

2016

BUSINESS REPORT

on Sustainable Development
of the Swiss Youth Hostels



Swiss Youth
Hostels®

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Readability

For the sake of readability, the masculine form will be used throughout the business report on the sustainable development of the Swiss Youth Hostels. Wherever appropriate, use of the feminine form is of course implicit.

Unless otherwise specified, the published data and figures relate to the 46 lend/lease hostels (excluding franchises) operated independently by the Swiss Youth Hostels Association.

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FOREWORD

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The extent and rapidity with which Swiss tourism was confronted with a completely altered market situation is something that our generation has never before experienced. One of a number of reasons for this was the decision taken by the Swiss National Bank on 15 January 2015 to lift the minimum euro exchange rate. Climate change causing insecure snow conditions in the mountains, new travel and booking behaviour, terrorist attacks and the fear of such attacks, price dumping in the hotel business, and digital distribution channels that provide transparent offers and prices all represent ongoing changes that are difficult to influence. Waiting, hoping for better times and moaning are of no use. What is required is to adapt to the new market situation.

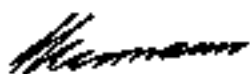
Indeed, we have adapted to the new market situation and developed our network. The acquisition of the historical Hotel «Bella Lui» in Crans-Montana will close a long-standing gap in the French-speaking Swiss Alpine area when the renovation work has been completed. Furthermore, Berne Youth Hostel is being extensively refurbished and expanded.

New offers, in particular for families, mean that the Swiss Youth Hostels are even more attractive. It is thus not surprising that our name recognition has further increased. A public opinion survey carried out by the polling institute LINK shows that recognition of our word and figurative marks (Jugendherberge, Auberge de Jeunesse, Albergo per la Gioventù, Youth Hostel) is at 43% across all the language regions, and at an outstanding 68% in German-speaking Switzerland. This has also had a positive effect on demand, with an increase in the share of guests from Switzerland to 66.5%. However, as a consequence of the difficult market situation, guests from Europe declined by 1 percentage point, and from other foreign countries by 1.2 percentage points. Overall, we recorded 723,951 overnight stays in our independently run hostels in 2016, which represents a decrease of 3.1% against the previous year. At CHF 46.03 million, operating income was slightly (1.2%) below the previous year's level, and thanks to very effective cost management, the cash flow was increased by 7.5% to CHF 8.9 million.

We have been consistently pursuing our sustainability strategy for years, and today we are considered pioneers in the hospitality sector when it comes to integrated environmental and climate protection. In the year under review, our work was honoured with the Special Swiss Environment Prize, the myclimate Award and the Global Youth Travel Award.

The Swiss Youth Hostels are champions of social tourism and strive to enable also those guests with a smaller budget to travel within Switzerland. However, our social commitment extends far beyond the Swiss borders. In 2016, thanks to our know-how transfer and financial support, it was possible to open the first youth hostel in Zanzibar. Furthermore, the hostel in Kathmandu (Nepal), that had been destroyed by the earthquake, was rebuilt with our assistance. We want to further strengthen international cooperation and actively participate in the development of youth hostels in more than 80 countries. This is exemplified by the election of our President Stephan Kurmann as the new Vice President of Hostelling International, which took place at the 51st International Conference.

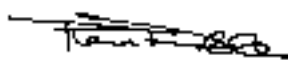
We can look back on an intensive year, during which time a great deal was achieved. We would like to thank all our employees, the honorary members of the Board of Management and Board of Trustees, as well as all our partners for their fantastic support!



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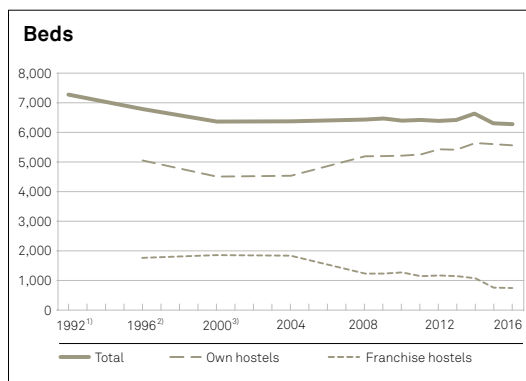
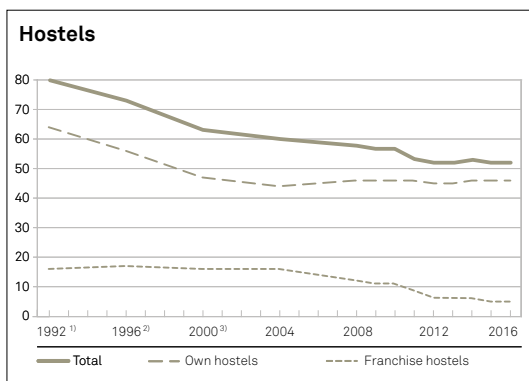
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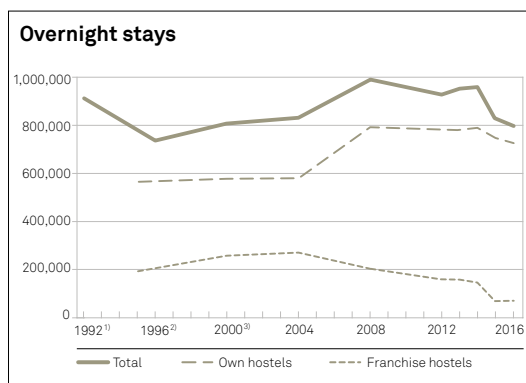
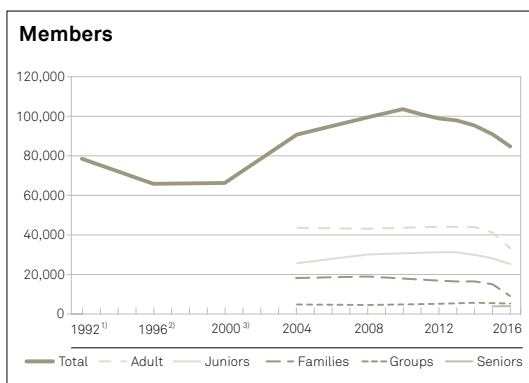
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KEY FIGURES

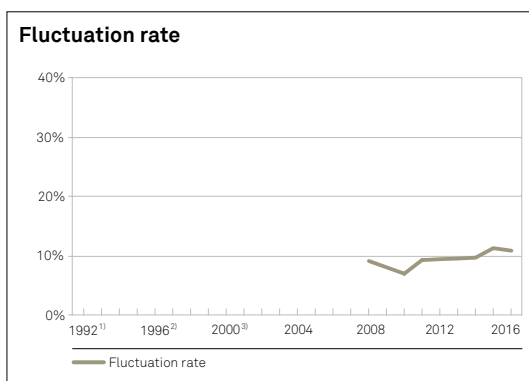
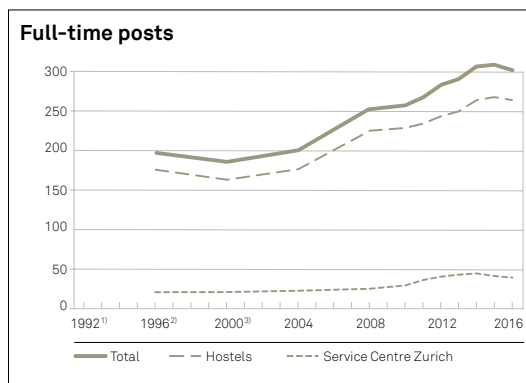
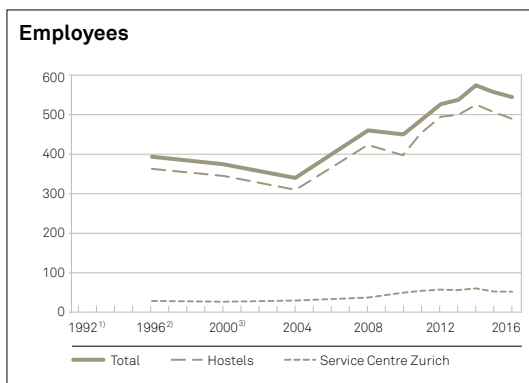
Our range of services



Our guests and members



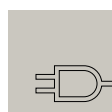
Our employees



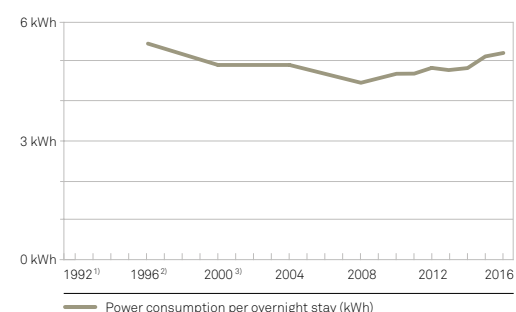
The relevant tables are listed at the end of the respective chapters.

- ¹⁾ First fiscal year following the merger of 14 independent districts
- ²⁾ Start of reorganisation
- ³⁾ Start of implementation of strategic planning
- ⁴⁾ Before allocations and write-offs

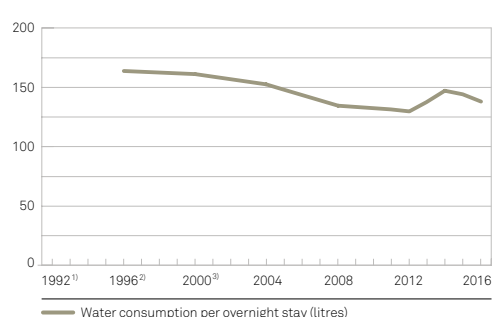
Our relationship with the environment



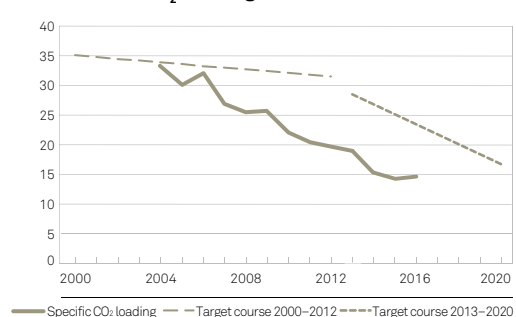
Electricity consumption



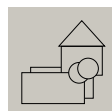
Water consumption



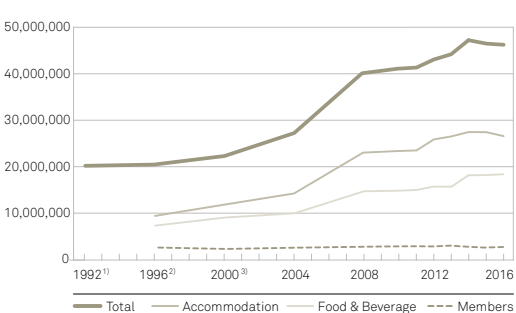
Reduction in CO₂ loading



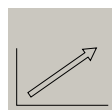
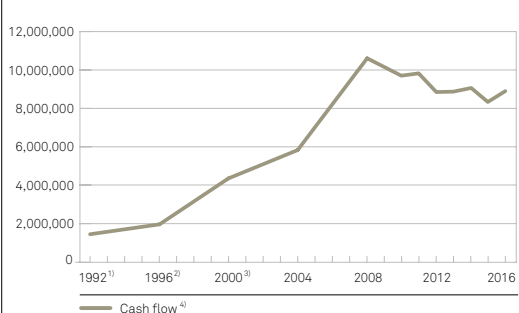
Our commercial viability



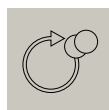
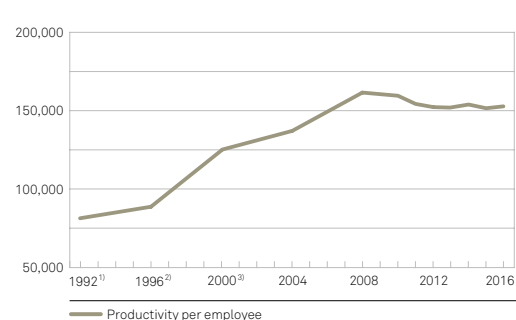
Operating revenue



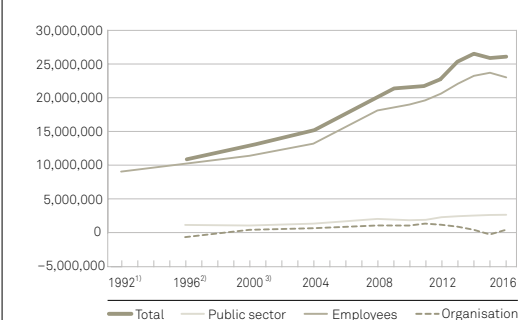
Cash flow



Productivity



Value added





We strive

- to promote quality-oriented, socially responsible and environmentally sound tourism for young people and families,
- to focus on human relations,
- to live up to the idea of partner-oriented thinking at all levels,
- to strengthen our image and standing as the most important tourist organisation for young people and families,
- to achieve appropriate business results in order to ensure the ongoing existence of our organisation.

Promoting responsible and sustainable behaviour is an important objective for the Swiss Youth Hostels. Accordingly, already in 1994 our mission statement laid the foundations for a balanced approach regarding our economic, social and ecological activities.

Our highest objective is the maintenance of inexpensive services. Nevertheless, we want to meet rising quality requirements. We wish to offer our guests a demand-conscious, innovative programme of services that is attractive and provides genuine alternatives to other forms of accommodation. In other words: to cultivate simplicity. We attach particular importance to transparent structures, personal management of our hostels, and a pleasant atmosphere. The Swiss Youth Hostels are a politically and denominationally neutral non-profit organisation, and as such are active in all parts of Switzerland and in the Principality of Liechtenstein.

Network strategy

The network strategy pursued by the Swiss Youth Hostels aims at the establishment and maintenance of a comprehensive network in attractive tourist areas and destinations in Switzerland and the Principality of Liechtenstein.

The network is divided into A, B and C locations. These are not defined by the youth hostels themselves but rather by the destinations in which the hostels operate, in line with their range of services and their marketing attractiveness.

A locations Internationally well-known tourist centres

Basel | ¹⁾Berne | Davos | Grindelwald | Interlaken | Lausanne | Lucerne | Montreux | Gstaad Saanenland | Saas-Fee | Schaan-Vaduz | St. Moritz | Zermatt | Zurich

The Swiss Youth Hostels are represented by three independent partner organisations:

- The **Swiss Youth Hostels Association** is responsible for the operation of the youth hostels in Switzerland and the Principality of Liechtenstein;
- The **Swiss Foundation for Social Tourism** is the proprietor of 29 youth hostels in Switzerland;
- The **Foundation for Youth Hostels in Switzerland** provides financial support in the form of long-term loans for purchasing land and for building, modifying, repairing and furnishing youth hostels.

B locations Destinations with high demand from Switzerland and neighbouring Europe

Avenches | Baden | *Bellinzona | Brienz | Brugg | ²⁾Crans-Montana | Dachsen am Rheinfall | *Engelberg | *Fiesch | Figino | Klosters | Kreuzlingen | Locarno | *Lugano | Pontresina | Schaffhausen | Scuol | Sion | Solothurn | St. Gallen | Valbella

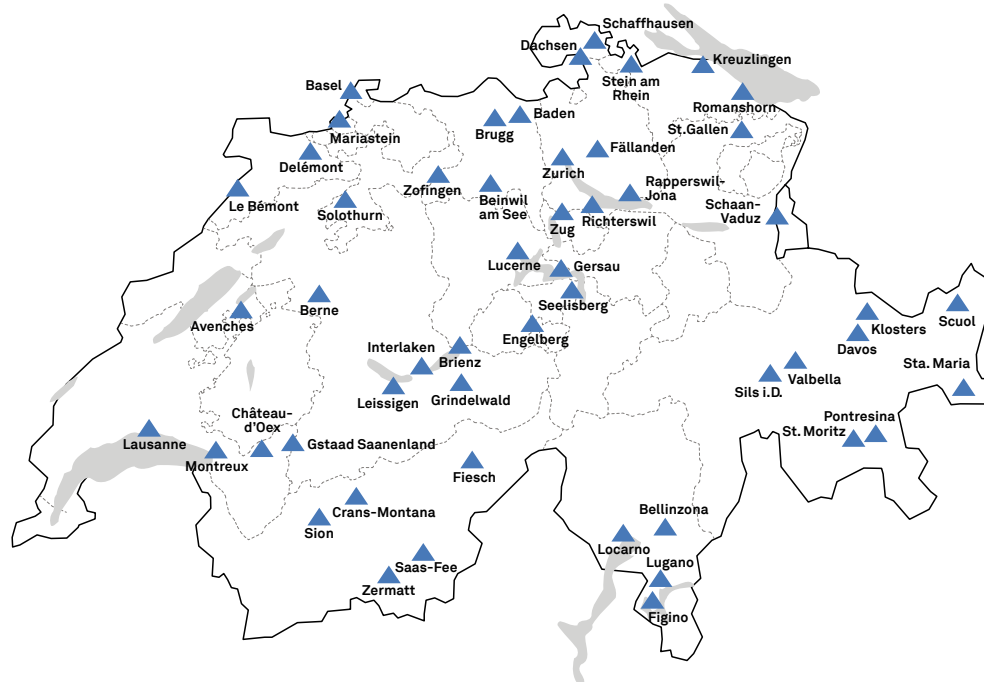
C locations Other locations that complement a diverse range of offers and with good coverage of the national network, or youth hostels with historical significance

Beinwil am See | Le Bémont | Château-d'Oex | Delémont | Fällanden | *Gersau | Leissigen | Mariastein-Rotberg | Rapperswil-Jona | Richterswil | *Romanshorn | Seelisberg | Sils i.D. | Sta. Maria | Stein am Rhein | Zofingen | Zug

¹⁾ Closed due to renovation / new construction, reopening 29.03.2018, ²⁾ Reopening 16.06.2017, * Franchise hostels

Network of the Swiss Youth Hostels

As of April 2017



Sustainability strategy

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The Swiss Youth Hostels are committed to sustainability. Sustainability is an integral part of our organisation philosophy when dealing with stakeholder groups, designing our products and ensuring environmental protection.

