition, UCA) require banks to provide loan calculation examples for all online and offline marketing materials. In addition, the CCA requires all costs to be accurately and visibly presented in the contract. All marketing materials for personal loans include a legal disclaimer about the risk of over-indebtedness. In the credit card business we inform our customers both via email as well on the app via push notifications.

For each contract, information is provided on the Swiss Consumer Credit Association's principles for responsible lending. This information is also available on our website, in German and French ([www.cembra.ch/sustainability](http://www.cembra.ch/sustainability)). An additional guidance specifically informs young adults (under 25 years) about how to handle budgets and debt. This information also forms part of the contractual agreement with customers under 25 years. It is available at [www.cembra.ch/sustainability](http://www.cembra.ch/sustainability), in German.

The guidelines and processes concerning customer information are set out in the internal policy on marketing activities and customer relationship management (see page 74).

In September 2024, we launched a new dedicated section on our website to help our customers understand financial topics and responsible lending ([www.cembra.ch/en/about-us/good-to-know/](http://www.cembra.ch/en/about-us/good-to-know/)).

### **Evaluation of loan applications and customer behaviour**

We carefully and systematically evaluate every consumer loan application. Before a contract is entered into, we assess both creditworthiness and borrowing capacity. In addition, we might contact our customers to further reduce the risk of customer over-indebtedness and debt repayment (servicing) problems. Applying industry-leading due diligence, the Bank often requests additional documents to validate the accuracy of the income and expenses (e.g. rental expenses) and performs plausibility checks.

We also draw on our long experience by using the Bank's databases and analysing historical behaviour and patterns of customers, in the interests of conscious risk taking. Personal contact with customers is essential to the Bank's business. Knowing the borrower and the borrower's personal situation does not only keep the underwriting process concise, but it also helps in identifying the best possible financial solution for the customer's individual situation.

Loan applications that do not meet our strict standards are rejected.

### **Underwriting (including the assessment of creditworthiness and borrowing capacity)**

Underwriting and the assessment of creditworthiness and borrowing capacity are key procedures that the Bank uses to prevent over-indebtedness and to limit default risk.

The **assessment of creditworthiness** involves evaluating the customer's financial circumstances and personal situation. The assessment is supported by an automated and statistically powerful scorecard-based credit risk rating system that is based on available customer information. There are five consumer ratings, each having an implied probability of default based on historical default experience. A customer's behaviour can also influence the assessment of creditworthiness (see pages 160-161 for further details).

The **assessment of borrowing capacity** is based on: a) the legal provisions of the CCA; b) available customer data from the Swiss Central Office for Credit Information (ZEK); and c) client-specific metrics pursuant to internal rules, on top of the legal requirements. The underwriting process requires detailed budget calculations based on the information provided by the customer concerning current income and expenses. Customers should be granted loans only if they understand how loan repayment works and if they are expected to manage it without financial difficulties. Applicants who do not meet the necessary criteria are denied credit.

The underwriting process is backed by regular plausibility checks, the monitoring of scorecards and case-specific controls regarding the consistency and completeness of the assessment. The combination of these rules-based tools and the in-depth experience of employees ensure consistent and systematic decision-making for all lending products. All underwriting decisions consider the specified risk tolerance and risk limits applicable throughout the Bank (see the Risk Management Report, page 20).

#### **Loan origination and payout**

Following the conclusion of the loan agreement, loans are paid out after a "cool-off period" of 14 days (starting when the customer receives the copy of the agreement), under the condition that the customer has not exercised their statutory revocation right during said period.

#### **Customer service and repayment**

Customers in arrears are made aware of the payments due through collection notifications at an early stage of the repayment process. This allows them to handle any potential repayment issues early on, and to give customers the option of rearranging their payment schedules.

In accordance with the CCA, customers can make additional early repayments at any time during the contract term, which lowers their total interest payments. In the event of early repayment, the consumer is entitled to a reduction in interest and to a reasonable reduction in the costs attributable to the unused credit period.

#### **Customer complaint management**

Cembra is committed to responding to customer complaints in a timely manner and with respect and fairness. In addition to chapter III.2 of the Code of Conduct on responsible lending – which states that we will respond promptly and respectfully to customer complaints – we have a resolution management process in place for external complaints.

Maladministration and/or violation of rights are thoroughly investigated and handled in accordance with applicable laws and our internal regulations. The process is formalised in an internal policy. We have mechanisms in place for receiving and investigating complaints and implementing corrective action. Customer grievances (i.e. complaints) are usually handled via letters: we receive customer grievances in a written form and provide a formal reply in writing. Complaints that are received via phone are tracked separately. (See also the section on grievances in the business integrity chapter, page 69).

In 2024, the number of complaints again amounted to less than 0.2% of the base of bank customers of 1.0 million (2023: <0.2%).

#### **Monitoring and learning**

The quality of new transactions is monitored internally to ensure that underwriting requirements are fulfilled and that the loan approval process still mitigates credit risk effectively. Underwriters receive regular feedback from their supervisors to prevent decisions that might lead to unwanted outcomes such as customer payment difficulties.

Monitoring of product and service quality is part of our net promoter score (NPS) assessment. (See chapter on customer orientation, page 41). Finally, Cembra conducts ad hoc customer surveys and regularly monitors the quality of the call centre services.



### Training on product safety

To ensure product safety for customers, Cembra provides training on ensuring a responsible product offering and marketing, responsible sales practices, responsible explanations and responsive services. Tools (e.g. manuals) complement these training sessions and an internal training team provides functional onboarding activities. Know-how transfer regarding policies and regulations is mandatory and standardised. All newly hired employees in departments with customer contact follow tailor-made blended training programmes. These prepare and support new employees in their roles, responsibilities and competencies relating to product safety, and system and process know-how (see pages 50-52 for details on functional trainings).

### Serving customers in financial difficulty

#### Responsible practices in cases of potential over-indebtedness

Although all of the pre-emptive action we take means that our portfolio is of a consistently high quality, we also help to provide debt counselling and enable fair repayment where applicable.

- **Regular contact with ombudsman:** In Switzerland, all customers and their representatives have access to the Swiss Banking Ombudsman, to whom they can address their concerns about banks. We are in regular contact with the Swiss Banking Ombudsman in order to find solutions for relevant cases.
- **Information support for debt counselling services:** Cembra supports external debt counselling services when they request information in order to find solutions for clients with debt repayment problems. We are therefore in regular contact with debt counselling institutions in Switzerland.
- **Customer complaints process:** In any case, all customers also have access to the regular customer complaints process (see page 46).

#### Responsible practices in exceptional cases

We have put a number of measures in place in the event that repayment difficulties nonetheless arise due to unforeseen events such as unemployment, sickness, or divorce, resulting in the decrease in a customer's capacity to make repayments:

- **Finding affordable repayment solutions:** The Bank always aims to find fair and affordable repayment solutions for all affected customers. Our internal collections department can respond appropriately and quickly to any unusual situations. The experts in Cembra's collections team have an average of more than 10 years of experience.
- **Cessation of interest payments:** In certain exceptional and unfavourable situations, we allow interest payments to be ceased. In addition, at a certain stage in the collection process, interest is automatically no longer charged under Swiss debt collection and bankruptcy law.
- **Individual amicable solutions:** In certain exceptional and unfavourable situations, Cembra may try to find an individual amicable solution, e.g. by adjusting the terms of the product.
- **Loan restructurings:** Cembra makes use of a set of tools that aim to support customers in financially difficult situations by offering to rearrange payment schedules. These tools typically target short-term payment difficulties on personal loans. The usage of these tools is cautiously applied after the customer's need is assessed and substantiated. Loan extensions or deferrals are used in financially difficult situations to enable the customer to fulfil contractual obligations. Cembra has only minimal exposure to troubled debt restructuring (TDR) and such restructuring would be granted in exceptional individual cases only (see page 142 for further details).
- **Mortality risk borne by the Bank:** In the personal loans business the mortality risk arising from the customers' obligations under the contract is borne by the Bank.

### Outcome: consistently high quality of our lending portfolio

Thanks to internal regulations, actions and measures we apply regarding the quality and integrity of products and their distribution, our loan portfolio is of a consistently high quality. Over the last eight years and including the 2024 financial year, our provisions for losses consistently amounted to around 1% of financing receivables, and non-performing loans accounted for around 1% of financing receivables. The Bank exercises an equal amount of caution when ensuring responsible treatment of customers (see the Risk Management Report, page 20).

## 5 People and development

### Aim and approach

Our employees are one of our most important stakeholder groups. Their commitment and contributions enable us to be a successful bank in Switzerland. We are therefore committed to providing our employees with a great place to work, as defined by the worldwide organisation Great Place to Work: it is important for us to provide our employees with a healthy environment, to further their development and careers, and to appreciate their performance. A number of different programmes, initiatives and specific training courses are aimed at attracting, retaining and promoting qualified and responsibly minded staff. We also recognise and consider the advantages of a diverse workforce, be it in terms of gender, age, nationality or cultural background. We strongly believe that diverse teams deliver more diverse solutions, which in turn enables us to offer better solutions to our equally diverse clients. In the areas of work-life balance, wellbeing (including health) promotion, diversity and development our initiatives directly impact the lives of our employees and their families.

### Progress in 2024

Our key performance indicator in this area is employee satisfaction. Our goal is to achieve an Employee GPTW (great-placetowork.org) trust index of at least 70% in bi-annual assessments. The most recent survey was conducted in December 2024 and Cembra achieved a trust index score of 72% (see table on page 39).

We also set internal targets for a number of other indicators, such as employee retention rates, the absentee rate and diversity. On diversity we have set ourselves a goal of 50% female appointments on management and senior employee levels (hiring and promotions combined). In 2024, 31% of such appointments were female (2023 37%). This figure does not include CembraPay and Cembra Latvia which had 42% such female appointments in 2024.

### Responsibilities

The People & Culture (human resources) department is responsible for hiring and developing people, for internal training programmes and for ensuring effective employee relations. The head of People & Culture (human resources) reports directly to the CEO.

### Progress in 2024

The main progress in people and development in the 2024 financial year was as follows:

- At the end of 2024 we conducted the bi-annual "Great Place to Work" employee satisfaction survey, we were able to slightly increase the trust index of 72% (2022 71%).
- In the reporting year, Cembra introduced a staff committee to represent the collective interests of the Group's employees vis-à-vis the employer.
- The former subsidiary Swissbilling was merged with CembraPay, and all affected employees received new employment contracts with uniform employment conditions.
- As part of our strategic transformation, the new location in Riga, Latvia, was further strengthened and expanded.
- We introduced an additional new talent management programme, Cembra Talent Lab, which is aimed at employees who want to develop their career in a targeted manner.
- We again received a "We Pay Fair" certification from the University of St. Gallen.

### Coverage

This chapter "People and development" covers all employees, and our subsidiaries Cembra Pay and Cembra Latvia are included in the indicators since 2024 except where mentioned. The figures up until 2023 have not been restated. The indicators and activities regarding temporary workers (see below) do not include temporary workers from agencies (4% of headcount; 2023: 4%) as they do not have a direct employment contract with Cembra; employees of third parties providing services to the Group or external consultants for specific projects.

### Temporary workers

Temporary workers are usually employed by a staffing firm that is in the business of supplying temporary labour. These workers are typically engaged to supplement, or provide cover for, existing employees at times of work surges, finite projects or employee absence. The staffing firm pays salary and benefits to these workers, although the Bank or a subsidiary generally provides daily direction and control. At the end of the reporting period the Group engaged 39 temporary workers (FTE: 38) compared to 27 (25 FTE) in 2023. The increased demand was primarily related to our strategic programme Operational Excellence. The majority of these people work either in the call centre or in the technology area.

