The United Nations have declared 2017 the "International Year of Sustainable Tourism for Development". Under the auspices of the UN World Tourism Organization (UNWTO), the year is explicitly aimed at strengthening awareness for the ways in which tourism contributes to sustainable development. With regard to the global goals (SDGs) specified in the 2030 Agenda, it is aimed at supporting change in politics, business practices, and in the behaviour of tourists.

The financial support for organisations, initiatives and projects that contribute to sustainable development in tourism is the main focus of the funding policy of the SST Foundation. In this way, the Foundation supports the objectives of the 2030 Agenda. One example is the project in Bhutan supported by the Foundation with an amount of CHF 25,000. At the Bongde Institute of Hotel and Tourism, which runs a small hotel, 30 – 40 unemployed youths get trained every year in the hospitality sector, qualifying these young people to find employment in tourism after completing their training. At the same time, staying at this hotel provides guests with the opportunity to actively contribute to sustainable economic development in Bhutan.

During the year documented, it was possible to disburse grants and awards amounting to a total of CHF 154,364. Since the Foundation was founded in 2001, it has supported organisations and projects with a total of more than CHF 1.8 million.

Report on the Board’s Activities

In 2016, the board held four regular meetings.

The regular board meetings mainly focus on the evaluation of the quarterly financial reports and on decisions on funding proposals. According to the rules of procedure, the preparatory work has been delegated to the Foundation’s offices, standing committees and individual board members.

Funding Committee

In the year documented, the funding committee reviewed the proposals submitted in order to determine whether they are in line with the foundation’s objectives and guidelines for grant applicants. 41 project proposals were presented to the board, eight out of which were supported by the foundation. Furthermore, the Working Group on Tourism & Development (akte) in Basle again received a substantial amount on the basis of a project approval made earlier, covering projects of several years’ duration.

Further information on the projects supported by the Foundation can be found in the section on grants and awards, and at www.sstfoundation.org.

TO DO! Contest on Socially Responsible Tourism

On the occasion of the International Tourism Exchange (ITB) in March 2016, the two winners of the TO DO! contest 2016 received a prize money of CHF 5,000.- each. The Institute for Tourism and Development (Seefeld-Hechendorf, Germany) gives the awards for socially responsible tourism to projects which are being implemented with the participation of local people. The SST Foundation gives a prize money of CHF 5,000.- to each of the winners, and a delegate of the board of SST represents the foundation in the contest jury. In addition, the Foundation has since 2007 been one of the regular supporters of the TO DO! contest and supports this internationally renowned contest with a financial contribution of CHF 5,000.-.
Award Winners 2016

- Pueblos Mancomundados, Mexico (www.sierranorte.org.mx)
- Kabani – The other Direction, India (www.kabanitour.com)

For further information on the award winners and the TO DO! contest, see www.todo-contest.org.

Grants and Awards

In 2016, the year under review, grants and awards amounting to a total of CHF 154,364.- were disbursed.

Overview: Projects and Organisations Supported in 2016

<table>
<thead>
<tr>
<th>Project Details</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Working Group on Tourism &amp; Development, Basle, Contribution 2016</td>
<td>CHF 25,000.-</td>
</tr>
<tr>
<td>2. CIPRA / CIPRA Forum and CIPRA award – Sustainable Tourism</td>
<td>CHF 5,000.-</td>
</tr>
<tr>
<td>3. Institute for Tourism and Development, Redesign TO DO! Website</td>
<td>CHF 5,000.-</td>
</tr>
<tr>
<td>4. Hands-On Institute, Nepal / Touchability - breaking caste-based barriers through tourism</td>
<td>CHF 14,200.-</td>
</tr>
<tr>
<td>5. Future Warriors Project, Tanzania/ Maasai Tourism Capacity Building Project</td>
<td>USD 24,900.-</td>
</tr>
<tr>
<td>6. Bongde Institute of Hospitality and Tourism (BIHT), Bhutan / Train youth in three main operational sectors of a hotel</td>
<td>CHF 25,000.-</td>
</tr>
<tr>
<td>7. SendaSur / Chiapas Mexico</td>
<td>CHF 25,088.-</td>
</tr>
<tr>
<td>8. Kathmandu Environmental Education Project (KEEP)/Porter's Awareness Workshop 2017</td>
<td>USD 5,000.-</td>
</tr>
<tr>
<td>9. Workcamp Switzerland / Annual programme 2017</td>
<td>CHF 10,000.-</td>
</tr>
</tbody>
</table>

- Contribution TO DO! Contest Socially Responsible Tourism | CHF 5,000.- |
- Awards for TO DO! contest winners 2016, 2 x CHF 5,000.- | CHF 10,000.- |

A list of the projects and organisations supported by the Foundation between 2001 and 2016 is available online at www.sstfoundation.org.

Finance and Investment Committee

The mandate for the management of the Foundation’s assets was transferred to Bank Coop. The finance and investment committee is in regular contact with the customer advisor in charge, verifies transactions in the investment account and presents a financial report to the board of the Foundation at regular board meetings. Once a year, the finance and investment committee holds a detailed consultation with the asset manager of Bank Coop. In this consultation, the Foundation’s investment strategy is evaluated against the backdrop of the Foundation’s requirements and the financial market situation, and adapted if necessary. Based on the applicable statutory provisions, the mandate is a “sustainable mandate”. Investments will be made from the “ZKB Sustainable Investments” in accordance with defined exclusion criteria.

Outlook

The board of the Foundation again budgeted a total of CHF 150,000.- to support projects and organisations in 2017. By providing this support, the Foundation wants to keep up its commitment to sustainable tourism development within its scope and in line with its objectives.
Annotations to the Financial Statement

As at 31/12/2016, the Foundation’s assets amounted to CHF 5,532,297.-. While the revenues amounted to CHF 200,033.- (including unrealised capital gains on securities) the expenses (including grants and unrealised capital losses on securities) amounted to CHF 333,776.-. The books thus show a loss of CHF 143,394.- in 2016. The major share of the loss shown can be attributed to unrealised capital losses on securities. The gross return on investment was 1.54 %. At 31/12/2016 fixed-interest investments dominated, with a percentage of 58.7 % of total assets. The proportion of shares was 36.7 %, 4.6 % were liquid assets and various investments.

The operational and administrative costs amounted to 56,898.- (2015: 51,811.-). As compared to the previous year, they increased by CHF 1,398.- and were slightly higher than the amount budgeted for the year 2016. It needs to be added that the operational and administrative costs were continuously reduced over the past few years.

The capital gains realised from the sale of securities and the revenues from securities amount to CHF 95,302.- which is 40.4 % less than budgeted.

The Foundation’s investment policy is long-term and cautious, yet income-oriented. This is to ensure the long-term protection of assets, while grants are made from the return on investment, which also covers running operational and administrative costs. This long-term goal could not be achieved in 2016, due to poor investment opportunities.

---

Board of Directors

Hansjörg Ruf, President (since 2001)
Hans Ulrich Schudel, Vice President (since 2001)
Michael Andres, Treasurer (since 2001)
Esther Ineichen (since 2001)
Elena Obreschkow (since 2007)

Auditors

Ernst & Young, auditors, Basle

Board Committees

Finance and Investment:

Michael Andres
Hans Ulrich Schudel

Funding:

Elena Obreschkow
Hansjörg Ruf

Annual Report 2016 approved and passed by the board at the 69th board meeting on 30 March 2017.