

**Powering
a modern
Switzerland**
Annual Report
2020



SWISS POST 

Powering a modern Switzerland

Customer-centric, trustworthy, committed



7,054 million

francs in **operating income**, down 1.6 percent year-on-year.



178 million

francs in **Group profit**, down 77 million francs year-on-year.



1,706 million

With a fall of 5.6 percent, the volume of **addressed letters** declined again in 2020.



191 million

Thanks to booming online retail, PostLogistics delivered 23 percent more **parcels** in Switzerland.¹



124 billion

francs, up by 3.3 percent, represents the **level of average PostFinance customer assets**.



127 million

PostBus transported around 24 percent fewer **passengers** in 2020 due to the coronavirus pandemic.



81 points

Customer satisfaction remained at a high level, as in the previous year.



30%

is the **CO₂ efficiency improvement** over 2010 achieved by Swiss Post by the end of 2020.

Foreword	2
Key events	4
Board of Directors and Executive Management	6
Business results	8
Strategy	14
Markets	24
Logistics Services	26
Communication Services	32
PostalNetwork	36
Mobility Services	40
Swiss Post Solutions	44
PostFinance	46
Employees	50
Public service, society and the environment	56
Five-year overview of key figures	63

This Annual Report is supplemented by a separate **Financial Report** (management report, corporate governance and annual financial statements), comprehensive **Business Report key figures** and a **Global Reporting Initiative Index**. Reference documents can be found on page 62. These documents are available in electronic format in the online version of the Business Report at annualreport.swisspost.ch.

¹ For the new definition of parcel volumes, see the Financial Report, page 33.

Swiss Post – more than just a company



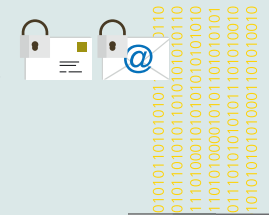
SWISS POST 

Swiss Post in numbers

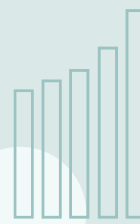
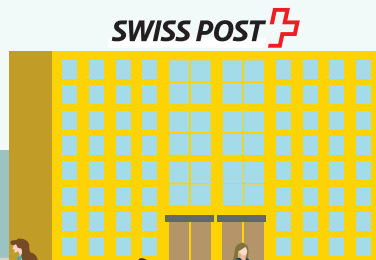
Swiss Post offers private and business customers high-quality products and tailored solutions for the national and international transport of letters, parcels, newspapers, (small) goods and promotional mailings. Swiss Post is also strengthening its role as an independent intermediary and applying the principle of mail secrecy to the digital world – for example, with e-voting and the electronic patient record. With a wide range of access points, PostalNetwork offers the densest network for postal services in Europe and is opening up its self-operated branches to third parties. PostFinance is accelerating the digital transformation, offering its customers solutions for digital money management and developing an independent Swiss comparison and sign-up platform for financing, insurance and retirement planning. PostBus aims to continue strengthening its position as the number one in road-based public transport in Switzerland and ensure that the Swiss public transport system remains attractive.

25%

more e-mails encrypted with IncaMail



178
million francs
in Group profit



7,054
million francs in
operating income



421
million francs
in investments



1,863
apprentices

54,364
employees
(of which 47,966
in Switzerland)

22%
women in
management
roles



Employee
satisfaction
73
out of 100 points



More than
1,100
full-time
equivalents in IT

1,194
branches
with partners



14,451
letter boxes



530
PubliBike stations

5,100
PubliBike bicycles



2,443
vehicles
(PostBus)

124
million vehicle
kilometres
(PostBus)



127
million passengers (PostBus)



162
business
customer points

100%
electricity from
renewable
sources

30%
CO₂ efficiency
improvement
since 2010

1,797
locations with a home
delivery service

904
self-operated
branches

285,300
P.O. Boxes

More than
50,000
patient records opened
in the Canton of Geneva

4.3
million customer
accounts
(PostFinance)

124
billion francs in
customer assets
(PostFinance)

3,000
million documents processed
each year by Swiss Post Solutions

46%
of all Swiss Post vehicles
use alternative drives

1,706
million addressed letters
1,449
million unaddressed items

More than
191
million parcels

22
photovoltaic systems
70,000
m² of panel surface

100%
carbon-offset
consignments

7,600
Customer Service
queries per day

183
My Post 24
terminals

Customer
satisfaction
81
out of 100 points

8
GWh of solar
power per year

Foreword



Urs Schwaller
Chairman of the Board of Directors



Roberto Cirillo
CEO

Dear Reader

2020 was a particularly challenging year for businesses of all sizes, for individuals of all ages and for policymakers. As it was for Swiss Post. As a company, Swiss Post is highly relevant to Switzerland. This has been especially evident in this difficult year, with all the challenges the coronavirus pandemic has brought. Swiss Post has proven that it can be relied upon. While the restrictions on public life were in place, the important role that Swiss Post plays for the country and for our customers became clear. The resilience of our organization and our ability to cope with crisis were put to the test. During this period, the concept of the universal service acquired an im-

mediate and tangible significance in the everyday lives of the people living in this country. Almost all of

Swiss Post will remain a company that finances high-quality public services from its own resources.

Urs Schwaller
Chairman of the Board of Directors

Swiss Post's units were pushed to their limits, and some beyond. Each and every employee worked with a sense of responsibility and in a spirit of solidarity to ensure that the public service was provided in full for the benefit of the public and the Swiss economy. That deserves our respect and a big thank you.

Last year, our mail carriers delivered 1,706 million addressed letters and more than 191 million parcels. PostBus transported 127 million passengers, and 2.7 million customers placed their trust

in PostFinance's financial services. In the parcel segment in particular, 2020 saw a record volume of items processed. And despite these major achievements, we could not avoid financial losses of more than 139 million Swiss francs as a result of the pandemic.

The past year also marks the end of the four-year 2017–2020 strategy period. Despite the challenges presented by the pandemic, we also developed a new strategy in 2020. This maps out how Swiss Post will continue its success story in the future. The new "Swiss Post of tomorrow" strategy sets the course for guaranteeing that Swiss Post remains relevant to Switzerland in the years to come. It also addresses Swiss Post's self-financing, and in particular the financing of our universal service obligation. The high quality of our products and services was and is associated with significant investments. The positive results of recent years have given us a stable financial basis on which we can build. We live in fast-moving times, and it is not enough to simply respond to events and new circumstances. We have to shape our own path and make investments that enable future growth. To do that, we have to take entrepreneurial risks and open up our cooperation models.