The majority of employees work at our headquarters in Zurich Altstetten (73%), while the remainder work in our network of branches and service centres across Switzerland (18%) and in our Riga office in Latvia (9%).

## A. Human resources management

### Employee turnover rate

One of our key performance metrics for the material topic “people and development” is the retention rate. The retention rate as a % is defined as 100 less the turnover rate as a %.

Employee turnover figures <sup>1</sup>	Retention rate – permanent contracts	Turnover rate – permanent contracts	Turnover rate – voluntary <sup>2</sup>	Turnover rate – temporary contracts	Average number of years of employment
2022	85%	15%	12%	1%	7.4
2023	84%	16%	10%	0%	10.2
<b>2024</b>	<b>78%</b>	<b>22%</b>	<b>12%</b>	<b>1%</b>	<b>10.1</b>

<sup>1</sup> Turnover rate and seniority per gender can be found in the Annex to Cembra's Sustainability Report 2024

<sup>2</sup> Only considers resignations on employees' own initiative, excluding dismissals by the employer and retirements

The increase in employee turnover is mainly due to the restructuring measures announced at the beginning of the reporting period. The voluntary fluctuation remained stable compared to previous years. Details regarding new employees are provided below, in the table on diversity and equal pay.

### Headcount development

As part of the strategic realignment, the headcount was reduced to 812 full-time equivalents by the end of 2024. This measure is part of the efficiency gains achieved by simplifying the organisational structure and making greater use of technological resources.

Wherever possible, the reduction was realised through natural fluctuation and early retirement. Where redundancies were unavoidable, the employees affected were supported with a social plan that was drawn up together with the employee representatives. Until 2023, there had been no large-scale redundancies (i.e., job cuts affecting more than 5% of the total workforce) since our initial public offering in 2013.

### Employee satisfaction surveys and measures to further improve satisfaction

We measure the satisfaction and engagement of our employees every two years. In order to conduct standardised trust index surveys and to compare ourselves to benchmarks, we work with the worldwide organisation Great Place to Work (en.greatplacetowork.ch).

Employee satisfaction (Great Place to Work)	2024	2022	2020
Trust index	72%	71%	71%
Participation rate	80%	73%	72%

The bi-annual survey was conducted in the reporting period 2024 with a participation rate of 80% (2022: 73%), which resulted in a trust index of 72% (2022: 71%). With a Trust index of 72% we achieved the re-certification as Great Place to Work.

### Staff committee

At the beginning of the reporting year, a staff committee was introduced. Cembra's staff committee represents the collective interests of the Group's employees vis-à-vis the employer. It consists of seven members who are elected by the employees. Its involvement has the following objectives in particular:

- Receives employee issues insofar as they relate to the general interest and collective needs and represents these to the employer or employer representatives
- Promotes a dialogue as an interface between employees and the employer or employer representatives
- Exercises its participation rights in accordance with the legal requirements and the regulations of the staff committee

### Recruitment

We believe that recruiting based on our values helps us to achieve our long-term goals and supports our values (see page 33). It is important to us that potential new employees can identify with our corporate culture. During the interview process, we not only check candidates' technical and functional skills, but we also assess how they would fit into the team and our culture, based on the principles of our Code of Conduct.

### Staff regulations

The staff regulations form the basis of our interaction with employees, and the Code of Conduct describes the key principles of working together within the company. These policies also specify that our behaviour should be based on mutual appreciation and respect. This includes protecting personal privacy, integrity and employee wellbeing. Our Code of Conduct also ensures that ethical and moral standards are safeguarded. We do not tolerate any discriminatory conduct, in particular based on race, nationality, gender, sexual orientation, religion or age (see chapter on diversity below). Nor do we tolerate violations of people's rights, in particular workplace bullying. In 2024, there was one case reported (2023: two cases).

### Our "Dialogue" performance management approach

The "Dialogue" approach was put in place in 2020, replacing the traditional performance ratings (management by objectives). The four key elements of "Dialogue" are a continuous dialogue about priorities instead of annual goals, focus on team performance, discussion of behaviour and feedback for the line manager by the employee. With this approach, we aim to promote an open and honest dialogue between managers and employees through continuous feedback in both directions to learn from each other and help each other further develop our strengths. Employees are encouraged to periodically give subjective feedbacks to their manager with regard to their perceived leadership behaviour. "Dialogue" also places greater emphasis on the ambitions that we as a team want to achieve together. Shorter-term milestones will be defined for individual employees so that we can respond in a more agile way to changes. The rules governing variable compensation have been aligned with this approach for employees eligible for our variable incentive compensation plan.

## B. Development and training

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Knowledge is an important asset. With Cembra's internal training programme, we support employees of all functional levels in building and expanding their knowledge.

### Mandatory training

Cembra requires **all employees** to complete specific mandatory online training courses (see page 67) in order to meet regulatory requirements. These courses cover topics relating to general compliance, operational risk and resilience awareness, employees' reporting obligations, work and rest period provisions in Switzerland, anti-money-laundering compliance, Group-wide information security, business continuity management awareness, data protection and governance, insider trading, and conflict of interest. Where necessary, specific groups of employees receive additional mandatory online training covering operational topics or guidance for users with high privileged access.

Key figures mandatory training	2024	2023	2022
Number of mandatory e-learning courses offered (of which 10 were mandatory for all employees in 2024)	24	17	20
Total average training hours per employee	4.0	4.0	4.1

**All new employees** attend a mandatory Welcome Day usually in the first 2-3 months of employment, covering topics such as compliance, our vision and culture, our products as well as employee benefits and the Cembra brand. In addition, all new employees are required to complete various e-learning courses covering topics such as operational risk and resilience management, information security, data protection and anti-money-laundering compliance.

Those new employees who will be working in operations roles within the Group also attend specific onboarding training sessions. Among these, we offer monthly new hire training on sales, originations, customer servicing and collections. Training does not only cover products, systems and process skills; human skills are also strengthened in order to ensure an excellent customer experience throughout the entire customer journey.

These mandatory **functional training sessions for new employees** in operations roles last between two days and two weeks. They are a mix between classroom and web-based training, one-to-one coaching, testing, self-study and job-monitoring formats. The structure is adapted to the employee's specific needs, and we aim to make the learning content as personalised as possible. The new-hire training sessions are held in the German-, French- and Italian-speaking parts of Switzerland in order to reach all employees. In 2023 the training team introduced blended learning principles in all functional training activities in order to strengthen self-organised learning attitudes of newly hired employees as well as, to open new forms of interrelation between trainer and students and to increase the efficiency and flexibility of the trainers.

In addition, where necessary, **specific groups of employees** receive functional refresher training to improve operational readiness and awareness relating to relevant topics (e.g. on changes in compliance, in technology, processes or new products). Further training is provided in cases where management identifies skill gaps in customer service employees, e.g. managing complaining customers, negotiation skills and handling retention issues.

The mandatory functional training programmes are developed and carried out by five internal functional trainers. In 2024 a total of 777 (2023: 973) participants were trained through 11 (2023: 47) different courses.

#### Non-mandatory training

We aim to find a balance that gives employees the opportunity to develop both professional and soft skills. Cembra's internal training programme supports employees at all levels in building and expanding their knowledge. The broad offering adapts to the needs of the Group, but also the needs and aspirations of our employees. The course offerings are announced regularly. We use a wide variety of learning formats for this purpose: classroom, virtual, lunch and learns, interactive "moments that matter" and learning nuggets. Cembra offers relevant, modern and practical training that are aimed to approach tasks more competently and efficiently.

Some of the courses offered in 2024 to our leaders were: "Coaching for Leaders", "Conflict Resolution", "Design your Resilience" as well as absence management. These topics aimed to enable our line managers to develop personal insight, to address the employees' wellbeing and to strengthen leadership skills.

#### Key figures for non-mandatory internal training

	2024	2023	2022
Courses offered	22	24	20
Number of employees taking part in management and soft skills training sessions	322	349	224
% of employees trained in management and soft skills	37%	39%	24%
Total training costs in CHF 1,000	140	198	300

Cembra Pay and Cembra Latvia included since FY 2024

In 2024, 37% of employees took advantage of the offering (2023: 39%). The decrease in training costs is explained by the lower number of employees, the higher investments in cultural transformation at the begin of the current strategic cycle in 2022 and 2023, and a higher efficiency of the provided courses.

#### **External training**

Employee training is an essential part of employee performance, satisfaction and retention. By training employees well, we enable them to reach their full potential.

In 2024, CHF 0.11 million was spent on technical and functional training and certifications by external providers (2023: CHF 0.26 million) and a total of 86 employees received such training. These training courses generally last one or two days and ensure that our employees and specialists can adapt to constantly changing professional and technical conditions.

Furthermore, we support employees in improving their language skills and their professional development. All employees have the opportunity to apply for funding for a course or training session at an external educational institution. In 2024 we reimbursed CHF 0.03 million to a total of 26 employees for language training and CHF 0.14 million to 37 employees for external advanced training such as a MAS (Master of advanced studies), DAS (Diploma of advanced studies), CAS (Certificate of advanced studies) and EMBA.

As a founding member of the “Advance” network for gender equality in business, we get access to various skills-building training courses (for details, please see page 56). In 2024, 17 employees took courses on topics such as Key Negotiation Skills for Women, Leading Your Team Effectively, Future-Proof Your Career in the Era of AI, and Get Respect in any Situation.

#### **Succession planning and talent development**

The development of internal talents is important to Cembra, as we aim to fill management and expert positions with internal candidates where possible. Internal succession plans help us to steer this process. Possible succession solutions for all roles at the top management level and one functional hierarchy level below, as well as critical dependencies on single or key people, were discussed for the entire Group in the reporting period.

#### **Talent development programme**

Our talent management programmes consist of the Cembra Impact Programme and the Cembra Talent Lab. Through these programmes, we aim to develop and retain the targeted talents by offering them assistance in form of different possibilities and tools.

The Cembra Impact Programme is aimed at experienced leaders and is designed to enable them to achieve a sustainable impact and drive change. It includes an individual development centre with an external coach as a position determination for each participant. This assessment forms the basis for the creation of individual development plans and for the elaboration and enactment of appropriate development measures. In addition, the programme comprises regular exchange meetings, as well as theme-based workshops and trainings.

The Cembra Talent Lab focuses on experienced employees and further develops their management and leadership skills. It includes individual 360° feedbacks that forms the basis for the creation of individual development plans. Cembra Talent Lab participants also complete a CAS in General Management & Leadership in collaboration with the University of Applied Sciences Zürich (HWZ). The programme is complemented by regular informal exchange meetings, as well as theme-based workshops and trainings.

#### **Apprenticeship programme**

One pillar of Cembra’s efforts in developing new talent for the future is our internal apprenticeship programme in Switzerland. We generally hire new apprentices every year. After the apprenticeship, we try to take on all the apprentices and offer them their desired position, often successfully. In addition, following the apprenticeship, we help young employees to complete their further education with the possibility of working part time.

Over the past 10 years, 52 apprentices have successfully completed their programme at Cembra, of which 13 are still employed. Three of the five apprentices who graduated in 2024 are still working within the Group.

### C. Working conditions

Cembra aims to be an attractive employer by providing competitive monetary and non-monetary benefits, as well as a healthy work environment in which employees feel comfortable and are able to realise their full potential.

Responsibility for working conditions and ensuring a healthy work environment lies with the Management Board, which regularly reviews the progress made. The head of people and culture, reporting to the CEO, coordinates well-being and safety management activities. Line managers ensure that statutory wellbeing and safety requirements are met. Measures to maintain and improve working conditions include the following topics, which are described in detail below:

- Absentee rate measurements and targets
- Healthy work environment and work-life balance
- Employee assistance and mental health management
- Flexible ways of working
- Annual leave and absentee regulation
- Leave for dependent care and maternity leave
- Safety in the workplace and emergency response system
- Non-salary employee benefits
- Predominantly permanent employment contracts
- No significant sub-contracting of employees

#### Absentee rate measurements and targets

The absentee rate is an indicator we use to learn about our employees' well-being. The absentee rate is calculated as the percentage of work time that an employee is absent due to sickness or an accident. Sickness includes both short-term and long-term sickness as well as sickness during pregnancy. In 2024, the absentee rate was 3.2% (2023: 3.4%). The calculation does not include employees of Cembra Latvia. Cembra has set internal targets with the aim of reducing the absentee rate. In 2024, three training workshops on absence management for 19 leaders were pursued.