We believe that sustainability means taking into account not only social and ethical issues, but also the sensible use of resources.

Economy

- Although we are a non-profit organisation, the services offered by the youth hostels are designed in such a way that sufficient revenue remains to provide continuity for employees and further development potential for the organisation.

Ecology

- For all activities of the Swiss Youth Hostels, be they new constructions or renovation work, the renewal of the vehicle fleet, the determination of sourcing partners, the approach to IT support, etc., the subsequent energy consumption and any resulting emissions serve as fundamentally important indicators.
- We attach great importance to following as well as setting principles of sustainability – also along the value-creation chain.

Social aspects

- Prices are set in such a way that services remain affordable whilst nevertheless guaranteeing good quality and fair wages.
- Barrier-free products and services are an important objective, so that all people are able to visit a youth hostel.
- For structural measures, attention is paid not only to the energy consumption, comfort and environmental compatibility of the applied materials, but also centrally to the potentially diverse consequences for local residents.
- Raising guests' awareness of sustainability and its many facets is a potential and intended side-effect of a stay at a hostel.
- Humans should be in the focus of publications on the subject of sustainability, even though many other technical, procedural and organisational elements also play an important role.

The Swiss Youth Hostels aim to contribute towards achieving, in a lasting way and within their own sphere, the objectives of sustainable development in accordance with the Federal Constitution and as expressed at the Earth Summit held in Rio de Janeiro in 1992.

At the same time, we are aware that the goals of sustainable development cannot be achieved overnight. All decisions are harmonised with the goals of sustainable development and examined with respect to their long-term practicality.

In attaining our objectives, we expect to lead by example and motivate others throughout the tourism sector.

Organisational values

The Executive Board of the Swiss Youth Hostels has defined our organisational values as a basis for strategic planning:

Equity capital formation

The equity financing ratio should be at least 40%.

Surplus appropriation

No surplus payments should be made to members.

Investment activity

Any surplus generated must be reinvested.

Investment risk

The Swiss Youth Hostels Association must be able to carry the investments of the Swiss Foundation for Social Tourism. Full cost coverage must be ensured in the long term.

Revenue growth

Sector growth.

Pricing

Bed price for multi-bed rooms: comparable to the price level of local competitors. Bed price for two-bed rooms: making full use of local opportunities.

Offer

Predominantly multi-bed rooms.

Market performance quality

Multi-bed rooms at a higher standard than competitors and at the very least meeting the requirements of the guidelines of the Swiss Foundation for Social Tourism.

Scope/locations/network

Focus on touristic centres of Switzerland and the Principality of Liechtenstein.

Ownership structures

We strive towards establishments that are operated on their own account in locations with touristic relevance. Franchisees complement the network without creating competition situations.

Innovativeness

Orientation towards exemplary services in our sector as well as quick absorption of demand trends among young people and families in the core business of accommodation and food.

Relationship with decision-makers

Optimal lobbying towards the achievement of our ideational objectives.

Achievement of social objectives

In accordance with the general principles of the Swiss Youth Hostels and the mission of Hostelling International.

Consideration of employee interests

Social behaviour towards employees, and consideration of employee interests as far as is reasonable for the overall organisation.

Management style

Predominantly cooperative, on the basis of target agreement and qualification processes.

Distinctions and awards

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- 2016 Swiss Environmental Prize** | Special award for long-standing commitment and a valuable contribution to environmental and climate protection
- 2016 myclimate Award** | Distinction as a «Pioneer for integrated climate protection in the hotel industry»
- 2016 Global Youth Travel Awards** | Second place in the «Green Accommodation Initiative» area
- 2015 Watt d'Or** | wellnessHostel⁴⁰⁰⁰ and Aqua Allalin Saas-Fee, Gstaad Saanenland Youth Hostel winners in the «Buildings and Space» category
- 2015 Prix Lignum** | wellnessHostel⁴⁰⁰⁰ 3rd place in the «Prix Lignum Wood Award 2015» in the Centre West region
- 2014 Milestone Schweiz** | wellnessHostel⁴⁰⁰⁰ and Aqua Allalin Saas-Fee 2nd place in the category of «Outstanding Projects»
- 2013 Good Buildings Award 2013 by the cantons of Basel Stadt and Basel Land** | Basel Youth Hostel
- 2013 HI-5ives! Awards** | Interlaken Youth Hostel «Best Hostel 2013»
- 2013 HI-5ives! Awards** | Interlaken Youth Hostel «Most Comfortable Hostel 2013»
- 2012 Holzhandwerk (for woodworking)** | Special recognition for the renovation and expansion of the hostel in St. Moritz
- 2012 The 50 best annual reports in Switzerland** | Winner in the NPO category
- 2011 ZKB Sustainability Award for SMEs** | Distinction for outstanding contribution in the field of sustainable development
- 2011 Swiss Solar Prize** | Award in category A «Personalities/Institutions» for comprehensive environmental management and a pioneering role in environmentally compatible tourism
- 2010 Award Marketing + Architecture** | Distinction for Scuol Youth Hostel, overall winner
- 2010 Award Marketing + Architecture** | Distinction for Scuol Youth Hostel, special «Green Technology» award
- 2010 Award Marketing + Architecture** | Distinction for Scuol Youth Hostel, category winner «Hotels, Restaurants»
- 2010 myclimate Award** | Distinction for best integration of CO₂ compensation
- 2008 Hans E. Moppert Prize** | Distinction for Scuol Youth Hostel for sustainable tourism in the Alps
- 2008 ICOMOS Award** | Distinction for Zurich Youth Hostel for a gracious renovation of a building from the 1960s
- 2007 Milestone Swiss Tourism Award** | Tourism award for sustainability strategy
- 1999 Event Master Award Switzerland** | Winner in the category «Public Events» for the 75 events carried out during anniversary celebrations for «75 years of the Swiss Youth Hostels»
- 1994 Goldene Reisekutsche Berlin** | Bronze Medal for the basic campaign



PRIX LIGNUM 2015





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VALZELLA

TARGET ACHIEVEMENT IN 2016

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Our central aim is the maintenance of value-for-money services. Alongside, we also strive to respond to increasing quality requirements. We wish to offer a demand-conscious, innovative programme of services for our guests – a programme that is attractive and offers genuine alternatives when compared to other forms of accommodation. In other words: to cultivate simplicity. We attach particular importance to transparent structures, personal management of our hostels, and a pleasant atmosphere.

Indicators for our range of services

	Measures	Target value	Target achievement	Evaluation	Need for action
Quality assurance and quality improvement	Ensure defined standards regarding quality, safety and the environment	At least one hostel visit by department management per month open; at least one quality audit per hostel per season	↗	😊	No
Swiss Tourism Federation and HI-Q quality seals	Recertification	All hostels in Switzerland are recertified Level 1 by Swiss Tourism Federation and HI-Q; key hostels and Service Centre in Zurich are recertified Level 2 New concept for the Q system and Q labels	↗	😊	No
ibex fairstay label and EU Ecolabel	Recertification	On recertification, establishments should achieve at least the same number of points	↗	😊	No
Planning	Create detailed planning for 2017 and general planning for 2018	Detailed planning for 2017; general planning for 2018	↗	😊	No
Hostels in general	Safeguard hostel handovers/takeovers	Handovers/takeovers of hostels take place according to check list and are documented in writing	↗	😊	No
	Increase safety in playgrounds	Regular inspection by hostel managers	↗	😊	No
Operational maintenance	Zero tolerance for defective articles and dirt/graffiti	Regular monitoring and compliance with the «operational maintenance» concept	↗	😊	No
Network	Development of the network in Switzerland	At least one new construction/renovation project in planning/implementation	↗	😊	No
Barrier-free youth hostels	Accessibility on the website	Certification for the «Access for All» website	↘	😞	Yes
	Increase in services for people with disabilities	Implementation of awareness courses for employees	↗	😊	No
Marketing & Sales	Development of marketing concept and planning of medium-term measures	Marketing concept and medium-term measures planned and in implementation	↗	😊	No
	Development of online/offline sales concept at company and hostel levels	Sales concept developed and in implementation	↗	😊	No
	Preparation of 2-year planning: 2017 detailed planning; 2018 general planning	Planning drawn up	↗	😊	No
	Structured sales throughout the year	Annual plan	↗	😊	No
	Target group-oriented bundling of offers at regular prices	Sales at regular prices	↗	😊	No
	Intensification of cooperation with HI and national associations	Offline/online sales of full SYH range of services via distribution channels of national associations and www.hihostels.com	→	😊	Yes
	Focus on Switzerland and Germany as well as future markets of South Korea and China	Focus on our defined target markets; maintain respective shares	→	😊	Yes
	Develop close cooperation with regional partners/service providers at locations of top youth hostels	Active cultivation of contacts and utilisation of synergies; strengthening of presence and increase in brokerage volume	→	😊	Yes
eMarketing	New SYH website and mobile website	Conception and implementation are completed	↘	😞	Yes
	Promote interactions on social media	Continuously new entries with sales character; 70,000 newsletter subscribers; 15,000 followers on Facebook and Twitter	↗	😊	No

Indicators for our guests and members

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	Measures	Target value	Target achievement	Evaluation	Need for action
Quality assurance and quality improvement	Ensure the defined quality, safety and environmental standards in the areas of reception, information, housekeeping, kitchen, hygiene, administration, accounting, cash management, reservation management and ordinary maintenance	At least one hostel visit by department management per month open; at least one quality audit per establishment/season	↗	☺	No
Food & Beverage	Quality assurance through purchasing from contractual suppliers	100% purchasing from defined suppliers	→	☺	Yes
	Recipe database, including calculations	Preparation, training, implementation	↗	☺	No
	Breakfast	Adapted, expanded range of offers	↗	☺	No
	Food concept for small groups	Established implementation in all hostels; no guest complaints	→	☺	Yes
	Additional offers at the kiosk	Definition of expansion of offers and suppliers	↗	☺	No
Hygiene	Consistent implementation and updating of the hygiene concept	No objections during monitoring	↗	☺	No
	Implementation of hygiene training	All skilled employees receive one intensive training session; minimum of at least one hygiene training per season at hostel level	↗	☺	No
Guests	Concept for nurturing of regular guests	Concept development and implementation	→	☺	Yes
Guest feedback	External guest rating systems	Ongoing monitoring of development against previous year; derived measures implemented at appropriate level	↗	☺	No
	Evaluation of guest reviews and implementation of findings	Daily evaluation; pass on subsequent measures at the appropriate level	↗	☺	No
	Complaints to be resolved within 48 hrs in consultation with department heads / management	Response time 48 hrs; direct superiors are 100% integrated into complaints management	↗	☺	No
Satisfaction	Maintain guest satisfaction at a high level	Satisfaction level of at least 80%	↗	☺	No
Overnight stays	Maintain overnight stays, taking into account economic, operational and construction-related changes	800,000 overnight stays	↘	☹	Yes
Membership base	Increase membership	At least 100,000 members	↘	☹	Yes
Membership revenue in CHF	Increase membership revenue	At least CHF 2,800,000 (year and day memberships; minimise free memberships)	↘	☹	Yes

Indicators for our employees

	Measures	Target value	Target achievement	Evaluation	Need for action
Introduction	Every employee is introduced at the appropriate level	Introduction programme at the appropriate level	↗	😊	No
Work and family	Maintain a working environment that enables employees to satisfactorily combine work and family	Flexibility in the workload, without negative impact on the working quality/climate	↗	😊	No
Wage system	Pay wages that are customary for the sector and that should not fall below the L-GAV definition	L-GAV; comparative figures for the sector	↗	😊	No
Target agreements, qualifications, development plan	Carry out target agreement, performance appraisal and individual development plan with each employee	Target agreement, performance appraisal, individual development plan	↗	😊	No
Basic and advanced training	Training management at the appropriate levels, with integration of external sector offers (Swiss Hotel Association, GastroSuisse)	Attendance of at least two basic/advanced training courses (internal or external)	→	😊	Yes
Occupational safety and health promotion	Ensure the defined level of occupational safety and undertake active promotion of health	Reduction of 10% in days lost due to accidents or illness	↘	😞	Yes
Monitoring of holidays and days off	Checking of holidays and days off for every employee, monitored by the direct supervisor	Consistent documentation	↗	😊	No
Social counselling	Make all employees aware of the services and contact partners in the external social counselling centre	Appropriate utilisation of the MOVIS social counselling centre	↗	😊	No
Retirement planning	The financial position of the retirement pension foundation secures the pensions of employees	Cover ratio of over 103%	↗	😊	No
Persons performing civil service	Utilisation planning for persons performing civil service in accordance with requirement specifications	Requirement specification	↗	😊	No
	Systematic planning for sensible utilisation of the 20 civil service posts throughout the year	Quota utilisation	↗	😊	No
Satisfaction	Exert positive influence to maintain a good working environment at all levels	Satisfaction level of at least 90% at company level	↗	😊	No
Fluctuation rate	Provide active support for staff and exert positive influence regarding the working environment	Maximum fluctuation of 10% at company level	↘	😞	Yes
Employee/employer relationship	Actively promote cooperation between Employee Committee and management / Executive Board	Quarterly consultations	↗	😊	No

Indicators for our relationship with the environment

16/17

	Measures	Target value	Target achievement	Evaluation	Need for action
Quality assurance and quality improvement	Ensure the defined environmental standards	At least one hostel visit by department management per month open; at least one quality audit per establishment/season	↗	☺	No
Work approach, procurement	Ecological aspects will be given consideration in daily work and in procurement of contracts	Work and procurement according to ecological principles	↗	☺	No
Space heating, CO ₂ loading	Reduce CO ₂ loading compared with the year 2000	At least 55%	↗	☺	No
Electricity consumption	Limit energy consumption per overnight stay	Maximum 5 kWh	→	☺	Yes
Water consumption	Limit water consumption per overnight stay	Maximum 150 l	↗	☺	No
CO ₂ compensation	Active selling of CO ₂ compensation	Compensation by 50% of guests	↗	☺	No
Products and materials	Environmentally sound purchasing	Defined standards are met	↗	☺	No
Waste and disposal	Reduce food waste	Compliance with margins for kitchen; training	↗	☺	No
Non-food	Bundling of suppliers	Take delivery of as many products as possible from the same supplier	↗	☺	No
Hygiene	Use ecological products in cleaning activities	PurEco products (or equivalent) are required products	↗	☺	No
Mobility	Further develop mobility concept	Revision completed	→	☺	Yes
Product design	Environmental aspects are incorporated into product design	Products	↗	☺	No
Marketing	Environmental commitment of SYH is an integral part of marketing activities	Reporting	↗	☺	No
Communication	Environmental commitment of SYH is an integral part of communication measures	Reporting	↗	☺	No
	Environmental commitment of SYH becomes evident to hostel guests	Active information for guests	↗	☺	No

Indicators for our commercial viability

	Measures	Target value	Target achievement	Evaluation	Need for action
Market development	Retain Switzerland and euro area share (FITs, groups and schools) compared to 2015	Overnight stays at least at 2015 level	↘	☹	Yes
National presence	Close cooperation with marketing organisations and service providers in tourism destinations	Functioning partnerships; systematic nurturing of contacts; active selling of our products	↗	☺	No
	Active cooperation with Swiss Parahotel Association, Swiss Hotel Association, working groups and advisory boards	Maintain function of role model in the area of sustainability; exploit synergies	↗	☺	No
International cooperation	Fulfil leadership function	Active participation in efforts to strengthen the Hostelling International network at international level	↗	☺	No
	Promotion of bilateral cooperation with national associations	Active cooperation with national associations	↗	☺	No
Contract administration, partnerships	Monitoring of all ongoing contracts and partnerships/cooperations	Up to date contract management and complete centralisation	↗	☺	No
Budgeting	Preparation of a three-year budget	Budgeting 2017–2019	↗	☺	No
Pricing	Active revenue and channel management	Revenue optimisation	↘	☹	Yes
Cost/benefit management at Service Centre in Zurich	Every interaction is reviewed for effectiveness, efficiency (cost and personnel resources) and corrective measures are initiated	Management costs below 10%	↘	☹	Yes
Operating revenue in CHF	Increase revenue	CHF 49.8 million	↘	☹	Yes
Bed revenue in CHF	Increase revenue from beds	CHF 8,900 per bed	↘	☹	Yes
Revenue per overnight stay in CHF	Revenue per overnight stay at least at 2015 level	CHF 62.36 per overnight stay	↗	☺	No
Margin calculation	Observe minimum margins for food, beverages, kiosk non-food and ticket sales	Counting as minimal margins are: food 74%; beverages 55%; kiosk non-food 25%; ticket sales minimum margin at company level 30%–40%	↗	☺	No
Bed occupancy	Increase occupancy rates	55% bed occupancy at company level	↘	☹	Yes
Cash flow	Adapt investment activities to business performance	40% of cash flow covers all investments	↘	☹	Yes
Result	Optimise result	3% of operating revenue at company level before return on equity	↘	☹	Yes
Liquidity ratio III	Maintain liquidity ratio III at 2015 level	Liquidity ratio of at least 141%	↗	☺	No
Organisational capital	Maintain organisational capital at 2015 level	Organisational capital at least 38%	↗	☺	No
Return on equity	Return on equity of the SFST	1%	↘	☹	Yes
Incoming revenue in CHF	Group queries are handled by Sales	Revenue CHF 700,000	↘	☹	Yes
Cross-selling revenue in CHF	Promotion of cross-selling through regional cooperations	Cooperation partners	→	☺	Yes
Productivity per employee in CHF	Flexible personnel planning, adaptation to business performance	Productivity: company level CHF 160,000, hostel level CHF 173,000	↘	☹	Yes

			Target achievement	Evaluation	Need for action
Measures		Target value			
IQMS	Ongoing review and optimisation of administrative processes	All administrative processes by IQMS are reviewed, optimised and documented	↗	☺	No
	Upgrading of IT hardware (central server)	Upgrading completed	↘	☹	Yes
IT infrastructure	Highest possible availability	Maximum downtime 16 hrs per year (excluding time required for planned maintenance/updates)	↗	☺	No
Risk management	Continuous review of risks according to IQMS specifications, adaption to new circumstances and taking appropriate measures	Review and definition of measures; risk minimisation	↗	☺	No



OUR RANGE OF SERVICES

20/21

We stick strongly to the principle that performance is the best form of advertising. Nevertheless, we wish to pursue an active form of market cultivation that is not loud or aggressive, but has its own style and soul. The information we provide should always be honest, realistic and clear.