Swiss Post can be relied upon, as we have proven during the pandemic crisis. The resilience and high quality of our products and services was and is associated with significant investments.

Roberto Cirillo
CEO

Swiss Post is and will remain a public service company that provides the people and businesses of this country with the best postal services that extend well beyond the traditional universal service. This is confirmed by the comparison undertaken by the Universal Postal Union, which has again named us "the world's best postal service". Swiss Post can only ensure this quality of service in the longer term if it continues to develop and consistently pursues its focus on the future needs of the Swiss public and economy. To do this, we are building on our traditional strengths and competencies and focusing on future-oriented areas in logistics, communication, mobility and financial services. These will allow us to grow and make profits, which in turn can be invested in the future. We want to remain a company that finances high-quality public services from its own resources.

On behalf of the Board of Directors and Executive Management, we would like to thank all our employees for their exceptional commitment in 2020. We would also like to thank our customers for the confidence they place in us every day.



Urs Schwaller
Chairman of the Board of Directors



Roberto Cirillo
CEO

Key events



March 2020

PostBus – a systems leader in the coronavirus crisis

As the systems leader for road-based transport, PostBus is playing an active role as a coordinator on behalf of the Swiss Confederation during the coronavirus crisis – the first time it has undertaken such a task. The project management team is in close contact with 150 Swiss transport companies.

→ Page 41

March 2020

Digital mailroom services for flexible working

How can physical mail be delivered within a company when employees are working from home? This is where the digitization concepts provided by Swiss Post Solutions come into play.

→ Page 45

May 2020

Four new digital investment solutions

PostFinance added four digital investment solutions to its range of services for long-term asset growth. Investors can carry out their securities transactions autonomously online, receive comprehensive personal advice or delegate their asset management entirely to PostFinance.

→ Page 49

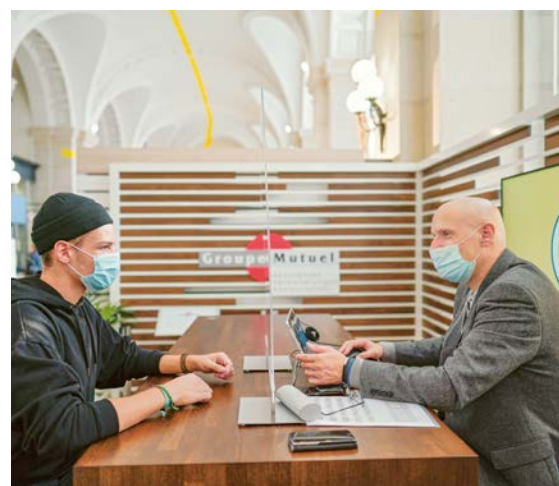


August 2020

Strengthening our position on the same-day market

Order today, delivered tomorrow: to further strengthen its position on the growing same-day market, Swiss Post acquired the remaining equity in notime AG, a technology firm providing bicycle courier services.

→ Page 27





March to December 2020

Services guaranteed thanks to unbelievable commitment

They processed record volumes of parcels, delivered letters and parcels to doorsteps day after day and were available for customers at branches even during the lockdown: since the outbreak of the pandemic, Swiss Post employees have kept Switzerland running and connected.

→ Page 28



September/November 2020

New regional parcel centers shorten delivery times

Two new regional parcel centers in Vétroz (Valais) and Untervaz (Graubünden) enabled Swiss Post to expand its direct transport network. Parcels will now be processed directly in the relevant region. To manage the growing volumes of small goods consignments more quickly and cost-effectively, Swiss Post brought a state-of-the-art Mix-Mail system into operation at the Zurich-Mülligen letter center.

→ Page 28



October 2020

Market test with Groupe Mutuel

Customers tested the advisory solutions and other services offered by Groupe Mutuel, a personal and health insurance provider, at three Swiss Post branches. Swiss Post will open its self-operated branches to service providers and authorities from 2021.

→ Page 37

September 2020

Investing in new digital communication services

Swiss Post acquired a majority stake in KLARA Business Ltd. The Lucerne-based company provides support for SMEs and private persons in Switzerland thanks to its KLARA digital assistant, a cloud-based solution that digitizes and simplifies administrative processes such as customer data management.

→ Page 35

December 2020

Swiss Post connects the healthcare system

Swiss Post is working on digital solutions for a progressive healthcare system and provides an electronic patient record (EPR) solution for Switzerland's core communities. Customers can also sign up to the EPR for test purposes at certain Swiss Post branches.

→ Page 34



October 2020

World's best postal service for the fourth time in a row

"Switzerland's postal service was the most successful in adapting to the challenges of the 21st century, such as digitization, deregulation and public service," says Pascal Clivaz, Deputy Director General of the Universal Postal Union, of Swiss Post's top ranking.

The Board of Directors

as at 31 December 2020



Urs Schwaller
Chairman of the Board of Directors since 2016



Philippe Milliet
Member of the Board of Directors (Vice-Chairman) since 2010



Peter Hug
Member of the Board of Directors (Vice-Chairman) since 2018



Denise Koopmans
Member of the Board of Directors since 2019



Bernadette Koch
Member of the Board of Directors since 2018



Thomas Bucher
Member of the Board of Directors since 2019



Nadja Lang
Member of the Board of Directors since 2014



Corrado Pardini
Member of the Board of Directors
(human resources representative) since 2020



Ronny Kaufmann
Member of the Board of Directors
(human resources representative) since 2018



Roger Schoch
General Secretary since 2018

+ More information
Financial Report from page 68

Executive Management

as at 31 December 2020



Roberto Cirillo
CEO since 2019



Ulrich Hurni
Head of PostMail since 2009, Deputy CEO



Dieter Bambauer
Head of PostLogistics since 2009



Thomas Baur
Head of PostalNetwork since 2016



Jörg Vollmer
Head of Swiss Post Solutions since 2015



Christian Plüss
Head of PostBus since 2018



Alex Glanzmann
Head of Finance since 2016



Valérie Schelker
Head of Human Resources since 2017



Hansruedi Köng
CEO of PostFinance Ltd since 2012

[+ More information](#)
Financial Report from page 74

Business results

In 2020, Swiss Post generated Group profit of 178 million francs, down 77 million francs year-on-year. At 272 million francs, operating profit (EBIT) was down 178 million francs. The coronavirus pandemic has been a major challenge for Swiss Post in all units. In the face of the diversity and scale of this challenge, Swiss Post management is satisfied with the result. The pandemic clearly shows that Swiss Post's new strategy is both important and correct. Swiss Post must now invest and act sustainably to ensure that it can continue to guarantee the universal service from its own resources in the future.