#### Healthy work environment and work-life balance

Employee wellbeing is important to us, and we are continuously working on improving our wellbeing management. We focus on preventive measures and avoid activities that could put our employees at risk. We encourage our employees to take responsibility for their own wellbeing and support them with appropriate measures. The current measures include:

- **Absence prevention and absence management** workshops for line managers and the senior management including the management board. The training provides managers with a clear process before, during and after an absence due to a personal crisis, an illness or an accident (see also paragraph above).
- Through the company's **wellbeing promotion and prevention programme** numerous sports events are offered throughout the year (such as indoor cycling, boxing, surfing, kayaking or hiking), as well as online and face-to-face events on the topics of nutrition, health and well-being. All of these aim to support employees in finding a healthy balance between work and leisure. 2,191 participants joined these sports events during the reporting period.
- The **in-house gym** at headquarters offers fitness courses and yoga classes.
- **Seminar and events** on topics such as "strengthen strengths" and "sleeping well", have been offered to benefit employees' mental wellbeing and resilience.
- To support employees with the new ways of working models, Cembra provides a dedicated webpage with tips and recommendations for employees to stay healthy while electing to work remote.

Cembra ensures that **health risks** and issues are managed effectively and that related action plans are prioritised. We provide documents on health risks and hold regular discussions between human resources and managers on this topic; executive management is also involved in preventing health issues.

### **Employee assistance and mental health management**

The size of our company allows us to handle every case in a responsible way and on an individual basis. Cembra works with external providers that support and provide counselling to employees and management on cases related to personal matters (e.g. family, marriage, migration), occupational issues (e.g. conflicts in the workplace, tension within the team, sexual harassment, termination, mobbing), health matters (e.g. stress, burnout, longer-term illness, addiction, disability), and personal finance (e.g. budget consultancy, burden of debt, retirement). In 2024, 29 cases were handled by our external providers. For medical issues including mental health problems and in cases of long-term absences, we work within Switzerland with our insurance providers and the related disability insurance office to ensure the best possible support during the recovery process. In 2024, 5 medical and/or long-term absences were handled (2023: 10).

### **Flexible ways of working**

The Group offers flexible working solutions to foster a healthy work-life balance. The solutions include part-time and remote work arrangements, given that Cembra is convinced that flexible ways of working can increase job satisfaction, employee commitment, productivity and retention. Most of our employees have the technical prerequisites to be able to work remotely and many of them opt for a hybrid solution. Our policy regarding flexible working models allows employees to work remotely and ensures there are no complicated approval procedures for this. Remote work from abroad is also permitted for up to 10 days per calendar year under certain specific conditions and subject to approvals. The flexible work arrangements are outlined in our ways of working policy. The key elements of the framework are described on page 74.

Many of our part-time employees are working parents. At year-end 2024, 23% (2023: 24%) of all employees were working part time (for the detailed figures please see the Annex to Sustainability Report 2024).

### **Annual leave and absentee regulation**

The wellbeing of our employees and their families is a high priority for the Group. In general, we believe that annual leaves and other days off have positive effects on health and well-being, that they limit the time employees have to take off due to sickness, and also improve morale and productivity in the workplace.

All of our employees in Switzerland are entitled to 25 days of paid annual leave. This is above the legal minimum of 20 days and corresponds to the industry standard in Switzerland. Employees over the age of 50 are entitled to five additional days of annual leave. In addition, our employees can purchase up to two additional weeks of vacation per calendar year, and we grant employees paid days off for various family matters.

In Latvia our employees are entitled to 20 days of paid annual leave which corresponds to the legal minimum requirement. Additionally, employees are allowed to use up to three wellness days throughout the calendar year and we also grant employees paid days off for various family matters.

### **Safety in the workplace and emergency response system**

In collaboration with external associations, Cembra offers all employees in Switzerland and in Latvia the opportunity to take part in first aid training, in case of emergency. Such courses are offered to employees on a voluntary basis in order to ensure that we have enough people who are trained in first aid and in the use of an AED (automated external defibrillator). We have a dedicated safety point webpage on our intranet so that all emergency information is provided on one page.

### **Leave for dependant care and maternity leave**

Cembra offers fully paid maternity and paternity leave to all employees, the duration of which in some cases exceeds the legal requirements. See the Annex to Sustainability Report 2024 for details and country-specific regulations.

In the reporting period a total of 6 women took maternity leave (1 is still on leave) and 8 men took paternity leave. In the previous year, 11 women took maternity leave and 12 men took paternity leave. Of these 11 women, 7 have returned and 7 were still employed by the Group at year-end 2024.

### **Non-salary employee benefits**

Alongside salaries customary for the sector, Cembra's non-salary (fringe) employee benefits contribute to our attractiveness as an employer. The Group offers a variety of benefits with a focus on mobility, personal health and family matters.



### Predominantly permanent employment contracts, and no significant sub-contracting

All our staff members are employed either under Swiss law or Latvian law. We aim to limit the use of non-regular employment to specific projects and to address short-term needs to cover peak times in operational departments, such as customer service and originations.

The number of people working for Cembra to address short-term needs represented 4% (2023: 4%) of the workforce. These temporary employees, hired through recruitment agencies generally for a few weeks or months and at short notice, are not included in this report. Cembra also works with IT and other expert advisors for project-related work.

Any significant outsourcing is reported on a yearly basis to the regulator FINMA. This includes major IT outsourcing to expert companies such as leading telecom and IT providers. Our due diligence and supervision processes adhere to the strict requirements of FINMA's regulation "Outsourcing – Banks".

## D. Diversity and equal pay

At Cembra, we aim to create a healthy work environment and promote diversity, equal opportunities and personal development for our employees. In particular, we do not discriminate against anyone on the basis of gender, ethnicity, religion, origin, sexual orientation, age, marital status, genetic information, skills, disability or any other characteristic. This is outlined in our staff regulations and our Code of Conduct (See section II. "Cembra's responsibility as an employer").

We believe in the power of our differences and know from experience that diversity across dimensions drives innovation, helps us make better decisions, creates a more engaging workplace, and directly contributes to better outcomes for all stakeholders.

We strive for equal opportunities with regards to gender equality and other diversity, and, of course, equal pay. In the coming years, we will focus in particular on promoting women in management positions. We will achieve this by targeting 50% female appointments on management and senior employee levels (hiring and promotions combined). In 2024, 31% of such appointments were female (2023 37%). This figure does not include CembraPay and Cembra Latvia.

### Gender and age

45% of our employees are women (2023: 47%). At the employee level (including the employee and senior employee levels), the proportion of female employees is 47% (2023: 49%). At the management level (including the management and senior management levels), it is 25 % (2023: 24%). The figures per employee level have not yet been included for CembraPay and Cembra Latvia as these operations were consolidated in the course of April 2023. For the detailed figures please see the Annex to Sustainability Report 2024.

### Career mobility

HR key figures (headcount)	2024	2023	2022
Total entries	103	103	140
– of which women	41	47	51
– of which total new employees 50+	8	8	17
Internal department changes	55	21	56
Internal promotions (pay grade changes)	22	65	51
– of which women	11	29	25

### Women-only networking groups

Giving female employees the opportunity to take part in networking groups is an efficient way for women to come together and offer each other support, build up a valuable network and gain ideas. It also provides them with a space to discuss gender issues and equality without judgement.

Our internal “Connect” programme provides women across different functions and hierarchies with various platforms to facilitate personal development, career advancement and the exchange of ideas. A team of volunteers contributes to the organisation of talks, panel discussions with internal and external speakers and events on topics such as diversity, finances and family. The programme is open to all female staff within the organisation, with some events also open to men.

Additionally, Cembra is a founding member of the “Advance” association for gender equality in business. As an Advance Gold Member, Cembra gets access to 17 skills-building training days per year for talented women in middle and upper management as well as to workshops and networking events for best practice sharing on innovative working models supporting diversity. In addition, Cembra can take part in its cross-company mentoring programme, a specific opportunity for female employees’ personal and professional growth.

### Internationality and cultural backgrounds

The internationality and cultural background of employees are considered part of Cembra’s diversity. Despite being a relatively small company, Cembra employs people from about 40 different countries (not counting multiple citizenships) and with diverse cultural backgrounds. For the details please see the Annex to Sustainability Report 2024, section 5.

### Equal pay for men and women

In the reporting period 2024, we performed an internal equal pay analysis based on legal requirements (including Cembra Money Bank and CembraPay, excluding Cembra Latvia) in order to identify differences in pay between men and women doing work of equal value for the Bank. The analysis confirmed that Cembra complies with the principle of “equal pay for work of equal value”. Based on the analysis, Cembra was awarded the “We Pay Fair” certificate in 2024 by the Competence Center for Diversity and Inclusion of the University of St Gallen.

Unlike pay gap models in some other countries, the tool looks at factors that can explain a pay gap, such as workplace-related criteria like employee level and personal qualification elements, i.e. education, to calculate an adjusted pay gap.

### Pay quartiles

In 2024, women made up 22.1% of our top earners (i.e., whose pay was in the 1st quartile; 2023 24.5%). These figures do not include employees of Cembra Latvia.

Within the Group, 48% of our revenue-producing roles were held by women (2023: 50%).

### Cembra pay quartiles: proportions of women

Pay quartile	2024	2023	2022
Upper quartile	22.1%	24.5%	23.8%
Upper Middle quartile	40.2%	41.7%	42.6%
Lower Middle quartile	57.9%	56.6%	58.9%
Lower quartile	60.9%	65.8%	65.8%

Coverage: Cembra Money Bank and CembraPay, excluding Cembra Latvia

### CEO-to-employee salary ratio

The top-to-median pay ratio was 12.8 in 2024, in line with previous years (2023: 12.1, 2022: 11.6). The slight increase was predominantly driven by the first-time inclusion of Cembra Pay and Cembra Latvia. The median salary (without the highest salary) was CHF 108,426 in 2024 and the highest salary was CHF 1,323,000. The pay ratio is calculated based on the annual base salary plus variable target compensation and the annual base salary is extrapolated to full-time equivalents. For details on the compensation of the highest salary see Compensation Report on page 130.

## 6 Environmental stewardship

### Aim and approach

Environmental stewardship is an important element of our sustainability aspiration. To minimise the negative impact of our operations, and to support the transition to a low-carbon economy, we are committed to using resources in a sustainable manner. As identified by our materiality assessment, our key stakeholders considered environmental stewardship to have an overall “medium” relevance compared to other sustainability topics (see page 37). To adequately manage climate-related risks and opportunities, we have implemented the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). For a content index of our TCFD-related disclosures see page 35.

Cembra manages its environmental impact using a two-fold approach:

- **Operational environmental management:** We remain focused on protecting the environment by conserving natural resources and preventing pollution from both our business operations and supply chain partners. In addition, Cembra strives to manage the climate change-related risks on the business and identify any opportunities arising from climate change. Where deemed relevant, we include environmental risks and opportunities in our business planning.
- **Ongoing shift towards financing of electromobility:** Cembra is a provider in financing mobility, with electric vehicles expected to represent a growing proportion of vehicles in Switzerland in the long-term. The expected long-term increase in demand for climate-friendly products is seen by our business as an opportunity.