In the year under review, 52 youth hostels were in operation in Switzerland, totalling 6,305 beds. The Swiss Youth Hostels Association operated 46 hostels independently on a lend/lease basis, totalling 5,592 beds; six youth hostels (Bellinzona, Engelberg, Fiesch, Gersau, Lugano, Romanshorn) with a total of 713 beds are franchise members of the network.

Management and quality system

By using management and quality systems, we want to ensure that we can successfully provide our products and services to the guests.

Quality. Our Passion from the Swiss Tourism Federation and *HI-Q* from Hostelling International are to guarantee quality. All Swiss Youth Hostels are operated according to their respective specifications and are certified.

The *ibex fairstay label* is dedicated to the sustainable use of resources in the areas of economy, society and ecology. Moreover, it provides an opportunity to meaningfully communicate the topic of sustainability and to achieve clear positioning on the market. All of the hostels that are independently run by the Swiss Youth Hostels Association, and which fulfil requirements as regards construction, are certified or are in the process of obtaining certification.

The *EU Ecolabel* distinguishes companies that reduce the use of energy, water and the generation of waste, and that use environmentally friendly materials; the *ibex fairstay label* certifies sustainable management in the areas of business management, business administration, environmental management, employees, regional value creation and culture.

Certified hostels

	2014	2015	2016
Quality. Our Passion			
... Q I	43*	43*	41*
... Q II	0	0	0
... Q III	0	0	0
HI-Q			
... HI-Q I	27	26	25
... HI-Q II	16*	17*	17*
ibex fairstay label			
... Bronze	0	0	0
... Silver	8	5	5
... Gold	21	21	23
... Platinum	12	14	13
... in the process	0	1	0
EU Ecolabel			
... in the process	41	40	40
... in the process	0	1	0

* incl. Service Centre in Zurich

The label requires recertification every three years. The hostels in Basel, Berne, Delémont, Gstaad Saanenland, Interlaken, Kreuzlingen, Leissigen, Mariastein-Rotberg, Scuol, Solothurn, St. Gallen, St. Moritz, Valbella and Zurich all achieved the highest rating, namely *ibex fairstay* Platinum.

Classification and specialisation

The Swiss Youth Hostels are divided into three categories. The designations of the standards comprise more than just a star rating, they cover the entirety of the expectations for hardware and software:

SIMPLE – simple standard

The youth hostels as they used to be – cheapest, simplest, historical, regional, close to nature, uncomplicated, sociable:

Brienz | Brugg | Dachsen am Rheinfall | Fällanden | Figino | Le Bémont | Mariastein | Romanshorn | Schaffhausen | Seelisberg | Sils i.D. | Sta. Maria

CLASSIC – medium standard

The youth hostels as people know them – standard quality but not run of the mill, inexpensive and good:

Avenches | Baden | Beinwil | Bellinzona | Château-d'Oex | Delémont | Engelberg | Fiesch | Gersau | Klosters | Kreuzlingen | Leissigen | Lucerne | Montreux | Pontresina | Rapperswil-Jona | Richterswil | Schaan-Vaduz | Sion | Solothurn | St. Gallen | Stein am Rhein | Zofingen | Zug

TOP – high standard

More than youth hostels – outstanding but not expensive, modern architecture, top offers, private rooms:

Basel | Berne (reopening 29.03.2018) | Crans-Montana (opening 16.06.2017) | Davos | Grindelwald | Gstaad Saanenland | Interlaken | Lausanne | Locarno | Lugano | Saas-Fee | Scuol | St. Moritz | Valbella | Zermatt | Zurich

Swiss Lodge classification

The common success factors in the multifaceted sector of Swiss tourist accommodation are quality and transparency for all guests. To further promote these success factors for the benefit of a strong Swiss tourism sector, the hotels are ranked by the *Swiss Hotel Association*; 43 youth hostels are classified «Swiss Lodge». In addition to the classification, the specialisations are oriented towards specific guest needs and thus also help define a clear market position.

Specialisations	2014	2015	2016
Green Living	38	38	41
Sustainable Living	37	37	40
Biking	23	23	21
Hiking	26	26	24
Wellness	1	1	1
Seminars	1	1	1
Barrier-free	30	30	30
Historical	13	13	13

Barrier-free youth hostels

10% of the Swiss population live with a disability. For these people, self-sufficient travel represents a major need. The Swiss Youth Hostels are resolutely pursuing the expansion of offers and services for this guest segment. In February 2016, the project "Holidays – access for all", launched in 2013 in conjunction with the Denk an mich Foundation, was completed as planned and having achieved the defined goals.

In the project phase, the entire spectrum of offers and services, from the information acquisition on the Internet to the barrier-free design of the hostels, was extensively revised and expanded. At the end of 2016, the share of barrier-free youth hostels was 60%. 27 barrier-free youth hostels are bookable online. To simplify travel planning, helpful information including comprehensive details on infrastructure and travel is also available.

The support association *Barrierefreie Schweiz* (Barrier-free Switzerland) was founded in Zurich on 1 December 2016. The ob-

jective of the association is to highlight current travel information in a clearly structured manner and to make it broadly accessible for people with disabilities in Swiss tourism. The «Barrier-free Switzerland» project is the direct result of a collaboration between the *Denk an mich Foundation* and the Swiss Youth Hostels. The goal of extending the project basis to include additional tourist offers, and thereby positively influencing Swiss tourism in general, was attained with the *foundation of the Barrier-free Switzerland support association*.

Hostels

Hostel anniversaries

Youth hostels have been writing stories, for over 92 years in Switzerland. It is thus not surprising that in the year under review, a number of hostel anniversaries were celebrated in the presence of municipality representatives and with guests from far and wide:

- 75 years of Brugg Youth Hostel
- 50 years of Sta. Maria Youth Hostel, St. Gallen Youth Hostel and Zurich Youth Hostel
- 25 years of Rapperswil-Jona Youth Hostel, Seelisberg Youth Hostel and Sion Youth Hostel

Youth Hostel Crans-Montana «Bella Lui»

The Swiss Foundation for Social Tourism has purchased the historical 3-star Hotel Bella Lui in Crans-Montana. This represents an important step in the development of the Swiss Youth Hostels network, as the site closes a long-standing gap within the French-speaking Swiss Alpine area. Over a construction period of eight months (beginning in October 2016), the property will be sensitively renovated and rebuilt according to the requirements for the protection of historical buildings and monuments. In the future, the new «Bella Lui» Youth Hostel Crans-Montana will offer 145 beds and rank in the TOP category. The opening will take place on 16 June 2017.

Berne Youth Hostel

After many years of preparation, the renovation and new construction of the youth hostel in Berne was finally launched on 15 November 2016. The building in the Marzili district of Berne, designed by architect Peter Indermühle and opened in 1956, will be enlarged and fully renovated. The most significant change is a partial demolition with new construction: the adjoining former youth centre will be dismantled and replaced by a detached building that conforms closely with the sleek main wing. The current 26 rooms in the listed building, which comprise a total of 94 beds, will be reorganised on the basis of the current structure and adapted in line with the new standards.

Following the renovation, 20 multi-bed rooms, the reception as well as the large dining room with kitchen and adjacent seminar rooms will all be available for guests in the old building. The new building will accommodate higher comfort requirements, featuring

30 two-bed and four-bed rooms with their own shower and WC. As a result of this adaptation in terms of standards, the youth hostel will be classified as a TOP establishment. Ecological requirements and barrier-free design are of great importance in the reconstruction project.

The reopening is scheduled for the end of March 2018. To date, the property for Berne Youth Hostel has been in the possession of the city of Berne. Right before the start of renovation work, it was transferred to the Swiss Foundation for Social Tourism (SFST) along with a construction permit.

Fribourg Youth Hostel

Fribourg Youth Hostel, which is owned by the city, was closed definitively at the end of October 2016 because the premises will in future be used to accommodate the expansion of the municipal authorities.

Maintenance work

In the year under review, the owner, the Swiss Foundation for Social Tourism, and the operator, the Swiss Youth Hostels Association, invested around CHF 7.16 million in buildings and equipment (excluding IT) for the maintenance/renewal/improvement of products and services.

Family-friendly offers

Prices for families with children

The Swiss Youth Hostels support family-friendly tourism and thereby strive to also enable families on a tighter budget to enjoy a holiday in the different regions of Switzerland. For example, prices for families with children have been significantly reduced, regardless of the youth hostel and room category chosen: children aged 1 and under stay for free, while the overnight stay costs a flat rate of CHF 15.00 for children aged 2 to 5, and CHF 25.00 for children aged 6 to 12, if they sleep in their parents' room.

Senior membership category

Grandparents with their grandchildren are increasingly making use of the wide-ranging offer of the youth hostels. In response to this demand, the «Senior» membership category was introduced for guests over the age of retirement, with the aim of supporting the three-generation guest structure and family group travel.

New technology

In the course of the year under review, we invested CHF 411,856 in operations, security and upgrading in the area of hardware and software. In addition to annually recurring costs for maintenance and licences, CHF 61,708 was invested in projects related to the ongoing digitisation of work processes.

Key figures

	1992 ¹⁾	1996 ²⁾	2000 ³⁾	2004	2008	2012	2015	2016
Investments in maintenance & replacement (SYH & SFST)	n/c	1,024,134	1,725,384	1,769,011	2,580,701	2,737,386	2,672,580	2,775,651
Investments in rebuilding & new constructions (SFST)	n/c	n/c	237,421	3,982,546	1,224,345	8,233,803	1,458,188	4,384,634
Rental charges	1,755,099	3,129,681	3,925,932	5,260,975	9,439,124	7,740,010	8,490,015	8,459,292

¹⁾ First fiscal year following the merger of 14 independent districts, ²⁾ Start of reorganisation, ³⁾ Start of implementation of strategic planning, n/c not collected



OUR GUESTS

24/25

We bear a special responsibility towards our guests. To these people, travel is of extreme emotional and material importance, as well as associated with a particular need to feel confident, safe and secure. We wish to respond in a creative manner to the many and diverse expectations of our guests. We treat our guests as people who have a zest for life and are enthusiastic, interested, contact-loving and ready to take the natural environment and their fellow travellers into consideration. We wish to respond to such qualities and promote such attitudes.

Guest diversity

The strong Swiss franc continues to pose a major challenge for the Swiss tourism market, although a tentative recovery was observed against the previous year. Added to this was the security situation in Europe, which discouraged guests from the international markets in particular from travelling to Europe, including Switzerland. The ongoing difficult market situation made itself felt to the Swiss Youth Hostels, too, even if the effects could be softened by adjustments to offers and prices. In the year under review, 364,475 guests spent a total of 723,951 overnight stays in our hostels. This once again represents a decline against the previous year, both in

guests (–15,306) and in overnight stays (–23,037), even though the decline was weaker than in the previous year. However, it should be noted that this decrease was also due to the construction-related closure of Berne Youth Hostel. The largest declines were recorded from countries in the euro area (–12,694 overnight stays).

The Swiss market continued to grow. The share of Swiss guests was increased to 66.5% (previous year: 64.3%). 19.2% of guests came from Europe (previous year: 20.2%), and 14.3% from all the other countries of origin (previous year: 15.5%).

	2014 arrivals	% share	2015 arrivals	% share	2016 arrivals	% share
Switzerland	239,897	59.97%	244,297	64.33%	242,416	66.51%
Germany	42,049	10.51%	32,810	8.64%	30,993	8.50%
South Korea	17,874	4.47%	18,499	4.87%	16,104	4.42%
USA	7,527	1.88%	7,464	1.97%	7,836	2.15%
France	10,244	2.56%	8,806	2.32%	7,616	2.09%
Great Britain	9,073	2.27%	8,530	2.25%	7,169	1.97%
China	10,102	2.53%	9,252	2.44%	7,032	1.93%
Italy	6,385	1.60%	4,945	1.30%	4,422	1.21%
Thailand	3,569	0.89%	3,382	0.89%	3,422	0.94%
Netherlands	4,078	1.02%	2,497	0.66%	3,002	0.82%
Spain	3,922	0.98%	3,055	0.80%	2,862	0.79%
India	2,508	0.63%	2,256	0.59%	2,424	0.67%
Australia	2,572	0.64%	2,392	0.63%	2,122	0.58%
Canada	2,262	0.57%	1,969	0.52%	2,005	0.55%
Austria	3,178	0.79%	2,322	0.61%	1,912	0.52%
Japan	2,947	0.74%	2,204	0.58%	1,774	0.49%
Taiwan	2,308	0.58%	2,487	0.65%	1,666	0.46%
Czech Republic	1,794	0.45%	1,694	0.45%	1,343	0.37%
Belgium	2,053	0.51%	1,100	0.29%	1,219	0.33%
Poland	1,954	0.49%	1,288	0.34%	977	0.27%
Other countries	23,751	5.94%	18,532	4.88%	16,159	4.43%

Average length of stay

Our guests' average length of stay was 1.99 days, which is slightly above the previous year (1.97 days). The trend towards more

extended stays was evident among guests from almost all regions of origin.

	2014	2015	2016		2014	2015	2016
Czech Republic	2.44	2.28	2.37	USA	1.79	1.87	1.83
Great Britain	2.17	2.23	2.32	South Korea	1.66	1.76	1.82
Switzerland	2.00	1.98	2.02	Poland	1.73	2.34	1.81
Australia	1.94	2.34	1.96	France	1.81	1.77	1.77
Germany	2.03	2.11	1.96	Taiwan	1.75	1.75	1.76
Netherlands	1.67	1.90	1.92	Austria	1.99	1.82	1.74
Italy	1.95	1.86	1.91	India	1.83	1.72	1.70
Japan	1.71	1.77	1.91	China	1.51	1.55	1.68
Thailand	1.67	1.73	1.91	Belgium	1.78	1.92	1.66
Spain	1.93	1.89	1.83				
Canada	1.83	1.88	1.83	Average	1.96	1.97	1.99

Guest segments

With a share of 50.2% and 363,209 overnight stays, individual travellers still represented the largest guest segment. Year-on-year, schools and groups decreased slightly by 0.9% (2,165 overnight stays). We recorded a clear decline in families, with 34,210 overnight stays (-23.6%). It is anticipated that this negative trend will be halted following the introduction of the new family prices on 1 December 2016 (see page 23).

	2014 % share		2015 % share		2016 % share	
Individual guests	402,593	51.34	349,871	46.84	363,209	50.17
Groups	127,136	16.21	126,020	16.87	120,780	16.68
Schools	117,187	14.94	126,190	16.89	129,265	17.86
Families	137,216	17.50	144,907	19.40	110,697	15.29
Total	784,132	100.00	746,988	100.00	723,951	100.00

Members

On 31 December 2016, the Swiss Youth Hostels Association had a total membership of 82,495. This represents a decrease of 9.69% on the previous year.

Membership category	2014	2015	2016
Junior	28,573	27,596	24,983
Adult	44,572	42,490	33,443
Senior ¹⁾	see Adult	see Adult	4,725
Families	16,098	15,496	14,143
Groups	5,799	5,760	5,201
Total	95,042	91,342	82,495

¹⁾ New Senior category from 1 September 2016

Age profile of members

People over 45 and young people under 20 are the largest share of group members, and together represent 74% of all members. In comparison with the previous year, there were few significant changes within age groups.

	2014	2015	2016
up to 20 years	33%	33%	32%
20 to 25 years	6%	5%	4%
26 to 34 years	7%	7%	6%
35 to 44 years	16%	16%	16%
45 years and up	38%	39%	42%

Guest satisfaction

Every time they visit, guests are given the opportunity to rate their stay. 17,442 guests made use of this offer. For the individual evaluation criteria, customer satisfaction is at the same level as in the previous year or slightly lower.

Customer satisfaction	2014	2015	2016
Employees	90	90	90
Rooms	77	79	77
Shower/WC	76	78	76
Day room	77	78	77
Meals	82	84	82
Cleanliness	86	87	86
Atmosphere	81	82	81
Comfort	74	75	74
Price/performance	73	74	73
Overall rating	80	81	80

Rating system:
«Very good» 90 to 100 pts; «good» 75 to 89 pts; «satisfied» 50 to 74 pts; «not satisfied» less than 50 pts

Refugees in youth hostels

Owing to the enormous influx of refugees, the Fällanden, Delémont, Rapperswil-Jona, Sion and St. Gallen youth hostels were made available to the cantonal migration offices and to municipalities from November 2015 until March/April 2016 to accommodate refugees. From November 2016 until March 2017, Sion Youth Hostel was again occupied by refugee families.