7,054

CHF million
Operating income

178

CHF million
Group profit

81

Index (scale of 0–100)
Customer satisfaction

30%

Since 2010
CO₂ efficiency improvement

1,706

In millions
Addressed letters

191

In millions
Parcels

124

CHF billion monthly avg.
Customer assets (PostFinance)

127

In millions
Passengers in Switzerland (PostBus)





Interview with Alex Glanzmann

“The coronavirus pandemic has intensified long-term trends in our core business.”

The coronavirus pandemic had a major impact on Swiss Post’s business activities, and therefore also on its result. However, Swiss Post rose to the challenges of 2020. The negative financial impact of the coronavirus crisis was not as severe as initially feared. This is also thanks to the huge commitment of our employees.

The coronavirus pandemic had a major impact on Swiss Post’s result. What does that mean in concrete terms?

Most of the negative effects we see are so-called market effects: the coronavirus crisis has reinforced long-standing trends in our core business. Volumes of addressed letters, for example, have declined more sharply as a result of the advance of digitization. Over-the-counter inpayments and cash withdrawals have also continued to decline. But we are also seeing new effects caused entirely by the pandemic. Examples include the decline in passenger numbers at PostBus due to the fact that fewer people are travelling and the lower income from fees generated by PostFinance because our customers travelled abroad less. Another component of the negative impact on the result is due to additional expenses, which were required for the procurement of disinfectant, face masks and other protective measures for employees and customers.

You’ve just alluded to the negative effects. The volume of parcels, on the other hand, has increased massively. A positive development?

Yes, indeed. Our customers are shopping online much more than before the pandemic. We see this at our parcel centers. In 2020, Swiss Post processed and delivered around 23 percent more parcels than in the previous year. We have invested heavily in recent years in the expansion of our parcel logistics infrastructure. Without this investment, we would have found it very difficult to cope with the massive increase in volumes. For Swiss Post, parcels are an important growth and profit driver. However, the income generated from the additional parcel volumes does not offset the negative effects in our other business units.



Alex Glanzmann
Head of Finance,
Member of Executive Management

Our strategy is based on targeted investment, growth, efficiency improvements and pricing measures.

So, has the coronavirus crisis confirmed Swiss Post’s commitment to the new “Swiss Post of tomorrow” Group strategy?

2020 has clearly demonstrated the importance of Swiss Post’s services for Switzerland and the economy. Thanks to the huge commitment of its employees, Swiss Post has continued to provide the entire country with all essential postal services – even in difficult times. We’re proud of that! Some trends, however, such as the increase in parcel volumes or the decline in letter volumes, have also been accelerated by the coronavirus pandemic. And that strengthens our resolve to invest heavily in logistics and digitized services and to push forward with growth in these areas.

In the next few years, Swiss Post will be investing in its growth areas of logistics and digital services. Are these plans possible despite the decline in earnings?

Absolutely. Swiss Post has a stable financial basis and a healthy equity and liquidity situation. We want to stabilize our result at a level of around 400 million francs by 2024. We need to do this to ensure a universal service financed from our own resources, long-term positive added value for the company and sustainable postal services that are of benefit to the entire Swiss population. We will achieve all of this with our new strategy, which is based on four pillars: targeted investment, growth in clearly defined areas, optimum efficiency improvements and up-to-date pricing measures.

Financial result

Swiss Post delivers strong performance despite lower annual result

In 2020, Swiss Post generated Group profit of 178 million francs, down 77 million francs year-on-year. At 272 million francs, operating profit (EBIT) was down 178 million francs. The coronavirus pandemic has been a major challenge for Swiss Post in all units. In the face of the diversity and scale of this challenge, Swiss Post management is satisfied with the result. The pandemic clearly shows that Swiss Post's new strategy is both important and correct. Swiss Post must now invest and act sustainably to ensure that it can continue to guarantee the universal service from its own resources in the future.

As expected, Swiss Post's Group profit and operating profit were significantly lower in 2020 than in the previous year. Profit totalled 178 million francs, down 77 million francs on the previous year. Operating profit decreased from 450 million francs year-on-year, falling to 272 million francs. The decline was due partly to trends that were already in place, such as the fall in letter volumes and the negative interest rate situation at PostFinance. In addition, the coronavirus pandemic has exacerbated some of these trends and brought new challenges for all of Swiss Post's units and markets: while it created a veritable parcel boom, it also resulted in additional protective measures, extra staff, fewer letters and a drop in over-the-counter transactions at branches. PostBus maintained its basic service for the public, but the number of passengers fell considerably. Overall, the effects of the coronavirus pandemic have reduced the Group result by 139 million francs. "The pandemic was a major challenge for all of our employees and for the entire Swiss Post management. For example, we processed an unprecedented volume of parcels under difficult conditions and delivered them reliably to all corners of Switzerland. Given the variety of major challenges we faced due to coronavirus, we can be satisfied with last year's result on balance, despite the fact that it is poorer than in previous years," says Roberto Cirillo, CEO of Swiss Post. Within this context, the annual result was expected, but it also represents a strong performance.

Parcel boom cannot offset declines in other areas

In 2020, Swiss Post delivered around 23 percent more parcels than in the previous year. These huge parcel volumes, as well as an increase in insurance services, led to very good operating profit at PostLogistics – a total of 201 million francs, up 73 million francs year-on-year. However, the fact is that the high parcel volumes cannot offset the negative impact of the coronavirus crisis on all Swiss Post units.

More parcels, fewer letters: pooled use of resources

The pandemic has accelerated the decline in letter volumes. The number of addressed letters fell by 5.6 percent last year, to 1,706 million. In 2020, PostMail achieved an operating profit of 293 million francs. This remains the most significant contribution to the Group result, notwithstanding the fall of 77 million francs year-on-year. Swiss Post took advantage of the resources available in letter processing to take the pressure off parcel logistics. This allowed the processing of up to 150,000 small parcels a day at the letter centers. The close cooperation between staff at the letter and parcel centers was efficient and effective. Since the beginning of 2021, letter and parcel processing have been consolidated into the same unit. This consolidation establishes the logistical basis for Switzerland's future universal postal service.