### Progress in 2024

In the reporting period, our total scope 1 and 2 emissions decreased by 42%, and the scope 1 and 2 emissions intensity decreased from 0.37 tCO<sub>2</sub>e/FTE average in 2023 to 0.24 tCO<sub>2</sub>e/FTE average, a decrease of 35%. The decrease was mainly driven by a lower number of cars with traditional engines in the own car fleet as well as further reductions in carbon emissions from heating at headquarters (for details see page 64).

Through an internal working group supported by a specialised consultant, Cembra continued the development of climate-related mid and long-term targets and actions, scenario analysis and other elements of the TCFD (task force for climate-related disclosures) framework. The working group results were reviewed by the Sustainability Committee and acknowledged by the Board of Directors, assisted by the Audit and Risk Committee (for details see page 34).

Accordingly, our carbon emissions **reporting** transparently covers all scope 1, 2 and scope 3 emissions from 2024 on.

We also set ambitious mid-term and long-term **targets** for scope 1 and 2 and operational scope 3 emissions (i.e., excluding scope 3.15 investments/vehicle leasing, due to lack of established target setting methodology). See below for details.

### Our approach to carbon footprint assessment

Over the last few years our approach to assess and report on our carbon footprint has been continuously refined:

- In 2020, we adopted a mid-term scope 1 and market-based scope 2 carbon emissions reduction target until 2025. Since then we transparently outline our progress and measures to reduce our operational carbon footprint, and we communicate on our target achievement.
- Since 2021, Cembra’s scope 1 and market-based scope 2 carbon footprint includes all relevant scope 1 and 2 categories.
- Since 2022, we report on a full GHG emissions inventory to capture all material scope 1, 2 and scope 3 emissions from our corporate operations (scope 3 categories 1, 2, 3, 5, 6 and 7). This included a detailed analysis of emissions from our value chain.
- Since 2024, we include scope 3 emissions from scope 3/15 investments (vehicle leasing) in our reporting, following the refining of our approach. In this context we again assessed other elements of scope 3/15 investments which were deemed not having appropriate methodologies available, or being not material.

To align with international best practice guidance, including the GHG Protocol: Corporate Standard (2004:2015), the Partnership for Carbon Accounting Financials (PCAF) Financed Emissions (Part A, 2022), Cembra’s organisational boundary was based on a financial control approach (for details see below under Coverage and boundaries). This approach focuses on elements Cembra can influence, with activities considered significant based on the level of financial control and ability to control processes associated with these activities. Currently there is no methodology according to PCAF available for other consumer loan categories, including credit card loans.

Cembra continues to review and improve its approach to assess and report on its carbon footprint in line with best practice guidance.

**Coverage and boundaries**

In line with best practice, we report on GHG emissions for all material scope 1, scope 2 and scope 3 emissions. Our emissions reporting covers the Group including Cembra Latvia for the most material categories (scope 3 categories 1 and 15 (investments/vehicle leasing), amounting for more than 99% of total carbon emissions), representing 100% of our employees. Hence, scope 1 and 2 figures and related operational figures exclude Cembra Latvia. For some figures, e.g., district heating or electricity, Cembra uses extrapolated average annual numbers.

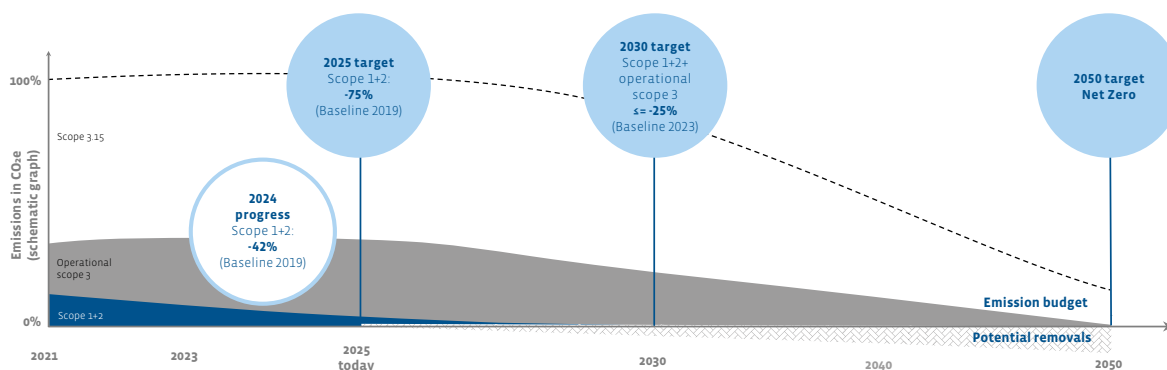
**Targets**

In addition to our existing Scope 1 and 2 target until 2025 we established a mid-term and a long-term target to ensure that we continue to contribute to facilitate the transition to a net zero economy. The following targets are in place:

- Short-term target by 2025 to reduce the emissions in scope 1 and scope 2 by 75% (base year 2019).
- Mid-term target by 2030 to reduce the emissions in scope 1, 2 and operational scope 3 emissions (categories 1, 2, 3, 5, 6, 7, excluding category 15/vehicle leasing) by at least 25% (base year 2023).
- Long-term target by 2050 to reduce the emissions in scope 1, 2 and operational scope 3 emissions to net zero.

**Transition plan**

**Roadmap to net zero and action plan**



Our roadmap to net zero carbon emissions (scope 1, 2 and operational scope 3 emissions, base year 2023) is based on the following actions:

- **Scope 1+2 emissions:** Because we were able to exercise control over our scope 1 and 2 emissions, we have reduced these significantly since the chosen base year 2019. Since 2016, the electricity used at our headquarter is almost entirely from renewable sources. Subsequent additional measures implemented include using district heating and district cooling (powered by energy from a nearby ice-hockey stadium) at our headquarter, sourcing almost 100% renewable energy for our branches, transitioning a significant part of our own vehicle fleet to electric and plug-in hybrids, and promoting public transport for employee commutes. In 2024, we reduced our scope 1 and market based scope 2 emissions by 42% to 203 tCO<sub>2</sub>e. Hence we are confident to achieve the targeted 75% reduction of scope 1 and 2 emissions by 2025. Thereafter we aim to continue with measures to further reduce scope 1 and scope 2 emissions.
- **Operational scope 3 emissions** (including scope 3 categories 1, 2, 3, 5, 6, 7 and excluding category 15/vehicle leasing): We aim to achieve reductions by 2030 through cost reductions as part of our strategy until 2026, by engagement with suppliers and by improving underlying emissions factors. Because the emissions from purchased goods and services account (scope 3.1) for 93% of operational scope 3 emissions, we also expect and rely upon our suppliers and partners to reduce their footprint meaningfully until 2030. The progress and the measures towards the mid-term target in 2030 will be overseen by the Sustainability Committee.

#### Explanations and remarks to the roadmap:

- A new baseline year was set to 2023 for scopes 1 and 2 and operational scope 3 (including categories 1, 2, 3, 5, 6, 7 and excluding category 15/vehicle leasing), because the baseline year 2019 only accounted for scope 1 and 2 emissions.
- Our long-term goal net zero until 2050 is in line with the Swiss government's requirement and supports the economy-wide transition through our ongoing climate engagement. This is reflected by the net zero carbon emission target until 2050.
- The 2030 target range is in line with the chosen expected climate target scenarios: a -25% reduction follows the well-below two degrees scenario ("delayed transition", +2°C by 2100) and a -42% reduction is in line with the ambition of the Paris Agreement to limit the global average temperature increase to 1.5°C above pre-industrial levels by the end of the century ("net zero by 2050")
- The target until 2030 includes our operational scope 3 emissions (Scope 3.1 Purchased goods & services, 3.2 Capital goods, 3.3 Fuel & energy related activities, 3.5 Waste, 3.6 Business travel, 3.7 Employee commuting) excluding our vehicle leasing business (Scope 3.15). Currently, there is no established target setting methodology (e.g. Science-based target initiative, SBTi) for vehicle leasing available. The latest SBTi Financial Institutions (2022) guidance suggests that vehicle and personal loans, including credit card loans, are out of scope due to the limited control or influence that a loan provider has over the use of products. We will continue to closely monitor any methodological developments related to scope 3.15 and we will consider to set targets accordingly.
- We do not apply an internal carbon pricing system as emissions from business travel amounted to 27 tCO<sub>2</sub>e in 2024 and the existing metrics are currently considered sufficient to incentivise and drive business decisions to facilitate a transition to a net zero economy. In addition, we are not directly exposed to the EU or Swiss emission trading system. The necessity to implement an internal carbon price is and further will be assessed on a regular basis.
- The net zero target until 2050 includes potential future carbon removals. Science acknowledges that, even with significant reduction efforts, some emissions will remain. We will consider addressing these residual emissions with high-quality carbon removal solutions in the mid-term.

#### Climate-related opportunities and risks

In 2024, we further refined relevant climate-related opportunities and risks for our business model. The identification of the relevant opportunities and risks was performed by an interdisciplinary group of executives including Management Board members and selected subject-matter experts. The process was mediated and supported by a specialised consultant with broad experience in the area of sustainability. In the sections that follow, we provide an overview on the identified climate-related opportunities and risks.

Cembra identified specific climate-related opportunities in the following areas:

- **Financing clean mobility:** Reducing the carbon footprint of the transport and mobility sector is considered among the most relevant and most challenging endeavours when it comes to mitigating climate change. For Cembra, financing clean mobility is of high strategic importance offering ample opportunities for our net zero transition. As a leading provider in the vehicle leasing business in Switzerland, Cembra is committed to support the transition to a net zero economy with its efforts to finance a clean – climate-neutral – mobility sector.
- **Green operations:** Further reducing the carbon footprint from our own operations to support the goals of the international and Swiss community that aim to attain net zero GHG emissions by 2050. We have set clear targets to reduce our operational emissions and assess our direct and indirect emission from scope 1, scope 2 and relevant operational scope 3 categories (operations-related categories purchased goods and services, capital goods, business travel and employee commuting). The decarbonisation targets are outlined in the paragraph Targets 2025 above.
- **Empower customers' and partners' climate transition:** As a leading consumer finance company in Switzerland, Cembra is aware of the lever it possesses to empower its partners and its customer base for their climate transition. We thus also focus on measures that create incentives to support an ecosystem in which environmental-friendly products become the norm in the future. As a business partner in the areas of credit cards and vehicle leasing we see the potential to provide the necessary incentives to further accelerate the adoption towards the climate transition in Switzerland.

- **Green funding:** Developing and offering low carbon-intensive products and services might require sufficient funding. Following climate-related opportunities in the future will allow Cembra to broaden the access to green funding sources.

#### Climate-related risks

Climate-related risks (one of the nature-related risks) can typically be mapped into other categories of risk such as credit risk, market risk, operational risk or other risks. Consequently, climate-related risks do not necessarily represent a new risk category, but rather an underlying risk driver for a risk category or individual risk.

Cembra is committed to ensure compliance with relevant climate-related regulations and guidelines and adapts risk management practices accordingly. This includes the consideration of climate-related impacts or the assessment of climate-related risks in strategic planning and decision-making processes as well as in the assessment of all categories of risk. In particular, the assessment of existing and new risks is based, among others, also on climate-related changes impact criteria. Therefore, climate-related risk as a driver for other categories of risk is actively identified, assessed, monitored and managed.

Cembra's sustainability approach follows a multi-year approach considering the Cembra's most relevant sustainability topics. It is designed to integrate sustainability and climate-related risk considerations into its risk management framework, related policies and processes. Cembra's roadmap is configured to address current and emerging regulations, such as the FINMA circular 2026/1 on Nature-related financial risks, and builds capacity through expertise and collaboration including engagement with internal and external stakeholders and experts.

