

2017

SWISS YOUTH HOSTELS

Business Report 2017
on Sustainable Development



Swiss Youth
Hostels®

Contents

02	Contents
03	Foreword
04	Key figures
07	Portrait
13	Target achievement in 2017
21	Our range of services
27	Our guests
31	Our employees
35	Our relationship with the environment
39	Our commercial viability
47	Structure and corporate governance
53	Financial reporting
61	Auditors' report
63	Outlook and priorities for 2018

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 45 lend/lease hostels (excluding franchises) operated independently by the Swiss Youth Hostels Association.

Index

Page 1:	Bern Youth Hostel
Page 6:	Crans-Montana Youth Hostel
Page 12:	Davos Youth Hostel
Page 20:	Crans-Montana Youth Hostel
Page 26:	Bern Youth Hostel
Page 30:	Service centre in Zurich
Page 34:	Bern Youth Hostel
Page 38:	Bern Youth Hostel
Page 46:	Bern Youth Hostel
Page 52:	Crans-Montana Youth Hostel
Page 62:	Davos Youth Hostel

Imprint

Editorial team: Fredi Gmür, René Dobler, Janine Bunte, Tanja Arnold

Layout: Stern-Design, Zurich and Philipp Böhle, SYH

Printing: PROWEMA GmbH, Pfäffikon

Photography: Mischa Scherrer, Zurich and Thomas Andenmatten, Brig

Translation: USG Übersetzungs-Service AG, Ittigen

Paper: Z-Offset, Offset PrePrint matt, super white, 150 g/m² (cover) and 100 g/m² (content), wood-free, FSC-certified

Circulation: 2,500 German, 500 French, 500 English

Published by: Swiss Youth Hostels | Schaffhauserstrasse 14 | P.O. Box, 8042 Zurich |

Tel. +41 (0)44 360 14 31 | Fax +41 (0)44 360 14 25 | Email geschaeftsleitung@youthhostel.ch |

www.youthhostel.ch



FOREWORD

2/3

In recognition of the enormous potential of the tourist industry, the United Nations (UN) proclaimed 2017 the «International Year of Sustainable Tourism for Development». The motivation for this was the important role of tourism in international understanding and the appreciation of other cultures. Sustainable tourism is seen as an instrument for the preservation of cultural assets, the elimination of poverty, the protection of the environment, the improvement of quality of life and the economic empowerment of women and young people. Moreover, the promotion of mutual understanding and intercultural dialogue serve to reinforce peace in the world. The UN's closing document states: «The future we want is a well-designed and well-managed tourism that can make a significant contribution to the three dimensions of sustainable development, has close linkages to other sectors, creates decent jobs and can generate trade opportunities.»

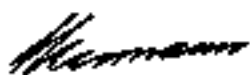
The Swiss Youth Hostels have been pursuing these goals for decades. Sustainable development – economic, social and ecological – is both an objective and an incentive for our daily actions. In 2017, this was once again confirmed when we received «The Most Sustainable National Association» award from Hostelling International.

We achieved important milestones in the development of our network when «Bella Lui» Youth Hostel in Crans-Montana and Trin Youth Hostel newly opened; our barrier-free offer was also expanded.

The Federal Council has defined the tourism strategy of the Federal Government for the coming years. It is intended to contribute to an internationally competitive tourism economy and to the overall appeal and performance of Switzerland as a tourist destination. The objectives are to improve framework conditions, promote entrepreneurship, increase the market presence and the appeal of the range of products and services, and to seize the opportunities presented by digitisation. We are seizing these opportunities and will systematically advance the processes of digitisation: In addition to the existing Wi-Fi service in the communal rooms, all hostels in the TOP category have been upgraded and now offer free Wi-Fi in the entire building; www.youthhostel.ch has been redesigned and the electronic booking process simplified; the implementation of the cloud strategy is making good progress.

In the 2017 financial year, we achieved 714,455 overnight stays and generated operating revenue of CHF 43.8 million. This result is below the figures for the previous year: Overnight stays fell by 1.3% and operating revenue decreased by around CHF 2.2 million. This is due to the temporary closure of Bern Youth Hostel (rebuilding/new construction) and the closure of Fribourg Youth Hostel at the end of 2016. In an actual comparison, overnight stays increased by 2.9%. The adjustment of the children's prices resulted in a lower revenue, but had the positive effect of increasing the number of overnight stays of families. Similarly gratifying is the growth in membership of 2.6%, as well as the slight increase in the average length of stay to 2.02 days. The prospects for the coming year promise a positive development. This is because of a winter with plenty of snow in the mountain destinations and the reopening of Bern Youth Hostel at the end of March.

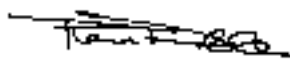
A difficult operating environment, a strong but also stable Swiss franc and the sluggish recovery of the economic situation demanded enormous efforts from our employees. Our heartfelt thanks for their tireless efforts! We would also like to thank the honorary members of the Board of Management and Board of Trustees, as well as our regional, national and international partners.



Stephan Kurmann
President SYH
s.kurmann@youthhostel.ch



Fredi Gmür
CEO SYH
f.gmuer@youthhostel.ch



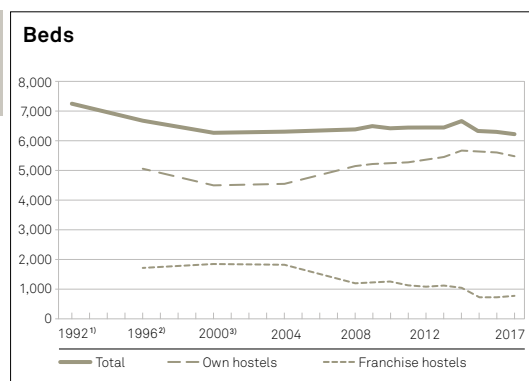
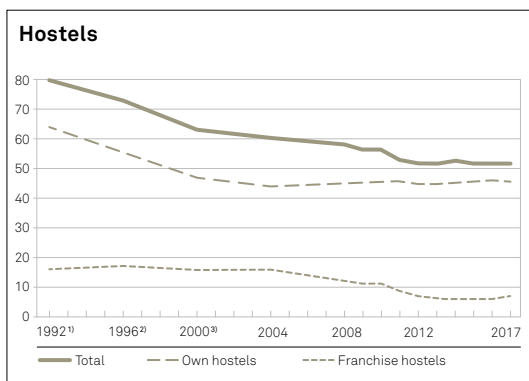
René Dobler
CEO SFST
r.dobler@youthhostel.ch



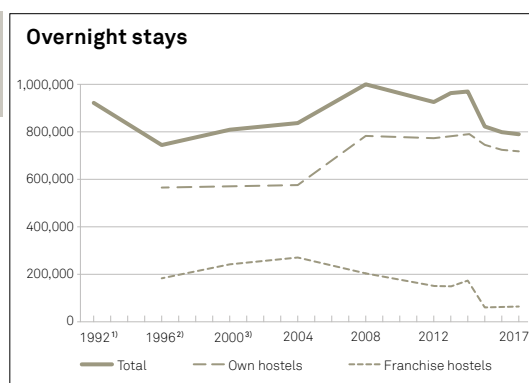
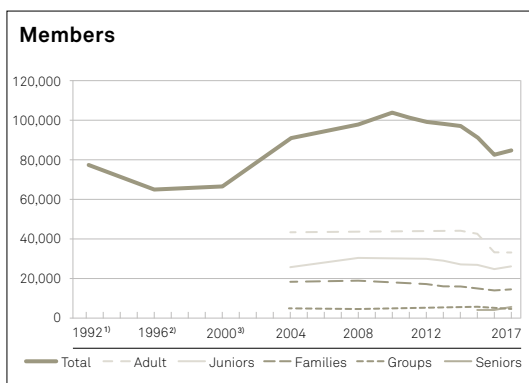
Janine Bunte
CFO SYH/SFST
j.bunte@youthhostel.ch

KEY FIGURES

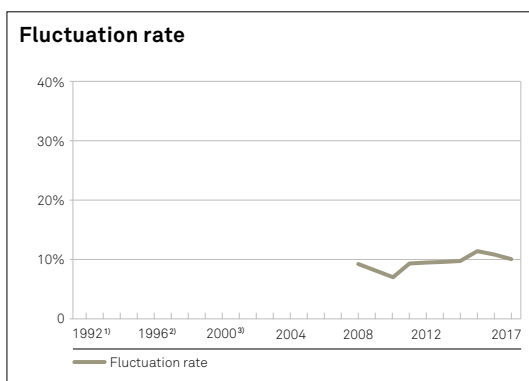
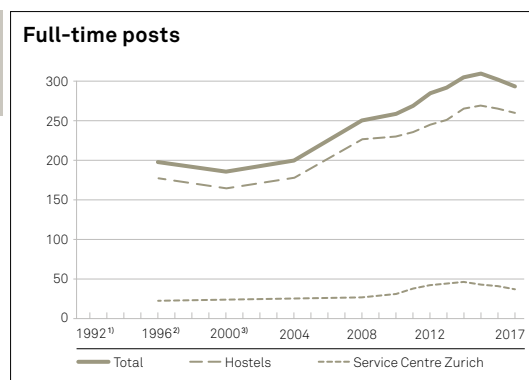
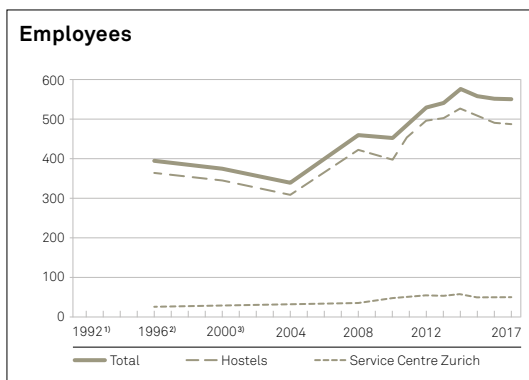
Our range of services



Our guests and members



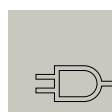
Our employees



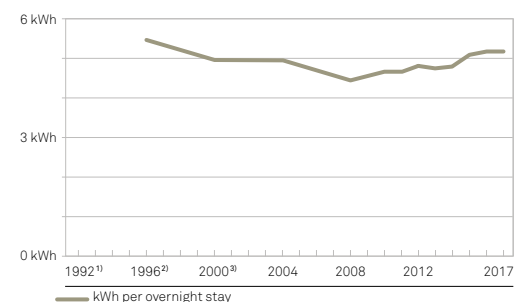
The relevant tables are listed at the end of the respective chapters.

- 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

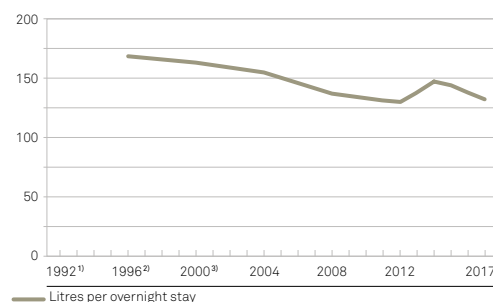
Our relationship with the environment



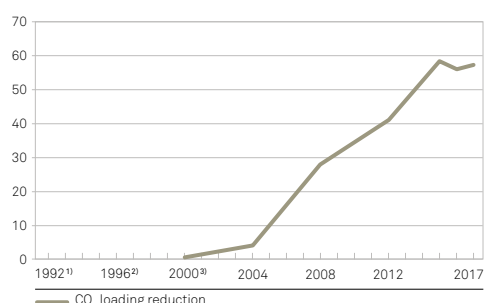
Electricity consumption



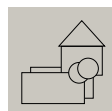
Water consumption



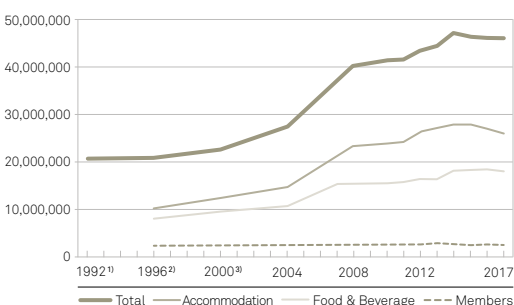
Reduction in CO₂ loading



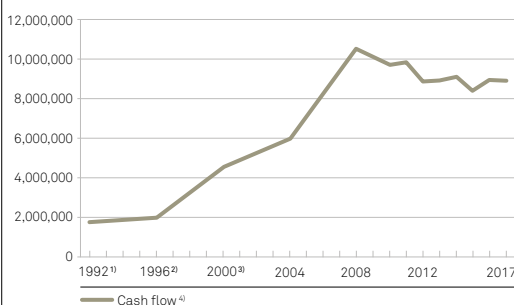
Our commercial viability



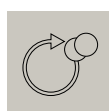
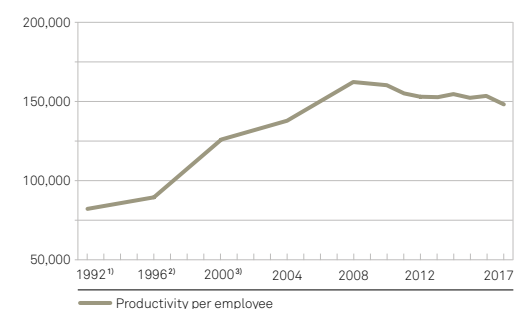
Operating revenue