Pandemic impacts all Swiss Post units

The coronavirus pandemic affected all Swiss Post units. PostalNetwork generated a negative operating result of –105 million francs. Although this represented an increase of 27 million francs year-on-year in the operating result at PostalNetwork, the prior-year result had been negatively impacted by the recognition of a provision of 41 million francs. While there was indeed a big increase in parcel business at the branches (+19 percent) in 2020, the declines in payment transactions (–15 percent) and letter volumes (–10 percent), which have been ongoing for some time, have been exacerbated by the pandemic.

7,054

CHF million
Operating income

272

CHF million
Operating profit (EBIT)

178

CHF million
Group profit

–101

CHF million
Economic value added

6,906

CHF million
Equity

100%

Degree of internal
financing – investments

The **pandemic** shows us that the **people** and **businesses** of Switzerland need a **well-functioning Swiss Post**.

Roberto Cirillo
CEO

PostFinance's operating profit totalled some 161 million francs, down 79 million francs year-on-year. Of this, 22 million francs is due to the impact of the coronavirus pandemic: as people travelled much less, there was a decrease in conversion gains from foreign currency cash withdrawals at ATMs in Switzerland and abroad and from the use of credit cards. Otherwise, the fall in profit is primarily due to the ongoing negative interest rate environment and declining net trading income. Against the backdrop of this challenging environment, Swiss Post welcomes the political debate initiated by the Federal Council concerning the future of PostFinance and the future structure and financing of the universal service for payment transactions in Switzerland.

Swiss Post Solutions generated new business amounting to 302 million francs last year, up 93 million francs year-on-year. However, exchange rate effects and losses due to the pandemic also caused operating profit at Swiss Post Solutions to fall by 7 million francs to 25 million francs.

Finally, the pandemic has also had a severe impact on the passenger transport market. The Federal Council's recommendation last spring that the general public should avoid public transport wherever possible led to a sharp drop in demand and revenues at PostBus. Despite this, PostBus maintained the basic service mandated by the Confederation. Accordingly,

the operating result fell to –79 million Swiss francs, down 55 million francs year-on-year. Most of this amount (48 million francs) was a direct consequence of the pandemic. As a licensed enterprise in regional passenger transport, PostBus may not generate planned profits. Any surpluses must be paid into the statutory reserves. PostBus must cover any losses in income caused by the pandemic out of these reserves. In regional transport, PostBus is not entitled to receive any of the financial support for public transport decided on by Parliament.

Swiss Post is taking the right path

The coronavirus pandemic has demonstrated that Swiss Post is right here for the people of Switzerland, even in times of crisis, and that it is a key player in the Swiss economy. The restrictions on public life highlighted the importance of Swiss Post's role in the provision of Switzerland's basic services. It was only because Swiss Post delivered goods to people's homes that the public continued to be supplied with all necessities. CEO Roberto Cirillo is convinced: "The pandemic shows us that the people and businesses of Switzerland need a well-functioning Swiss Post. At the same time, we have proven that Swiss Post can be relied upon, even in challenging times." Chairman of the Board of Directors Urs Schwaller explains: "The new Group strategy, which we have been implementing for two months now, strengthens Swiss Post as a public service company. A high-quality universal service throughout the country is our most important goal, and this will remain the case. That's why it is essential to have a comprehensive debate about the universal service in Parliament in the near future. We need clarity on the future of both the universal postal service and the universal service for payment transactions."



Outlook

Swiss Post wants to ensure that it can continue to provide the universal service from its own financial resources in the long term. It is already on course to do so. Since the beginning of 2021, it has merged its letter and parcel logistics within its organizational structure, allowing it to harness additional synergies. According to CFO Alex Glanzmann, efficiency measures of this kind are as important for the coming years as up-to-date price adjustments, targeted investment and growth in clearly defined markets: "We will

not only invest in our logistics, but also in trustworthy digital communication. Swiss Post wants to support the people and businesses of Switzerland on their journey into the digital future." And Alex Glanzmann reiterates: "Swiss Post has a stable financial basis and a healthy equity and liquidity situation. This helps us to tackle the issue of planned growth so that we can continue to provide the universal service from our own resources in the future."

 More information
[Financial Report from page 31](#)

Non-financial results

High scores for Swiss Post

Delivery quality

98.0 percent of A Mail letters and 99.2 percent of B Mail letters reached their recipients on time during the relevant six-and-a-half-month measurement period. The target of 97.0 percent was therefore exceeded for both products. The result for the year as a whole, i.e. when the excluded months are factored in (see information box), is somewhat lower: 97.1 percent for A Mail letters and 99.1 percent for B Mail letters. However, the regulatory requirements were still met, which would not have been possible without the tireless commitment of all employees during this challenging period.

95.4 percent of PostPac Priority parcels and 95.5 percent of PostPac Economy parcels reached their recipients on time during the relevant four-month measurement period, meeting the target of 95.0 percent. The figures for the entire year were lower, however: 90.1 percent for PostPac Priority parcels and 89.9 percent for PostPac Economy parcels.

Customer satisfaction

For the eighth time in a row, Swiss Post has impressed its customers with its services. The company received 81 out of 100 points in the 2020 customer satisfaction survey. This high score shows that Swiss Post has succeeded in adapting its services to meet its customers' requirements – even during the difficult coronavirus pandemic period. Additional satisfaction surveys during the pandemic have shown, in particular, that the reliability of Swiss Post's

services is very much appreciated. While customers are still satisfied with the way in which problems are handled and with value for money, they do see these as the areas with the most potential for improvement.

Employee satisfaction

Despite the coronavirus situation and the organizational changes taking place, the results of the employee survey are very positive. Three areas in particular – commitment (79 points out of 100), mutual support within teams (80 points) and trust in direct line managers (83 points) – achieved very good results. The 2020 employee survey is not comparable with previous years.

Climate: Swiss Post increases CO₂ efficiency

By the end of 2020, Swiss Post had achieved a CO₂ efficiency improvement of 30 percent over 2010. Of the approximately 14,500 vehicles in use, around half are already powered by alternative drive technologies. Swiss Post is replacing its fossil fuel heaters in its buildings. It operates 22 photovoltaic systems on the roofs of its buildings, producing over 8 gigawatt hours of solar electricity each year. Swiss Post covers 100 percent of its electricity requirements from renewable sources from Switzerland. It calculates its greenhouse gas emissions across the Group each year and implements improvement measures consistently.