Cembra identified specific climate-related risks in the following areas:

- **Distribution partner and object valuation risks (Transition risk):** 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 and the distribution partners might fail to honour their contractual obligations.
- **Loss of market share (Transition risk):** Loss of market share due to climate-related market developments (e.g. increased competition in the low carbon vehicle leasing market) or changes in preferences and behaviour of Cembra's current and future customers.
- **Rating and reputation deterioration (Transition risk):** The risk of increased stakeholder concerns which may result in Cembra's rating and reputation deterioration, e.g. through rating agency channels or shareholders reactions.
- **Lack of compliance with regulatory environment (Transition risk):** The risk of non-compliance with existing and emerging regulatory requirements in the climate and environmental domains. Materialisation of the risk might result in regulatory sanctions, Cembra's brand and reputation damage or direct financial losses.
- **Physical damage of Cembra assets (Physical risk):** The risk of event-driven (acute) or longer-term shifts in climate patterns (chronic) which have a direct adverse impact on Cembra's business activities and its assets.

#### Scenario analysis: approach

In 2024, Cembra performed a scenario-based climate-related risks analysis and assessment utilising its internal risk management framework. This analysis aimed to test the resilience of Cembra's business model and strategy under different scenarios and time horizons in line with the recommendations of TCFD. Utilising scenarios developed by the Network for Greening the Financial Systems (NGFS), the scenario analysis assessed the impact of the identified climate-related risks on Cembra's businesses, strategy, and financial planning over time horizons going beyond the regular financial planning cycle.

The impacts of the identified risks on the organisation were assessed in terms of determination of the risk level. The risk level was determined by the assessment of the likelihood of the specific risk to materialise and the evaluation of impact factors. The analysis took into account three time horizons (short term up to 3 years, medium term 4-12 years, long term 13+ years). Cembra reviewed the relevant time horizons that were used to evaluate impact from identified climate-related risks and considered combined medium and long term horizon to be most applicable for its scenario-based analysis. The short-term time horizon is embedded within Cembra's financial planning horizon and thus scenario-based climate-related risks analysis has limited applicability and significance.

#### Scenario analysis: selected scenarios

The scenarios selection was driven by broad considerations of identified climate-related risks with varying degrees of transitional and physical type characteristics and by Cembra's business strategy.

Accordingly, Cembra chose two applicable scenarios:

- **Scenario A: Net zero by 2050** limits global warming to 1.5 °C through early adoption of stringent climate policies and innovations. Net-zero emissions reached around 2050, giving at least a 50% chance of limiting global warming to below 1.5 °C by the year 2100.
- **Scenario B: Delayed transition** assumes no new climate policies until 2030 with high regional variation in policy implementation. Emissions exceed the carbon budget temporarily and decline more rapidly to ensure a 67% chance of limiting global warming below 2°C.

#### Scenario analysis: results

Scenario analysis and climate-related risks assessment were performed by group of subject matter experts across Cembra's organisation, reviewed by external specialised consultant and consolidated by the risk control function. The results of scenario analysis and assessment provide risk levels for each of the identified climate-related risks under considered scenarios. The risk levels were aggregated and averaged across individual risk assessments provided by each subject matter expert.

The results of scenario analysis and climate-related risk assessment did not indicate any of the climate-related risks that would be outside of Cembra's risk tolerance taking into account considered NGFS scenarios and the applicable time horizon.

The distribution partner and object valuation risks level under the Net zero by 2050 scenario was assessed as medium compared to low-medium level under the Delayed transition scenario. The risk levels difference was driven by the fact that the materialisation of distribution partner and object valuation risks had a higher estimated likelihood, paired with stronger impacts across assessed factors under the Net zero by 2050 scenario. The comparison of risk level differences for loss of market share risk, medium and low-medium respectively, revealed that the estimated likelihood was at the same level under both scenarios, coupled with stronger impacts across assessed factors under Net zero by 2050 scenario.

Climate-related risks	Risk levels (medium & long-term time horizon)		Controls/Mitigations
	Net zero by 2050	Delayed transition	
Distribution partner and object valuation risks	Medium	Low-medium	Risk levels were determined under the assumption of a potential decreased ability of car dealers to fulfil contractual obligations. Monitoring of dealers' financial conditions, re-sale and residual values of vehicles, and technological trends. Analyse dealers' exposures, vehicle brands and models diversification. Generally, adopt adequate mitigation measures when and where needed.
Loss of market share	Medium	Low-medium	Re-calibrate and adjust Cembra's product, pricing, volume and risk parameters to address market developments. Continue close cooperation with partners' networks and ensure its range and diversification, reflect provided feedback and customer preferences.
Deterioration of reputation	Medium	Medium	Continue strong focus on execution of business and sustainability strategies. Identify, assess, manage and monitor diligently existing and emerging climate-related risks. Provide continuously adequate and transparent disclosures to the markets and main stakeholders.
Lack of compliance with regulatory requirements	Low-medium	Low-medium	Address timely and completely existing and emerging regulatory requirements and ensure adoption in Cembra's internal regulations, processes and systems. Continue the dialogue within the industry, and with independent experts.
Physical damage of Group assets	Low-medium	Low-medium	Protect and insure physical assets as part of business strategy and product design. Assess, protect and monitor physical security of locations on a regular basis. Implement, test and continuously enhance business continuity management, disaster recovery and operational resilience programmes.

Legend: Cembra's risk levels are low, low-medium, medium, medium-high and high.

The consolidated outcomes of the scenario analysis serve as an indication of Cembra's prioritisation for future climate-related initiatives, action plans and the relative importance of each stream. The overall results suggest that Cembra's business and sustainability strategies, customer-centric approach, commercial excellence and diversified product offerings supported by robust risk management framework and culture, continue to provide financial and operational resilience and adaptability to the climate-related change impacts.

Based on the analysis, Cembra concluded that its ongoing analysis of evolving climate-related risk exposures and trends, its overall strategic development and other values provide sufficient flexibility to maintain resilient currently and in future.

We also assessed how our identified risks and opportunities relate to our climate-related metrics. The main climate-related transition risks (distribution partner and object valuation risks and loss of market share risk) are associated with the key environmental figures (see the following section).

#### Key environmental figures

In 2024, Cembra's total GHG emissions (scope 1, 2 and 3) were 288 mCO<sub>2</sub>e, and the total GHG emissions intensity came to 524 tCO<sub>2</sub>e per CHF million net revenue. Our total scope 1 and 2 emissions were 198 tCO<sub>2</sub>e (2023: 339) or less than 1% of total emissions. Within scope 3, the category investments (category 15) accounted for 90% of emissions. See table below.



## Breakdown of carbon emissions

	Unit	2024	2023	2022
<b>Consumption</b>				
Refrigerants	kg	28	28	29
Vehicle fuel	1000 km	1,399	1,717	1,016
Gas and heating oil	mWh	317	364	343
District heating/cooling	mWh	799	958	706
Electricity	mWh	840	1,116	1,642
Water	m <sup>3</sup>	2,912	3,166	2,822
Waste	tonnes	248	351	836
Purchased goods	1000 euros	90,879	96,128	93,049
Capital goods	1000 euros	4,518	2,753	2,360
Fuel- and energy-related activities	mWh	1,958	2,438	2,690
Business travel – transport	p. 1000 km	260	241	145
Business travel – hotel stays	per room per night	195	216	132
Employee commuting	p. 1000 km	5,734	6,525	6,640
Employee commuting – homeworking	FTE working days	74,097	84,326	85,804
<b>Greenhouse gas emissions</b>				
<b>Direct emissions (scope 1)</b>	<b>tCO<sub>2</sub>e</b>	<b>163</b>	<b>278</b>	<b>253</b>
Vehicle fuel	tCO <sub>2</sub> e	62	166	142
Boiler fuel (natural gas and heating oil)	tCO <sub>2</sub> e	62	72	69
Refrigerants	tCO <sub>2</sub> e	39	39	42
<b>Indirect emissions (scope 2)</b>	<b>tCO<sub>2</sub>e</b>	<b>34</b>	<b>61</b>	<b>65</b>
Purchased electricity (location-based)	tCO <sub>2</sub> e	10	13	20
Purchased heating/cooling	tCO <sub>2</sub> e	24	48	45
<b>Indirect emissions (scope 3)</b>	<b>tCO<sub>2</sub>e</b>	<b>288,000</b>	<b>n.a.<sup>1</sup></b>	<b>n.a.</b>
Purchased goods and services (category 1)	tCO <sub>2</sub> e	27,800	29,800	26,700
Capital goods (category 2)	tCO <sub>2</sub> e	1,610	1,070	910
Fuel- and energy-related activities (category 3)	tCO <sub>2</sub> e	70	87	90
Waste generated in operations (category 5)	tCO <sub>2</sub> e	5	9	19
Business travel (category 6)	tCO <sub>2</sub> e	27	27	11
Employee commuting (category 7)	tCO <sub>2</sub> e	482	549	563
Investments (category 15)	tCO <sub>2</sub> e	258,000	n.a.	n.a.
<b>Scope 1, 2 and 3 emissions</b>	<b>mCO<sub>2</sub>e</b>	<b>288</b>	<b>n.a.</b>	<b>n.a.</b>
– thereof scope 1, 2 and operational scope 3 emissions	<b>mCO<sub>2</sub>e</b>	<b>30.0</b>	<b>31.8</b>	<b>28.6</b>
– thereof scope 1 and 2 emissions	<b>mCO<sub>2</sub>e</b>	<b>0.197</b>	<b>0.339</b>	<b>0.318</b>

Note: Scope 3 categories 1, 2 and 15 and total greenhouse emissions figures rounded to three significant digits

1 - Scope 3 including Investments (category 15) since 2024



**Operational environmental management**

Cembra’s environmental management is based on Swiss law relating to environmental protection, energy and carbon. We continue to ensure environmental stewardship mainly by optimising processes and outputs with a significant environmental impact. We also achieve cost reductions by optimising and reducing our use of energy and equipment.

**Scope 1, 2 and operational scope 3 emissions**

Purchased goods and services (part of scope 3) was the most significant source of operational emissions (i.e. excluding scope 3 investments) in 2024. Total emissions generated by this category declined by 7% relative to 2023. The decrease was predominantly driven by IT contractors and marketing. Seven areas of expenditure accounted for 91% of emissions: IT contractors, software licenses (and maintenance of the software), marketing, postage and paper and cards plastic.

**Use of energy**

Cembra continuously implements various measures aimed at reducing GHG emissions associated with energy. As a result, Cembra has been able to significantly reduce its energy consumption over the past years, resulting in a kWh/average FTE reduction of 29% (2023: 22%) since 2019. Overall, this trend continued in the reporting period:

- **Renewed voluntary commitment to optimise energy efficiency.** As a participant of the voluntary energy programme run by the Energy Agency of the Swiss Private Sector (EnAW) in Zurich since 2012, we have committed to optimising energy efficiency and actively reducing carbon emissions by collaborating with the EnAW, an official partner of the Swiss Federal Government and cantons for energy savings and climate protection. In 2024, the contract was renewed with an updated commitment.
- **Continued reduction of use of electric power.** The replacement of the cooling systems at the headquarters in 2023 – and since then re-using cooling energy from an ice-hockey stadium nearby in Zurich Altstetten – had a favourable effect. In addition, double monitor screens were replaced by more efficient curved screens, and the switch to LED lights was completed at the headquarters.

		2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Electricity	kWh/FTE avg	1,045	1,222	1,767	1,845	2,317	2,570	2,633	2,525	2,649	2,944	3,188
Gas	kWh/FTE avg	398	398	372	1,361	871	850	1,231	1,220	1,695	2,351	1,983
District heating/cooling	kWh/FTE avg	994	1,049	765	9	-	-	-	-	-	-	-

Coverage: Excluding Cembra Latvia. From 2021, heating includes oil and natural gas. Until 2020, heating consisted of gas heating at headquarters only. Since 2023, district cooling included in district heating/cooling.