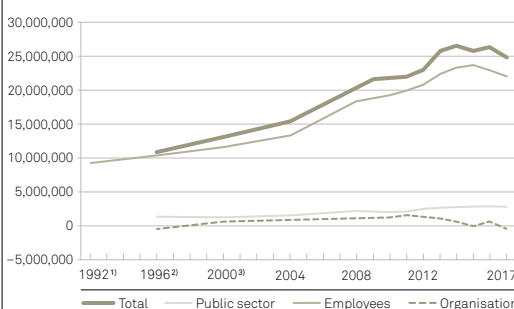
Cash flow



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, the personal management of our hostels and to 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 known tourism centres

Basel | Bern | 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 30 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 the neighbouring Euro area

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

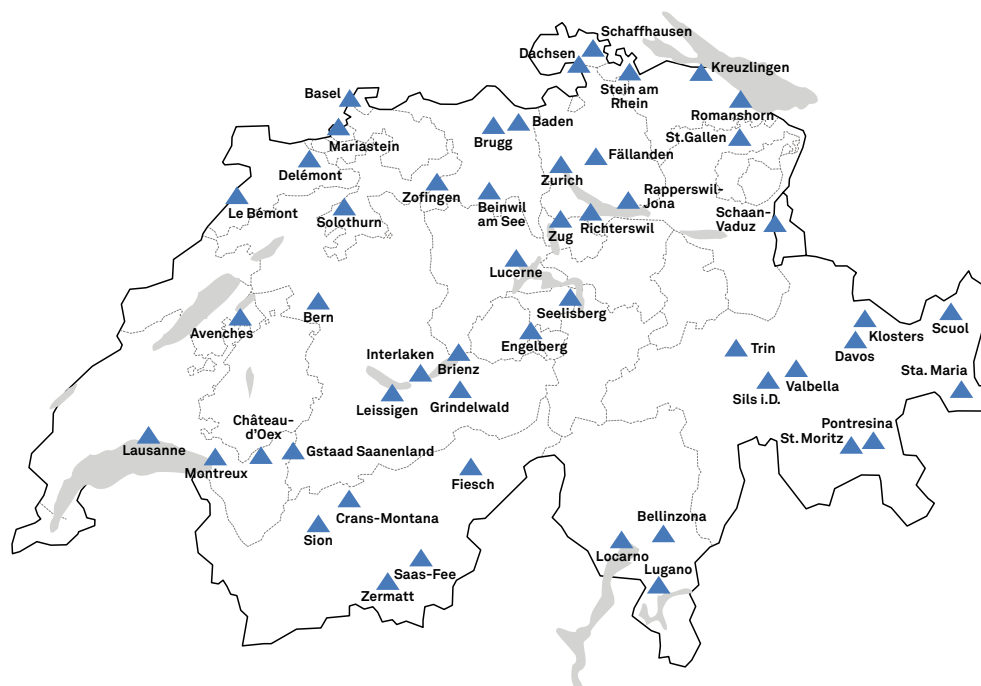
C locations Other locations that complement a diverse range of offers and ensure good coverage of the national network, or youth hostels with historical significance

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

As at April 2018, Franchise hostels

Network of the Swiss Youth Hostels

As at April 2018



Sustainability strategy

8/9

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.

Economic dimension

- 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 ongoing development potential for the organisation.

Ecological dimension

- For all activities of the Swiss Youth Hostels, be they new constructions or renovation work, the renewal of the vehicle fleet, the selection of sourcing partners, the concept for 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 dimension

- 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.
- Regarding structural measures, attention is paid not only to energy consumption, comfort and the environmental compatibility of the materials used, but especially 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 staying at a youth hostel.
- The human aspect should be 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 goals of sustainable development in accordance with the Federal Constitution and as expressed at the Earth Summit held in Rio de Janeiro in 1992.

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

In working to attain our objectives, we lead by example and thereby 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: make 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. Franchises complement the network without creating competition situations.

Innovation

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 efforts towards the achievement of our ideal 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 agreements and qualification processes.

Distinctions and awards

10/11

- 2017** **Hostelling International** | «The most Sustainable National Association»
- 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 Saas-Fee – 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 «Outstanding Projects» category
- 2013** **«Good Buildings Award» by the cantons of Basel-City 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** | Award for woodworking; special award for the renovation and expansion of St. Moritz Youth Hostel
- 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 award «Green Technology»
- 2010** **Award Marketing + Architecture** | Distinction for Scuol Youth Hostel, winner of «Hotels, Restaurants» category
- 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 its sensitive 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 «Public Events» category for the 75 events carried out as part of the anniversary celebrations for «75 years of Swiss Youth Hostels»
- 1994** **Goldene Reisekutsche Berlin** | Bronze Medal for the basic campaign





TARGET ACHIEVEMENT IN 2017

12/13

Our central objective 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 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	Evaluation	Need for action
Implementation of strategy	Implementation of sustainability strategy	The defined principles are consistently implemented	😊	No
Network	Development of the network in Switzerland	Bern: Implementation	😊	No
		Crans-Montana: Implementation/opening	😊	No
		Trin: Implementation	😊	No
Barrier-free youth hostels	Offering for people with disabilities	Increase barrier-free youth hostels to 60%	😊	No
	Accessibility of the new website	Certification for the «Access for all» website	😊	No
	Expansion of services for people with disabilities	Organisation of awareness courses for employees	😊	No
Accommodation & catering	Ensure quality	Auditing of all youth hostels by internal and external bodies	😊	No
Food	Optimise presentation and quality	Develop tools, training and application	😊	Yes
	Implement extended breakfast menu	Training, implementation of new offer	😊	Yes
	SYH purchasing concept	Develop and optimise groundwork	😞	Yes
Marketing & Sales	Planning 2017	Seasonal detailed planning completed 3 months before implementation	😊	No
	Medium-term planning for 2018–2020	Detailed planning 2018; general planning 2019 and 2020	😊	No
	Concept for online/offline sales	Sales concept developed and in implementation	😊	No
	Sales at regular prices	No price dumping; sales in line with valid pricing	😊	Yes
	Sales by OTAs	Primary offer «bed included»	😊	No
	Target group-oriented bundling of offers at regular prices	Sales at regular prices	😊	No
	Newsletter: encourage interactions	80,000 subscribers	😊	No
	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	😊	Yes
	Intensification of cooperation with national associations and Hostelling International	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 defined target markets	😊	Yes

	Measures	Target value	Evaluation	Need for action
eMarketing	New SYH website and mobile website	Conception and implementation are concluded	☺	No
	Promote interactions on social media	18,000 followers	☺	No
Quality assurance and quality improvement	Ensure defined standards regarding quality, safety and the environment	Hostel visits by department heads	☺	No
Swiss Tourism Federation and HI-Q quality seals	Recertification	All hostels in Switzerland are recertified Level 1 by Switzerland Tourism and HI-Q; key hostels and service centre are recertified Level 2	☺	No
ibex fairstay label	Recertification	On recertification, establishments should achieve at least the same number of points	☺	No

Indicators for our guests and members

	Measures	Target value	Evaluation	Need for action
Accommodation	Maintain overnight stays, taking into account economic, operational and construction-related changes	680,000 overnight stays in our own youth hostels	😊	No
Customer Relationship Management	Customer loyalty programme	In implementation	😐	Yes
	Cultivation of regular guests	Concept development and implementation	😊	No
	New «Senior» membership category	Introduction; at least 5,000 members in this category	😊	No
	Increase membership base	At least 95,000 members	😐	Yes
Digital development	New website and mobile website	Implementation completed with 100% availability and no negative impact on visitor numbers and revenue	😊	No
	Optimise booking engine	Best possible design, adapted to website layout	😊	No
	Reservation program with web check-in	Rollout	😊	No
	Electronic acquisition of guest registration forms	In implementation	😊	No
	Optimisation of Wi-Fi reception in hostels	In TOP category youth hostels, excellent Wi-Fi reception is guaranteed throughout the building	😊	No
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 heads	😊	No
Food & Beverage	Quality assurance through purchasing from contractual suppliers	100% purchasing from defined 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; at least one hygiene training session per season at hostel level	😊	Yes
Guest feedback	Evaluation of guest reviews and implementation of findings	Ongoing monitoring of development against the previous year; forward derived 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

Indicators for our employees

16/17

	Measures	Target value	Evaluation	Need for action
Recruitment	Selection of employees based on social criteria	In the case of identical/similar qualifications during the selection of employees, 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	☺	No
Introduction	Introduce every employee at the appropriate level	Introduction programme at the appropriate level	☺	No
	New introduction programme for hostel managers	Implementation	☹	Yes
Basic and advanced training	Advanced training management at the appropriate level, with integration of external sector offers (Swiss Hotel Association, GastroSuisse)	Every course can be carried out because there is a sufficient number of participants	☺	No
Planning	Flexible personnel planning, adaptation to business performance	Ongoing and prompt adaptation to current demand/booking situation; personnel costs adapted as percentage of budget framework	☹	Yes
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%	☹	Yes
Work and family	Maintain a working environment that enables employees to satisfactorily combine work and family	Flexibility in workload without negative impact on working quality/climate	☹	Yes
Wage system	Pay wages that are customary for the sector; minimum wages must not fall below the L-GAV definition	Comparative figures for the sector; L-GAV	☺	No
Monitoring of holidays and days off	Management of holidays/days off for all employees, to be monitored by direct superiors	Consistent documentation	☹	Yes
Social counselling	Make all employees aware of the services and contact partners in the external social counselling centre	Appropriate utilisation of the external social counselling centre	☺	No
Satisfaction	Exert positive influence to maintain a good working environment at all levels	Satisfaction index at least 90	☺	No
Fluctuation rate	Provide active support for employees and exert positive influence regarding the working environment	Fluctuation rate max. 10%	☹	Yes
Persons performing civil service	Deployment planning for persons performing civil service in accordance with requirement specifications	Requirement specifications	☺	No
	Systematic planning for sensible utilisation of the 20 civil service posts throughout the year	Quota utilisation	☺	No
Employee/employer relationship	Promote constructive cooperation between Employee Committee and management / Executive Board	Quarterly consultations	☺	No

Indicators for our relationship with the environment

	Measures	Target value	Evaluation	Need for action
CO ₂ loading	Reduce CO ₂ loading compared with the year 2000	At least 55%	☺	No
CO ₂ compensation	Active selling of CO ₂ compensation	At least 50%	☺	No
Electricity consumption	Limit energy consumption per overnight stay	Max. 5 kWh	☺	Yes
Water consumption	Limit water consumption per overnight stay	Max. 150 l	☺	No
Communication	Environmental commitment is an integral part of communication measures	Reporting	☺	No
	Environmental commitment becomes evident to hostel guests	Active information for guests	☺	No
Quality assurance and quality improvement	Safeguard the defined environmental standards	Hostel visits by department heads	☺	No
Work approach, procurement	Ecological aspects will be given consideration in daily work and in procurement	Work and procurement according to ecological principles	☺	No
Products and materials	Purchasing in line with defined sustainability strategy	Defined standards are met	☺	No
Hygiene	Use ecological products in cleaning activities	Product selection	☺	No
Product design	Environmental aspects are incorporated into product design	Product selection	☺	No

Indicators for our commercial viability

18/19

	Measures	Target value	Evaluation	Need for action
TQM	Implementation of new TQM	Training, application	☹️	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 Parahotellerie Switzerland, 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
Investment activity	Adapt investment activities to business performance	40% of cash flow covers all investments	☹️	Yes
Margin calculation	Observe minimum margins for food, beverages, kiosk non-food and ticket sales	Counting as minimum margins: food 74%; beverages 55%; kiosk non-food 25%; ticket sales minimum margin at company level 30%–40%	☹️	Yes
Pricing	Active revenue and channel management	Revenue optimisation	☹️	Yes
	Introduction of a new pricing system	Implemented for bookings from 1 December 2017	☺️	No
IT infrastructure	Renewal of IT hardware	Renewal completed	☺️	No
Contract administration, partnerships	Monitoring of all ongoing contracts and partnerships/cooperation	Up to date contract management and complete centralisation	☺️	No
Budgeting	Preparation of a three-year budget	Budgeting 2018–2020	☺️	No
IQMS	Ongoing review and optimisation of administrative processes	All administrative processes are reviewed according to IQMS, optimised and documented	☺️	No
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, adaptation to new circumstances and initiation of appropriate measures	Review and definition of measures; risk minimisation	☺️	No



Goal achieved



Goal partially achieved



Goal not achieved



OUR RANGE OF SERVICES

20/21

We subscribe strongly to the principle that performance is the best form of advertising. Nevertheless, we strive 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, guests in Switzerland had a choice of 52 youth hostels totalling 6,233 beds. The Swiss Youth Hostels Association operated 45 hostels independently on a lend/lease basis, totalling 5,472 beds; 7 youth hostels (Bellinzona, Engelberg, Fiesch, Gersau, Lugano, Romanshorn, Trin), with a total of 761 beds, are part of the network as franchises.