 More information [Financial Report from page 52](#)

98.0%

A Mail letters
delivered on time

95.4%

Priority parcels
delivered on time

73

Index (scale of 0–100) of
employee satisfaction

81

Index (scale of 0–100) of
customer satisfaction

30%

CO₂ efficiency improvement
over 2010



Excluded months

For the duration of the extraordinary situation (mid-March to 19 June 2020), Swiss Post did not have to comply with the regulatory framework due to the adoption of COVID-19 Ordinance 2. During the special situation, the Federal Postal Services Commission (PostCom) also agreed that Swiss Post could exclude the period from 20 June to the end of July 2020 and the whole of December 2020 when measuring the punctuality of letters, on the grounds that these periods constituted force majeure events.

For parcels, Swiss Post was permitted to exclude March to July and October to December 2020. This means that letter delivery was measured for six and a half months, and parcels for four months, during which time the situation was more "normal".



Strategy

Swiss Post considers itself a public service company, very much in tune with the public and business. The needs and day-to-day life of people and companies in Switzerland are changing. That's why Swiss Post is changing, too, just as it always has. With its new strategy, Swiss Post is developing its traditional core competencies – transporting goods, information and people and providing financial services.

It plans to generate the growth and funds required to safeguard the public service in the long term in the logistics and communication services markets. In the development of its network, Swiss Post is planning a significant change of course. It is opening up its network to service companies and public authorities and stabilizing the number of self-operated branches.

Swiss Post adopts a responsible approach towards people and the environment and acts in Switzerland's best interests – now and for the future. Swiss Post is powering a modern Switzerland – it promotes Switzerland as a location for business and prioritizes the public good. With the next generation in mind, too.







Interview with Urs Schwaller and Roberto Cirillo

“Outstanding work was done in 2020.”

As a result of the coronavirus pandemic, Swiss Post faced major challenges in 2020.

Thanks to the exceptional commitment of all employees, Swiss Post was able to maintain its public service, develop its strategy for the coming years and present it to the public. An interview with Chairman of the Board of Directors Urs Schwaller and CEO Roberto Cirillo.

How would you describe the past year?

Urs Schwaller: It was a difficult year for everyone – for individuals, for organizations and companies, and for the economy, too. But the crisis gave us the opportunity to show that solidarity isn't just an empty promise. And for me, that was demonstrated in particular by Swiss Post's employees, who have proven that you can rely on Swiss Post and that we are there for everyone and for the whole of Switzerland.

Our employees have proven that Swiss Post can be relied upon.

Urs Schwaller
Chairman of the Board of Directors

It was the issue that overshadowed everything else in 2020: the coronavirus pandemic. What were the biggest challenges for Swiss Post?

Roberto Cirillo: Our focus was always on maintaining operations, and in particular the universal services. But our employees' health was our top priority at all times. Especially during the lockdown, we were also eager to ensure that employees who could no longer rely on the usual childcare facilities or who had to look after their relatives had the freedom to do so. Despite these difficult circumstances, we still succeeded in guaranteeing the public service and enabling people in Switzerland to stay at home. At the same time, we pressed ahead with important projects: we brought three new sorting centers into operation in record time – which was a major factor in allowing us to cope with the enormous increase in parcel volumes in the last quarter. We experienced a national first with the introduction of the electronic patient record. And by commissioning the Mix-Mail sorter, we even saw the world premiere of a new technology in these challenging times.

How has the pandemic affected Swiss Post financially? Is Swiss Post a big winner?

Urs Schwaller: You can see the impact of the pandemic in our numbers. While we did process record volumes of parcels, we also had losses and additional costs. We had to make significant resources and funds available to meet our quality requirements during the coronavirus crisis. Fortunately, the losses we suffered in the logistics business (letters, newspapers, parcels, goods) are less dramatic





than we feared in the middle of the year. However, losses in the public transport sector (PostBus) and at PostFinance are greater than anticipated. The coronavirus crisis has cost us a decrease in revenue of 139 million Swiss francs. So it is clear that the Group has certainly not benefited financially from the pandemic. But the public experienced first-hand that Swiss Post is an important and reliable pillar of the Swiss infrastructure, economy and society. That strengthens trust in our institution and in our Swiss Post brand.

Sustainability is a key social issue for Swiss Post. Was that also the case during the coronavirus crisis?

Roberto Cirillo: Of course we didn't change our sustainability goals during the coronavirus crisis. Sustainability is at the forefront of the economic development of our company. In 2020, we also continued to push ahead with electrifying our fleet, even introducing firsts such as hydrogen-powered trucks for parcel transport. We have very ambitious requirements and self-imposed goals for the coming years, and we have to work every day on financing and achieving them.

In addition to our day-to-day business, our strategy for the coming years was developed and presented to the public. What impact did the pandemic have on the development of the new strategy?

Urs Schwaller: The key elements of the strategy were formulated before the pandemic caught up with us. The new challenges and expectations have shown that we are on the right track with our strategy and our analysis

of economic and social trends. In some areas, such as online shopping, the coronavirus situation during lockdown acted as a catalyst for the transformation.

What are the cornerstones of the new strategy?

Roberto Cirillo: The new strategy builds on our traditional strengths and competencies and systematically taps into growth areas arising from the future needs of the Swiss public and economy. This growth is needed if we are to continue to function as a self-financing company in ten years' time. By this, I mean financing the necessary investment in innovation, infrastructure, services and competencies. And, if possible, to generate the dividend our owner would like to see – which ultimately offers an additional benefit to taxpayers, on top of the public service we provide. To develop these growth areas, we will be making substantial investments over the next four to eight years, with a view to ensuring that Swiss Post continues to remain relevant to Switzerland in the future. However, price adjustments and efficiency improvements are also necessary strategic measures and are important factors in achieving this goal in the coming years. In everything we do, we consistently place our commitment to public service and our customers' current and future needs and expectations throughout Switzerland at the center of our planning and implementation.

What impact will the new strategy have?

Roberto Cirillo: We live in fast-moving times, and it is not enough to simply respond to events and new circumstances. We have to forge our

The new strategy systematically taps into growth areas arising from the future needs of the Swiss public and economy.

Roberto Cirillo
CEO

We live in fast-moving times, and it is not enough to simply respond to events and new circumstances.

Roberto Cirillo
CEO

own path. To do that, we have to take targeted entrepreneurial risks and open up our cooperation models. The biggest changes are the merger of our letter and parcel business units under the new Logistics Services umbrella and the opening up of our branch network to third-party providers. But the development of new areas of application for our trustworthy digital communication services and ensuring that we break even in our mobility services – which we will continue to modernize – will also demand all of our energy and concentration.