Key figures

	1992 ¹⁾	1996 ²⁾	2000 ³⁾	2004	2008	2012	2015	2016
Overnight stays, own hostels	n/c	562,543	573,248	577,274	785,209	756,411	746,988	723,951
Overnight stays including franchise hostels	920,524	744,777	814,075	838,900	986,471	924,252	820,174	799,601
Total members	78,522	65,855	66,277	93,273	95,236	98,889	91,342	82,495
Guest satisfaction	n/c	n/c	n/c	n/c	75	78	81	80

¹⁾ First fiscal year following the merger of 14 independent districts, ²⁾ Start of reorganisation, ³⁾ Start of implementation of strategic planning, n/c not collected



OUR EMPLOYEES

28/29

We are aware that all of the employees play a vital role in our organisation, which is based on personal performance and relationships. In turn, we make correspondingly high demands on these employees.

We pursue a progressive employee policy, especially with regard to management style, working conditions, social security, equal opportunities, personal responsibility and career advancement.

Family and work

It is an important aspect of the social responsibility of an employer that employees feel comfortable and that they are able to satisfactorily combine family and work. Accordingly, we provide flexibility in the configuration of the workload. In the year under review, there were 51 employees at the Service Centre in Zurich sharing the equivalent of 40.38 full-time posts; in the youth hostels, 262.25 full-time posts were distributed across 491 employees.

Wage system

The wage system for management employees comprises fixed and variable salary components. While the fixed wage components are specified across appropriate levels according to uniform standards, the variable components derive from the achievement of individually defined objectives as well as the degree of fulfilment of the budget.

Youth hostel employees are subject to the «National collective agreement for the hospitality industry» (L-GAV), employees at the Service Centre in Zurich are paid according to the guidelines of professional associations. A bonus scheme for youth hostel employees has been introduced to additionally reward the achievements of our employees. This is measured according to guest satisfaction in the areas of friendliness, quality of food and cleanliness. This bonus is distributed in the form of coupons. In the year under review, coupons were awarded to the value of CHF 30,300.

Following the principle of equal pay for men and women, the Swiss Youth Hostels pay both sexes according to the same terms/rates.

	2014	2015	2016
Payroll in CHF	18,607,988	19,071,213	18,615,926
Social security contributions in CHF	3,047,877	3,168,077	3,057,172
Bonuses for target achievement in CHF	470,405	332,904	377,003

Target agreement

Based on the mission statement, the medium-term strategies of the Swiss Youth Hostels are defined by the Executive Board and then further specified by the management in terms of their content and timing within the context of the annual operating goals.

The annual operating goals are derived for the different levels and operationalised with concrete target formulations as part of the target formulation and agreement process. Following this top-down process, both coordination and consolidation are carried out with a bottom-up approach.

This systematic process provides all of the employees with the necessary understanding of the organisation's objectives while fulfilling the relevant prerequisites for active participation.

Qualification system

Employee qualification is a regularly occurring, future-oriented meeting between qualifying supervisor and employee to determine the status quo. This meeting is based on open dialogue, giving employees the opportunity to present their concerns and expectations; in this way, employees can also qualify their supervisors. The qualification meeting is held with each employee before the end of the probationary period and following this at least once a year, and is appropriately documented.

The objectives of the qualification process are:

- Recognition and promotion of performance and behaviour
- Alignment of employees' efforts to changing objectives and tasks

- Promotion of the development and motivation of employees
- Reinforcement of mutual trust
- Reinforcement of employees' capacity for realistic self-assessment

Training and advanced training

Advanced training represents a key element in our efforts to boost quality for our guests and employees. In the year under review, 14 advanced training courses took place with external and internal speakers, alongside the two-day spring conferences (divided per department) as well as the three-day autumn conference. A total of 254 participants made use of these further training opportunities.

As a nationally and internationally active organisation, language skills are of paramount importance. The staff at the Service Centre in Zurich has the opportunity to undertake weekly training with certified language teachers. A total of 249 lessons for French were conducted in individual and group tuition.

Employees who foresee spending their career with the Swiss Youth Hostels can complete a promotional programme. Over the course of one to two years, candidates work in different posts and participate in project teams in order to acquire the skill set required for a different/higher position in the future. No employees completed the promotional programme in the course of the year under review.

Financial support is given to external basic and advanced training, provided that the knowledge gained will benefit the everyday work of the respective employee. A minimum term of employment is agreed by contract, depending on the level of financial assistance.

In 2016, the Swiss Youth Hostels employed two apprentices (business administration) and four interns from professional tourism schools at the Service Centre in Zurich. A total of 17 apprentices/interns undertook work placements at the youth hostels.

	2014	2015	2016
Advanced training courses offered	25*	24*	14*
Number of participants	394	386	254
Total hours of advanced training within the organisation	4,480	4,456	3,264
Number of persons in promotional programme	0	1	0
Number of apprentices and trainees	16	15	23
Number of persons in external basic/advanced training	3	5	5

* not including individual and group tuition in French

Special services

Employees, voluntary Executive Board members and delegates receive accommodation coupons allowing free usage of youth hostels for themselves and their family members every year. In 2016, benefits worth CHF 206,328 were distributed in this manner (previous year: CHF 217,229).

Occupational safety and health promotion

Ensuring optimum safety and health for our employees takes the highest priority. This is safeguarded with special employee instruction/training on location, ongoing risk evaluation with corresponding measures definition, and sporadic safety audits in the workplaces.

The underlying concept, information leaflets and checklists for occupational safety and health promotion are published on the intranet in multiple languages for all employees.

The inspections completed by regulatory authorities in the year under review at the Service Centre in Zurich and in the youth hostels revealed no significant objections.

Case management and social counselling

Accidents and illnesses experienced by our employees are handled in a professional manner in cooperation with an external business partner, and all measures are taken to ensure the reintegration of affected employees. An external social counselling service is also available free of charge to all employees for personal, health-related, financial, legal or administrative matters.

	2014	2015	2016
Case management			
Assisted employees	24	26	30
Inability to work			
up to 5 days	8%	0%	0%
6–14 days	4%	7%	0%
15–30 days	8%	14%	23%
31–60 days	46%	29%	27%
61–90 days	4%	21%	13%
91–365 days	29%	29%	37%
over 365 days	0%	0%	0%
Social counselling queries/advisory services			
Personal issues	1	1	1
Health-related issues	2	1	–
Operational issues	3	4	1
Financial issues	3	2	1
Integration	–	–	–

Retirement planning

The Swiss Youth Hostels have their own retirement pension foundation. The entirety of the pension fund investments are reinsured through AXA Leben AG and there is no liability for any deductions from the investments.

As at 31 December 2016, the cover ratio was 103.62%. The positive financial position enabled the Board of Trustees to pay interest of 2.75% on the retirement savings of employees in the year under review. This is 1.5% higher than the minimum OPA interest rate stipulated by the Federal Council.

The Board of Trustees is composed of four employee representatives and four employer representatives.

Employee representatives: Granacher Bernhard | Lutz Walter | Müller Michael | Zollinger Markus (Vice President)

Employer representatives: Abegg Thomas | Dobler René | Gmür Fredi (President) | Müller Christoph

	2014	2015	2016
Retirement assets in CHF	20,510,016.12	19,910,317.99	20,479,708.57
Available funds in CHF	803,382.70	848,550.25	991,611.12
Cover ratio	103.04%	103.26%	103.62%
Active insured persons	514	531	573
Pensioners	30	29	36

Persons performing civil service

Civil service is a substitute for military service for young men unable to perform military service on conscientious grounds. These individuals can instead carry out their service in the social sector, in nature park projects or in charitable organisations. The Swiss Youth Hostels also offer work opportunities for persons performing civil service.

In 2016, a total of 138 persons performing civil service undertook 6,167 service days at the Swiss Youth Hostels; one member of the German Voluntary Service carried out 113 service days.

Employee/employer relationship

The Employee Committee (see page 47) represents the interests of employees vis-à-vis the Executive Board and management. Conferences for employees took place in the spring and the autumn. The quarterly discussions between the Employee Committee, the CEO and representatives of the Executive Board were extremely constructive and helped to foster mutual understanding and trust.

Key figures

	1992 ¹⁾	1996 ²⁾	2000 ³⁾	2004	2008	2012	2015	2016
Employment								
Employees, hostels	n/c	363	345	310	418	481	506	491
Full-time posts, hostels	n/c	175.7	163.0	176.4	225.0	243.4	269.1	262.3
Employees, service centre	n/c	29	27	30	37	53	51	51
Full-time posts, service centre	n/c	21.4	22.6	23.9	27.6	39.7	41.2	40.4
Employees, total	n/c	392	372	340	455	534	557	542
Full-time posts, total	n/c	197.1	185.6	200.3	252.6	283.1	310.3	302.7
Fluctuation rate	n/c	n/c	n/c	n/c	9.1%	9.5%	11.4%	10.9%
Satisfaction index	n/c	n/c	n/c	n/c	95	95	98	95
Staff profile								
Average age	n/c	n/c	n/c	n/c	37.2	37.0	38.6	39.2
Overall percentage of women	n/c	n/c	n/c	n/c	66%	63%	66%	64%
Percentage of women in executive posts	n/c	n/c	n/c	n/c	55%	58%	50%	42%
Wage spread								
Minimum gross wages	n/c	2,250	2,360	3,100	3,250	3,400	3,407	3,407
Ratio of highest wage to minimum wage (wage spread)	n/c	> 3.92	> 4.24	> 4.03	> 4.15	> 4.85	> 4.84	> 4.84
Accidents, days of absence								
Occupational accidents	n/c	n/c	n/c	n/c	21	21	10	10
Non-occupational accidents	n/c	n/c	n/c	n/c	25	35	34	42
Days of absence due to accident, illness or maternity	n/c	n/c	n/c	n/c	5,281	3,557	4,024	3,373
Direct cost of days of absence	n/c	n/c	n/c	n/c	276,554	331,883	401,441	369,467

¹⁾ First fiscal year following the merger of 14 independent districts, ²⁾ Start of reorganisation, ³⁾ Start of implementation of strategic planning, n/c not collected



OUR RELATIONSHIP WITH THE ENVIRONMENT

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We are aware that the local population and the natural environment in the areas in which we operate are crucially important both to us and to our guests. We wish to take the interests of the local population into account to as great an extent as possible, as well as respect their independence and culture, and to make every effort to minimise our impact on the environment. We strive for our youth hostels and leisure activities to be environmentally friendly and compatible with nature and the countryside.

Thanks to a simple general offer (low floor space per bed), the Swiss Youth Hostels boast very high levels of environmental compatibility. In terms of CO₂ emissions, in principle the level of environmental compatibility rises as the standard of accommodation becomes simpler. Nevertheless, this does not prevent us from making every effort to ensure that emissions are ongoingly reduced. Here, we proceed according to the principle of «avoid – reduce – compensate».

As a general principle, we pay close attention to the efficiency of measures. Aided by analyses, the largest reduction potentials are determined before appropriate measures are formulated. A comprehensive environmental management system for hostel construction and operation has been created over many years. The Swiss Youth Hostels continue to serve as a role model for many developers, and not only in the area of accommodation. Accordingly, numerous presentations on sustainability and environmental management were held in 2016.

Swiss Environmental Prize

The Swiss Youth Hostels were honoured with a special award in recognition of their long-standing commitment and their achievements in environmental and climate protection. «The Swiss Youth Hostels and the Swiss Foundation for Social Tourism are pioneers in sustainable tourism, and define the future direction in the areas

of energy efficiency as well as environmental and climate protection in Swiss tourism,» said Daniel Zürcher, member of the jury and head of the Innovation Section at the Federal Office for the Environment (FOEN), commenting on the award.

myclimate Award

«In the truest sense of the word, the Swiss Youth Hostels are pioneers in integrated climate protection in the hospitality sector, and they demonstrate that a majority of customers are willing to take responsibility for their own actions when climate protection is straightforwardly and transparently incorporated into the booking process.» This was the reason given for awarding the myclimate Award to the Swiss Youth Hostels in the year under review, as «pioneers in integrated climate protection in the hospitality sector».

Global Youth Travel Awards

Every year, in the form of the Global Youth Travel Awards, the World Youth Student and Educational Conference (WYSTC) honours outstanding achievements by its members. In 2016, the Swiss Youth Hostels took second place in the «Green Accommodation Initiative» area at the Global Youth Travel Awards. We convinced the jury with our comprehensive environmental management, which takes account of ecological factors in construction as well as in operation, meeting the highest standards along the entire value chain.

Buildings

The environmentally friendly operation of a hostel establishment begins at the stage of construction. Heating energy and electricity are the principal environmental factors. We are committed to Minergie and ECO standards for new buildings. Buildings constructed according to Minergie standards exhibit far lower energy consumption than conventional buildings. This form of construction has been adopted by the Swiss Youth Hostels for new buildings and major renovations. «Eco-Bau» lays out the most ecologically efficient materials and construction services. We have even gone a step further with the construction of Interlaken Youth Hostel: it is home to Switzerland's first tourist accommodation to be certified

Minergie-P-ECO, and in the form of the new Gstaad Saanenland Youth Hostel a second building followed. Saas-Fee is now home to Switzerland's first five-storey timber construction in the accommodation area.

Buildings can also contribute actively to energy generation. For example, solar hot water production (14 systems in place) is economically interesting. Conditions permitting, photovoltaic systems are also used for electricity generation (6 systems in place). In Saas-Fee, the wellnessHostel⁴⁰⁰⁰ and Aqua Allalin are fed with heat from a district solar heating network.

Operation

The Swiss Youth Hostels work with a comprehensive environmental management system. The highest standards and the best labels serve as a yardstick, renowned partners act as a gauge. All youth hostels are certified with the *EU Ecolabel* and the *ibex fair-stay label* (see page 22).

CO₂ emissions / CO₂ compensation

Efforts continued to prevent and reduce CO₂ emissions and the consumption of energy in the production of heating, electricity and water. An agreement for the 2013–2020 period was signed with the Energy Agency for Industry (EnAW) following the fulfilment of targets for 2008–2012 as well as the comfortable achievement of targets contractually agreed with the Climate Cent Foundation. Thanks to the commitment to further significantly reduce CO₂ emissions, the Swiss Youth Hostels will continue to be exempt from the CO₂ levy.

Again, the voluntary CO₂ compensation scheme did our hostel guests proud, with a very high participation rate of 55.9% (excluding franchises). This resulted in compensation of around 2,220 tonnes of CO₂. The climate fund is also fed by the yields of the photovoltaic facilities in St. Moritz, Saas-Fee and Fällanden.

Heating

Heating is the largest energy factor in the youth hostels. Consumption is reduced through improvements to the building envelopes and heating systems. The conversion of heating systems, whenever possible from fossil fuels to renewable energies, also helps to further reduce CO₂ emissions. Connections to district heating networks, as well as operational optimisations, also help to improve energy efficiency. The long-standing focus on energy-saving efforts in the heating area is positively reflected in the figures.

By 2016, we had reduced specific CO₂ emissions for space heating by 56.3% against the year 2000 (previous year: 58.5%). The figure achieved of 14.8 tonnes of CO₂ per square metre of floor space was significantly lower than the binding target for 2016 of 23.4 tonnes that had been agreed with EnAW; the result for 2016 was an over-fulfilment of 584 tonnes of CO₂. Compared to the base-line year, the CO₂ intensity per square metre of floor space was just 44%. This means that, compared to the year 2000, considerably less than half the amount of CO₂ was emitted per square metre. The slight increase over the previous year corresponds fairly accurately to the prevailing weather conditions.

Electricity

It is difficult to achieve further savings in power consumption. After many years of broadly applied austerity measures, the savings potential is essentially exhausted. At the same time, consumption is higher in some areas following diverse improvements in standards. For example, although the Minergie standard does bring major savings on the heating side, it also increases energy requirements (ventilation). Compared to the previous year, electricity consumption increased slightly in the year under review, to 5.2 kWh per overnight stay (previous year: 5.1 kWh).

All of the energy-related improvements in the area of maintenance in our own hostels have resulted in annual energy savings of around 40,000 kWh.

Water

Thanks to high-coverage water-saving measures and despite continuous improvements in standards, it has been possible to continuously reduce water consumption for showers, toilets and bed linen (1996: 168 litres per overnight stay). It is now apparent that we have exhausted all opportunities for optimisation in existing systems. Nevertheless, average water consumption was once again reduced, to 138 litres per overnight stay (previous year: 144 litres).

Environmentally friendly products and materials

In the area of purchasing, the Swiss Youth Hostels attach great importance to environmental factors. As one of the largest providers of accommodation in Switzerland, we are aware of the impacts on suppliers of our demand criteria. An environmentally friendly choice of materials begins with an approach to construction that is in line with ECO Standards (choice of materials, grey energy, etc.). And as a member of the WWF Climate Group, the Swiss Youth Hostels are committed to choosing «top ten» products when purchasing household appliances, lamps and lighting equipment, as well as IT equipment.

For some years, we have purchased products bearing the Max Havelaar Fair Trade seal of approval:

Consumption quantities	2014	2015	2016
Coffee in kg	7,347	7,798	7,750
Fruit juice in litres	92,939	82,769	82,105
Sugar in kg	2,840	2,260	2,180
Tea in kg	203	327	318
Rice in kg	4,450	3,220	2,830

In addition, in the area of fresh food, we attach great importance to regional products and use only poultry products from Switzerland and fish products bearing the MSC label (Marine Stewardship Council).