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 a means of guaranteeing quality. All Swiss Youth Hostels operate according to the requirements stipulated and are certified.

The *ibex fairstay label* is dedicated to the sustainable use of resources in the economic, social and ecological fields. Moreover, it provides an opportunity to meaningfully communicate the topic of sustainability and to achieve a clear position on the market. All of the youth hostels that are independently run by the Swiss Youth Hostels Association and fulfil the requirements concerning construction, are certified or in the process of obtaining certification.

To date, the quality processes of *Quality. Our Passion* and the *ibex fairstay label* have been organised on an entirely independent basis. The harmonisation carried out during the year under review accomplished a significant simplification, with time savings during preparation and implementation.

The *EU Ecolabel* distinguishes companies that reduce the use of energy, water and the generation of waste, and which 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

	2015	2016	2017
Quality. Our Passion			
.. Q I	43*	41*	41*
.. Q II	0	0	0
.. Q III	0	0	0
HI-Q			
.. HI-Q I	26	25	24
.. HI-Q II	17*	17*	17*
ibex fairstay label			
.. Bronze	0	0	0
.. Silver	5	5	4
.. Gold	21	23	22
.. Platinum	14	13	14
.. in process	1	0	0
EU Ecolabel	40	40	39
.. in process	1	0	0

* incl. service centre in Zurich

The label requires recertification every three years. The Basel, Gstaad Saanenland, Interlaken, Kreuzlingen, Lausanne, Leissigen, Pontresina, Saas-Fee, Scuol, Solothurn, St. Gallen, St. Moritz, Valbella and Zurich youth hostels 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 as 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, social:

Brienz | Brugg | Château-d'Oex | Dachsen-Rheinfal | Fällanden | Figino | Le Bémont | Mariastein | Romanshorn | Schaffhausen | Seelisberg | Sils i.D. | Sta. Maria | Trin (opening 15.12.2017)

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 | 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 | Bern (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*; 41 youth hostels carry the quality mark of «Swiss Lodge». In addition to the classification, the specialisations are oriented towards specific guest needs, thus ensuring a clear market position and serving as guidance for guests.

Specialisations	2015	2016	2017
Green Living	38	41	39
Sustainable Living	37	40	39
Family-friendly	–	–	24
Biking	23	21	9
Hiking	26	24	10
Snow sports	–	–	9
Wellness	1	1	1
Seminars	1	1	1
Barrier-free	30	30	32
Historical	13	13	15
Design & lifestyle	–	–	–

Barrier-free youth hostels

In Europe, 15% of the population – corresponding to 80 million people – live with disabilities. For these people, independent travel represents a major need. We 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 set goals.

In the project phase, the entire range of offers and services, from information acquisition on the Internet to the barrier-free design of the hostels, was extensively revised and expanded. At the end of 2017, the share of barrier-free youth hostels was 60%. With the new youth hostel in Crans-Montana, a further establishment with an optimal barrier-free infrastructure in all room categories has been incorporated into our network. This steady expansion also includes the smaller youth hostels. At Brienz Youth Hostel, for example, an obstacle-free offer has been realised.

Guests with an impairment should be able to inform themselves in advance about relevant obstacles, with the aim of ensuring the greatest possible freedom during their holidays. For this reason, the presentation of information on the new Swiss Youth Hostels website has been improved. The Swiss Youth Hostels are breaking new ground with their online booking system for barrier-free beds, which has met with high demand. Online bookings in this segment increased by 1,502.7% against the previous year (2,194 overnight stays).

Thanks to the financial support of the *Denk an mich Foundation*, it will be possible to push ahead with further expansions. In the Grindelwald, Montreux and Zug youth hostels, the barrier-free offer will be substantially improved in time for the 2018 spring opening. Moreover, from April 2018 the new Bern Youth Hostel building is set to serve as an ideal gateway for the barrier-free exploration of Switzerland's capital. The feedback from our guests on the barrier-free offer has a direct impact on the ongoing development of our services.

The *support association Barrierefreie Schweiz* (Barrier-free Switzerland) was founded in Zurich in late 2016. It aims 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 the collaboration between the *Denk an mich Foundation* and the Swiss Youth Hostels. The goal of extending the project basis to include additional tourist offers, thereby positively influencing Swiss tourism in general, was attained with the foundation of the *Barrier-free Switzerland support association*. René Dobler is on the Board of Management as Vice President.

Hostels

«Bella Lui» Youth Hostel, Crans-Montana

The opening of the historical Bella Lui Youth Hostel took place in Crans-Montana on 16 June 2017. It is an important step in our network development as this location closes a long-standing gap in the western Swiss Alps. After the start of construction in early October 2016, 4.5 million francs were invested within eight months in the sensitive renovation and remodelling of the building, turning it into a TOP category youth hostel with 145 beds. The south-facing bedrooms have been redesigned as double rooms, while the rooms in the north wing have been enlarged and can now accommodate

four to six people. Attention was also given to ensuring barrier-free access for people with disabilities. The reception area and the dining room offer more space for guests, while the communal rooms and sun terraces remain unchanged. All internal and external rebuilding was carried out in accordance with requirements for the protection of historical buildings and monuments.

Trin Youth Hostel

In time for the 2017/18 winter season, a new youth hostel in the «SIMPLE» category with 48 beds opened its doors in Trin. Run as a franchise by the *Mountain Forest Project*, the youth hostel forms part of the «Mesaglina» Mountain Forest Centre. The touristic use of this establishment enables the ongoing expansion of our network strategy for affordable accommodation in Switzerland.

Bern Youth Hostel

After many years of preparation, the rebuilding and new construction of Bern Youth Hostel finally commenced in late 2016. First opened in 1956, the building in the Marzili district of Bern will be enlarged and extensively renovated. The adjoining former youth centre has been dismantled and replaced by a detached building that harmonises perfectly with the sleek main wing. The existing 26 rooms in the listed building, with a total of 94 beds, have been reorganised on the basis of the current structure and adapted in line with the new standards. Following the renovation, 20 multi-bed rooms, a reception as well as a large dining room with kitchen and adjacent seminar rooms will be available in the old building for guests. The new building will accommodate higher comfort requirements, featuring 30 two-bed and four-bed rooms with shower/WC. Due to the overall rise in standard, the former «CLASSIC» establishment will be reopened as a youth hostel in the TOP category around Easter 2018, following completion of construction work.

Burgdorf project

The «Open Burgdorf Castle» project emerged as the winner in the call for proposals from the town of Burgdorf for the redevelopment of the local castle. The project aims to preserve the medieval castle complex and make it accessible to the public. The year-round use of the castle grounds is intended to create a new focal point for regional planning. The Burgdorf landmark is to be open to the public once again, reclaiming its important place in the history of the Canton of Bern and of Switzerland. The preservation and revitalisation of the castle grounds is largely based on their new use as part of a youth hostel. There will also be a catering establishment and museums. This new use is aimed at maintaining the existing architectural and spiritual heritage of the castle grounds. The preliminary project was concluded in the course of the year under review. Significant progress was made, in particular in contractual and financial terms. On 16 September 2017, the Canton of Bern handed over the keys to the *Burgdorf Castle Foundation* in a festive ceremony.

wellnessHostel³⁰⁰⁰ & Aua Grava Laax project

Following Saas-Fee, the second wellnessHostel with spa and fitness facilities, as well as indoor pool, is set to be constructed in Laax. As owner and operator, the municipality of Laax is planning to remodel the current indoor pool with spa and fitness facilities along the lines laid out in Saas-Fee, also connecting this complex to a youth hostel. The project cleared the first hurdle at the June 2017 municipal assembly where a planning credit was approved for a project competition. According to the schedule for the wellness-Hostel³⁰⁰⁰ & Aua Grava, construction work will begin in spring 2019 with a view to opening in time for the 2020/21 winter season.

Diverse projects

In Schaffhausen, it was possible to lease the adjoining «Künstlerhaus» along with the youth hostel. The corresponding renovation and conversion work is anticipated to be completed by Easter 2018. The municipalities of Schaan and Vaduz approved a special-purpose loan totalling CHF 9.13 million for a new building to replace the existing youth hostel. To this end, a project competition will be held in the first half of 2018. The City of Geneva continued to work on the result of a project competition for a youth hostel, taking it to the preliminary project stage. The Canton of Zurich prepared a feasibility study for a future total renovation of Richterswil Youth Hostel. In Neuchâtel and in the Seeland region, there was only minimal project progress.

Closure of Lugano-Figino

Lugano-Figino Youth Hostel had been a part of the Swiss Youth Hostels network since 1953. As extremely complex renovation work became inevitable, the decision was taken to close the establishment definitively at the end of October 2017. In the immediate vicinity, however, guests will continue to find TOP category accommodation at Lugano-Savosa Youth Hostel.

Franchise system

The Bellinzona, Engelberg, Fiesch, Gersau, Lugano, Romanshorn and Trin youth hostels operate their establishments according to the Swiss Youth Hostels' principles, although at their own expense and risk. As they satisfy the service and quality principles, they are allowed to use the word and figurative marks of the Swiss Youth Hostels. The mutual obligations and rights are laid down in a franchise agreement which is concluded for a fixed term. In the year under review, the agreements were extended with *Ostello Bellinzona SA* (until 2022), the *Berghaus Engelberg Youth Hostel cooperative* (until 2020), *Ostello Savosa SA Lugano* (until 2022) and the town of *Romanshorn* (until 2020); a new franchise agreement was signed with the *Mountain Forest Project Foundation* in Trin. After 87 years of cooperation, the *Jugendferienheim Rotschuo Gersau Foundation* terminated its contract. This means that there will be no more youth hostel in Gersau from 2018. The cooperation agreement with the *Ferendorf Fiesch cooperative* is valid until the end of 2020.

Maintenance work

In the year under review, the Swiss Foundation for Social Tourism as the owner and the Swiss Youth Hostels Association as the operator invested around CHF 11.59 million in buildings and equipment (excluding IT) for the maintenance/renewal/improvement of products and services.

Family-friendly offers

Prices for families with children were significantly reduced in time for the 2016/17 winter season, regardless of the youth hostel chosen. Children aged 1 and under now stay for free, while an 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. This had a very positive impact on demand, with overnight stays of families up 21.45% against the previous year. However, the average revenue per overnight stay fell by CHF 61.31.

New technology

The digitisation process continued apace in the year under review. CHF 474,361 was invested in the renewal of hardware and software, in the new website and the digitisation of operation processes. CHF 233,422 was spent on maintenance, replacement and licences.

Digitisation will continue to play an important role in the development of the Swiss Youth Hostels. Because one organisation alone cannot master the major challenges on its own, the Swiss Youth Hostels are committed to cooperation in tourism and try to motivate the various service providers to follow suit.

Key figures

	1992 ¹⁾	1996 ²⁾	2000 ³⁾	2004	2008	2012	2016	2017
Investments in maintenance & replacement (SYH & SFST)	n/c	1,024,134	1,725,384	1,769,011	2,580,701	2,737,386	2,775,651	2,993,229
Investments in rebuilding & new constructions (SFST)	n/c	n/c	237,421	3,982,546	1,224,345	8,233,803	4,384,634	8,600,126
Rental charges	1,755,099	3,129,681	3,925,932	5,260,975	9,439,124	7,740,010	8,459,292	8,601,627

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



We bear a special responsibility towards our guests. To them, 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 prepared to take the natural environment and their fellow travellers into consideration. We wish to respond to such qualities and promote such attitudes.