PostFinance is not directly covered in the strategy. How does the future look there?

Urs Schwaller: As a wholly-owned subsidiary of Swiss Post and a systemically important bank, PostFinance continues to play an important role in the Group's sustainable growth model and in the universal service for Swiss payment transactions. Along with PostMail, PostFinance has made a substantial contribution to Swiss Post's good operating profit in recent years. It is well known that this share is falling steadily due to the loss of returns from the interest differential business. For me, one thing is clear: PostFinance must not be allowed to become a financial risk for Swiss Post as a whole, as this would serve neither the universal service nor PostFinance itself. Swiss Post and PostFinance have responded to this new situation and will act accordingly.

Where is action required specifically?

Urs Schwaller: Swiss Post and PostFinance support the Federal Council's proposal to lift the prohibition on lending and mortgages. They have recognized the need for action in principle, even if there is as yet no majority to approve it. We are in close contact with all stakeholders, and I expect an overall proposal to be put before Parliament by the end of this year. PostFinance adopted a new strategy at the end of last year. For the first time, the Swiss Post Board of Directors also drew up and adopted a clear owner's strategy for PostFinance.

What challenges do you anticipate in 2021?

Roberto Cirillo: The pandemic is not over yet. Lockdowns not only cause an increase in parcel volumes, they also lead to uncertainty among customers and employees and increased requirements among business customers. We have to keep a close eye on the situation and respond when necessary. Secondly, our new strategy places us at the beginning of a challenging phase of transformation. The strategy and the goals are clear, and we all now have to shape and take the path together. Implementing the strategy is a major challenge, but at the same time, it creates confidence in Swiss Post's future and in our ability to be competitive and secure jobs. I am confident that, with the strong commitment of our corporate management and all employees, we will achieve the goals we have set ourselves. We want to power a modern Switzerland, and we are now gearing up to fulfil our aspirations.

Swiss Post and PostFinance support the Federal Council's proposal to lift the prohibition on lending and mortgages.

Urs Schwaller
Chairman of the Board of Directors





Our self-perception

A dynamic country needs an equally dynamic postal service

Swiss Post has been powering the modernization of Switzerland for over 170 years. As a company owned entirely by the Swiss Confederation, Swiss Post represents the strongest Swiss values – above all, in how it acts.

Swiss Post considers itself a public service provider, very much in tune with the public and business.

The needs and day-to-day life of people and companies in Switzerland are changing. Swiss Post will continue to meet these new needs, regardless of whether they are physical or digital. That's why the company is evolving – just as it always has. It adopts an entrepreneurial approach in its daily operations and is highly innovative. And it funds its services and investments in the future from its own resources.

Swiss Post's traditional business models, based on letters, parcels, finance and mobility, have been undergoing radical transformation for years. As a result, the Group's financial strength is declining due to falling revenue, and there is a lack of funding for the investments required over the medium term.

This casts doubt on the company's ability to finance the universal service from its own resources in the medium term. That's why Swiss Post must act.

Swiss Post intends to build on and develop its traditional core competencies in logistics and confidential information transfer, while also focusing on future-oriented areas. Swiss Post always acts fairly and in Switzerland's best interests. It works for our nation – now and in the future.

Swiss Post adopts an exemplary approach towards people and the environment. In this way, it plays a significant role in ensuring that Switzerland remains modern, competitive and open, while also nurturing the common good of the country and its public. It also wishes to be the world's best postal organization – for the next generation, and for Switzerland.

The Swiss Post of tomorrow

Swiss Post is tackling the challenges of the future and making targeted investments in growth and innovation over the years ahead as part of its “Swiss Post of tomorrow” strategy. It is focusing on what it does best: transporting goods, information and people and providing financial services.

The new strategy entered into force on 1 January 2021 and runs until 2024.



Supporting the UN's Sustainable Development Goals

We're acting now – for tomorrow, for future generations, for the sustainable development of our environment and society. The 17 Sustainable Development Goals are the core of the UN's 2030 Agenda for Sustainable Development. They are designed to tackle the most urgent global challenges by 2030. Swiss Post focuses its efforts on six goals where it can have the greatest impact.

Challenges and solutions

Swiss Post is realigning itself

For over 170 years, Swiss Post has been an institution that fosters national cohesion and provides public services on behalf of the Swiss Confederation. However, Swiss Post's environment has changed dramatically over the past 20 years: action is needed, but new opportunities are also emerging.

The requirements for handling sensitive information and data are increasing, and the demand for trustworthy communication solutions is growing. But there's also a greater need for simplicity. The parcel and letter business continues to change: customers want their consignments delivered quickly, conveniently and in an environmentally-friendly manner. Customer needs are constantly changing and require new solutions.

Volume changes in logistics

The volume of addressed letters continues to fall. Parcel volumes are still rising, but these do not offset the decline in revenue in the letter business. International logistics flows in the parcel business and goods logistics are becoming more significant, and this means that connections between Switzerland and its neighbouring countries are increasingly important for Swiss Post.

PostFinance's profit is declining

PostFinance's business model is under tremendous pressure: this is partly due to factors that are affecting the entire sector, such as negative interest rates and digitization, and partly due to specific restrictions and requirements, such as the lending prohibition, the universal service obligation and emergency capital required by law. This puts pressure on Swiss Post's balance sheet and casts doubt over its ability to finance the universal service from its own resources in the medium term.

New business models are possible

Automation and digitization are progressing apace, making processes more efficient and enabling Swiss Post to adopt new business models.

Achieving further growth and developing new competencies

To ensure that Swiss Post remains successful in future, it still seeks to generate profit, which it then invests in its development and in universal service provision. By pursuing its new

"Swiss Post of tomorrow" strategy, Swiss Post is clearly focusing on competencies and markets that create the greatest benefits for Switzerland. It aims to achieve further growth and develop new competencies – especially digital ones – in logistics (transport of physical consignments) and communication (transfer of information). Swiss Post will invest over three billion francs in renewing and upgrading its infrastructure and services over the next few years. The company aims to improve its revenue through acquisitions and partnerships. These plans extend beyond national borders. Swiss Post ensures that Switzerland is connected to global goods flows.

Network opened up to third-party partners

Swiss Post is opening up its branches to large service providers and public authorities. By taking this step, it is establishing new service centers in all regions of Switzerland with products and services that are relevant to everyday life.