- **Remaining electricity consumption largely from renewable sources.** In terms of our operations, the energy consumption accounts for the largest impact on the environment. Since 2016, 100% of the electricity we consume at our headquarters (accounting for about three quarters of all employees) is generated from renewable sources. Moreover, our branches use an electricity mix whereby most of the electricity is derived from renewable sources.
- **New contract with lessor to further reduce carbon emissions from heating:** Since 2022, Cembra’s headquarters use district heating. These environmentally friendly and energy efficient thermal networks, which are largely powered by waste and biomass, replaced the gas heating at our headquarters. In the second half of 2024, we established a new contract with the lessor at our headquarters, in which the share of renewable energy was increased from 75% to 100% in district heating, partly already affecting the 2024 financial year. The majority of our branches consume natural gas for heating, and heating oil is used by two branches.
- **Stable procurement of energy.** To ensure our business operations are not impeded, we have a strong interest in maintaining a stable procurement of energy.
- **Company fleet:** In 2020, Cembra had adopted a new internal target to significantly reduce carbon emissions from its own vehicles. In 2024, the number of cars in our fleet declined by 14% and amounted to 51 (2023: 59). The share of electric-powered vehicles (EV and PHEV) in our company increased to 82% (2023: 58%). As a consequence, the total number of kilometres travelled by our company fleet decreased by 19% from 2023 to 2024.
- **Employee benefits to support the use of public transport:** We encourage our people to commute using public transport as part of our employee benefits; in fact, the majority of public transport commuting costs are covered by Cembra for most employees (see page 65). In 2024, our employees commuted 5.7 million kilometres (2023: 6.5). Including homeworking this represents a carbon footprint of 482 tCO<sub>2</sub>e, or 0.60 tCO<sub>2</sub>e per FTE.

**Emissions from financed assets in the vehicle leasing business**

Cembra is financing electromobility in Switzerland, offering loans and leases for electric vehicles.

The Swiss vehicle leasing market is driven by international and national regulatory trends, which follow a net zero strategy in 2050 in accordance with the Paris Agreement and foresee a phase-out of fossil fuel-based vehicles in the mobility sector. In the mid and in the long term, electric vehicle leasing is expected to generate an increasing share of the market, with the supply of used vehicles expected to increase.

In the mid and long term, we are aiming to increase the share of our business related to electric mobility and specific financing products in line with the market trend. In general, leasing can be seen as an environmentally friendly means to prolong the lifecycle of used vehicles. In 2024, Cembra's vehicle financing portfolio accounted for 74% used cars (2023: 71%).

In 2024, Cembra estimates its assets relating to traditional vehicle engines to 91% of the total auto assets (2023: 88%). The decrease of the share of financing electric vehicles corresponds with the decline of such sales in Switzerland to 28% (2023: 30%). Over the mid to long term, Cembra expects the share of electric vehicles financed to again increase.

**Overall assessment of the effectiveness of the climate-related measures taken**

Over the last years, Cembra has significantly extended the assessment, the management and the reporting on carbon emissions.

Since 2020 we have adopted a scope 1 and 2 reduction target. In 2022 we began to disclose our operational scope 3 carbon emissions, and since 2024 we report on the full scope 1, 2 and 3 emissions.

Cembra has set ambitious targets to reduce its emissions also in the medium (2030) and long term (2050). The targets for reducing the most material categories (mainly part of the operational scope 3 emissions) are backed by effective measures to decarbonise our direct and indirect emissions.

As part of our groupwide risk management approach, we continued to integrate climate-related risks as a risk driver in our existing risk management framework and the associated processes. In 2024 we also refined our climate-related opportunities and risks. The top opportunity (financing clean mobility) and the top risks (distribution partner and object valuation risks) are directly related to our vehicle leasing business.

Our vehicle leasing business is monitored through financed emissions related to scope 3.15, metrics about our vehicle leasing business, and our exposure to carbon-related assets.

Currently Cembra concludes that these elements contribute to the resilience of our approach to address climate-related topics. We will continue to observe relevant trends and regulatory change to adapt our approach.

## 7 Business integrity

### Aim and approach

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As an independent bank that has been listed since 2013, we are required to comply with strict regulatory requirements. We continuously aim to provide greater transparency than most of our competitors, many of which are neither listed nor have a banking licence. However, as a market leader, we are convinced that strict regulatory requirements and transparent information are a good way to foster greater confidence, particularly among customers and other key stakeholders who want to know about the Group's financial and non-financial services, its business practices, and the integrity of the senior management. For us, business integrity in many aspects implies going beyond the mere legal requirements that we need to fulfil and act in a way that ensures we are perceived as a transparent and trustworthy business partner, such as ensuring responsible cooperation or supporting customers in financial difficulties.

Due to the nature of our financing products and services, we have to handle a large amount of sensitive and personal data. It is therefore our duty to handle and store data with diligence and take adequate protective measures. Therefore, the protection of data and security of customers' and employees' privacy is a key priority of our data governance.

Clearly defined structures, responsibilities and processes, as well as their regular review, enable us to manage compliance and reputational risks in a highly regulated and competitive market with increasing customer and stakeholder expectations. With zero-tolerance as for integrity breaches, we continuously aspire to be a trusted business partner.

Cembra operates predominantly in Switzerland, where there are relatively low risks of financial crimes. We nevertheless apply international standards to effectively fight against corruption, money laundering, terrorist financing and the circumvention of embargos (see below for related policies and processes).

Our commitment (see table page 39) implies both, business and management integrity. Our employees are required to act in the best interests of the Group and our customers. At the same time, they are responsible for their business activities to be documented and comply with the law. Through our training and performance management system, employees gain in-depth knowledge of products, processes and market conditions and stay on top of the latest trends, innovations and regulations. The company's governance framework ensures these standards and provides visibility of possible compliance breaches or misconduct enabling timely measures to minimise potential damage.

We are maintaining a good relationship with our regulators, by approaching potential issues in a proactive and transparent manner.

### Progress in 2024

In 2024, there were no reportable cases on our business integrity commitment (2023: no cases)

### Compliance and risk framework

Cembra has detailed internal regulations in place, which, among other elements, aim to prevent bribery and corruption. These include the codes of conduct for the Group and its business partners, regulations and processes to prevent fraudulent practices by external parties, the undue acceptance and presentation of gifts, sponsoring and contributions (summaries of the most relevant policies and directives are available at the end of this chapter). Cembra is fully committed to adhere with global regulations with effect on the territory of Switzerland, such as the Foreign Account Tax Compliance Act (FATCA) and the Automatic Exchange of Information (AEI) in order to prevent tax evasion.

The Group applies the concept of three lines of controls to manage risk and monitor compliance with legal requirements and internal regulations (see Risk Management Report pages 20 for more details). Binding, regularly updated processes further ensure that the Group complies with applicable laws and regulations. Various policies and directives are in place to ensure business integrity and a high level of compliant, responsible behavior.

Operating guidelines for reporting irregularities and suspicious transactions are complementing the policies and directives and facilitate the due implementation of the respective processes (e.g. AML, see page 73).

### Accountability of the Board of Directors and the Management Board

The Board of Directors and the Management Board establish a culture in which employees are aware of their responsibilities and can express concerns without fear of reprisals. Directors and managers promote ethical behavior and provide adequate resources for the Bank's compliance programme.

Each member of the Management Board is accountable for the ethical behavior within his or her respective area of responsibility. They are responsible for addressing compliance-breaches, following specified procedural requirement for an auditable investigation, remediation and document retention. These rigorous requirements are complemented by an established whistleblowing-procedure, including the internal ombuds person and the anonymous, independent external ombudsperson, represented by a large, well-reputed law-firm in Zurich.

The Management Board is the highest level of executive oversight for the company's anti-bribery and anti-corruption programme and for business ethics. A compliance report, including but not limited to a risk assessment, review plan and anti-money-laundering report, is resolved by the Management Board and the Board of Directors every year and updated quarterly.

The compliance department is represented on the Management Board by the General Counsel.

### Mandatory training for employees

Cembra has a comprehensive programme of mandatory training based on both regulatory and in-house requirements for all employees (for details see page 50). Employees are required to complete this mandatory training once a year and confirm their skills by successfully completing several online tests.

- **Annual mandatory training for all employees on ten topics:** General compliance, operational risk awareness, reporting obligations for employees, anti-money-laundering compliance, Bank-wide information security, business continuity management awareness, data protection, insider trading, conflicts of interest, and industry data security standard for payment cards.
- **Annual mandatory training for specific target groups:** Credit cards, insurance (intermediation), fraud prevention, identity and access management.
- **Mandatory training for all new employees:** Onboarding day typically at the start of the employment.

Cembra's head of people and culture is responsible for ensuring that all mandatory training is made accessible to employees. The members of the Management Board are responsible for ensuring that all targeted employees successfully complete the mandatory training courses.

### Code of Conduct

Cembra introduced a Code of Conduct in 2005, and it has been updated several times. The current version was approved by the Board of Directors in March 2020, published in April 2020 and reviewed for topicality in May 2022. In our Code of Conduct, we have defined internal rules that include compliance with laws and professional standards and form the basis for our behaviour, supporting our long-term success. The Code of Conduct is intended to provide clear guidance for all employees as to the principles that must be complied with and the rules by which Cembra is governed. The Code of Conduct addresses the areas of basic conduct requirements, Cembra's responsibility as an employer, Cembra's responsibility in dealing with customers, business partners and third parties, the personal integrity of Cembra employees, Cembra assets, and Cembra's responsibility to society and the environment. Cembra conducts occasional audits to determine internal compliance with its Code of Conduct, via first-, second- and third-level controls (three lines model, see Risk Management Report page 21). The Code of Conduct is available at <http://www.cembra.ch/governance>.

### Coverage

Compliance with the Code of Conduct is mandatory for all employees and for the members of the Board of Directors. The Code of Conduct is an integral part of all employment contracts and is available in four languages (German, English, French, and Latvian), and it has been adopted by Cembra's operational subsidiaries.

### Implementation and training

Annual training on the Code of Conduct is mandatory for all employees.

- All new employees are given the Code of Conduct as part of their employment contract.
- All employees are required to attend annual online compliance training that covers key components of the Code of Conduct. All employees take an annual online test to demonstrate that they understand the contents of the Code of Conduct, the whistleblowing process, and the related procedures. Regular controls based on the three lines 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 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 general counsel or to the Audit and Risk Committee. Violations by the CEO must be reported to the Chairman of the Board of Directors.
- Violations of the Code of Conduct have a negative impact on employee performance reviews and may affect variable compensation. Such violations may also result in disciplinary actions, including dismissal.
- All employees in scope completed the mandatory online compliance training including the Code of Conduct and pledged to comply with the provisions of the Code.
- All employees are required to sign-off on the key compliance policies as part of the annual e-learning programme. The execution on this sign-off requirements is controlled by the internal control system and run by the risk function.
- For further details on mandatory training, see the section on development and training, page 50.

### Whistleblowing process

The Code of Conduct, various policies and the groupwide 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 regulations and procedures.

- Cembra does not tolerate reprisals against anyone who reports alleged violations in good faith.
- Employees can report suspected violations internally (to their supervisor, human resources department, compliance department or the internal ombudspersons) or to the independent external ombudsperson. A form is also available on the Cembra intranet.
- All employees are informed about the ombudsperson and educated about what to do and whom to contact if they uncover possible violations.
- Whistleblowers can report their concerns confidentially and anonymously. The whistleblowing process is subject to regular reviews by compliance. Violation of the Code of Conduct by Board members, the Management Board or employees can lead to disciplinary measures. Violations amounting to criminal behaviour will be brought to the attention of the competent authorities. If suspected violations of the Code of Conduct are reported, Compliance will investigate. If a violation is confirmed, Compliance will inform the relevant supervisor and the member of the Management Board.
- In 2024, no cases were reported (2023: one case).