Guest diversity

In the year under review, we recorded 353,190 guest arrivals with a total of 714,455 overnight stays. This corresponds to a decline in overnight stays of 1.3%. It should be noted that this decline was also a negative consequence of the year-round construction-related closure of Bern Youth Hostel and the definitive closure of Fribourg Youth Hostel. In an actual comparison (excluding Bern, Fribourg and Crans-Montana), overnight stays increased by 2.9% against the previous year.

With a share of 67.7% (previous year: 66.5%), it was possible to further expand the Swiss market. 18.8% of guests came from Europe (previous year: 19.2%), and 13.5% from all the other countries of origin (previous year: 14.3%).

	2015 arrivals	% share	2016 arrivals	% share	2017 arrivals	% share
Switzerland	244,297	64.33%	242,416	66.51%	239,121	67.70%
Germany	32,810	8.64%	30,993	8.50%	29,600	8.38%
South Korea	18,499	4.87%	16,104	4.42%	14,574	4.13%
USA	7,464	1.97%	7,836	2.15%	7,651	2.17%
France	8,806	2.32%	7,616	2.09%	6,760	1.91%
Great Britain	8,530	2.25%	7,169	1.97%	6,411	1.82%
China	9,252	2.44%	7,032	1.93%	5,372	1.52%
Italy	4,945	1.30%	4,422	1.21%	4,794	1.36%
Thailand	3,382	0.89%	3,422	0.94%	3,634	1.03%
Spain	3,055	0.80%	2,862	0.79%	2,688	0.76%
Netherlands	2,497	0.66%	3,002	0.82%	2,348	0.66%
India	2,256	0.59%	2,424	0.67%	2,335	0.66%
Australia	2,392	0.63%	2,122	0.58%	2,001	0.57%
Austria	2,322	0.61%	1,912	0.52%	1,963	0.56%
Japan	2,204	0.58%	1,774	0.49%	1,712	0.48%
Canada	1,969	0.52%	2,005	0.55%	1,685	0.48%
Belgium	1,100	0.29%	1,219	0.33%	1,297	0.37%
Taiwan	2,487	0.65%	1,666	0.46%	1,253	0.35%
Czech Republic	1,694	0.45%	1,343	0.37%	1,187	0.34%
Poland	1,288	0.34%	977	0.27%	1,030	0.29%
Other countries	18,532	4.88%	16,159	4.43%	15,774	4.47%

Average length of stay

Our guests' average length of stay was 2.02 days, which is slightly above the previous year (1.99 days).

	2015	2016	2017		2015	2016	2017
Czech Republic	2.28	2.37	2.58	Thailand	1.73	1.91	1.87
Great Britain	2.23	2.32	2.25	France	1.77	1.77	1.85
Spain	1.89	1.83	2.20	USA	1.87	1.83	1.85
Australia	2.34	1.96	2.09	Canada	1.88	1.83	1.81
Switzerland	1.98	2.02	2.05	Netherlands	1.90	1.92	1.81
Germany	2.11	1.96	2.04	India	1.72	1.70	1.77
Poland	2.34	1.81	2.03	China	1.55	1.68	1.76
Japan	1.77	1.91	1.90	Belgium	1.92	1.66	1.74
Italy	1.86	1.91	1.90	Austria	1.82	1.74	1.69
Taiwan	1.75	1.76	1.88				
South Korea	1.76	1.82	1.87	Average	1.97	1.99	2.02

Guest segments

Overnight stays of individual travellers, schools and groups declined against the previous year: Individual travellers down 10.4%, schools down 7.2% and groups down 4.3%. Family overnight stays, on the other hand, increased significantly by 38.5%. This highly positive development is attributable, among other things, to the introduction of new family prices before the winter season 2016/17.

	2015 % share		2016 % share		2017 % share	
Individual guests	349,871	46.84	363,209	50.17	325,578	45.57
Groups	126,020	16.87	120,780	16.68	115,590	16.18
Schools	126,190	16.89	129,265	17.86	120,013	16.80
Families	144,907	19.40	110,697	15.29	153,274	21.45
Total	746,988	100.00	723,951	100.00	714,455	100.00

Members

On 31 December 2017, the Swiss Youth Hostels Association had a total membership of 84,603, which represents an increase of 2.6% on the previous year. Compared to the previous year, the new member category «Senior», introduced in 2016, as well as the «Junior» category continued to enjoy positive demand with an increase of 21.5% and 4.2%, respectively.

Membership category	2015	2016	2017
Junior	27,596	24,983	26,037
Adult	42,490	33,443	33,204
Senior ¹	see Adult	4,725	5,739
Families	15,496	14,143	14,674
Groups	5,760	5,201	4,949
Total	91,342	82,495	84,603

¹⁾ New Senior category from 1 September 2016

Age profile of members

People over 45 and young people under 20 are the largest groups of members; together they represent 75% of all members. In comparison with the previous year, there were only slight changes within the age groups.

	2015	2016	2017
up to 20 years	33%	32%	33%
20 to 25 years	5%	4%	4%
26 to 34 years	7%	6%	6%
35 to 44 years	16%	16%	15%
45 years and up	39%	42%	42%

Guest satisfaction

Every time they visit, guests are given the opportunity to rate their stay. In the year under review, 18,009 guests submitted their feedback. Customer satisfaction for the individual assessment criteria is at the level of the previous year, slightly lower in some cases; the overall assessment remains unchanged at a good level compared to the previous year.

Customer satisfaction	2015	2016	2017
Employees	90	90	89
Rooms	79	77	77
Shower/WC	78	76	76
Day room	78	77	76
Meals	84	82	82
Cleanliness	87	86	86
Atmosphere	82	81	81
Comfort	75	74	73
Price/performance	74	76	76
Overall rating	81	80	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

Key figures

	1992 ¹⁾	1996 ²⁾	2000 ³⁾	2004	2008	2012	2016	2017
Overnight stays, own hostels	n/c	562,543	573,248	577,274	785,209	756,411	723,951	714,455
Overnight stays including franchise hostels	920,524	744,777	814,075	838,900	986,471	924,252	799,601	791,655
Total members	78,522	65,855	66,277	93,273	95,236	98,889	82,495	84,603
Guest satisfaction	n/c	n/c	n/c	n/c	75	78	80	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

30/31

We are aware that all of the employees play a vital role in our organisation, which is based on personal performance and relationships. 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 36.16 full-time posts; in the youth hostels, 259.36 full-time posts were distributed across 485 employees.

Wage system

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

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 is in place 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 worth CHF 17,200 were awarded.

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

	2015	2016	2017
Payroll in CHF	19,071,213	18,615,926	17,922,128
Social security contributions in CHF	3,168,077	3,057,172	2,962,827
Bonuses for target achievement in CHF	332,904	377,003	367,441

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 bottom-up.

This systematic process provides all of the employees with the necessary understanding of the organisation's business objectives while establishing 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 employee development and motivation

- 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, 13 advanced training courses took place with external and internal speakers, alongside the two-day spring conference (divided per department) as well as the three-day autumn conference. A total of 185 participants made use of these further training opportunities.

To 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 300 French lessons were conducted in individual and group tuition.

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 2017, the Swiss Youth Hostels employed 2 apprentices (business administration) and 4 interns from professional tourism schools at the service centre in Zurich. A total of 15 apprentices/interns undertook work placements at the youth hostels.

	2015	2016	2017
Advanced training courses offered	24*	14*	13*
Number of participants	386	254	185
Total hours of advanced training within the organisation	4,456	3,264	2,928
Number of apprentices and trainees	15	23	21
Number of persons in external basic/advanced training	5	5	4

* not including individual and group tuition in French

Special services

Every year, employees, voluntary Executive Board members and delegates receive accommodation coupons allowing free usage of youth hostels for themselves and their family members. In the year under review, these benefits amounted to CHF 198,262 (previous year: CHF 206,328).

Occupational safety and health promotion

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

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

In 2017, the inspections completed by regulatory authorities at the service centre in Zurich and in the youth hostels did not give rise to any 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.

	2015	2016	2017
Case management			
Supervised employees	26	30	37
Inability to work			
up to 5 days	0%	0%	0%
6–14 days	7%	0%	0%
15–30 days	14%	23%	16%
31–60 days	29%	27%	27%
61–90 days	21%	13%	19%
91–365 days	29%	37%	35%
over 365 days	0%	0%	3%
Social counselling Queries / advisory services			
Personal issues	1	1	4
Health-related issues	1	–	2
Operational issues	4	1	3
Financial issues	2	1	1
Integration	–	–	–

Retirement planning

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

The cover ratio was 103.01% as at 31 December 2017. The positive financial position enabled the Board of Trustees to pay interest of 2% on the retirement savings of employees in the year under review. This is 1% 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

	2015	2016	2017
Retirement assets in CHF	19,910,317.99	20,479,708.57	19,940,990.63
Available funds in CHF	848,550.25	991,611.12	813,801.07
Cover ratio	103.26%	103.62%	103.01%
Active insured persons	531	573	508
Pensioners	29	36	37

Persons performing civil service

Civil service is a substitute for military service for young men who choose not 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 2017, a total of 139 persons performing civil service completed 5,768 service days at the Swiss Youth Hostels; one member of the German Voluntary Service completed 212 service days.

Employee/employer relationship

The Employee Committee (see page 49) represents the interests of employees vis-à-vis the Executive Board and the management. Conferences for employees took place in the spring and autumn. The quarterly discussions between the Employee Committee, the CEO and representatives of the Executive Board were very constructive and helped to foster mutual understanding and trust.

Key figures

	1992 ¹⁾	1996 ²⁾	2000 ³⁾	2004	2008	2012	2016	2017
Employees, hostels	n/c	363	345	310	418	481	491	485
Full-time posts, hostels	n/c	175.7	163.0	176.4	225.0	243.4	262.3	259.4
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	40.4	36.2
Employees, total	n/c	392	372	340	455	534	542	536
Full-time posts, total	n/c	197.1	185.6	200.3	252.6	283.1	302.7	295.6
Fluctuation rate	n/c	n/c	n/c	n/c	9.1%	9.5%	10.9%	10.1%
Satisfaction index	n/c	n/c	n/c	n/c	95	95	95	93
Average age	n/c	n/c	n/c	n/c	37.2	37.0	39.2	40.2
Overall percentage of women	n/c	n/c	n/c	n/c	66%	63%	64%	63%
Percentage of women in executive posts	n/c	n/c	n/c	n/c	55%	58%	42%	44%
Minimum gross wage	n/c	2,250	2,360	3,100	3,250	3,400	3,407	3,417
Ratio of highest wage to minimum wage (wage spread)	n/c	> 3.92	> 4.24	> 4.03	> 4.15	> 4.85	> 4.84	> 4.83
Occupational accidents	n/c	n/c	n/c	n/c	21	21	10	19
Non-occupational accidents	n/c	n/c	n/c	n/c	25	35	42	32
Days of absence due to accident, illness or maternity	n/c	n/c	n/c	n/c	5,281	3,557	3,373	3,759
Direct cost of days of absence	n/c	n/c	n/c	n/c	276,554	331,883	369,467	500,899

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

34/35

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 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 reduced even further. Here, we proceed according to the principle of «avoid – reduce – compensate».

Buildings

The environmentally friendly operation of a youth hostel 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. With the construction of Interlaken Youth Hostel, we even went a step further: it is Switzerland's first tourist accommodation to be certified to Minergie-P-ECO, and

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 2017, too.

Gstaad Saanenland Youth Hostel followed suit. Saas-Fee saw the completion of 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 (7 systems in place). In Saas-Fee, the wellnessHostel⁴⁰⁰⁰ and Aqua Allalin are fed with heat from a solar district 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, heat, electricity, water

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 in 2013 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 their commitment to further significantly reducing CO₂ emissions, the youth hostels will continue to be exempt from the CO₂ levy.

In 2017, we were able to reduce specific CO₂ emissions for space heating by 57.3% in comparison with the year 2000 (previous year: 56.3%). The achieved figure of 14.4 tonnes of CO₂ per square metre of floor space was significantly lower than the binding target for 2017 of 21.7 tonnes that had been agreed with EnAW. This resulted in an over-fulfilment of 513 tonnes of CO₂ for 2017. Against the base year, the CO₂ intensity per square metre of floor space was 43% – far less than half of the CO₂ emissions per square metre in the year 2000.

Again, the results of the voluntary CO₂ compensation scheme were a credit to our hostel guests, with a very high participation rate of 57.8% (excluding franchises). This resulted in compensation of around 2,270 tonnes of CO₂. The climate fund is also fed by the yields of the photovoltaic facilities in St. Moritz, Saas-Fee and Fällanden.