Exclusively environmentally friendly products are used for cleaning/hygiene, wherever available. Compliance is ensured by clear product/supplier requirements, including quality specifications, and by the regular internal and external audits stipulated by the *ibex fairstay label*.

Waste and disposal

We are committed to the comprehensive recycling of reusable materials. This is carried out at the Service Centre in Zurich as well as at the hostels. In all hostels, guests are provided with recycling points for glass, paper, PET and aluminium; all other types of waste are disposed of appropriately.

Mobility

Commuter traffic is of only secondary importance at the Swiss Youth Hostels. The Service Centre in Zurich is easily accessible by public transport, and the employees working in the hostels are predominantly local residents. At around 1% of CO₂ emissions, business travel is likewise a low contributor. The Swiss Youth Hostels compensate for all business travel through the *myclimate Foundation*, including for business flights.

The environmental impact of transports (supplies) cannot be straightforwardly determined. We respond to this by giving preference to local products and by focusing on a small number of suppliers that all carry a broad range.

Tourism means travel, and travel is all about mobility. A substantial environmental factor is the guests' mode of travel to the hostels. The CO₂ emissions associated with this journey are comparable to an overnight stay (5.5 kg CO₂/overnight stay – equivalent to around 30 car kilometres). This also forms part of our thinking and so we encourage the use of public transport.

Ecological services

	1992 ¹⁾	1996 ²⁾	2000 ³⁾	2004	2008	2012	2015	2016
Resource consumption / emissions								
Space heating (oil/gas):								
Reduction in specific CO ₂ loading	n/c	n/c	0%	4.2%	28.3%	41.3%	58.5%	56.3%
Electricity consumption per overnight stay (kWh)	n/c	5.5	4.9	4.9	4.4	4.8	5.1	5.2
Water consumption per overnight stay (litres)	n/c	168	166	153	136	129	144	138
CO₂ compensation								
Percentage of compensated overnight stays	–	–	–	–	28.7%	55.3%	57.6%	55.9%

¹⁾ First fiscal year following the merger of 14 independent districts, ²⁾ Start of reorganisation, ³⁾ Start of implementation of strategic planning, n/c not collected



OUR COMMERCIAL VIABILITY

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We strive to build true partnerships with all of the people, enterprises and institutions that are important to us. We consider close personal relationships and mutual agreement on fair conditions to be especially meaningful. We seek active cooperation with all key tourist organisations both at home and abroad. We promote both inter- and intraorganisational cooperation.

Market environment

The impact of the changed market situation was clearly felt in the year under review. The strong currency, exceptional weather conditions and the tense security situation in Europe all left their mark on the business development:

- After the Swiss National Bank lifted the minimum CHF/EUR exchange rate in 2015, the exchange rate has stabilised at a low level. The average rate for the year under review was CHF 1.09.
- 2016 started with near-record winter warmth, counting, at the national level, among the ten warmest years since records be-

gan in 1864. Regionally, the area north of the Alps registered the wettest first six months since records began. Summer arrived as late as in July, but its exceptional heat continued well into September. Towards the end of the year, sustained high-pressure weather with record drought resulted in a severe lack of snow in the mountains.

- The terrorist attacks in various European cities strongly influenced the travel behaviour of guests in particular from overseas markets.

Market development

The number of overnight stays of guests from the euro area fell by a further 10.7%. There was also a decline in the number of overnight stays from international markets (Asia –10.2%, Australia –27.7%). However, a slight increase of 0.7% was again recorded in overnight stays of guests from Switzerland. Overall, the number of overnight stays dropped by 3.1%. We achieved an operating income of CHF 46.03 million with a total of 723,951 overnight stays. This means that revenue is 1.3% below the level of the previous year. The total number of overnight stays in all Swiss Youth Hostels

(own and franchises) amounted to 799,601 – a decrease of 2.5% against the previous year. At 1.99 days, the average length of stay was slightly higher than in the previous year.

The Swiss hotel industry recorded a total of 35.5 million overnight stays in 2016. Compared to the previous year, this represents a slight decrease of 0.3%. Guests from Switzerland generated 16.2 million overnight stays (+1.2%). Foreign demand declined by 1.5%, with a total of 19.3 million overnight stays.

Market cultivation

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Marketing

Our market cultivation activities mainly aimed to intensify customer loyalty throughout the entire customer life cycle of the guest segments from Switzerland, the euro area and international markets. We focused our efforts on addressing individual target groups, and responding to their needs more effectively, within all communications at all guest contact points. In so doing, the guest was at the centre of all our decisions and actions, enabling lasting customer relationships to develop and grow.

Sales

The Internet is now well established as an important distribution channel. The 205,282 overnight stays booked via online channels represented a further gain; the share thus increased to 28% (previous year: 26%). Our own website as a central information and booking channel was more firmly integrated into cross-media campaigns. Bookings via OTAs (online travel agencies) remained constant, and the connection to Expedia secured another important booking channel.

The findability of our website www.youthhostel.ch in the Google search network was further expanded with SEO and SEA measures. The traffic of AdWords saw a strong rise in the year under review. Visibility was increased even beyond national borders thanks to targeted online and social media campaigns at home and abroad. During the year under review, there were 1.4 million visitors to our website, 63,751 subscribers to our newsletter and 16,592 followers on Facebook. There was a particular focus on our social media community, which increased by over 40% in 2016.

Alongside the online measures, the various guest segments were also cultivated via offline channels (print, posters, advertisements, etc.). Sales were promoted across all channels via selected partnerships and attractive offers.

Electronic distribution channels

	2014	2015	2016
Visits to www.youthhostel.ch	1,709,912	1,499,527	1,394,397
Unique visitors at www.youthhostel.ch	1,105,171	978,641	908,033
Average number of visits per day	4,685	4,108	3,810
Number of pages opened	6,651,951	5,950,541	5,798,756
Number of bookings via online systems	64,058	57,635	54,637
Overnight stays resulting from online bookings	211,800	194,252	205,282
Paid intermediary fees in CHF	856,397	807,263	758,426

Media relations

In 2016, there was once again significant media interest in the Swiss Youth Hostels. Special attention was given to the renovation and new construction projects in Berne, Burgdorf, Crans-Montana, Lucerne, Neuchâtel and Schaan-Vaduz. Adjustments to prices and offers, such as the newly introduced «Senior» membership category and the new children's prices for families, also generated a great deal of coverage. In Swiss media, there were 403 newspaper or magazine articles, 191 online reports, 52 radio and 17 TV reports. The equivalent value of such reporting is around CHF 2.5 million. There was regular reporting on the Swiss Youth Hostels also outside of Switzerland, for example in Germany and the UK.

Cooperations

We actively looked to enter into cooperations, which represent an effective instrument to promote our range of services in new guest segments. Collaboration with the following partners developed in a particularly gratifying way: AFS Intercultural Programmes Switzerland, Alpamare, Coop Hello Family, CSS Insurance, The Swiss Post, EF, Eskimos, Fair Trade Town, Go Snow, Grisons Holidays, Intersport, Kickstart, KV Switzerland, Postauto, Raiffeisen, Rent a Bike, REKA Swiss Travel Fund, Schweizer Jugend forscht, Special Olympics, STC, Denk an mich Foundation, Stubby Planner, Swiss Snow Academy, Swiss Snowboard Girls, TGV, Transa, USZ and WWF.

Engagement and partnerships

We maintained very close relationships at national and international levels with competitors, trade associations and partners from government and business. We aim to be a role model and motivator for the tourism industry as a whole, as dictated by our sustainability strategy, also for the benefit of society in general.

Regional partnerships

The social and economic integration of any youth hostel in the region takes the highest priority; support for local/regional associations, affiliations with trade associations and tourism organisations, and the procurement and utilisation of local products, are all actively promoted.

At a number of locations, the most important partners are also the owners/landlords of our youth hostels, who lease out the properties on moderate, sometimes symbolic terms. As of 1 April 2017, these are:

Baden Municipality of Baden | **Dachsen am Rheinfall** Canton of Zurich | **Klosters** Political Municipality of Wallisellen | **Kreuzlingen** City of Kreuzlingen | **Lausanne** City of Lausanne | **Mariastein-Rotberg** Jugendburg Rotberg Foundation | **Pontresina** Municipality of Pontresina | **Rapperswil-Jona** City of Rapperswil-Jona | **Richterswil** Canton of Zurich | **Saas-Fee** Aqua Allalin Commune of Saas-Fee | **Schaan-Vaduz** Schaan-Vaduz Youth Hostel Foundation | **Schaffhausen** Municipality of Schaffhausen | **Seelisberg** Swiss Confederation | **Sion** City of Sion | **Solothurn** Municipality of Solothurn | **St. Gallen** Political Municipality of St. Gallen | **Sta. Maria** Municipality of Sta. Maria | **Zofingen** Municipality of Zofingen

National presence

Swiss Parahotel Association

Swiss Parahotel Association was founded in 2011 by the Swiss Youth Hostels, REKA Swiss Travel Fund, Interhome AG, Heberga AG (TCS Camping) and Bed & Breakfast Switzerland. The defined objectives of this cooperation are the strengthening of all partners, joint representation of political interests, improved public perception and knowledge sharing.

As a member of *Swiss Parahotel Association*, the Swiss Youth Hostels have pursued a strategic partnership with *Switzerland Tourism* since 2011. An extensive partnership for political lobbying was agreed with the *Swiss Hotel Association*. The lobbying cooperation will take place at all stages of the legislative process on the basis of open and transparent interexchange. The collaboration provides an opportunity to give more weight to the concerns and interests of the sector, and for the representation of the whole area of accommodation through a common presence in the political process.

Participation in expert groups and committees

We are happy to pass on our vast experience of sustainable management at no cost to the national and international tourism industry, be it in the form of consultation to individual service providers, students, hotel groups, trade associations, or through active participation in committees and projects.

Fredi Gmür is President of *Swiss Parahotel Association*, Board Member of the *Swiss Tourism Federation* (STF), on the Advisory Board for the *Swiss Hotel Association*, member of the Tourism Council of *Switzerland Tourism*, member of the advisory group «Teens Camp» of *Swiss Cableways Association*, as well as member of the «Swiss Corporate Sustainability Network».

René Dobler is Vice President of the support association *Barrierefreie Schweiz* (Barrier-free Switzerland) and a member of the «Consultative Committee on Sustainability» of the *Swiss Hotel Association*.

In addition, management members took the opportunity to present the «Sustainable Swiss Youth Hostels» business model at universities, universities of applied sciences, symposia, workshops and conferences, both in Switzerland and abroad.

International involvement

At the international level, the Swiss Youth Hostels are considered to be a leading organisation in terms of construction, operation and management. For example, in the year under review there was a lively exchange of know-how with various representatives of national youth hostel associations.

Reconstruction of youth hostel in Nepal

During the terrible earthquake in 2015, the youth hostel in the capital of Kathmandu – the only establishment of the Nepal Youth Hostel Council – was completely destroyed. In the year under review, it was possible to start the construction of a new youth hostel thanks to financial support from the Swiss Youth Hostels and two other European youth hostel associations. To date, five smaller buildings with accommodation, a simple kitchen, seminar room, sanitary facilities and camping area have been completed. The development project, which was co-financed with funds from the Nepal Youth Hostel Council, provides jobs for five employees and their families.

First youth hostel in Zanzibar

In Zanzibar, the Swiss association «Les Collégiens Akadiens et leurs Amis Africains» (CAAA) has for years been supporting the construction of schools, thereby helping to provide local children with a good education and thus a promising future. As far back as 2010, we donated the prize money that we received with the «Award for Marketing + Architecture» to the CAAA association, and over the past few years, we have actively supported the planning and construction stages. After one and a half years of construction, the first youth hostel in Zanzibar was opened in 2016. It is to serve as a training company for the planned technical college, while the two local schools will also be cross-financed with the revenue from the youth hostel.

International cooperation

Hostelling International

The Swiss Youth Hostels have been a member of Hostelling International since it was founded in 1932. The objective of Hostelling International is to promote the education and upbringing of young people from all nations and in particular of young people with limited financial resources. These people are encouraged to learn extensively about – as well as to love and cherish – the natural world, and to appreciate the cultural values of small and large cities all over the world. To support these objectives, Hostelling International coordinates the mutual recognition of membership, develops and promotes national networks and associations, defines quality standards, coordinates marketing activities and maintains the booking portal www.hihostels.com.

Delegates from the 63 member associations meet every two years at the World Conference. The 51st International Conference was held in London in September 2016. On this occasion, our President **Stephan Kurmann** won a large majority of votes and was elected as the new Vice President of Hostelling International.

The Swiss Youth Hostels also support Hostelling International through the active involvement of their management members in various working groups: **Janine Bunte** is part of the HI-360 Task Force, **René Dobler** is a member of the HIQ Steering Group and the Network Consistency Committee, and **Fredi Gmür** is on the Governance Review Committee.

Hostelling International in figures:

- 84 countries
- 64 member associations
- 2 associated organisations
- Licensed youth hostels in 24 countries
- Approximately 3,700 youth hostels
- 34.7 million overnight stays annually
- 3.4 million national members, plus 1 million guest members
- 4.8 million visitors to www.hihostels.com annually
- Revenue of GBP 16.7 million from www.hihostels.com

Hostelling International Marketing GmbH

Hostelling International Marketing GmbH is headquartered in Zurich. The Swiss Youth Hostels and their Dutch counterpart (Stayokay) each own a 50% share. The managing directors of this organisation are the two CEOs, Fredi Gmür (SYH) and Marijke Schreiner (Stayokay). Hostelling International Marketing GmbH trains, audits and certifies member associations and hostels worldwide in the HI quality assurance system, on behalf of Hostelling International.

The fourth and final project year with sole responsibility for the HI quality assurance system was also concluded successfully. The new HIQ+S management system, which has been expanded to include the sustainability aspect, was introduced. In the course of the year, there were intensive negotiations to enable the project to be transferred to the responsibility of Hostelling International when the contract expires in February 2017.

European Federation of Youth Hostel Associations (EUFED)

It is the duty of EUFED to coordinate and cultivate cooperation and networking between European youth hostel associations on the basis of shared values. While the Swiss Youth Hostels are not a member of EUFED, they make a financial contribution to support its activities.

Stephan Kurmann, President of the Swiss Youth Hostels Association, has been a member of the Executive Board of EUFED since March 2015.

Memberships

The Swiss Youth Hostels are a member of Hostelling International, the World Youth Student & Educational Travel Confederation, Switzerland Tourism, Swiss Parahotel Association, the Swiss Hotel Association, GastroSuisse, the Swiss Tourism Federation, the support association Barrier-free Switzerland, öbu (Network for Sustainable Economic Activity), the Energy Agency for Industry EnAW and proFonds (umbrella organisation for Swiss charitable foundations).