### Anti-corruption measures

Although Cembra operates predominantly in Switzerland, where there are relatively low risks of corruption compared with other countries (following surveys by Transparency International and World Bank), Cembra applies international standards to prevent corruption (e.g. code of conduct, internal regulations on AML, fraud prevention and on acceptance and presentation of gifts), which govern processes and behaviour. Such international standards are also contractually imposed on our key business partners and suppliers, following a third-party risk assessment. Processes and controls are designed and implemented to effectively assure compliance with these standards. Employees have to complete regular trainings to ensure awareness and compliance.

### Grievance procedures

Information and general guidelines on Cembra's grievance mechanisms concerning matters of employees' personal interests (including freedom of association) can be found in the Code of Conduct itself as well as the Bank's intranet, to ensure that all employees are aware of the applicable reporting procedures (including the internal and external ombuds system). Furthermore, Cembra's staff regulations also encourage all employees to report any violations (including suspected violations) or unethical behaviour. Violations can be reported anonymously by phone or via email to an external ombudsperson.

### Political involvement

Cembra does not make any political contributions, as stated in the Code of Conduct chapter 3, paragraph 5. Also, the internal regulations on sponsoring, contributions and donations state that no support shall be given to political parties (find more information on the respective policy below).

### Human rights

By signing the UN Global Compact in 2020, Cembra publicly committed to observing and complying with the Ten Principles, which include human rights. Furthermore, we acknowledge, support, and respect the UN Guiding Principles on Business and Human Rights (UNGPs), the Universal Declaration of Human Rights, and the fundamental labor rights outlined in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Within our sphere of influence, we support the protection and promotion of human rights and set the frame that all employees act in accordance with internationally recognised human rights. We do not tolerate child labour or forced labour or any other form of exploitation of human beings. This applies to our own operations, employees, products and services and is also something we require of our suppliers and partners.

At the Sustainability Committee meeting in September 2024, the actual or potential human rights issues were reviewed and Cembra committed to continue fulfilling the UN Global Compact's Ten Principles.

Cembra has several internal regulations in place to facilitate compliance with human rights. These include the Code of Conduct, the Business Partners' Principles of Conduct and the staff regulations which govern internal regulations, processes, and behaviour. These policies are binding for all employees and contractually agreed with third parties. The controls and processes are in place to ensure the compliance with the requirements.

### Supplier standards and management

Cembra's supplier selection is based on comprehensive assessments, which include but are not limited to criteria about sustainability and risk control, as applicable. In order to safeguard the social, environmental and economic impact of our extended supply chain, we recently issued a set of updated supplier standards and values.

#### Supplier standards

Through our supplier standards (Business Partners' Principles of Conduct, available at [www.cembra.ch/sustainability](http://www.cembra.ch/sustainability)) our business partners and their subcontractors agree to comply with all applicable laws, regulations, industry standards, agreements and guidelines relating to social standards (including labour law and occupational health and safety regulations). This includes but is not limited to data protection impact assessments with suppliers. This includes providing a safe working environment that ensures the physical and mental integrity of employees at all times.

Our supplier standards are derived from the Code of Conduct. They explicitly cover integrity, anti-corruption and social and environmental standards and are aligned with the principles of the UN Global Compact. With our approach, we strive to embrace areas that are not comprehensively covered by law or where we need our suppliers to adhere to more stringent standards than those applicable in their respective locations. As an example, we require explicitly that our suppliers ban child labour, forced labour, discrimination, harassment and abusive behaviour and that health and safety requirements are met throughout their entire value chain (i.e. including upstream subcontractors and auxiliary staff in all geographic regions).

#### Coverage

Besides ensuring that our key suppliers are aware of and fulfil our sustainability expectations, our supplier standards also aim to raise awareness and to develop our other suppliers regarding sustainability, especially those that do not already have their own sustainability programmes. Most of our suppliers are Switzerland-based companies with extensive supplier standards that fulfil Cembra requirements. Cembra has updated templates of the framework contract to include these standards. The templates are now in use whenever framework contracts are renewed or when larger new contracts are awarded based on Cembra templates. This means that the standards will be contractually endorsed following a risk-based approach: larger suppliers, operating in regions with lower standards than Switzerland, have endorsed the standards and those remaining are addressed, as needed, e.g. part of the renewal cycle. In those situations where an increased sustainability risk has been identified and the contracting is not based on Cembra templates, we apply a case by case, risk-based approach. We typically strive to include a reference to our Standards unless we see that coverage of our principles is in principle otherwise established (e.g. own sustainability programmes).

### Supplier management processes

We rely on a multi-layered enforcement process:

- Our supplier standards are available on our website, and our suppliers will be actively and continuously made aware of our requirements throughout the procurement lifecycle.
- For our key suppliers – i.e. all third parties delivering products or services to the Bank that may directly support the delivery of core banking processes –, the supplier standards are integral part of the contractual framework unless already covered in Partner standard contract governing the business relationship. We continuously extend coverage and include the supplier standards in all relevant supplier agreements by renewing and extending existing contracts, thereby making it a contractual obligation. Where large key suppliers do not accept deviations from their standard contractual language, such suppliers run their own sustainability and corporate social responsibility programmes, substantially covering our standards.
- Our key suppliers are obliged, and all others are expected, to report and mitigate breaches of the supplier standards upon detection of a problem. Breaches are monitored and followed up on by Cembra.
- Most of the requirements imposed on our suppliers are legal requirements, covered in an industry standard and widely accepted. For many aspects, compliance is independently monitored and enforced by public authorities, industry bodies, regulators, and other institutions.

Cembra's sourcing and vendor management departments are responsible for continuously raising awareness of Cembra's requirements, enforcement approach and controls among all relevant internal stakeholders.

### Controls

We require our key suppliers to have a robust control system in place in order to detect failures to comply with standards and to ensure that corrective action is taken. This is complemented by an obligation for Cembra employees in charge of a specific service or supplier to report and escalate any observation of non-compliance, as well as to carry out periodic checks of key suppliers. In cases of non-compliance, we review the seriousness of the specific case and take appropriate corrective action. Additionally, all new suppliers are screened, including through watchlist screening and further checks depending on services and the extent to which data is shared. The intensity of these checks depends on the type of relationship and integration with Cembra. The highest level of diligence is applied when secret, confidential or otherwise very sensitive data are shared and/or a material outsourcing is in place. The risk assessment is reviewed periodically. We manage third-party information security risks, focusing on key suppliers. We ensure our suppliers implement stringent security measures to protect sensitive information. Key suppliers are assigned minimum yearly performance assessment ratings covering all critical aspects of supplier performance.

We are continuously working with our suppliers to improve our control quality and appreciate all related efforts.

### Audits

Key suppliers are contractually obliged to report (suspected) breaches without undue delay. Non-compliance is treated on a case-by-case basis, with consequences ranging from supplier development to contract termination, civil and penal action. For our key suppliers, we undertake regular performance review meetings, and adherence to data protection and information security requirements is monitored through a risk-based approach (controls ranging from self-declaration to on-site audits).

### Training

The sourcing and the vendor management department includes senior employees who actively draw up Cembra policies and supplier standards (and hence do not require training themselves). New and existing sourcing employees undergo both Cembra-wide and department-specific onboarding processes and receive training covering corporate responsibility and sustainability requirements.



### Privacy and data protection

The protection of personal data, using lawful and transparent data processing, is important to us. We regularly review and optimise processes and controls in order to protect personal data, including customer data. We have implemented a comprehensive framework to ensure data protection, banking secrecy and information security, in order to adhere to applicable legislation and regulations.

- The Group implements this framework with the overall intent of ensuring that critical information, personal data (such as customer data), and information technology relevant to data processing are protected. This framework also covers the protection of data processed by service providers. Such service providers are diligently selected, instructed, and controlled.
- All employees receive regular training on data protection, information security and cyber-crime (e.g. awareness about phishing). For further details see the section on mandatory training, page 50.
- Cembra has published a privacy policy that sets out the rules governing data processing in the Bank and the corresponding rights of customers. The Bank's privacy policy is published on Cembra's website (<https://www.cembra.ch/en/legal/privacy-policy/>) and applies to all relevant business lines. It informs customers about the Bank's data processing and provides all information on how to exercise their rights.

Cembra adheres to the duty to report cyber-attacks pursuant to Article 29 para. 2 FINMASA. Such cyber-attacks could lead to potentially severe information security incidents, including breaches of data confidentiality. In 2024, Cembra did not report any cyber-attack pursuant to Article 29 para. 2 FINMASA with the regulator.

Furthermore, the Bank has implemented and maintains response plans in line with the requirements of FINMA and the Swiss Federal Act on Data Protection (FADP), namely the notification to the Federal Data Protection and Information Commissioner (FDPIC). This also includes response plans with notification requirements towards the customer.

Cembra conducts regular audits of its information security, cyber-security and data protection frameworks and related process and technology control effectiveness. Audit frequencies are determined in accordance with internal and external policies, and audits are usually conducted at least on an annual basis.

### Ensuring the business integrity of partners

The Group conducts business across Switzerland via a network of branches, as well as alternative sales channels such as online, credit card partners, independent intermediaries (personal loans) and car dealers (auto leases and loans).

#### Longstanding active relationships

We maintain close, longstanding relationships with our distribution partners. In many cases, partnerships have been developed over several decades. At year-end 2024, 88 (2023: 102) independent intermediaries were originating personal loans for the Bank. In the auto leases and loans segment, we partner with around 3,200 car dealers. In the credit card segment, we have longstanding relationships in Switzerland with Conforama (since 2008, renewed in 2022), Touring Club Suisse (since 2011, renewed in 2024), and FNAC (since 2016, renewed in 2022). In 2019 and 2020, new partnerships were entered into with the retailers LIPO and IKEA Switzerland and in 2022 with SPAR Switzerland. In September 2022, we entered a partnership with the leading Swiss payment app TWINT.

#### Processes in place to ensure business integrity and ethical conduct

We are committed to working together with our business partners to serve the interests of our clients. Partnerships are designed to ensure service quality and product integrity. Cembra has various processes in place to ensure compliance, good governance and risk management practices, and ethical business conduct in partnerships.

- Our collaboration with independent intermediaries and car dealers is guided by standard procedures to minimise risks of non-compliant behaviour.
- 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.
- All partners undergo anti-money-laundering (AML) screening processes (see above).

### Overview: quality assurance, training, responsibilities, and monitoring of business partners

	Independent intermediaries	Car dealers	Credit card partners
<b>Quality assurance</b> We require our business partners to meet high standards of integrity.	Quality is reviewed monthly, with more in-depth reviews conducted quarterly.	Quality is reviewed yearly or at least every three years.	Credit card partners and their branches are regularly visited by a review team.
<b>Training</b> We provide regular training to ensure business integrity.	Training focuses on business and product strategies, products, processes and compliance.  Around 88 independent intermediaries receive training each year. In 2024 all training sessions were conducted.	Training focuses on business and product strategies, products, processes and compliance.  Training is given to our dealers mostly locally by our 22 sales area managers.	Retailer credit card partners receive regular training and additional onboarding training for new partnerships.  The number of point-of-sale training sessions amounts to about 300, reflecting increasing needs, for our partners' about 90 branches. In 2024 the training sessions were conducted both at the partners' locations and virtually.
<b>Responsibilities and monitoring</b> Various departments (including compliance, underwriting and – through guidelines and escalation processes – risk management) are involved in the quality assurance processes.  Bank departments handle the budget calculations and underwriting processes internally. The Bank always has the ultimate responsibility for approving a loan, a lease or a credit card and bears the risk for possible losses due to default.	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 sales area managers, who report their findings via an online tool. Abnormal findings are investigated, and in case of non-compliance by the dealer, the partnership is terminated.	Credit card partners and their branches are regularly visited by a review team. They provide support and perform spot checks of customer applications. Any irregularities are investigated jointly with the partners and are reported internally. Additional training sessions are provided where deemed necessary.