It is difficult to achieve further savings in electricity 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 enables major heating savings, it also increases energy requirements (ventilation). At 5.2 kWh per overnight stay, electricity consumption remained stable compared to the previous year (previous year: 5.2 kWh).

All of the energy-related improvements in the area of maintenance in our own hostels have resulted in annual energy savings of around 16,500 kWh.

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 the cleaning of bed linen (1996: 168 litres per overnight stay). It is now apparent that we have exhausted all opportunities for optimising the existing systems. Nevertheless, average water consumption was again reduced, to 132 litres per overnight stay (previous year: 138 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 of our demand criteria on suppliers. An environmentally friendly choice of materials begins at the construction stage, adhering to ECO standards (choice of materials, grey energy, etc.). When purchasing household appliances, lamps and light bulbs, as well as IT equipment, the Swiss Youth Hostels – as a member of the WWF Climate Group – are committed to choosing «top ten» products.

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

Consumption quantities	2015	2016	2017
Coffee in kg	7,798	7,750	8,038
Fruit juice in litres	82,769	82,105	84,663
Sugar in kg	2,260	2,180	2,095
Tea in kg	327	318	186
Rice in kg	3,220	2,830	1,550

In addition, in the area of fresh food, we attach great importance to regional products and exclusively use 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 youth 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 to the Swiss Youth Hostels. The service centre in Zurich is easily accessible by public transport, and the employees working in the youth 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 business flights.

The environmental impact of transports (deliveries) cannot be straightforwardly determined. We respond to this by giving preference to regional 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 youth hostels. The CO₂ emissions caused by this journey are comparable to those for an overnight stay (5.5 kg CO₂/overnight stay – equivalent to around 30 car kilometres). We are aware of this and encourage the use of public transport.

Ecological services

	1992 ¹⁾	1996 ²⁾	2000 ³⁾	2004	2008	2012	2016	2017
Space heating (oil/gas):								
Reduction in specific CO ₂ loading	n/c	n/c	0%	4.2%	28.3%	41.3%	56.3%	57.3%
Electricity consumption per overnight stay (kWh)	n/c	5.5	4.9	4.9	4.4	4.8	5.2	5.2
Water consumption per overnight stay (litres)	n/c	168	166	153	136	129	138	132
Percentage of compensated overnight stays	–	–	–	–	28.7%	55.3%	55.9%	57.8%

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

38/39

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 reasons for the weak 2016/17 winter season included unfavourable snow conditions and the strength of the Swiss franc. Many guests from Switzerland also chose not to visit due to the lack of snow. In addition, uncertainties about the global economic development and political uncertainties had a negative impact on demand. After a difficult winter season, the economic situation

in Europe experienced a slow recovery. Above all, a strong trend in consumer spending and the stable exchange rate provided some positive stimuli. Demand from Germany was also higher in light of the improved domestic economy.

Market development

In the year under review, we recorded a decline in overnight stays of 1.3% to 714,455 (previous year: 723,951) and generated operating revenue of CHF 43.8 million. This corresponds to a decrease of around CHF 2.2 million against the previous year.

The share of Swiss guests once again increased slightly (+1.2%), meaning that, in terms of country of origin, Switzerland continues to be the clear leader at 67.7%. Germany is in second place with a low but stable 8.4%, followed by South Korea with a share of 4.1%. Other important countries of origin include, as before, the US, France, Great Britain and China. With a total of 18.8%, arrivals of guests from Europe are slightly below the level of the previous year (19.2%).

The total number of overnight stays in all Swiss Youth Hostels (own and franchises) amounted to 791,655, down 1.0% against the

previous year. At 2.02 days, the average length of stay was slightly higher than in the previous year.

In 2017, the Swiss hotel sector recorded 37.4 million overnight stays, which is close to the heights of the record years of 1990 and 2008. This corresponds to growth of 5.2% against the previous year. However, it should be noted that as of 2017, the overnight stays in the 14 youth hostels in the TOP category are also included in the accommodation statistics of the hotel sector. In an actual comparison, the hotel industry recorded an increase in overnight stays of 3.9% against the previous year. Foreign guests generated 20.5 million overnight stays, an increase of 6.1%. The number of overnight stays of Swiss guests rose by 4.2% to 16.9 million, reaching the highest level so far.

Market cultivation

40/41

Marketing

Our market cultivation is mainly aimed at intensifying customer loyalty throughout the entire customer life cycle of the guest segments from Switzerland and the euro area. 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 becoming an increasingly important sales channel. The 220,430 overnight stays booked via online channels represented a further gain; the share thus increased to 31% (previous year: 28%). Our own website, as a central information and booking channel, was more firmly integrated into cross-media campaigns. In December, a new website with an optimised booking engine was launched to lend further support to the rising trend of online booking. Bookings via OTAs (online travel agencies) increased to 220,430 overnight stays (previous year: 205,282) and thus also saw strong growth.

The findability of our website www.youthhostel.ch on Google continued to be extended using SEO and SEA measures. Traffic from AdWords increased once again in the year under review. Visibility was boosted even beyond national borders thanks to targeted online and social media campaigns at home and abroad. In the year under review, we had 1.3 million visitors on our website. We also recorded record highs in the areas of newsletter subscribers and Facebook fans, namely 99,557 (previous year: 63,751) and 19,963 (+ 20.2%), respectively. Year on year, Instagram grew by 104.1% and Twitter by 13.5%.

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

Electronic distribution

channels	2015	2016	2017
Visits to www.youthhostel.ch	1,499,527	1,394,397	1,308,517
Unique visitors to www.youthhostel.ch	978,641	908,033	840,634
Average number of visits per day	4,108	3,810	3,585
Number of pages opened	5,950,541	5,798,756	5,537,907
Number of bookings via online systems	57,635	54,637	68,281
Number of overnight stays via online systems	194,252	205,282	220,430
Paid intermediary fees in CHF	807,263	758,426	822,209

Media relations

The nurturing of our relationships with media representatives as well as active information about news and innovations take the highest priority. It is thus not surprising that the Swiss Youth Hostels once again enjoyed a large media presence in 2017: In Swiss media, there were 451 newspaper or magazine articles, 254 online reports, 50 radio and 17 TV reports. The equivalent value of such reporting amounts to around CHF 2.8 million. There was regular reporting on the Swiss Youth Hostels also outside of Switzerland, for example in Germany and the UK. The most popular topics covered were the renovation and new construction projects in Bern, Burgdorf, Crans-Montana, Laax, Lucerne, Neuchâtel and Schaan-Vaduz. Adjustments to prices and offers, such as to the children's prices for families, also attracted significant attention.

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 Interkulturelle Programme Schweiz, BonusCard, CSS Versicherungen, Die Post, EF, ESKIMOS, Globo Study, Go Snow, Graubünden Ferien, Impact, Interrail, Intersport, Linguista, Max Havelaar, Migros Cumulus, My Climate, Postauto, Raiffeisen, Rent a Bike, Schweizer Reisekasse REKA, Schweizer Jugend forscht, Schweizer Wanderwege, Special Olympics, STC, Stiftung Denk an mich, Stubby Planner, Swiss Snow Academy, Swiss Snowboard Girls, TGV, Transa, USZ.

Engagement and partnerships

We maintained very close relationships at national and international levels with competitors, trade associations and partners from politics and business. We aim to be a role model and motivator for the tourist 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 tourist organisations, and the procurement and use of regional products are all actively promoted.

At a number of locations, the most important partners are also the owners/landlords of our youth hostels, who enable us to rent the properties on moderate, sometimes symbolic terms. As at 1 April 2018, these are:

Baden Municipality of Baden | **Dachsen-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

Parahotellerie Schweiz

Parahotellerie Schweiz 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.

An extensive partnership for political lobbying was agreed with the *Swiss Hotel Association*. The lobbying cooperation takes 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 to represent 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 large experience of sustainable management at no cost to the national and international tourist 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.

Gmür Fredi is *President of Parahotellerie Schweiz*, 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 *federal advisory group for tourism policy*, as well as member of the *Swiss Corporate Sustainability Network*.

Dobler René is Vice President of the *support association Barrierefreie Schweiz* (Barrier-free Switzerland) and a member of the *Swiss Hotel Association's consultative committee on sustainability*.

In addition, management members repeatedly 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

The Swiss Youth Hostels support the objectives of the international youth hostel movement through the exchange of know-how and active participation in a range of committees. Stephan Kurmann is Vice President of *Hostelling International* (HI), Fredi Gmür is a member of the *HI Governance Review Committee* and the *HI Workgroup Core Activities and Membership Fees*, René Dobler is on the *HIQ Steering Group* and the *Network Consistency Committee*, and Janine Bunte is involved in the *HI-360 Task Force*.

In international comparison, 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 once again a lively exchange of know-how with various representatives from national youth hostel associations.

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 the natural world, as well as to love and cherish it, 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.

Hostelling International in figures

- 81 countries
- 63 member associations
- 2 associated organisations
- Licensed youth hostels in 15 countries
- Approx. 3,600 youth hostels
- Approx. 34.8 million overnight stays annually
- 3.6 million national members
- 4.5 million annual visits to www.hihostels.com
- GBP 14 million in revenue at 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, **Gmür** Fredi (SYH) and **Schreiner** Marijke (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*.

After eight years of implementing the HI quality assurance system, the project was placed in the hands of *Hostelling International* in February 2017, when the contract had ended. This allows the highly successful project to be continued, as widely desired. Following the creation of the necessary jobs, *Hostelling International* fulfils the requirements for a successful continuation. *Hostelling International Marketing GmbH* will be dissolved and liquidated after the HI-Q activities have been transferred to *Hostelling International*.

European Federation of Youth Hostel Associations (EUFED)

It is the duty of EUFED to coordinate and foster cooperation and networking between European youth hostel associations on the basis of shared values. The Swiss Youth Hostels are not members of EUFED but support its activities with a financial contribution. Moreover, SYH President Stephan Kurmann was a member of the EUFED board until the end of his term of office in March 2017.

Memberships

The Swiss Youth Hostels are a member of Hostelling International, the World Youth Student & Educational Travel Confederation, Switzerland Tourism, Parahotellerie Schweiz, the Swiss Hotel Association, GastroSuisse, the Swiss Tourism Federation, the support association Barrier-free Switzerland, Verein Schneesportinitiative Schweiz, 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	2016	2017
Operating revenue in million CHF	17.51	20.45	23.89	27.64	40.68	43.06	46.03	43.80
Revenue per bed	2,319	2,560	4,709	6,099	7,843	8,012	8,231	8,005
Revenue per overnight stay	n/c	36.44	41.68	47.88	51.81	56.93	63.58	61.31
Occupancy rate (own hostels)	43.3%	38.2%	43.9%	44.8%	52.4%	48.3%	44.4%	45.4%
Cash flow in million CHF ⁴⁾	1.78	2.00	4.28	5.89	10.45	8.77	8.90	8.18
Liquidity ratio III	174%	133%	98%	136%	112%	143%	143%	125%
Organisational capital	19%	1%	7%	34%	25%	41%	38%	31%
Return on equity in %	–	–	–	–	3.00%	0.25%	0%	0%
Return on equity in CHF	–	–	–	–	2,327,983	228,511	–	–
Productivity per employee	81,455	88,470	125,926	137,990	161,046	152,138	152,092	148,210
Total value creation	n/c	10,782,865	13,096,859	15,161,396	21,194,567	23,957,585	26,099,389	24,431,641
Value creation for employees	9,140,613	10,324,851	11,643,355	13,187,228	18,112,930	20,873,301	22,941,244	22,103,990
Value creation for public sector	n/c	1,134,541	1,046,925	1,326,257	2,025,707	2,056,011	2,718,218	2,689,888
Value creation in the organisation	n/c	–676,527	406,578	647,911	1,055,930	1,028,273	439,926	–362,237