Key figures

	1992 ¹⁾	1996 ²⁾	2000 ³⁾	2004	2008	2012	2015	2016
Revenue								
Operating revenue in million CHF	17.51	20.45	23.89	27.64	40.68	43.06	46.58	46.03
Bed revenue	2,319	2,560	4,709	6,099	7,843	8,012	8,312	8,231
Revenue per overnight stay	n/a	36.44	41.68	47.88	51.81	56.93	62.36	63.58
Occupancy rates (own hostels)	43.3%	38.2%	43.9%	44.8%	52.4%	48.3%	45.2%	44.4%
Result								
Cash flow in million CHF ⁴⁾	1.78	2.00	4.28	5.89	10.45	8.77	8.28	8.90
Liquidity ratio III	174%	133%	98%	136%	112%	143%	141%	143%
Organisational capital	19%	1%	7%	34%	25%	41%	38%	38%
Return on equity in %	–	–	–	–	3.00%	0.25%	0%	0%
Return on equity in CHF	–	–	–	–	2,327,983	228,511	–	–
Productivity (in CHF)								
Productivity per employee	81,455	88,470	125,926	137,990	161,046	152,138	150,142	152,092
Total value creation	n/c	10,782,865	13,096,859	15,161,396	21,194,567	23,957,585	25,883,136	26,099,389
Value creation for employees	9,140,613	10,324,851	11,643,355	13,187,228	18,112,930	20,873,301	23,521,021	22,941,244
Value creation for public sector	n/c	1,134,541	1,046,925	1,326,257	2,025,707	2,056,011	2,574,186	2,718,218
Value creation in the organisation	n/c	–676,527	406,578	647,911	1,055,930	1,028,273	–212,071	439,926

¹⁾ First fiscal year following the merger of 14 independent districts, ²⁾ Start of reorganisation, ³⁾ Start of implementation of strategic planning,

⁴⁾ Before allocations and write-offs, n/a not available, n/c not collected

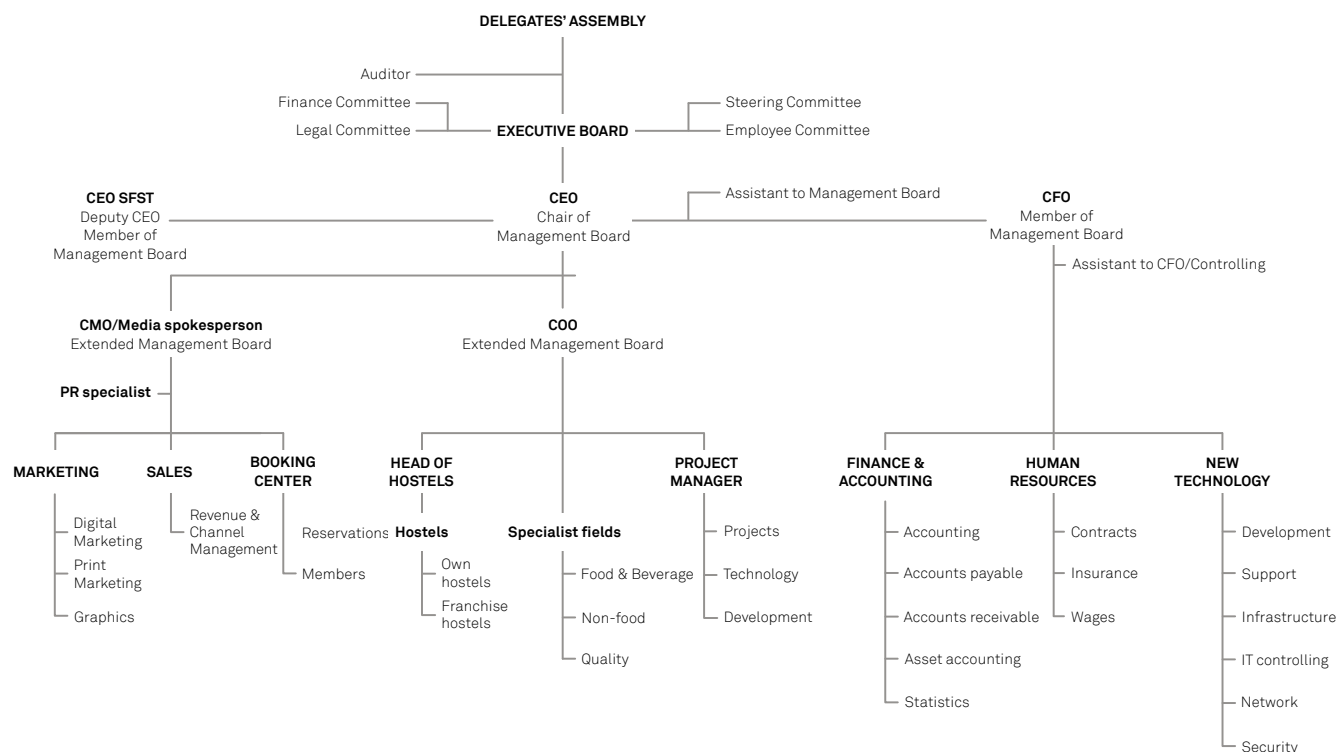


STRUCTURE & CORPORATE GOVERNANCE

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We wish to communicate our goals and principles at all times and to keep the general public up to date about developments in our field of activities. We likewise wish to maintain close personal relationships with the authorities, with both public and private institutions and with the media, to stand up for improvements in the most important basic conditions, and to promote worthwhile leisure activity options.

Organisation chart



Bodies of the association

Delegates

The members (82,495) choose 20–80 delegates for the duration of four years. Their powers include modification of the statutes, ratification of the business report, approval of the actions of the bodies, election of Executive Board members, president and statutory auditors, and nomination of honorary members.

Elected until 31 December 2019

Avesani Giancarlo, Melano | Bianchin Patricia, Neuchâtel | Buschor Trudi, Moosseedorf | Fuchs Edwin, Zollikon | Furger Christine, Arlesheim | Giacomazzi Gaia, Zurich | Gisler Alfred, Lucerne | Granacher Bernhard, Kreuzlingen | Gruber Veronika, Gelterkinden | Haag-Lochmann Helen, Hirzel | Hafner Andrea, Kilchberg | Haug-Kern Esther, Zurich | Haug Tobias, Zurich | Kasser Rosemarie, Küsnacht | Keller-Giovanon Helene, Ossingen | Lemberg Susanne, Zofingen | Lutz Béatrice, Birsfelden | Mathies Andreas, Ettingen | Meier Nicole, Zurich | Meyer Stefan, Zuzwil | Montandon Jonathan, Neuchâtel | Mottier André, Ste-Croix | Müller Karin, Bonstetten | Palme Sabine, Zug | Ramsperger Rolf, Neuhausen am Rhein | Sager Adrian, Interlaken-Unterseen | Schmid Denise, Zollikofen | Schmid Theres, Münsingen | Schoch-Sutter Carmen, Märstetten | Schwyter-Faist Yolanda, Zezikon TG | Städler-Bischof Esther, Wattwil | Steidle Christine, Arboldswil | Steiger Thomas, Muttentz | Steinmann Rolf, Cham | Strehler René, Zurich | Streuli Cornelia, Steinhausen | Thut Tobias, Kriens | Uhlemann Luzia, Untervaz | Vogel Manon, Hinwil | Weber Kathrin, Matzingen | Zulliger-Senn Anne-Marie, Volketswil | Zürcher Eva, Gonten

Executive Board

The Executive Board is the highest management body and is chosen by the delegates' assembly for a term of four years. The Board defines the strategic orientation and reviews the operative implementation.

Elected until 31 December 2019

- Abegg Thomas, Businessman, Wilen bei Wollerau (since 17.04.2010)
- Bahrampoori Rahel, Lawyer, Uitikon (since 11.06.2016)
- Denzler Corinne, CEO, Ascona (since 13.03.2015)
- Egloff Markus, Manager, Zurich (since 08.03.2003)
- Furrer Daniel, Tourism professional, Lucerne (since 03.12.2004)
- Jordan Amaury, Asset manager, Thalwil (since 29.01.2003)
- Kurmann Stephan, Management consultant, Hirzel (since 17.06.1995)
- Martin Pierre, Chief justice, Zurich (since 16.03.1996)
- Michel Abegg Corinne, Head of HR, Zurich (since 25.11.2015)
- Müller Christoph, Lawyer, Fällanden (since 17.06.1995)
- Roffler Erwin, Businessman, Davos-Platz (since 14.03.2009)

Chairmanship

- Kurmann Stephan, President
- Denzler Corinne, Vice President
- Roffler Erwin, Vice President

Finance Committee

- Egloff Markus, President
- Abegg Thomas
- Roffler Erwin

Legal Committee

- Martin Pierre
- Müller Christoph

Employee Committee

- Bunte Janine
- Dobler René
- Furrer Daniel
- Gmür Fredi
- Kurmann Stephan
- Müller Christoph

Chief Executive Officer

Since 1 April 1996, Fredi Gmür has been in charge of running the operative business of the Swiss Youth Hostels Association; he is responsible for implementing the business aspects. He is entrusted with all powers that are not expressly assigned to another body by law, statutes or regulations issued by the Executive Board.

Management

The management runs the operative business and is responsible for implementing the business aspects. The management is granted all of the powers that are not expressly assigned to another body by law, statutes or regulations issued by the Executive Board.

- Bunte Janine, CFO SYH/SFST (since 01.10.2010)
- Dobler René, CEO SFST (since 01.05.1999)
- Gmür Fredi, CEO SYH (since 01.04.1996)

Extended board of management

The extended board of management ensures the mutual exchange of information, the promotion of integration of departmental objectives and the coordination of cross-divisional responsibilities between the areas of management, operations, marketing, sales and membership, as well as operational decision-making between the Executive Board and the CFO/COO/CMO.

- Arnold Tanja, CMO SYH (since 14.09.2015)
- Levy René, COO SYH (until 31.12.2016)

Heads of department

The heads of department are responsible for implementing the agreed objectives in their department.

- Lutz Walter, Project Manager (since 01.01.1996)
- Peterhans Michael, Director of Operations Centre (since 01.10.2014)
- Schelbert Florian, Director of Operations West/South (since 01.07.2014)

- Schempp Kurt, Project Manager (since 01.10.2010)
- Wyrsh Sylvia, Director of Operations East (since 15.06.2015)

Employee Committee

The Employee Committee represents the interests of all employees vis-à-vis the management and the Executive Board.

Elected until 31 December 2018:

- Raimann Angela, Application Support Executive, Service Centre Zurich (President)
- Meier Daniel, Manager, Stein am Rhein Youth Hostel
- Wettstein Tobias, Manager, Basel Youth Hostel
- Zürcher Ueli, Manager, Interlaken Youth Hostel

Auditing body

Bommer + Partner Treuhandgesellschaft, Berne

Honorary members

- Kern Jack, Zurich
- Lüdi Heinz, Effretikon
- Wälle Robert, Lucerne

Management teams

As of April 2017

Avenches Silvia Genuetta Plöger | **Baden** Dennis & Anja Kaufmann | **Basel** Tobias Wettstein & Sandra Neuhaus | **Beinwil am See** Michael Müller | **Bellinzona** Nicoletta Federspiel | **Brienz** Guido Weber | **Brugg** Saba Krezdorn & Jara Guldinann | **Château-d'Oex** Andreas Mehmman | **Crans-Montana** Stefanie Salzgeber | **Dachsen am Rheinfall** Rahel Stricker | **Davos** Guido Truninger a.i. & Sylvia Spring | **Delémont** Gerold Lustenberger | **Engelberg** Petra & Fredy Liem | **Fällanden** Martin Käser | **Fiesch** Pierre Lehmann | **Figino** Juliana Realini | **Gersau** Jürg & Manuela Haupt | **Grindelwald** Esther Suter | **Gstaad Saanenland** Andreas Mehmman | **Interlaken** Ueli Zürcher | **Klostern** Guido Truninger | **Kreuzlingen** Bernhard Granacher | **Lausanne** Uros Vuckovic | **Le Bémont** Clément Milani | **Leissigen** Osvaldo de Armas | **Locarno** Rosemarie Weyer & Carmen Gambetta | **Lugano** Lotti & Roland Majek | **Lucerne** Kerstin Bilda-Stolzmann | **Mariastein-Rotberg** Thomas Krämer | **Montreux** Walter & Christine Pfister | **Pontresina** Martin & Sabine Künzli | **Rapperswil-Jona** Peter & Brigitte Keller | **Richterswil** Daniel Walser | **Romanshorn** Isabelle & Adrian Koch | **Saas-Fee** Chantal Anthamatten | **Schaan-Vaduz** Ernst Meili | **Schaffhausen** Sirko Meinhardt | **Scuol** Daniel Hiederer & Stefanie Daub | **Seelisberg** Daniela Truttmann-Burckhardt | **Sils i.D.** Mario Caduff | **Sion** Laurent Perret | **Solothurn** Nestor Philipp Cohen | **St. Gallen** Milena Jung | **St. Moritz** Roland Fischer & Ruth Danzeisen | **Sta. Maria** Rosmarie Tinner | **Stein am Rhein** Daniel & Susanna Meier | **Valbella** Nicolas Witschi | **Zermatt** Christian Keel | **Zofingen** Lucia Mächler | **Zug** Sabine Palme | **Zurich** Christian Meixner

Employees at the Service Centre in Zurich

As of April 2017

Arnold Tanja, CMO | Bassi Manuel, Graphic Designer Marketing | Bösiger Thomas, Head of Marketing | Bruhin Eveline, Finance & Accounting | Buffoni Aldo, Head of Projects SFST | Bunte Janine, CFO SYH/SFST | Burnier Melanie, Finance & Accounting | Dobler René, CEO SFST | Efe Kübra, Trainee in Administration | Fricke Marco, Head of Finance & Accounting | Gmür Fredi, CEO SYH | Grossenbacher Yvonne, Finance & Accounting | Gschwend Kristel, Digital Marketing Specialist | Häfeli Hans-Urs, Project Manager SFST | Hafner Andrea, New Technology | Hedinger-Schwyn Sandra, Assistant CEO | Hierholzer Brigitte, Finance & Accounting | Kirtskhalia Tatia, Revenue & Channel Manager | Lang Andrea, Human Resources | Lehmann Lisette, Human Resources | Lips Barbara, Booking Center | Lippik Katrin, Head of Booking Center | Lutz Walter, Project Head SYH | Münger Laura, Assistant CEO | Nicotera Ralph,

Resp. Construction/Maintenance/Projects SFST | Nosdeo-Carchidi Maria, Finance & Accounting | Oliveira Luisa, Trainee in Administration | Peterhans Michael, Director of Operations Central | Raimann Angela, New Technology | Rogantini Luca, Assistant CFO | Salzmann Patricia, Sales Manager Groups | Schelbert Florian, Director of Operations West/South | Schempp Kurt, Project Manager SYH | Schibler Petra, Resp. Construction/Maintenance/Projects SFST | Shafai Yeganeh, Booking Center | Spillmann Olivia, Sales & Marketing | Schweizer Chantal, Trainee Marketing & Booking Center | Spörri Matthias, Resp. Construction/Maintenance/Projects SFST | Stalleicher Johanna, PR Specialist | Staub Gilda, Booking Center | Steiner Mike, New Technology | Sturm-Kühne Sandra, Booking Center | Von Ziegler Annick, Trainee Marketing & Sales | Widmer Olivier, Booking Center | Wyrsh Sylvia, Director of Operations East | Zollinger Markus, Head of Human Resources

Benefactors

Private individuals

Stefan and Annelise Anderhalden, Zurich | René Bergamin, Lenzerheide/Lai | Gerrit-Jan Bossen, Plan-les-Quates | D. Brandenberger, Neftenbach | Dr. med. Jürg Brunner, Flawil | Jon and Simone Erni-Müller, Thalwil | Hans Beat Gamper, Zurich | Manuela Gasser, Baar | Dr. med. Felix Gemp, Pfäffikon ZH | Peter Gertsch-Saxer, Grindelwald | Helmut Gmeiner, Schaan | Peter Hanimann, Boldigen | Jakob Knuchel, Brunnenthal | Dr. med. Bruno Köhler, Mettmensstetten | Irene and Domenic Lingenhaag, St. Moritz | Ernst and Beatrice Märki, Brugg AG | Martin Meier, Winterthur | Emil Meier, Eglisau | Urs Metzger, Stein am Rhein | Evangelos Mpintzios, Oberengstringen | Anton Muff, Emmenbrücke | Ulrich Pfister-Kaufmann, Gelterkinden | Elie Rouvier-Singenberger, Zurich | Gaudenz Sonder, Illnau | Roland and Terezija Stampfli, Wisen SO | Max and Martin Strasser, Stein am Rhein | Hans Kaspar Wagner, Winterthur | Jörg Weber, Witterswil | Karl and Heidi Weiss-Baumann, Dietikon | Gisela and Philipp Wyss, Root | Hans Zulauf, Brugg AG | Paul Zweifel, Zurich

In memory of the late Josef Anton Henkel:

Erna Aebersold, Interlaken | Melanie Aebi-Jakob, Unterseen | Walter Bachmann, Seon | Marianne Balmer, Unterseen | Hanna Burkhardt, Unterseen | Theres Gindely, Baden | Thomas Henkel, Düringen | Elisabeth Humbel-Neiger, Lupsingen | Markus Naef, Siebnen | Verena Naef, Uetikon | Heidi Naef, Unterseen | Peter Niffeler-Hofstetter, Rotkreuz | Willi and Silvia Roth, Waldstatt | Mathilde Rothenbühler, Berne | Fritz Schobert, Interlaken | Samuel and Christine Spielmann, Berne | S. and H. Stettler, Unterseen | Ole Waeny-Sutter, Interlaken | Hans Ulrich Werren, Langnau im Emmental | Paul and Brigitte Wüst-Scherrer, Bütschwil | Catholic Parish Office, Interlaken

Companies

Adank Davos AG, Davos Dorf | Andreas Lütcher Baumanagement AG, Haldenstein | Bäckerei-Konditorei Schulz, Reinach | Banque Cantonale du Valais, Sion | Brauerei Rosengarten AG, Einsiedeln | Brauerei Schützengarten AG, St. Gallen | Burki AG, Biberist | Culinex AG, Härkingen | Durex SA, Delémont | Elektrohuus von Allmen AG, Gstaad | Ernst Fischer Malergeschäft, Rüschlikon ZH | GEG-GUS Schweiz GmbH, Wildegg | Gut Bau AG, Horw | Heinz Seiler AG, Bönigen bei Interlaken | Herzog Bau AG, Menziken | Hotel Albris AG, Pontresina | Mätzener & Wyss Bauingenieure AG, Unterseen | Maus AG Heizung + Sanitär, Eschenz | Plácido Pérez, dipl. Bauingenieure GmbH, Bonaduz | Prowema GmbH, Pfäffikon ZH | Reinhard Schreiner AG, Lucerne | Reto Bortis Kaminfegergeschäft, Baar | Rolf Roth Kaminfegergeschäft, Zofingen | Schenker Storen, Schönenwerd | Schulthess Maschinen AG, Wolfhausen ZH | Similor AG, Laufen | Solarspar, Sissach | Soprag Reinigungs Service AG, Zurich | Spescha Haustechnik AG, Lenzerheide | Sweet Dreams Collection AG, Reinach | Turrian + Kohli SA, Château-d'Oex | Zäch Elektro + Telekom AG, Fällanden | Zahner Fischhandel AG, Gommiswald

Municipalities

Brugg AG | Erlenbach ZH | Gerzensee BE | Horgen ZH | Metzerlen-Mariastein SO | Oberdorf SO | Oberrieden ZH | Riehen BS | Zurich ZH

Corporate governance

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In their reporting, the Swiss Youth Hostels adhere to the standards of the Swiss Code of Best Practice.

Good relationships with members, effective cooperation between the management and the Executive Board, and a remuneration system for employees and managers that is both success-oriented and in keeping with current standards all are characteristic elements of our corporate governance.

The accounting by the Swiss Youth Hostels complies with the Swiss GAAP FER professional recommendations and gives a true and fair view of assets, liabilities, financial position and profit or loss.