### Other policies covering aspects of business integrity

In addition to the Code of Conduct and the Business Partners' Principles of Conduct (both available on our website), Cembra has put in place other internal regulations.

- Each policy and directive are reviewed and updated on a regular basis.
- As with the Code of Conduct, there is an annual e-learning programme, which is mandatory for all employees covering the most important topics and other related policies.
- An internal monitoring system is implemented by the control functions (risk and compliance).
- Internal regulations are applicable to all employees and enforceable with disciplinary measures under labor law.

The most relevant internal regulations (policies and directives) are described below.

### Anti-money-laundering (AML)

As a financial intermediary, the Bank is subject to the Anti-Money-Laundering Act and thus operates a programme to prevent money laundering. Some of the key requirements are the following:

- We systematically assess customers and partners before concluding 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 concluded. In addition to 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 introductory training that covers the Bank's AML programme and then attend regular refresher training sessions in subsequent years (see the chapter on people and development, page 50).

### Fraud prevention

Internal regulations govern the competencies, measures, and controls for preventing fraudulent practices including cybercrime that can adversely affect the Bank. Some of the key requirements are the following:

- Cembra defines the processes, roles and responsibilities needed to prevent suspected cases of fraud by external parties and to investigate such cases accordingly.
- The risk function is in charge of setting up a strategy for preventing fraud and conducting further investigations.
- To ensure the timely monitoring of operating activities, the risk function is supported by other departments within the business to customer area.

### Acceptance and presentation of gifts

In addition to the Code of Conduct, there is also a policy on accepting and presenting gifts. This policy sets out the standards of behaviour to be maintained by all employees when giving and receiving gifts or where business entertainment is accepted or provided. Some of the key requirements are the following:

- Conflicts of interest must be avoided, and the Bank's reputation protected.
- Furthermore, it sets out competencies regarding the administration of customer and partner gifts of any kind.
- It covers receiving gifts, presenting gifts and events. In particular, the policy stipulates under which circumstances gifts and invitations can be accepted, the principles that are observed when the Bank presents gifts to third parties, and the ethical behaviour to be followed by the Bank as a host of events or by employees as guests at events. Furthermore, it states that granting or accepting facilitating payments or goods is strictly forbidden. The legal and compliance departments are responsible for any changes to this policy.

### Sponsoring, contributions, and donations

Internal regulations set out the requirements to be observed in connection with sponsoring activities and the awarding of contributions and donations. It defines criteria for sponsoring and donation purposes and corresponding review and approval processes; it is applicable to all employees of the Bank. When working with third parties (e.g. advertising agencies), it must be ensured that such third parties also comply with and implement the requirements of this policy.

Providing sponsoring and making contributions or donations to organisations, interest groups and associations is intended to strengthen Cembra's image. Such activities are also an opportunity to create a platform for active customer care. Some of the key requirements are the following:

- Contributions may only be awarded to those institutions and organisations with which goodwill will be created, in the specific interests of the Bank or a subsidiary and its sales channels.
- No support shall be given to political parties.
- Contributions with a strictly personal connection are not permitted. Furthermore, contributions may not be awarded in cases where an applicant's request is made solely with reference to an ongoing or terminated customer relationship.
- The internal review and approval process for donations provides details in accordance with the above criteria.

**Securities trading and use of insider information**

The purpose of these internal regulations is the prevention of insider trading and market manipulation. Some of the key requirements are the following:

- An orderly information flow and reporting obligations.
- Immediate capital market information concerning non-public, potentially price-sensitive facts in accordance with the Listing Rules.
- Prevention of market abuse.
- Rules and procedures applicable to any third parties providing services having access to insider information (maintaining of insider list and documentary requirement).

**Marketing activities and customer relationship management**

The internal regulations describe both the regulatory and internal requirements applicable to marketing and advertising activities. They specify the requirements related to the development of marketing and advertising activities/materials and the corresponding design requirements and approval process. Some of the key requirements are the following:

- Consumer credit contracts (including lease and loan agreements, credit, and customer cards) may not be advertised aggressively.
- In product advertising, the relevant provider (company) must be clearly specified and a calculation example, including the effective interest rate and the total costs, must be provided in all cases.
- An over-indebtedness warning must be included, referring to the fact that any loan that would lead to the consumer taking on too much debt is prohibited.
- All application forms for products offered by the Bank or its subsidiaries must contain a notice concerning data protection and processing, in particular for marketing purposes.
- Appropriate controls must be implemented to ensure compliance with the requirements of the policy.

**Flexible Work Arrangement Framework**

The Bank is committed to fostering cooperation based on mutual trust and supports flexible ways of working, provided that the personal needs of employees can be reconciled with company goals. As a result, the Bank has acted on the desire for greater flexibility and to work from home; it has also adapted to changes in working practices. The internal regulations demonstrate various working models offered by the Bank and is the responsibility of human resources. Some of the key requirements are the following:

- Specifies the criteria to apply when deciding which working models are appropriate for which area of activities.
- Sets out the guiding principles for effective implementation of a flexible working culture (e.g. customer focus will not be compromised) and describes different work options (flexible location or time, part-time working, job-sharing). Employees may freely choose their own ways of working in conjunction with their line managers, considering the Bank's core principles.
- Addresses how to deal with data protection, banking and business secrecy and work equipment and costs when working remote and outside the business premises.

## 8 Community engagement

### Aim and approach

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Our community engagement aims to have a positive impact on society. Despite such engagement is not considered to be a highly material topic by our stakeholders, it is important for our employees as well as for communities in the society. We therefore address the topic separately in this chapter.

At Cembra, we see ourselves as part of a wider social network and as a community member. Being part of the local community comes with great advantages but also responsibilities. We take our social responsibility seriously, want to be a good corporate citizen and are committed to important social policy issues. We see ourselves as equal partners, and we attach great importance to supporting projects and initiatives over the long term.

Our community engagement has three goals:

- **Enhancing understanding and awareness about social responsibility in general:** Our social engagement aims not only to take our responsibility towards society seriously but also to foster understanding about social responsibility.
- **Engagement for Cembra's social responsibility:** The voluntary contribution by employees to social projects has a positive social impact. It also has a positive effect on the feeling of togetherness within the company, contributing to a greater awareness of Cembra's social responsibility.
- **Strengthening employee loyalty:** Finally, we are convinced that social engagement strengthens our employees' loyalty to the company.

### Progress in 2024

In 2024, we continued our long-term oriented community engagement activities.

Alongside other activities (e.g. collaboration with Swiss Red Cross by organising blood drives and the Pink Ribbon Charity Walk), we work with Swiss schools (years one to nine) through the YES programme "Personal Economics". As a Cembra volunteer, employees can take on the role of teacher for some lessons and can make an important contribution to the practical entrepreneurial education of children and young people. Cembra employees supported the Theodora Foundation at the Kid's Day to fund raise the Giggle Doctors' visits to children in hospitals. Volunteers also support the Children's Cancer Aid Switzerland at holiday camps in Lenzerheide and Engelberg, caring for children and allowing parents to take a break from everyday life.

In the last quarter of 2024 we evaluated and re-designed our community engagement activities in order to enhance the influence and awareness of our various initiatives. In November 2024, a company-wide event was held to bring forward social and environmental employee engagement and volunteering initiatives. Cembra supports volunteering activities by counting such activities as working time if they take place on weekdays.

Cembra regularly informs all employees about the community engagement and volunteering activities. We also kept a constant dialogue with our partners.



# Independent limited assurance report on Cembra Money Bank AG's Sustainability Report 2024

## To the Board of Directors of Cembra Money Bank AG, Zurich

We have undertaken a limited assurance engagement on Cembra Money Bank AG's (hereinafter "Cembra") Sustainability Information in the following sections of the Sustainability Report as part of the Annual Report 2024 on pages 33-75 for the year ended 31 December 2024 (hereinafter "Sustainability Information"):

- Our approach to sustainability
- Customer orientation
- Quality and integrity of products and services
- People and development
- Environmental stewardship
- Business integrity
- Community engagement

## Our Limited Assurance Conclusion

Based on the procedures we have performed as described under the '*Summary of the Work we Performed as the Basis for our Assurance Conclusion*' and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Information is not prepared, in all material respects, in accordance with the Sustainability Reporting Criteria.

Our assurance engagement and our conclusion do not extend to information in respect of earlier periods or future looking information or to any other information included in the Sustainability Report 2024 or in the Annual Report 2024, information linked from the Sustainability Report 2024 or from the Annual Report 2024, or any images, audio files or embedded videos, nor to the requirements of Article 964d–964l of the Swiss Code of Obligations (Swiss CO).

## Understanding how Cembra has Prepared the Sustainability Information

Cembra prepared the Sustainability Information using the following criteria (hereinafter referred to as the "Sustainability Reporting Criteria"):

- Global Reporting Initiative (GRI) Standards;
- For the sections referenced within the "Swiss Code of Obligations" content index on page 35 – Article 964b (1) and (2) of the Swiss CO;
- For the sections referenced within the "Ordinance on Climate Disclosure" content index on page 36 – Article 3 of the Swiss Ordinance on Climate Disclosures and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Consequently, the Sustainability Information needs to be read and understood together with these criteria.



## Inherent Limitations in Preparing the Sustainability Information

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur in disclosures of the Sustainability Information and not be detected. Our engagement is not designed to detect all internal control weaknesses in the preparation of the Sustainability Information because the engagement was not performed on a continuous basis throughout the period and the audit procedures performed were on a test basis.

## Cembra's Responsibilities

The Board of Directors of Cembra is responsible for:

- selecting or establishing suitable criteria for preparing the Sustainability Information, taking into account applicable law and regulations related to reporting the Sustainability Information;
- preparing the Sustainability Information in accordance with the Sustainability Reporting Criteria; and
- designing, implementing and maintaining internal control over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error.

## Our Responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our independent conclusion to the Board of Directors of Cembra.

As we are engaged to form an independent conclusion on the Sustainability Information as prepared by the Board of Directors, we are not permitted to be involved in the preparation of the Sustainability Information as doing so may compromise our independence.

## Professional Standards Applied

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information* (ISAE 3000), issued by the International Auditing and Assurance Standards Board (IAASB).

## Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work was carried out by an independent and multidisciplinary team including assurance practitioners and sustainability experts. We remain solely responsible for our assurance conclusion.



### Summary of the Work we Performed as the Basis for our Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. Carrying out our limited assurance engagement on the Sustainability Information included, among others:

- assessment of the design and implementation of systems, processes and internal controls for determining, processing and monitoring sustainability performance data, including the consolidation of data;
- inquiries of employees responsible for the determination and consolidation as well as the implementation of internal control procedures regarding the selected disclosures;
- inspection of selected internal and external documents to determine whether quantitative and qualitative information is supported by sufficient evidence and presented in an accurate and balanced manner;
- assessment of the data collection, validation and reporting processes as well as the reliability of the reported data on a test basis and through testing of selected calculations;
- analytical assessment of the data and trends of the quantitative disclosures included in the scope of the limited assurance engagement;
- assessment of the completeness of the Sustainability Report 2024 regarding the disclosures required by Article 964b (1) and (2) of the Swiss CO and Article 3 of the Swiss Ordinance on Climate Disclosures; and
- assessment of the consistency of the Sustainability Information with the other disclosures and key figures and of the overall presentation of the disclosures through critical reading of the Sustainability Report 2024.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

KPMG AG



Silvan Jurt  
Licensed Audit Expert



Saskia Weiss  
Licensed Audit Expert

Zurich, 19 March 2025