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/c not collected

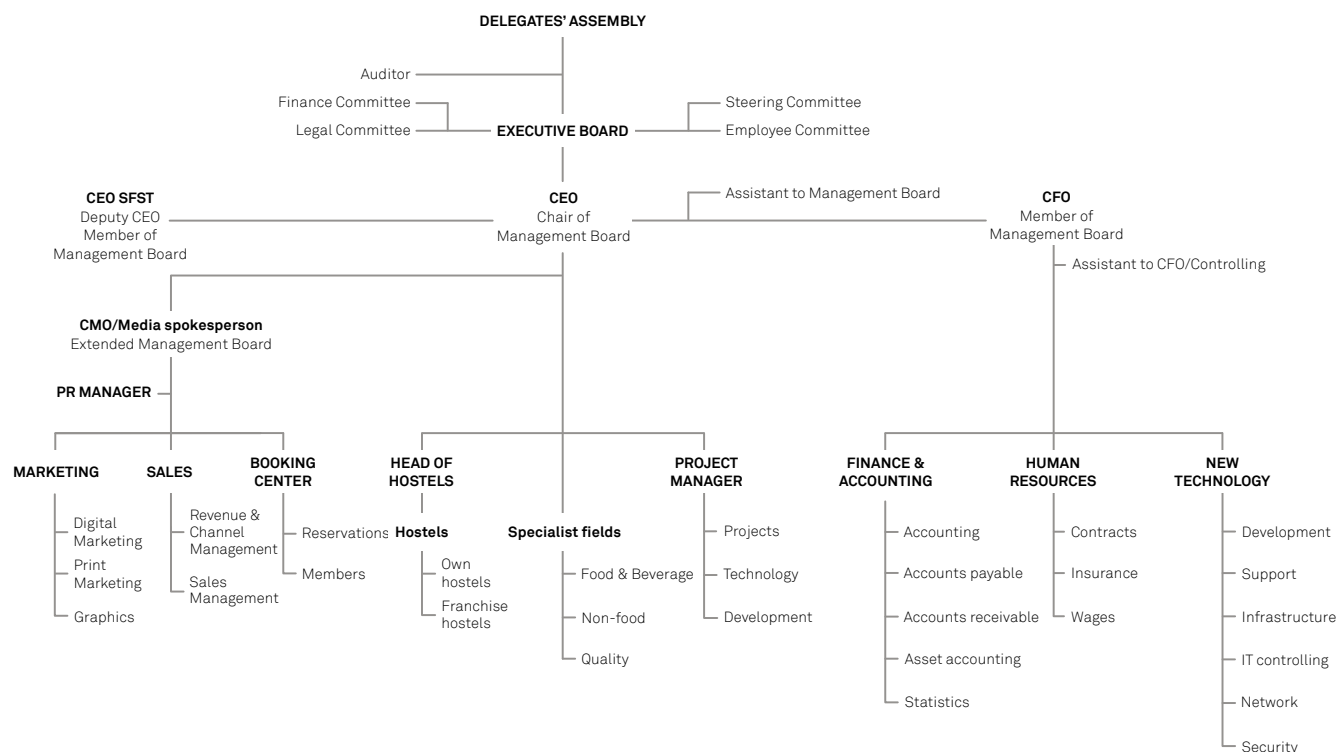


STRUCTURE AND CORPORATE GOVERNANCE

46/47

We wish to communicate our goals and principles at all times and to keep the general public up to date about developments in our area 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

Elected until 31 December 2019

The members 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 | **Haug-Kern** Esther, Zurich | **Haug** Tobias, Zurich | **Kasser** Rosemarie, Küsnacht | **Keller-Giovanon** Helene, Ossingen | **Lehmann** Lisette, Schneisingen | **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 | **Schmid** Denise, Zollikofen | **Schmid** Theres, Münsingen | **Schoch-Sutter** Carmen, Märstetten | **Schwytter-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 | **Waser** Daniel, Richterswil | **Weber** Kathrin, Matzingen | **Zulliger-Senn** Annemarie, Volketswil | **Zürcher** Eva, Gonten

Executive Board

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

Elected until 31 December 2019

Abegg Thomas (since 17.04.2010) | **Bahrampoori** Rahel (since 11.06.2016) | **Denzler** Corinne (since 13.03.2015) | **Egloff** Markus (since 08.03.2003) | **Furrer** Daniel (03.12.2004–16.06.2018) | **Jordan** Amaury (since 29.01.2003) | **Kurmann** Stephan (since 17.06.1995) | **Kulscâr** Thomas (from 17.06.2018) | **Martin** Pierre (since 16.03.1996) | **Michel-Abegg** Corinne (since 25.11.2015) | **Müller** Christoph (since 17.06.1995) | **Roffler** Erwin (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

Personnel Committee

Bunte Janine | **Dobler** René | **Gmür** Fredi | **Kurmann** Stephan | **Müller** Christoph

Chief Executive Officer (CEO)

Since 1 April 1996, **Gmür** Fredi 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 – Extended management

The actions of the management are aimed at mutual orientation, the promotion of integration of departmental goals (in particular the goals of SFST) into association policy, the coordination between SYH and SFST, as well as broad support for the decision-making between CEO SYH, CEO SFST and CFO SYH/SFST.

The extended management safeguards the reciprocal sharing of information and supports the integration of departmental goals and the coordination of cross-departmental tasks.

Management

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

Extended management

Arnold Tanja, CMO SYH (since 14.09.2015). After the departure of the COO at the end of 2016, it was decided against the reappointment of this position. Tasks are divided in line with process accountability and carried out by the members of the management.

Heads of department

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

Lutz Walter, Project Manager (since 01.01.1996) | **Peterhans** Michael, Head of Operations Central (since 01.10.2014) | **Schelbert** Florian, Head of Operations West/South (since 01.07.2014) | **Schempp** Kurt, Project Manager (since 01.10.2010) | **Wyrtsch** Sylvia, Head 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, Head of IT Operations New Technology, Zurich Service Centre (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, Bern

Honorary members

Kern Jack, Zurich | **Lüdi** Heinz, Effretikon | **Wälle** Robert, Lucerne

Management teams

As at April 2018

Avenches Silvia Genuetta Plöger | **Baden** Dennis & Anja Kaufmann | **Basel** Tobias Wettstein & Sandra Neuhaus | **Beinwil am See** Michael Müller | **Bellinzona** Nicoletta Federspiel | **Bern** Claudia Frei | **Brien** Guido Weber | **Brugg** Saba Krezdorn & Jara Guldinmann | **Château-d'Oex** Andreas Mehmman | **Crans-Montana** Stefanie Salzgeber | **Dachsen-Rheinfall** Rahel Stricker | **Davos** Guido Truninger | **Delémont** Gerold Lustenberger | **Engelberg** Petra & Fredy Liem | **Fällanden** Martin Käser | **Fiesch** Pierre Lehmann | **Grindelwald** Lukas Klein | **Gstaad Saanenland** Andreas Mehmman | **Interlaken** Ueli Zürcher | **Klosters** René Eugler | **Kreuzlingen** Bernhard Granacher | **Lausanne** Laurent Perret | **Le Bémont** Clément Milani | **Leissigen** Fabienne Wyss | **Locarno** Rosemarie Weyer & Carmen Gambetta | **Lugano** Lotti & Roland Majek | **Lucerne** Kerstin Steiauf | **Mariastein-Rotberg** Thomas Krämer | **Montreux** Osvaldo de Armas | **Pontresina** Martin & Sabine Künzli | **Rapperswil-Jona** Peter & Brigitte Keller | **Richterswil** Daniel Walser | **Romanshorn** Isabelle & Adrian Koch | **Saas-Fee** Chantal Anthamatten | **Schaan-Vaduz** Walter Seidl-Beck | **Schaffhausen** Sirko Meinhardt | **Scuol** Daniel Hiederer & Stefanie Daub | **Seelisberg** Daniela Truttmann-Burckhardt | **Sils i.D.** Mario Caduff | **Sion** Francielly Gmür | **Solothurn** Nestor Philipp Cohen | **St. Gallen** Milena Jung | **St. Moritz** Roland Fischer | **Sta. Maria** Rosmarie Tinner | **Stein am Rhein** Daniel & Susanna Meier | **Trin** Maria Bundi | **Valbella** Reto Denneberg | **Zermatt** Pierre Isenschmied | **Zofingen** Lucia Mächler | **Zug** Sabine Palme | **Zurich** Stefanie Drengenberg

Employees at the service centre in Zurich

As at April 2018

Althaus Sandy IT Junior and Business Application New Technology | **Arnold** Tanja CMO | **Beer** Samuel Commercial Trainee | **Böhle** Philipp Graphic Designer Marketing | **Bruhin** Eveline Clerk Finance & Accounting | **Buffoni** Aldo Project Head SFST | **Bunte** Janine CFO SYH/SFST | **Burnier** Melanie Clerk Finance & Accounting | **Dobler** René CEO SFST | **Fricke** Marco Head of Department Finance & Accounting | **Furrer** Rahel Digital Marketing Specialist | **Gmür** Fredi CEO SYH | **Grossenbacher** Yvonne Clerk Finance & Accounting | **Häfeli** Hans-Urs Project Head SFST | **Hedinger-Schwyn** Sandra Assistant CEO Organisation | **Hierholzer** Brigitte Clerk Finance & Accounting | **Wappler** Melanie PR Specialist | **Koller** Thomas Revenue Manager | **Kirtskhalia** Tatia Revenue & Channel Manager | **Knobel** Lara Commercial Trainee | **Kurmann** Andrea Apprentice Marketing & Sales | **Lang** Andrea Clerk Human Resources | **Lehmann** Lisette Clerk Human Resources | **Lips** Barbara Booking Centre | **Lippik**

Katrin Head of Department Booking Centre | **Lutz** Walter Project Head SYH | **Montemor** Sabrina Team Leader Marketing | **Münger** Laura Assistant CEO Operations | **Nicotera** Ralph Resp. Construction/Maintenance/Projects SFST | **Nosdeo-Carchidi** Maria Clerk Finance & Accounting | **Peterhans** Michael Head of Operations Centre | **Raimann** Angela Head of IT Operations New Technology | **Rogantini** Luca Assistant CFO Controller | **Seiler** Michèle Booking Centre | **Schelbert** Florian Head of Operations West/South | **Schempp** Kurt Project Head SYH | **Schibler** Petra Resp. Construction/Maintenance/Projects SFST | **Shafai** Yeganeh Booking Centre | **Spillmann** Olivia Sales & Marketing All-rounder | **Spörri** Matthias Resp. Construction/Maintenance/Projects SFST | **Staub** Gilda Booking Centre | **Steiner** Mike Application Development New Technology | **Widmer** Olivier Booking Centre | **Wyrtsch** Sylvia Head of Operations East | **Zollinger** Markus Head of Department Human Resources

Benefactors

Private individuals

Bergamin René, Lenzerheide/Lai | Bertil Cottier Philippe, Préverenges | Bianchin Damien, Morges | Bircher Willy, Affoltern a. A. | Bortis Reto Alfons, Baar | Bossen Gerrit Jan, Plan-les-Ouates | Brühlmann Sylvia and Ralph, Savigny | Büchler Marlise, Brugg | Furter-Strickler Margrit, Zug | Gamper Hans Beat, Zurich | Gertsch-Saxer Peter, Grindelwald | Gmeiner Helmut, Schaan | Hanimann Peter, Boltigen | Knuchel Jakob, Brunnenthal | Köhler Peter, Hinteregg | Maurus Heinz, Davos Dorf | Meier Martin, Winterthur | Metzger Urs, Stein am Rhein | Mohr-Buxtorf Ursula, Wädenswil | Mpintzios Evangelos, Oberengstringen | Muff Anton, Emmenbrücke | Mundwiler-Blapp Max A., Zunzgen | Neff-Bürgin Karliso, Rickenbach b. Schwyz | Senn Fred, Lenzburg | Wagner Hans Kaspar, Winterthur | Wälle Robert, Lucerne | Wegmann Werner, Boppelsen | Weiss-Baumann Heidi and Karl, Dietikon | Wyss Gisela and Philipp, Root | Zweifel Paul, Zurich

Companies

Abitare M. Hürlimann AG, Chur | Adank Davos AG, Davos Dorf | Andrea Michel GmbH, Klosters | Bäckerei Baggenstoss GmbH, Richterswil | Bäckerei Müller AG, Solothurn | Bäckerei-Konditorei Schulz, Reinach AG | Blanc & Duc SA, Sion | Brauerei Schützengarten AG,

St. Gallen | Bruno Fischer Früchte- und Gemüsehandel, Schaffhausen | Durex SA, Delémont | Elektrohuus von Allmen AG, Gstaad | Flück Haustechnik AG, Brienz | GEGGUS Schweiz GmbH, Wildegg | Herzog Bau AG, Menziken | Hotel Albris AG, Pontresina | Josef Amann AG, Vaduz | Kaminfelegeschäft Rolf Roth, Zofingen | Mätzener & Wyss Bauingenieure AG, Interlaken | Maus AG Heizung + Sanitär, Eschenez | Max + Martin Strasser Ofenbau + Plattenbeläge, Stein am Rhein | Mensch Rolladen AG, Aesch BL | Miele AG, Spreitenbach | Prowema GmbH, Pfäffikon ZH | Similor AG, Laufen | Solarspar, Sissach | Somm AG Fleisch & Comestibles, Kreuzlingen | Sommer Sabatini GmbH, Lucerne | Sweet Dreams Collection AG, Reinach BL | Thymos AG, Lenzburg | Turrian + Kohli SA, Château-d'Oex | Zäch Elektro + Telekom AG, Fällanden | Zahner Fischhandel AG, Gommiswald

Municipalities

Amriswil TG | Brugg AG | Cham ZG | Ellikon an der Thur ZH | Erlenbach ZH | Gerzensee BE | Horgen ZH | Oberdorf SO | Oberrieden ZH | Ormalingen BL | Riehen BS | Schafisheim AG | Trüllikon ZH | Walisellen ZH | Walperswil BE | Zurich ZH

Corporate governance

50/51

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.