As a general principle, the members of the Executive Board provide their services free of charge on the basis of the corporate governance guidelines for non-profit organisations in Switzerland and the Swiss NPO code. Any resulting actual expenses are reim-

bursed. For their voluntary activities, the members of the Executive Board receive 42 accommodation coupons every year that allow free use of the youth hostels. If particularly time-consuming tasks or projects are assigned to one or several members of the Executive Board, compensation can be paid to them, taking into account the non-profit nature of the organisation and following the applicable guidelines provided in the Swiss NPO code. Services may not be compensated until the personal volunteer efforts exceed 150 hours per calendar year.

By way of compensation, delegates receive 21 accommodation vouchers every year that allow free use of the youth hostels along with reimbursement of their actual expenses for participation in the delegates' assemblies. They do not receive any cash payments.

Risk management

In cooperation with the management, the Executive Board has carried out a risk analysis at the organisational level. A risk inventory was prepared that covers all of the business areas/relationships and assesses the relevant risks, defines actions for minimising or covering each risk, specifies responsibilities and verifies the effec-

tiveness of the control mechanisms. At the hostel level, risk analyses were prepared by the managers and departmental supervisors using the same specifications, and were reviewed by the organisation's management.

Legal compliance

	1992 ¹⁾	1996 ²⁾	2000 ³⁾	2004	2008	2012	2015	2016
Punished legal violations	n/c	0	0	0	0	0	0	0

¹⁾ First fiscal year following the merger of 14 independent districts, ²⁾ Start of reorganisation, ³⁾ Start of implementation of strategic planning, n/c not collected



In spite of our idealistic aims, we aim for commercial activities that maximise our commercial viability and thereby ensure the continued existence of our organisation. We strive therefore to generate sufficient revenue, to maintain adequate liquidity, to build reserves and to foster a sound capital structure. For major investments such as new construction and renovation projects, however, we are reliant upon financial support from the public sector.

Balance sheet

As at 31 December	Notes in annex	2016 in CHF	in %	2015 in CHF	in %
Assets					
Current assets					
Liquid assets		8,320,127.80	63.2	8,624,765.12	64.3
Accounts receivable from third parties		833,838.92	6.3	1,050,801.37	7.8
Accounts receivable from related parties		1,169,855.20	8.9	490,431.15	3.7
Del credere		-99,794.00	-0.8	-122,405.00	-0.9
Accounts receivable trade	1	1,903,900.12	14.5	1,418,827.52	10.6
Other accounts receivable	2	472,237.20	3.6	421,689.06	3.1
Merchandise in stock		406,074.78	3.1	420,390.51	3.1
Inventories heating material		84,111.43	0.6	115,306.55	0.9
Value adjustment inventories		-98,035.00	-0.7	-107,135.00	-0.8
Inventories	3	392,151.21	3.0	428,562.06	3.2
Active deferred charges		263,285.05	2.0	440,135.52	3.3
Current assets		11,351,701.38	86.2	11,333,979.28	84.5
Fixed assets					
Vehicles		42,703.30	0.3	70,443.00	0.5
Equipment		965,617.04	7.3	1,095,316.47	8.2
Mobile tangible assets	4	1,008,320.34	7.7	1,165,759.47	8.7
Renovations		163,515.36	1.2	197,356.81	1.5
Immobile tangible assets	4	163,515.36	1.2	197,356.81	1.5
Holdings		15,002.00	0.1	2.00	0.0
Deposits		2,900.25	0.0	0.00	0.0
Share certificates		200.00	0.0	200.00	0.0
Financial assets	5	18,102.25	0.1	202.00	0.0
Free assets		1,189,937.95	9.0	1,363,318.28	10.2
Loan «Valbella» to related party		0.00	0.0	29,070.00	0.2
Loan «Davos» to related party		620,000.00	4.7	680,000.00	5.1
Earmarked loans to related parties	6	620,000.00	4.7	709,070.00	5.3
Earmarked assets		620,000.00	4.7	709,070.00	5.3
Fixed assets		1,809,937.95	13.8	2,072,388.28	15.5
Assets		13,161,639.33	100.0	13,406,367.56	100.0
Liabilities					
Outside capital					
Accounts payable to third parties		2,801,327.63	21.3	2,156,307.22	16.1
Accounts payable to related parties		0.00	0.0	0.00	0.0
Accounts payable trade	7	2,801,327.63	21.3	2,156,307.22	16.1
Prepayments from guests		2,848,478.69	21.6	3,037,963.90	22.7
Miscellaneous short-term liabilities	8	537,815.67	4.1	869,337.29	6.5
Other liabilities		3,386,294.36	25.7	3,907,301.19	29.1
Deferrals, membership subscriptions		747,441.62	5.7	893,533.66	6.7
Other transitory deferrals		1,006,265.90	7.6	1,096,545.69	8.2
Deferrals	9	1,753,707.52	13.3	1,990,079.35	14.8
Short-term outside capital		7,941,329.51	60.3	8,053,687.76	60.1
Assurance of guarantee risks		214,500.00	1.6	214,500.00	1.6
Provisions	10	214,500.00	1.6	214,500.00	1.6
Long-term outside capital		214,500.00	1.6	214,500.00	1.6
Outside capital		8,155,829.51	62.0	8,268,187.76	61.7
Organisational capital					
Capital as at 1 January 2003		1,465,631.02	11.1	1,465,631.02	10.9
Acquired free capital		3,540,178.80	26.9	3,672,548.78	27.4
Free funds		0.00	0.0	0.00	0.0
Organisational capital		5,005,809.82	38.0	5,138,179.80	38.3
Liabilities		13,161,639.33	100.0	13,406,367.56	100.0

Statement of accounts

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From 1 January to 31 December	Notes in annex	2016 in CHF	in %	2015 in CHF	in %
Operating revenue					
Restaurant revenue		16,133,932.53	35.1	15,776,761.39	33.9
Merchandise revenue		2,097,929.91	4.6	2,357,189.08	5.1
Restaurant and merchandise revenue		18,231,862.44	39.6	18,133,950.47	38.9
Lodging revenue		24,957,538.49	54.2	25,801,717.55	55.4
Other service revenue		1,480,180.47	3.2	1,369,278.27	2.9
Service and lodging revenue	11	26,437,718.96	57.4	27,170,995.82	58.3
Annual membership subscriptions		1,759,461.14	3.8	1,775,040.20	3.8
Single-day membership subscriptions		1,031,255.27	2.2	991,293.54	2.1
Membership subscriptions	12	2,790,716.41	6.1	2,766,333.74	5.9
Contributions from benefactors		28,018.45	0.1	33,012.30	0.1
Earmarked contributions		127,122.40	0.3	130,029.90	0.3
Free contributions		250.00	0.0	0.00	0.0
Contributions from benefactors	13	155,390.85	0.3	163,042.20	0.4
Franchise fees		108,258.55	0.2	109,776.20	0.2
Administrative contribution, related parties		87,500.00	0.2	90,000.00	0.2
Miscellaneous operating revenue		21,749.65	0.0	45,250.30	0.1
Other operating revenue		217,508.20	0.5	245,026.50	0.5
Allowances		-1,551,176.30	-3.4	-1,455,632.23	-3.1
Commissions credit cards and REKA		-232,008.37	-0.5	-248,839.45	-0.5
Reservation commissions		-15,283.51	0.0	-5,213.33	0.0
Losses from receivables		-6,200.70	0.0	-186,512.00	-0.4
Decrease in earnings	14	-1,804,668.88	-3.9	-1,896,197.01	-4.1
Operating revenue		46,028,527.98	100.0	46,583,151.72	100.0
Operating expenses					
Restaurant expenses		-4,354,890.04	-9.5	-4,374,633.16	-9.4
Merchandise expenses		-1,346,469.21	-2.9	-1,635,785.83	-3.5
Material expenses		-739,514.40	-1.6	-706,229.94	-1.5
Third-party services		-1,482,203.81	-3.2	-1,561,705.58	-3.4
Expenses on materials, merchandise & third-party services	15	-7,923,077.46	-17.2	-8,278,354.51	-17.8
Wages		-18,992,929.05	-41.3	-19,404,117.35	-41.7
Social benefits		-3,057,172.80	-6.6	-3,168,077.55	-6.8
Other personnel expenses		-547,250.84	-1.2	-672,809.75	-1.4
Work performed, third-party		-343,891.35	-0.7	-276,016.40	-0.6
Personnel expenses	16	-22,941,244.04	-49.8	-23,521,021.05	-50.5
Rental and leasing expenses, third-party		-532,297.65	-1.2	-561,412.39	-1.2
Rental and leasing expenses, related party		-8,065,367.80	-17.5	-8,046,856.55	-17.3
Other facility expenses		-116,947.55	-0.3	-65,776.05	-0.1
Maintenance of buildings and installations		-624,338.95	-1.4	-563,924.62	-1.2
Employee contributions, lodging		565,454.20	1.2	586,877.25	1.3
Facility expenses	17	-8,773,497.75	-19.1	-8,651,092.36	-18.6
Maintenance, repairs, replacements and leasing		-777,789.42	-1.7	-731,046.90	-1.6
Vehicle and transport expenses		-190,046.51	-0.4	-185,299.57	-0.4
Property insurance and taxes		-559,688.71	-1.2	-628,949.44	-1.4
Energy and disposal expenses		-2,044,293.17	-4.4	-2,168,791.30	-4.7
Administrative expenses		-1,284,467.08	-2.8	-1,369,352.79	-2.9
Advertising expenses		-1,012,014.89	-2.2	-1,215,100.76	-2.6
Miscellaneous operating expenses		-79,120.86	-0.2	-88,434.66	-0.2
Other operating expenses		-5,947,420.64	-12.9	-6,386,975.42	-13.7
Depreciation	4	-572,296.30	-1.2	-610,757.18	-1.3
Operating expenses	18	-46,157,536.19	-100.3	-47,448,200.52	-101.9
Operating result		-129,008.21	-0.3	-865,048.80	-1.9
Result due to disposal of tangible assets		0.00	0.0	1,348.75	0.0
Financial expenses		-33,389.71	-0.1	-48,911.41	-0.1
Financial revenue		30,027.94	0.1	89,783.74	0.2
Financial result		-3,361.77	0.0	40,872.33	0.1
Annual results before allocation of organisational capital		-132,369.98	-0.3	-822,827.72	-1.8
Withdrawal of acquired free capital		132,369.98	0.3	822,827.72	1.8
Annual result		0.00	0.0	0.00	0.0

Cash flow statement

From 1 January to 31 December	2016 in CHF	2015 in CHF
Withdrawal of acquired free capital	-132,369.98	-822,827.72
Depreciation	572,296.30	610,757.18
Allowances for inventories	-9,100.00	-4,464.00
Allowances, earmarked loans to related parties	29,070.00	29,070.00
Profits from sales of tangible assets	0.00	-1,348.75
Increase/decrease in accounts receivable trade	-485,072.60	-436,830.63
Increase/decrease in other receivables	-50,548.14	-45,728.64
Increase/decrease in inventories	45,510.85	22,281.96
Increase/decrease in prepaid expenses	-176,850.47	-180,900.97
Increase/decrease in accounts payable trade	645,020.41	-259,035.51
Increase/decrease in other liabilities	521,006.83	500,990.91
Increase/decrease in deferrals	-236,371.83	-238,027.53
Cash flow from operating activities	34,278.65	-826,063.70
Investments in tangible assets	-369,733.37	-588,393.01
Disposals of tangible assets	0.00	9,441.25
Profits from sales of tangible assets	0.00	1,348.75
Investments in renovations	-11,282.35	0.00
Investments in financial assets	-17,900.25	0.00
Disposals of earmarked loans to related parties	60,000.00	60,000.00
Cash flow from investment activities	-338,915.97	-517,603.01
Change in liquid assets	-304,637.32	-1,343,666.71
Balance of liquid assets as at 1 January	8,624,765.12	9,968,431.83
Balance of liquid assets as at 31 December	8,320,127.80	8,624,765.12
Change in liquid assets	-304,637.32	-1,343,666.71

Statement of variation in capital

	Opening balance in CHF	Allocation in CHF	Internal fund transfers in CHF	Use in CHF	Closing balance in CHF
Funds from equity financing					
Capital as at 1 January 2003	1,465,631.02	0.00	0.00	0.00	1,465,631.02
Acquired free capital	3,672,548.78	0.00	-132,369.98	0.00	3,540,178.80
Free funds	0.00	0.00	0.00	0.00	0.00
Annual result	0.00	-132,369.98	132,369.98	0.00	0.00
Organisational capital	5,138,179.80	-132,369.98	0.00	0.00	5,005,809.82

Annex to the annual financial statement

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General

The accounting by the Swiss Youth Hostels complies with the Swiss GAAP FER professional recommendations and gives a true and fair view of assets, liabilities, financial position and profit or loss.

Related parties

The Swiss Foundation for Social Tourism, the Foundation for Youth Hostels in Switzerland and Hostelling International Marketing GmbH are deemed to be related parties. All substantial transactions are disclosed in the annex to the annual financial statement.

No contractual relations of any sort exist with members of the Executive Board of the Swiss Youth Hostels, the trustees of the Swiss Foundation for Social Tourism, the trustees of the Foundation for Youth Hostels in Switzerland and Hostelling International Marketing GmbH.

Valuation methods

Liquid assets

Liquid assets include cash on hand and postal cheque and bank account balances, all at their nominal values. Foreign currency balances are converted using the end-of-year conversion rate set by the Swiss Federal Tax Administration.

Receivables

Receivables for services provided to third parties are considered after discounting of necessary allowances for del credere risk.

Inventories

Inventories are valued at cost prices or lower market prices. The goods risk is taken into account with an allowance of 20% of the respective year-end balance.

Tangible assets

Valuation occurs at purchasing costs minus any applicable business depreciation. Depreciation is calculated on a straight-line basis with the following useful life:

Machines and equipment	8 years
Furniture	8 years
Small items	3 years
IT	3 years
Vehicles	5 years
Renovations	10 years

Situation report

The situation report will be published in full in the business report. From 19 June 2017, this will be available at the following address:

Swiss Youth Hostels
Management
Schaffhauserstrasse 14
P.O. Box
8042 Zurich
Phone +41 (0)44 360 14 31
Email: geschaeftsleitung@youthhostel.ch

From 19 June 2017, a digital copy will also be available at www.youthhostel.ch.

Risk assessment

The Executive Board and management have instituted internal precautions in order to ensure conformity of the organisation's annual accounts with the applicable financial reporting requirements and to ensure proper reporting. These precautions concern modern accounting systems and procedures as well as the preparation of the annual accounts. During the past fiscal year, the Executive Board and management did not identify any risks that could lead to a lasting or substantial impairment of the organisation's assets, liabilities, financial position, and profit or loss.

Explanatory notes on the balance sheet

1. Accounts receivable trade

In the del credere accounting, receivables that were older than 60 days on the balance sheet date were value-adjusted in full while the remaining receivables were adjusted at a flat rate of 5%.

Accounts receivable from related parties predominantly comprise receivables from the Swiss Foundation for Social Tourism and from Hostelling International Marketing GmbH.

2. Other accounts receivable

Other accounts receivable include CHF 53,390 (previous year CHF 43,369) of advance payments to suppliers. Suppliers' invoices concerning the reporting of the previous year were paid during the current year.

3. Inventories

Risks associated with the storage of goods were valued in the amount of 20% of the goods inventory and at the end of the year were deferred in full as an allowance.

4. Tangible assets

In CHF	Book value as at 01.01.	Acquisitions	Disposals	Depreciations	Book value as at 31.12.
Vehicles	70,443.00	0.00	0.00	27,739.40	42,703.60
IT	187,381.41	117,825.60	0.00	178,432.85	126,774.16
Machines / equipment	428,054.27	101,315.47	0.00	114,115.70	415,254.04
Furniture	374,472.39	61,084.55	0.00	106,277.30	329,279.64
Small items	105,408.40	89,507.75	0.00	100,606.95	94,309.20
Mobile tangible assets	1,165,759.47	369,733.37	0.00	527,172.20	1,008,320.64
Renovations	197,356.81	11,282.35	0.00	45,123.80	163,515.36
Immobile tangible assets	197,356.81	11,282.35	0.00	45,123.80	163,515.36

5. Financial assets

Hostelling International Marketing GmbH was founded in September 2006 and is headquartered in Zurich. The Dutch hostel association Stichting Stayokay and the Swiss Youth Hostels each hold a 50% share of capital and votes. The nominal capital totals CHF 20,000, of which the Swiss Youth Hostels have a share of CHF 10,000. This share is valued at CHF 1 and is included in the holdings of related parties.

Hostelling International Marketing GmbH is an organisation that is barred from full consolidation as it was founded exclusively for the purpose of providing services to the national youth hostel associations. The primary activity was the worldwide implementation of quality assurance. In 2017, this task was handed over to the international association, Hostelling International, and Hostelling International Marketing GmbH was liquidated.

6. Earmarked loans to related parties

In 2007, a loan earmarked for Valbella Youth Hostel was made to the Swiss Foundation for Social Tourism. It is amortised yearly by CHF 29,070. As at the end of 2016, this loan was fully amortised.

In 2008, a loan earmarked for the purchase of Davos Youth Hostel was made to the Swiss Foundation for Social Tourism. Regular interest is paid on this loan and it is amortised at annual instalments of CHF 60,000.

7. Accounts payable trade

The accounts payable trade predominantly comprise accounts payable to third parties.