Funding investment independently

The targeted investments in growth require capital. Swiss Post has solid financial reserves and is creating additional liquidity, not least by assessing whether to dispose of individual properties in its real estate portfolio that are not operationally relevant.

Contributing to sustainable development

We wish to operate in a resource-efficient and socially equitable manner, to lead the way in terms of reducing CO₂ emissions and to contribute to attaining Switzerland's sustainability goals. Compared with 2010, Swiss Post has improved its CO₂ efficiency by 30 percent – but it aims to be completely carbon-neutral from 2040. Swiss Post plans to run all delivery vehicles on fossil-free fuel from 2030. It is participating in Exemplary Energy and Climate, a Swiss Confederation initiative, and is fully harnessing the economic potential of photovoltaic systems.

Proven mainstays remain in place

PostBus, PostalNetwork and PostFinance are also making their contributions to the new strategy, albeit with restricted entrepreneurial freedom. Swiss Post Solutions is already growing internationally and is supported on this path by Swiss Post.



The new Group structure supports the strategy

On 1 January 2021, Swiss Post aligned its Group structure with its new strategic direction. PostBus, PostalNetwork, PostFinance and Swiss Post Solutions remain unchanged in organizational terms. PostMail and PostLogistics were merged with effect from 1 January 2021. Logistics competences are now pooled in the "Logistics Services" unit and communication competences in the "Communication Services" unit. As of 1 January 2021, the new Executive Management comprises the heads of the Logistics Services, Communication Services, PostalNetwork, Mobility Services (PostBus), Swiss Post Solutions, Finance and Human Resources units and the CEO. The Head of PostFinance retains his role as an observer without voting rights. Swiss Post Solutions Ltd continues to operate and will carry on evolving autonomously, with Swiss Post as its umbrella holding company. PostalNetwork will be transferred to the new, legally independent Post CH Network Ltd, so that Swiss Post can continue to develop its network and open it up to third parties.

More information
Financial Report from page 12

Logistics Services

Expanding our leading position in Switzerland and across borders

Domestic and international business operations – with **courier, express and parcel logistics, mail**, and services over the **last mile** – have made up Swiss Post's core business for many years. In these areas, Swiss Post aims to fulfil its universal service obligation, expand its strong position in Switzerland and continue to develop internationally. Swiss Post will ensure an effective and sustainable connection between the Swiss economy and international goods flows thanks to its relevant and innovative logistics services.

In the **media and advertising market**, Swiss Post plans in particular to develop tailored solutions for cross-channel communication and the newspaper and magazine business.

In **goods logistics**, Swiss Post seeks to provide companies with easy access to the global market. To do so, Swiss Post is making targeted investments in the domestic market and, where necessary, in neighbouring countries.

Swiss Post also combines previous industry know-how with existing logistics expertise and develops relevant **industry solutions**.

Through its digital **logistics platforms**, Swiss Post facilitates logistics services and is expanding its range of value-added services.



➔ Page 26

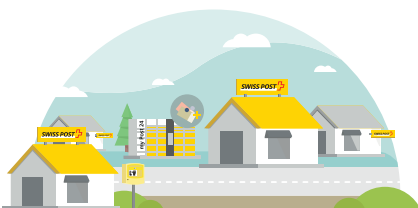
PostalNetwork

Expanding the network and opening up branches to third parties

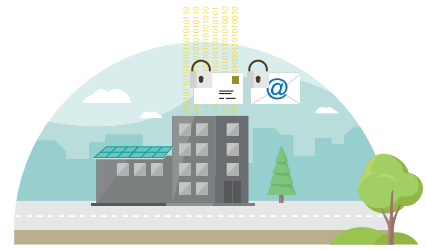
Swiss Post's physical presence in all regions of Switzerland reflects our view of a nationwide universal service. Swiss Post is **continuing to expand its network, which currently totals more than 4,700 access points**, with innovations such as terminals and services at home. Swiss Post is investing some 40 million francs in modernizing over 300 self-operated

branches. It is also **strengthening the quality of its branches with partners** through local support from Swiss Post staff, training for partner staff and customer-friendly infrastructure. The network will be stabilized when a figure of around 800 self-operated branches has been reached.

Swiss Post is now **opening its premises to large service providers and public authorities**, enabling them to remain close to their customers. By taking this step, Swiss Post is establishing new service centers in all regions of Switzerland with products and services that are relevant to everyday life.



➔ Page 36



Communication Services

Transporting information securely and confidentially

Swiss Post assumes the role of a trustworthy, independent intermediary between the physical and digital worlds, focusing on four market areas:

With **trust-based information services**, Swiss Post transports data in a secure, unalterable and traceable manner, and ensures that the sender and recipient are authorized to receive and send the information. Swiss Post is therefore applying the principle of mail secrecy to the digital world.

With **digital assistant services**, Swiss Post ensures that the interfaces between the physical and digital worlds function smoothly. The company helps Swiss SMEs and the general public to navigate the digitized world securely and easily.

Swiss Post is expanding its position as an established provider of secure and legally compliant **digital services for public authorities**, strengthening its key role in digitizing processes for the Confederation, cantons and municipalities and simplifying the dialogue between citizens and the state.

In the market area of **digital health**, Swiss Post is continuing to reinforce its leading role as a one-stop provider in the healthcare sector and tapping into new business areas, focusing in particular on networking all stakeholders and, in turn, helping to simplify processes.

➔ Page 32

 Mobility Services

Staying number one

PostBus is number one in **road-based public passenger transport** in Switzerland. PostBus intends to continue strengthening this position, as the Swiss public transport system needs to remain attractive and meet customer requirements in the future. To achieve this goal, PostBus is systematically forging strategic partnerships – including with other public transport companies – to develop customer-friendly, environmentally-friendly and affordable services for all residents of Switzerland. Because half of regional passenger transport is publicly funded,

PostBus does everything it can to ensure that the compensatory payments from the Confederation, cantons and municipalities are used as efficiently as possible.

Swiss Post supplements its services in the mobility market with Post Company Cars, Switzerland's biggest manufacturer-independent **full-service fleet management company**, and with PubliBike, the largest **bike sharing service provider** in Switzerland. It operates bike sharing networks in various Swiss cities and serves both private and business customers.

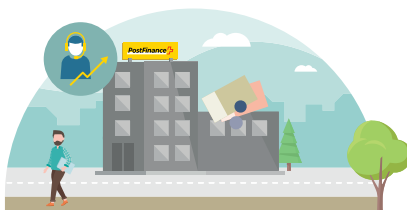
The companies operating in the mobility services sector wish to jointly leverage cross-company synergies – for example, by developing new **multimodal solutions**. These are intended to be simple, efficient, sustainable and digitally connected.