The members of the Executive Board provide their services free of charge as a general principle on the basis of the corporate governance guidelines for non-profit organisations in

Switzerland and the Swiss NPO code. Any resulting actual expenses are reimbursed. For their voluntary activities, the members of the Executive Board receive 42 accommodation coupons every year that allow free use of youth hostels. If particularly time-consuming tasks or projects are assigned to one or several members of the Executive Board, compensation can be paid 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 youth hostels along with reimbursement of their actual expenses for participation in the delegate 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	2016	2017
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	2017 in CHF	in %	2016 in CHF	in %
Assets					
Current assets					
Liquid assets		8,867,522.81	67.3	8,320,127.80	63.2
Accounts receivable from third parties		951,628.07	7.2	833,838.92	6.3
Accounts receivable from related parties		58,449.30	0.4	1,169,855.20	8.9
Del credere		-78,169.00	-0.6	-99,794.00	-0.8
Accounts receivable trade	1	931,908.37	7.1	1,903,900.12	14.5
Other accounts receivable	2	594,463.48	4.5	472,237.20	3.6
Merchandise in stock		404,642.28	3.1	406,074.78	3.1
Inventories heating material		83,200.26	0.6	84,111.43	0.6
Value adjustment inventories		-97,566.00	-0.7	-98,035.00	-0.7
Inventories	3	390,276.54	3.0	392,151.21	3.0
Active deferred charges		327,434.67	2.5	263,285.05	2.0
Current assets		11,111,605.87	84.3	11,351,701.38	86.2
Fixed assets					
Vehicles		21,355.15	0.2	42,703.30	0.3
Equipment		1,290,768.06	9.8	965,617.04	7.3
Mobile tangible assets	4	1,312,123.21	10.0	1,008,320.34	7.7
Renovations		118,391.56	0.9	163,515.36	1.2
Immobile tangible assets	4	118,391.56	0.9	163,515.36	1.2
Holdings		79,487.86	0.6	15,002.00	0.1
Deposits		2,901.00	0.0	2,900.25	0.0
Share certificates		200.00	0.0	200.00	0.0
Financial assets	5	82,588.86	0.6	18,102.25	0.1
Free assets		1,513,103.63	11.5	1,189,937.95	9.0
Loan «Davos» to related party		560,000.00	4.2	620,000.00	4.7
Earmarked loans to related parties	6	560,000.00	4.2	620,000.00	4.7
Earmarked assets		560,000.00	4.2	620,000.00	4.7
Fixed assets		2,073,103.63	15.7	1,809,937.95	13.8
Assets		13,184,709.50	100.0	13,161,639.33	100.0
Liabilities					
Outside capital					
Accounts payable to third parties		2,848,757.69	21.6	2,801,327.63	21.3
Accounts payable to related parties		356,049.72	2.7	0.00	0.0
Accounts payable trade	7	3,204,807.41	24.3	2,801,327.63	21.3
Prepayments from guests		3,118,817.02	23.7	2,848,478.69	21.6
Miscellaneous short-term liabilities	8	684,732.17	5.2	537,815.67	4.1
Other liabilities		3,803,549.19	28.8	3,386,294.36	25.7
Deferrals, membership subscriptions		1,032,870.39	7.8	747,441.62	5.7
Other transitory deferrals		829,523.41	6.3	1,006,265.90	7.6
Deferrals	9	1,862,393.80	14.1	1,753,707.52	13.3
Short-term outside capital		8,870,750.40	67.3	7,941,329.51	60.3
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		9,085,250.40	68.9	8,155,829.51	62.0
Earmarked accumulated capital					
Bella Lui Crans-Montana assistance fund	13	49,680.35	0.4	0.00	0.0
Earmarked accumulated capital		49,680.35	0.4	0.00	0.0
Organisational capital					
Capital as at 1 January 2003		1,465,631.02	11.1	1,465,631.02	11.1
Acquired free capital		2,584,147.73	19.6	3,540,178.80	26.9
Free funds		0.00	0.0	0.00	0.0
Organisational capital		4,049,778.75	30.7	5,005,809.82	38.0
Liabilities		13,184,709.50	100.0	13,161,639.33	100.0

Statement of accounts

54/55

From 1 January to 31 December	Notes in annex	2017 in CHF	in %	2016 in CHF	in %
Operating revenue					
Restaurant revenue		15,400,002.45	35.2	16,133,932.53	35.1
Merchandise revenue		2,010,929.66	4.6	2,097,929.91	4.6
Restaurant and merchandise revenue		17,410,932.11	39.7	18,231,862.44	39.6
Lodging revenue		23,933,013.76	54.6	24,957,538.49	54.2
Other service revenue		1,082,227.05	2.5	1,480,180.47	3.2
Service and lodging revenue	11	25,015,240.81	57.1	26,437,718.96	57.4
Annual membership subscriptions		1,447,009.71	3.3	1,759,461.14	3.8
Single-day membership subscriptions		1,061,454.02	2.4	1,031,255.27	2.2
Membership subscriptions	12	2,508,463.73	5.7	2,790,716.41	6.1
Contributions from benefactors		28,155.00	0.1	28,018.45	0.1
Earmarked contributions		179,669.00	0.4	127,122.40	0.3
Free contributions		60,552.05	0.1	250.00	0.0
Contributions from benefactors	13	268,376.05	0.6	155,390.85	0.3
Franchise fees		111,488.65	0.3	108,258.55	0.2
Administrative contribution, related parties		88,600.00	0.2	87,500.00	0.2
Miscellaneous operating revenue		34,512.85	0.1	21,749.65	0.0
Other operating revenue		234,601.50	0.5	217,508.20	0.5
Allowances		-1,358,987.96	-3.1	-1,551,176.30	-3.4
Commissions credit cards and Reka		-238,993.85	-0.5	-232,008.37	-0.5
Reservation commissions		-5,564.15	0.0	-15,283.51	0.0
Losses from receivables		-29,233.44	-0.1	-6,200.70	0.0
Decrease in earnings	14	-1,632,779.40	-3.7	-1,804,668.88	-3.9
Operating revenue		43,804,834.80	100.0	46,028,527.98	100.0
Operating expenses					
Restaurant expenses		-4,429,960.90	-10.1	-4,354,890.04	-9.5
Merchandise expenses		-1,243,260.08	-2.8	-1,346,469.21	-2.9
Material expenses		-766,762.26	-1.8	-739,514.40	-1.6
Third-party services		-1,465,984.43	-3.3	-1,482,203.81	-3.2
Expenses on materials, merchandise & third-party services	15	-7,905,967.67	-18.0	-7,923,077.46	-17.2
Wages		-18,289,569.05	-41.8	-18,992,929.05	-41.3
Social benefits		-2,962,827.25	-6.8	-3,057,172.80	-6.6
Other personnel expenses		-498,834.73	-1.1	-547,250.84	-1.2
Work performed, third-party		-352,759.00	-0.8	-343,891.35	-0.7
Personnel expenses	16	-22,103,990.03	-50.5	-22,941,244.04	-49.8
Rental and leasing expenses, third-party		-507,495.67	-1.2	-532,297.65	-1.2
Rental and leasing expenses, related party		-8,216,538.05	-18.8	-8,065,367.80	-17.5
Other facility expenses		-50,365.90	-0.1	-116,947.55	-0.3
Maintenance of buildings and installations		-617,491.35	-1.4	-624,338.95	-1.4
Employee contributions, lodging		533,914.70	1.2	565,454.20	1.2
Facility expenses	17	-8,857,976.27	-20.2	-8,773,497.75	-19.1
Maintenance, repairs, replacements and leasing		-594,894.54	-1.4	-777,789.42	-1.7
Vehicle and transport expenses		-171,932.11	-0.4	-190,046.51	-0.4
Property insurance and taxes		-559,915.90	-1.3	-559,688.71	-1.2
Energy and disposal expenses		-2,051,082.84	-4.7	-2,044,293.17	-4.4
Administrative expenses		-1,164,597.18	-2.7	-1,284,467.08	-2.8
Advertising expenses		-810,479.19	-1.9	-1,012,014.89	-2.2
Miscellaneous operating expenses		-66,083.50	-0.2	-79,120.86	-0.2
Other operating expenses		-5,418,985.29	-12.4	-5,947,420.64	-12.9
Depreciation	4	-544,113.30	-1.2	-572,296.30	-1.2
Operating expenses	18	-44,831,032.53	-102.3	-46,157,536.19	-100.3
Operating result		-1,026,197.73	-2.3	-129,008.21	-0.3
Result due to disposal of tangible assets		0.00	0.0	0.00	0.0
Financial expenses		-30,449.76	-0.1	-33,389.71	-0.1
Financial revenue		150,296.77	0.3	30,027.94	0.1
Financial result		119,847.01	0.3	-3,361.77	0.0
Annual results without fund earnings		-906,350.72	-2.1	-132,369.98	-0.3
Allocation		-50,000.00	-0.1	0.00	0.0
Use		319.65	0.0	0.00	0.0
Earmarked fund earnings		-49,680.35	-0.1	0.00	0.0
Annual results before allocation of organisational capital		-956,031.07	-2.2	-132,369.98	-0.3
Withdrawal of acquired free capital		956,031.07	2.2	132,369.98	0.3
Annual result		0.00	0.0	0.00	0.0

Cash flow statement

From 1 January to 31 December	2017 in CHF	2016 in CHF
Withdrawal of acquired free capital	-956,031.07	-132,369.98
Depreciation	544,113.30	572,296.30
Allowances for inventories	-469.00	-9,100.00
Allowances, earmarked loans to related parties	0.00	29,070.00
Allocation of earmarked assistance funds for Bella Lui Crans-Montana	50,000.00	0.00
Assignment of earmarked assistance funds for Bella Lui Crans-Montana	-319.65	0.00
Increase/decrease in accounts receivable trade	971,991.75	-485,072.60
Increase/decrease in other receivables	-122,226.28	-50,548.14
Increase/decrease in inventories	2,343.67	45,510.85
Increase/decrease in prepaid expenses	-64,149.62	176,850.47
Increase/decrease in accounts payable trade	403,479.78	645,020.41
Increase/decrease in other liabilities	417,254.83	521,006.83
Increase/decrease in deferrals	108,686.28	-236,371.83
Cash flow from operating activities	1,354,673.99	34,278.65
Investments in tangible assets	-803,551.62	-369,733.37
Disposals of tangible assets	759.25	0.00
Investments in renovations	0.00	-11,282.35
Investments in financial assets	-0.75	-17,900.25
Revaluation in context of liquidation proceeds of financial assets	-64,485.86	0.00
Disposals of earmarked loans to related parties	60,000.00	60,000.00
Cash flow from investment activities	-807,278.98	-338,915.97
Change in liquid assets	547,395.01	-304,637.32
Balance of liquid assets as at 1 January	8,320,127.80	8,624,765.12
Balance of liquid assets as at 31 December	8,867,522.81	8,320,127.80
Change in liquid assets	547,395.01	-304,637.32

Statement of variation in capital

	Opening balance in CHF	Allocation in CHF	Internal fund transfers in CHF	Utilisation in CHF	Closing balance in CHF
Funds from accumulated capital					
Bella Lui Crans-Montana assistance fund	0.00	50,000.00	0.00	-319.65	49,680.35
Accumulated capital with restrictive earmarking	0.00	50,000.00	0.00	-319.65	49,680.35
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	3,540,178.80	0.00	-956,031.07	0.00	2,584,147.73
Free funds	0.00	0.00	0.00	0.00	0.00
Annual result	0.00	-956,031.07	956,031.07	0.00	0.00
Organisational capital	5,005,809.82	-956,031.07	0.00	0.00	4,049,778.75

Annex to the annual financial statement

56/57

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 procurement 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 18 June 2018, this will be available at the following address:

Swiss Youth Hostels
Management
Schaffhauserstrasse 14 / P.O. Box
8042 Zurich
Tel: +41 44 360 14 31
Email: geschaeftsleitung@youthhostel.ch

From 18 June 2018, a digital version will also be available from the following address: 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 are predominantly made up of accounts receivable from Hostelling International Marketing GmbH.