8. Miscellaneous short-term liabilities

Miscellaneous short-term liabilities are predominantly made up of liabilities to social security institutions, cantonal tax administrations (withholding taxes) as well as prepaid services in the form of gift certificates.

9. Deferrals

The deferrals of membership subscriptions for the following year come into being owing to the rolling membership year.

10. Provisions

In CHF	Value as at 01.01.	Acquisitions	Disposals	Value as at 31.12.
Sureties	214,500.00	0.00	0.00	214,500.00
Provisions	214,500.00	0.00	0.00	214,500.00

The safeguarding of guarantee risks exists to safeguard contractual relationships.

Explanatory notes on the statement of accounts

11. Service and lodging revenue

In the course of 2015, 364,475 guests (previous year: 379,781) were accommodated in our establishments, corresponding to 723,951 (previous year: 746,988) overnight stays.

12. Membership subscriptions

The number of members as at 31 December 2016 (cut-off date) was 82,495 (previous year: 91,342).

13. Contributions from benefactors

Earmarked contributions include CHF 127,122 (previous year: 130,030) of voluntary CO₂ compensation from the overnight guests of the Swiss Youth Hostels. Half of the contributions are transferred to the myclimate Foundation for financing climate protection projects worldwide and half to the Swiss Foundation for Social Tourism for climate projects of the Swiss Youth Hostels.

14. Decrease in earnings

The losses from accounts receivable of CHF 16,605 (previous year: CHF 128,421) include bad debts, the decrease in del credere risk in the amount of CHF 22,611 (previous year: 33,892) and CHF 13,177 (previous year: 24,199) of losses from cancellations, as well as income of CHF 970 from amortised receivables (previous year: CHF 0).

15. Expenses on materials, merchandise and third-party services

Expenses on third-party services predominantly comprise intermediary fees and reservation expenses for online platforms and channel management, as well as for external laundering and administration of the member database.

16. Personnel expenses

In 2016, 303 full-time workloads (previous year: 310) were distributed across 501 permanent positions (previous year: 512) and 39 temporary staff (previous year: 45).

17. Facility expenses

The rental and leasing expenses to related parties include the rent payments to the Swiss Foundation for Social Tourism (SFST). In 2016, no variable rent payment was factored into the calculations.

18. Administrative expenses

	2016 in CHF	2015 in CHF
Operating expenses		
Expenses on materials, merchandise and third-party services	-7,923,077.46	-8,278,354.51
Personnel expenses	-20,167,468.59	-20,613,280.90
Facility expenses	-8,397,028.95	-8,243,064.51
Other operating expenses	-4,797,963.08	-5,220,417.88
Depreciation	-424,509.40	-428,422.71
Total operating expenses	-41,710,047.48	-42,783,540.51
Administrative expenses		
Personnel expenses, administration	-2,773,775.45	-2,907,740.15
Other administrative expenses	-1,525,926.36	-1,574,585.39
Depreciation	-147,786.90	-182,334.47
Total administrative expenses	-4,447,488.71	-4,664,660.01
Total	-46,157,536.19	-47,448,200.52
Administrative expenses as % of operating revenue	9.7%	10.0%

Further information

Accounts payable to pension institutions	2016 in CHF	2015 in CHF
Occupational pension fund	650,928	Credit balance

Remuneration of committees

In 2016, remuneration of fees and reimbursement of expenses in the amount of CHF 88,279 was paid out to members of the Executive Board (previous year: 70,908). Of this sum, the President received CHF 85,211 (previous year: CHF 69,095). The additional expenses is due to the President's appointment as Vice President on the Board of the international association, Hostelling International, which is based in London.

In 2016, fees for auditors amounted to CHF 51,997 (previous year: CHF 49,100). This was paid exclusively for the performance of audit services.

Fundraising expenses

In 2016, fundraising expenses amounted to CHF 7,137 (previous year: 6,959).

Purchase agreement obligations

A long-term lease is in place until 30.04.2026 for the offices of the Service Centre in Zurich. The liability up to the expiration of the lease is CHF 3,273,667.

The rental and lease agreements with the Swiss Foundation for Social Tourism in Zurich can be terminated at 12 months' notice.

Events after the balance sheet date

No significant events have occurred after the balance sheet date and until the adoption of the financial statements that might affect the informative value of these financial statements, or which have to be disclosed here.

Report of the statutory auditor on the financial statements to the delegate meeting of Swiss Youth Hotels, Zurich

As statutory auditor, we have audited the accompanying financial statements of Swiss Youth Hostels which comprise the balance sheet, income statement, cash flow analysis, statement of changes in equity and notes for the year ended 31 December 2016. In accordance with Swiss GAAP FER the information contained in the performance report is not subject to the regular audit requirement.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss GAAP FER and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2016 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER. Furthermore, the accounting records and the financial statements comply with Swiss law and the company's articles of incorporation.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We recommend that the financial statements submitted to you be approved.

BOMMER + PARTNER
Treuhandgesellschaft

Audit Expert
Auditor in charge

Audit expert

Bern, 31 march 2017 aw

Enclosures: - Financial statements (balance sheet, income statement and notes)



OUTLOOK & PRIORITIES FOR 2017

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Because future opportunities in our fast-moving world can only be seized through new ideas, it is our goal to consciously promote innovative thought and action at all levels within our organisation. We support practice-oriented, critical research into tourism, which we view as an important means of providing information that enables us to formulate an integrated and forward-looking policy for our association.

Economic outlook

The economy stabilised in 2016 and showed a slight tendency towards growth. The forecasts from the Federal Government's Expert Group remain positive (GDP growth of 1.6% in 2017 and 1.9% in 2018).

Switzerland Tourism thinks that the markets will develop as follows:

- **Europe** Stagnation or marginal recovery
- **Asia** Growth (lower growth rates), increasing FIT share
- **USA** Continued growth
- **Switzerland** Slight growth
- **UK** Decline, extent depends on mood among consumers

Overall, we anticipate slight growth in the cities and in the Alpine region.

The price system for the hostels has been revised with the aim of optimising demand. It will be introduced in two stages, in

the winter seasons 2016/2017 and 2017/2018. The varied and innovative range of offers and services from the Swiss Youth Hostels will be presented on a new website. Simple structures and intuitive navigation in line with guest requirements will guide users effectively to the desired information, resulting in additional bookings. The new website is scheduled to go live in the third quarter of 2017.

Expansions of and improvements to offers, as well as market forecasts, were taken into account in the budgeting and planning for 2017.

As of the end of March 2017, the booking level for 2017 was 103.1% of the figure for the previous year. An increase in bookings can be reported, despite the closure in 2017 of the hostels in Berne (due to reconstruction) and Fribourg (definitively). Following the unreliable snow conditions at the beginning of the year, the booking behaviour of guests for the winter months of January to April was somewhat conservative. The booking status is significantly higher than in the previous year for the months from May.

Ongoing development

Whilst maintaining our values throughout, we must be capable of change in response to the new market situation. Human encounters remain at the heart of what we do; we will continue to provide meeting places that unite people from different countries and from different generations, promoting a sense of community. And we continue to facilitate quality-oriented, socially responsible and environmentally sound tourism for young people and families.

The successes of recent years due to the consistent implementation of our network and sustainability strategy, have result-

ed in financial reserves. This gives us the confidence to continue on our path of renewal and growth. Throughout, we remain committed to our network and sustainability strategy.

Once again in 2017, we are thus working towards the further expansion of our network by developing a range of project ideas (as of April 2017: Bernese Seeland, Burgdorf, Dachsen am Rheinfall, Geneva, Laax, Lucerne, Neuchâtel, Schaan-Vaduz, Trin).

Target table 2017

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For our range of services

Field of action	Our aims	Key performance indicator
Network	Development of the network in Switzerland	Berne: Implementation Burgdorf: Planning/implementation Crans-Montana: Implementation/opening Geneva: Planning Laax: Planning Lucerne: Planning Neuchâtel: Planning Schaan-Vaduz: Planning Trin: Implementation
Barrier-free youth hostels	Offering for people with disabilities	Increase barrier-free YHs to 60%
	Accessibility of the new website	Certification for the «Access for All» website
	Expansion of services for people with disabilities	Organisation of awareness courses for employees
Accommodation & catering	Ensure quality	Auditing of all youth hostels by internal and external bodies
Food	Optimise presentation and quality	Develop tools, training and application
	Implement extended breakfast menu	Training, implementation of new offer
	SYH purchasing concept	Develop and optimise groundwork
Marketing & Sales	Planning 2017	Seasonal detailed planning completed 3 months before implementation
	Website	Add current offers and promotional items on an ongoing basis
	Medium-term planning for 2018–2020	Detailed planning 2018; general planning 2019 and 2020
	Concept for online/offline sales	Sales concept developed and in implementation
	Sales at regular prices	No price dumping; sales in line with valid pricing
	Sales by OTAs	Primary offer «bed included»
	Target group-oriented offer bundling at regular prices	Sales at regular prices
	Newsletter: encourage interactions	80,000 subscribers
	Followers on Facebook and Twitter: encourage interactions	18,000 followers
	Expand close cooperation with regional partners/service providers at locations of top YHs	Active cultivation of contacts and utilisation of synergies; strengthening of YH presence and increase in brokerage volume
	Intensification of cooperation with HI and national associations	Offline/online sales of full SYH range of services via distribution channels of national associations and www.hihostels.com
	Focus on Switzerland and Germany as well as future markets of South Korea and China	Focus on defined target markets
Implementation of strategy	Implementation of sustainability strategy	Consistent implementation of the principles defined in the sustainability strategy
Quality assurance and quality improvement	Ensure defined standards regarding quality, safety and the environment	Hostel visits by department management
Swiss Tourism Federation and HI-Q quality seals	Recertification	All hostels in Switzerland are recertified Level 1 by Swiss Tourism Federation and HI-Q; key hostels and Service Centre are recertified Level 2
ibex fairstay label and EU Ecolabel	Recertification	Recertifications should be planned early and introduced according to schedule. On recertification, establishments should achieve at least the same number of points
Youth hostels in general	Safeguard hostel handovers/takeovers	Hostel handovers/takeovers are documented in writing
Food	Food concept for small groups	Established implementation and sales in all hostels; no complaints
Operational maintenance	Zero tolerance for defective articles and dirt/graffiti	Regular monitoring and compliance with the «operational maintenance» concept
Marketing & Sales	Structured sales throughout the year	Annual plan

For our guests and members

Field of action	Our aims	Key performance indicator
Accommodation	Maintain overnight stays, taking into account economic, operational and construction-related changes	680,000 overnight stays in our own youth hostels
Customer Relationship Management	Customer loyalty programme	In implementation
	Cultivation of regular guests	Concept development and implementation
	New «Senior» membership category	Introduction; at least 5,000 members in this category
	Increase membership base	At least 95,000 members
Digital development	New website and mobile website	Implementation completed with 100% availability and no negative impact on visitor numbers and revenue
	Optimise booking engine	Best possible design, adapted to website layout
	ASSD reservation program with web check-in	Rollout
	Digital acquisition of guests in the ASSD reservation program	Acquisition of data on all guests incl. accompanying persons / fellow travellers, incl. date of birth
	Electronic acquisition of guest registration forms	In implementation
	Optimisation of Wi-Fi reception in hostels	In YHs of TOP category, optimal Wi-Fi reception is guaranteed throughout the building
	Merge feedback tools (online/offline) for centralised evaluation	Optimise quality and service through guest feedback
Implementation of strategy	Implementation of sustainability strategy	Consistent implementation of the principles defined in the sustainability strategy
Quality assurance and quality improvement	Ensure the defined quality, safety and environmental standards in the areas of reception, information, housekeeping, kitchen, hygiene, administration, accounting, cash management, reservation management and ordinary maintenance	Hostel visits by department management
Food & Beverage	Quality assurance through purchasing from contractual suppliers	100% purchasing from defined suppliers
Hygiene	Consistent implementation and updating of the hygiene concept	No objections during monitoring
	Implementation of hygiene training	All skilled employees receive one intensive training session; minimum of at least one hygiene training per season at hostel level
Non-food	Lamps	Consistent purchasing at mandatory suppliers
	Process compliance for purchasing of non-food/machinery/equipment	Consistent process compliance
	Process compliance for deferral/offsetting of inventory	Consistent process compliance
Guest feedback	External guest rating systems	Ongoing monitoring of development against the previous year; forward derived measures at the appropriate level
	Evaluation of guest reviews and implementation of findings	Daily evaluation; pass on subsequent measures at the appropriate level
	Complaints to be resolved within 48 hrs in consultation with department heads / management	Response time 48 hrs; direct superiors are 100% integrated into complaints management

For our employees

Field of action	Our aims	Key performance indicator
Recruitment	Selection of employees based on social criteria	When selecting employees, in the case of identical/similar qualifications, whenever possible the choice should be in favour of people who are disadvantaged in the business world on account of their age, nationality or social status
Introduction	Introduce every employee at the appropriate level New introduction programme for hostel managers	Introduction programme at the appropriate level Implementation
Basic and advanced training	Advanced training management at the appropriate level, with integration of external sector offers (Swiss Hotel Association, GastroSuisse) Improve product and system knowledge at all levels	Every course can be carried out because there is a sufficient number of participants Implementation of training courses at the appropriate level
Planning	Flexible personnel planning, adaptation to business performance	Ongoing and prompt adaptation to current demand/booking situation; personnel costs are adapted as percentage of budget framework
Work approach	Focus on own area of responsibility while taking account of optimal coordination with all parties involved in the process	Every employee knows his duties, takes decisions within his scope of competence, and assumes responsibility accordingly
Implementation of strategy	Implementation of sustainability strategy	Consistent implementation of the principles defined in the sustainability strategy
Days of absence due to accident, illness or maternity	Ensure the defined level of occupational safety and undertake active promotion of health	Reduction in days of absence due to accident or illness by 5%
Work and family	Create a working environment that enables employees to satisfactorily combine work and family	Flexibility in the workload without negative impact on the working quality/climate
Wage system	Pay wages that are customary for the sector; our minimum wages must not fall below the L-GAV definition	Comparative figures for the sector; L-GAV
Monitoring of holidays and days off	Monitoring of holidays and days off conducted for every employee, checked by the direct supervisor	Consistent documentation
Social counselling	Make all employees aware of the services and contact partners in the external social counselling centre	Appropriate utilisation of the MOVIS social counselling centre
Satisfaction	Exert positive influence to maintain a good working environment at all levels	Satisfaction index minimum of 90
Fluctuation rate	Provide active support for employees and exert positive influence regarding the working environment	Fluctuation rate max. 10%
Persons performing civil service	Utilisation planning for persons performing civil service in accordance with requirement specifications Systematic planning for sensible utilisation of the 20 civil service posts throughout the year	Requirement specification Quota utilisation
Employee/employer relationship	Promote constructive cooperation between Employee Committee and management / Executive Board	Quarterly consultations

For our relationship with the environment

Field of action	Our aims	Key performance indicator
CO ₂ loading	Reduce CO ₂ loading compared with the year 2000	At least 55%
Electricity consumption	Limit energy consumption per overnight stay	Max. 5 kWh
Water consumption	Limit water consumption per overnight stay	Max. 150 l
CO ₂ compensation	Active selling of CO ₂ compensation	50% of guests compensate
Work approach, procurement	Ecological aspects will be given consideration in daily work and in procurement of contracts	Work and procurement according to ecological principles
Products and materials	Purchasing in line with defined sustainability strategy	Defined standards are met

For our commercial viability

Field of action	Our aims	Key performance indicator
TQM	Implementation of new TQM	Training, application
National presence	Close cooperation with marketing organisations and service providers in tourism destinations	Functioning partnerships; systematic nurturing of contacts; active selling of our products
	Active cooperation with Swiss Parahotel Association, Swiss Hotel Association, working groups and advisory boards	Maintain function of role model in the area of sustainability; exploit synergies
International cooperation	Fulfil leadership function	Active participation in efforts to strengthen the Hostelling International network at international level
	Promotion of bilateral cooperation with national associations	Active cooperation with national associations
Investment activity	Adapt investment activities to business performance	40% of cash flow covers all investments
Cost/benefit management at Service Centre in Zurich	Every interaction is reviewed for effectiveness and efficiency (cost and personnel resources), necessary corrective measures are initiated	List of activities is updated in detail daily
Margin calculation	Observe minimum margins for food, beverages, kiosk non-food and ticket sales	Counting as minimal margins are: food 74%; beverages 55%; kiosk non-food 25%; ticket sales minimum margin at company level 30%–40%
Market development	Systematic nurturing of regular guests	Create a concept for cultivation of regular guests, introduce initial measures
Cooperations	Sales-oriented promotion of regional and national cooperations	Revenue optimisation
Pricing	Active revenue and channel management	Revenue optimisation
	Introduction of a new pricing system	Implemented for bookings from 1 December 2017
IT infrastructure	Renewal of IT hardware	Renewal completed
Implementation of strategy	Implementation of sustainability strategy	Consistent implementation of the principles defined in the sustainability strategy
Contract administration, partnerships	Monitoring of all ongoing contracts and partnerships/cooperations	Up to date contract management and complete centralisation
Budgeting	Preparation of a three-year budget	Budgeting 2018–2020
IQMS	Ongoing review and optimisation of administrative processes	All administrative processes by IQMS are reviewed, optimised and documented
IT infrastructure	Highest possible availability	Maximum downtime 16 hrs per year (excluding time required for scheduled maintenance/updates)
Risk management	Continuous review of risks according to IQMS specifications, adaption to new circumstances and taking appropriate measures	Review and definition of measures; risk minimisation



Swiss Youth

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