2. Other accounts receivable

Other accounts receivable include CHF 42,943 (previous year: CHF 53,390) of advance payments to suppliers. Suppliers' invoices concerning the reporting period of the following year were paid during the current reporting period.

3. Inventories

Risks associated with the storage of goods were valued in the amount of 20% of the goods inventory at the end of the year and 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	42,703.30	0.00	0.00	21,348.15	21,355.15
IT	126,774.16	474,360.55	759.25	160,556.70	439,818.76
Machines / equipment	415,254.04	127,860.23	0.00	119,351.50	423,762.77
Furniture	329,279.64	97,290.49	0.00	99,887.80	326,682.33
Small items	94,309.20	104,040.35	0.00	97,845.35	100,504.20
Mobile tangible assets	1,008,320.34	803,551.62	759.25	498,989.50	1,312,123.21
Renovations	163,515.36	0.00	0.00	45,123.80	118,391.56
Immobile tangible assets	163,515.36	0.00	0.00	45,123.80	118,391.56

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.

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. Its 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 is currently undergoing liquidation. In this context, a revaluation of the participation was undertaken.

6. Earmarked loans to related parties

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

Accounts payable trade includes liabilities of CHF 356,050 to the Swiss Foundation for Social Tourism.

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 are a consequence of the rolling membership year. In 2017, for a limited period of time it was also possible to acquire a 2-year membership.

Other transitory accruals in the previous year included CHF 59,087 for project ideas relating to sustainable operations management. This position in the amount of CHF 70,000 formed in 2011 from the ZKB Sustainability Award for SMEs. In 2017, this position was completely dissolved and allocated to free contributions.

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

Assurance of guarantee risks is to safeguard contractual relationships.

Explanatory notes on the statement of accounts

11. Service and lodging revenue

In 2017, 353,190 guests (previous year: 364,475) were accommodated in our own hostels. This corresponds to 714,455 overnight stays (previous year: 723,951).

12. Membership subscriptions

The number of members as at 31 December 2017 (cut-off date) was 84,603 (previous year: 82,495).

13. Contributions from benefactors

Earmarked contributions include CHF 129,669 (previous year: CHF 127,122) of voluntary CO₂ compensation paid by 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.

Also included is a dedicated contribution to the «Bella Lui» association in the amount of CHF 50,000. For some years, the Aarau-based «Bella Lui» association has operated a social fund that enables financially weaker individuals and families to enjoy relaxing days at Hotel Bella Lui, Crans-Montana. After the Swiss Foundation for Social Tourism acquired and refurbished Hotel Bella Lui, which is now operated by the Swiss Youth Hostels Association, the «Bella Lui» association decided to transfer part of the still existing assets to the Swiss Youth Hostels Association. This decision was made at the general meeting held in Aarau on 29 September 2017, on condition that the funds are earmarked as contributions to financially weaker families with several children, with the aim of enabling them to stay at Bella Lui Youth Hostel in Crans-Montana. The contribution was allocated to earmarked accumulated capital.

14. Decrease in earnings

The losses from accounts receivable include bad debts of CHF 45,302 (previous year: CHF 16,605), a decrease in del credere risk of CHF 21,625 (previous year: CHF 22,611), losses from cancellations of CHF 5,684 (previous year: CHF 13,177), as well as income from amortised receivables of CHF 127 (previous year: CHF 970).

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

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

16. Personnel expenses

In 2017, 296 full-time workloads (previous year: 303) were distributed across 484 permanent positions (previous year: 501) and 52 temporary employees (previous year: 39).

17. Facility expenses

The rental and leasing expenses to related parties include the rent payments to the Swiss Foundation for Social Tourism. No variable rent payment was factored into the calculations for 2017.

18. Administrative expenses

	2017 in CHF	2016 in CHF
Operating expenses		
Expenses on materials, merchandise and third-party services	-7,905,967.67	-7,923,077.46
Personnel expenses	-19,455,415.43	-20,167,468.59
Facility expenses	-8,482,208.02	-8,397,028.95
Other operating expenses	-4,561,556.07	-4,797,963.08
Depreciation	-394,861.92	-424,509.40
Total operating expenses	-40,800,009.11	-41,710,047.48
Administrative expenses		
Personnel expenses, administration	-2,648,574.60	-2,773,775.45
Other administrative expenses	-1,233,197.44	-1,525,926.36
Depreciation	-149,251.38	-147,786.90
Total administrative expenses	-4,031,023.42	-4,447,488.71
Total	-44,831,032.53	-46,157,536.19
Administrative expenses as % of operating revenue	9.2%	9.7%

Further information

	2017 in CHF	2016 in CHF
Accounts payable to pension institutions		
Occupational pension fund	625,142	650,928

Remuneration of committees

In 2017, remuneration of fees and reimbursement of expenses in the amount of CHF 65,081 (previous year: CHF 88,279) was paid out to members of the Executive Board. Of this sum, the President received CHF 63,397 (previous year: CHF 85,211). Since 2016, the President has served as Vice President on the Board of the international association Hostelling International, which is based in London.

In 2017, fees for auditors amounted to CHF 51,446 (previous year: CHF 51,997). This was paid exclusively for the performance of audit services.

Fundraising expenses

In 2017, fundraising expenses amounted to CHF 3,962 (previous year: CHF 7,137).

Purchase agreement obligations

A long-term lease is in place until 30 April 2026 for the offices of the Service Centre in Zurich. The liability up to the expiration of the lease is CHF 2,937,917.

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

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 2017. 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 2017 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



Beat Stälder
Audit Expert
Auditor in charge



Annemarie Wüthrich
Audit expert

Bern, 4 april 2018 aw

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



Mitglied von EXPERTSuisse + TREUHAND | SUISSE

Bommer + Partner Treuhandgesellschaft KLG Strandweg 33 Postfach 3001 Bern
+41 31 307 11 11 mailbox@bommer-partner.ch www.bommer-partner.ch



OUTLOOK AND PRIORITIES FOR 2018

62/63

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

Thanks to the early snowfall and very good snow conditions, the winter season 2017/18 will be positive. In view of the improved domestic demand, the favourable stimuli from the international markets and the recovering demand from the euro area, the prospects for the coming tourism years are clearly bright. This positive development is likely to be felt in all the regions. While the Alpine region in particular benefits from catch-up effects, it continues to be the case that the greatest dynamics are in the urban areas. However, the status of Switzerland as a high-price country remains the biggest challenge.

We aim to counter the image of «expensive Switzerland» with our attractive prices for families with children. We are also reacting to the ever-changing market with the dynamic pricing that was

introduced in December 2017, and are thus optimally aligning our offer to the booking behaviour of our guests. The relaunch of the website www.youthhostel.ch, with a fresh appearance and simplified structure as well as intuitive navigation and mobile-integrated design, is also anticipated to have a positive influence on booking behaviour. A newly developed controlling system gives us the security of being able to respond quickly to market fluctuations, with the aim of optimising cost management.

With 148,548 overnight stays in our own hostels by the end of March 2018, we recorded an increase of 7.6% against the previous year. At the end of March, the booking level for 2018 was 101.9% of the previous year's figure.

Ongoing development

We are systematically pursuing the strategic organisational development. We want to preserve our historical values, seize upon the fast-changing times as an opportunity, and deliver innovations with farsightedness. We are forging ahead with the process of digitisation. The focus of all our decisions should be the needs of guests, but this should nevertheless always be in line with business principles.

We are continuing to develop the Swiss Youth Hostels network in a demand-driven manner. Existing youth hostels are being assessed and refurbished, and new locations are being developed. An important foundation stone has been laid with the new opening in Crans-Montana and the rebuilding/new construction of Bern

Youth Hostel. A full renovation was completed at Zug Youth Hostel during the winter months of 2017/18; in Montreux Youth Hostel the reception and communal area was redesigned and a lift for barrier-free access was installed. Construction projects in Schaan-Vaduz, Burgdorf, Laax and Lucerne are well on track. Further project ideas are being advanced.

Around one third of our guests are school groups and group travellers. In recognition of the importance of these target groups, a centre of competence will be set up in the service centre in Zurich, which will support organisers of school and group travel in terms of planning, organisation and implementation.

Target table 2018

64/65

For our guests and members

Areas of activity	We want to ...	Key performance indicator
Accommodation	Increase the number of guests and thus overnight stays, taking into account business, operational and structural changes	800,000 overnight stays achieved
Marketing & Sales	Maintain a guest-oriented website with up-to-date content	Up-to-date contents 900,000 users
	Reach as many guests as possible via the newsletter	90,000 subscribers of which 25–30% are open
	Reach as many guests as possible via social media (Facebook, Twitter, Instagram)	24,000 followers
	Position YHs for groups and schools	Increase overnight stays of groups and schools to 140,000 each
	Advertise to regular guests both nationally and on a hostel-by-hostel basis	Min. 1 regular guest mailing defined and implemented per hostel Min. 2 seasonal special offers for annual members
Complaints process	Pursue an efficient and standardised feedback process including all involved persons	Compliance with the parameters defined in the process
Digitisation	Maintain a digital member area for login on the website, management of payment data, creation of a personal profile and membership management	Coding is completed
CRM	Maintain an efficient CRM, taking into account available resources (personnel, technical and financial)	Increase membership to at least 90,000 members
Barrier-free	Encourage accessibility on the website	Fulfilment of Conformity WCAG 2.0 A

For our employees

Areas of activity	We want to ...	Key performance indicator
Absence management	Minimise downtime due to illness and accidents	Keep days lost due to illness and accidents to 2016 level
Digitisation	Ensure all information is accessible on the intranet for all SYH employees	Access safeguarded
	Ensure entry and exit process is largely digitised	Process is digitised
Management organisation	Introduce every employee at the appropriate level	Implementation concept concluded for hostel managers
	Pursue flexible personnel planning, adaptation to business performance	Personnel costs of hostels max. 39.5% of net operating revenue SYH personnel costs max. 47.2% of net revenue
	Pursue efficient working methods with high self-responsibility within the defined areas of competence	Every employee knows his duty, takes decisions within his scope of competence and assumes responsibility accordingly
Employee recruitment	Retain recruited employees in the organisation for as long as possible	Fluctuation rate < 10%
Advanced training	Improve product and system knowledge at all levels	Management personnel attend at least 1 internal or external advanced training course per year (spring and autumn conference excluded)

For our relationship to the environment

Areas of activity	We want to ...	Key performance indicator
Energy	Reduce CO ₂ loading compared with the year 2000	Min. 55%
	Limit electricity consumption per overnight stay	Max. 5.2 kWh
	Limit water consumption per overnight stay	Max. 150 litres
	Actively sell CO ₂ compensation	Compensation by 50% of guests

For our commercial viability

Areas of activity	We want to ...	Key performance indicator
Accommodation	Increase bed utilisation	Increase bed utilisation by 50%
Pricing	Dynamic pricing	Revenue optimised
Margin calculation	Observe minimum margins for food, beverages, kiosk non-food and ticket sales	Minimum margins: Kitchen: 74% Beverages: 55% Kiosk non-food: 25% Ticket sales: cost recovery
Management organisation	Safeguard cost/benefit management at service centre in Zurich	Management fee max. 10.5%
Marketing & Sales	Bundle target group-oriented offers at regular prices	Increase overnight stays by 5%
Quality	Consolidate / increase efficiency of all labels with instruments	Reduce external costs > 10% Audits coordinated with ibex / CH-Q
Engagement with national sector	Increase national involvement	Functioning partnerships, systematic nurturing of contacts, active selling of our products Maintain function of role model in the area of sustainability; utilise synergies
International cooperation	Promote and intensify international cooperation	Increase overnight stays of foreign guests Reinforce the international network Increase overnight stays booked via hihostels.com
IT	Use Sharepoint for data storage of Office files	100% of currently used data has been migrated
Contract management	Maintain cloud-based digitised contract management with access for different stakeholders	100% of contracts are integrated in digital contract management



Swiss Youth

**Hostels. Schaffhauserstrasse 14, 8042 Zurich.
Phone +41 (0)44 360 14 14. www.youthhostel.ch,
www.facebook.com/youthhostel.ch**