➔ Page 40

 PostFinance

Securing the business model



PostFinance is accelerating the pace of digital transformation and is focusing ever more consistently on its customers' requirements with its new "SpeedUp" strategy. It now divides its core business into four business units. In **Payment Solutions**, PostFinance is becoming the leading reliable partner for payment and debt collection solutions for retailers and

invoice issuers in Switzerland. In **Retail Banking**, PostFinance provides its private and business customers with proven solutions and advice on the smartest way to manage money – both physically and digitally. With **Digital First Banking**, it is developing a brand new service for "Banking & Beyond" geared entirely to the digital world. And in **Platform Business**, PostFinance aims to build on Valuu to create an independent Swiss platform for comparing and taking out financing, insurance and pension solutions.

PostFinance hopes to be able to issue loans and mortgages independently in future. This decision lies with the Swiss Parliament.

➔ Page 46



 Swiss Post Solutions

Extending our leading role worldwide

The subsidiary Swiss Post Solutions supports companies on their path to digital transformation, offering solutions for **outsourcing complete business processes**, innovative **document management services** and the latest technologies for secure, efficient **digitization of information processing**.

Its approximately 7,800 employees and specialist partners serve customers in various sectors – and in 25 countries. It focuses on banks, insurance providers and the healthcare sector.

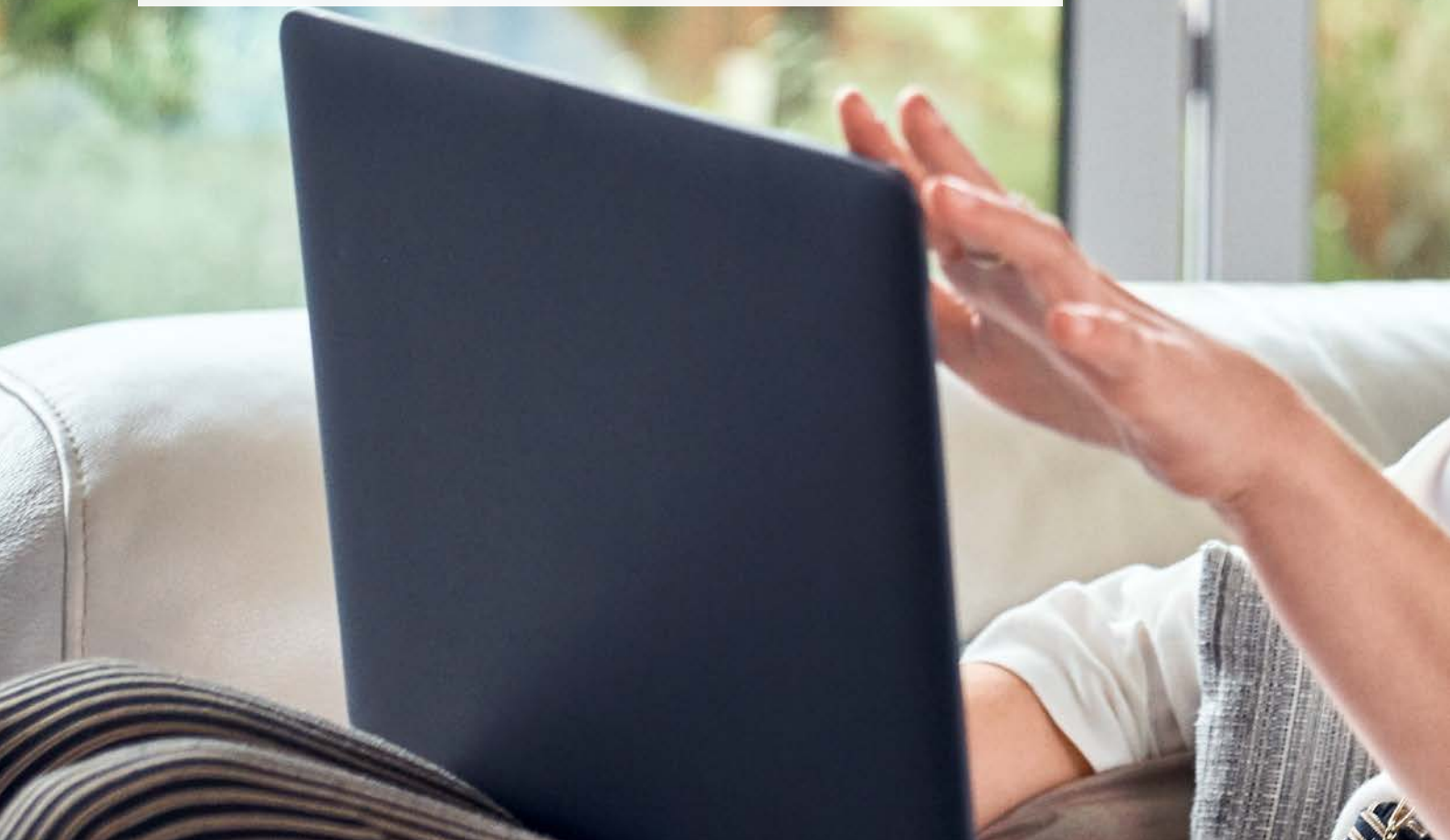
By pursuing its growth strategy, Swiss Post Solutions has successfully increased its market share and profitability for many years. Swiss Post Solutions is encouraged to develop autonomously, with Swiss Post Ltd as its umbrella holding company.

➔ Page 44

Markets

Swiss Post wants to remain a company that operates without government support. This model obliges Swiss Post to finance its high-quality public services with profits that it generates itself. To earn the revenue required to do this, Swiss Post must remain relevant to its customers. The challenge for Swiss Post, therefore, is to continually adapt all of its products and services to changing requirements.

To allow it to respond quickly to current and future trends, Swiss Post intends to make targeted and increased investments where its growth opportunities lie: in the coming years, the company will focus on the logistics and communication markets, in which it aims to continue growing. While there is limited room for manoeuvre in the mobility market (PostBus), the financial services market (PostFinance) and the postal network (PostalNetwork), these units do also make an important contribution to the new strategy. Swiss Post Solutions is already growing internationally and is supported on this path by Swiss Post.







Logistics Services

Domestic and international business – with **courier, express and parcel logistics, mail** and services over the **last mile** – have made up Swiss Post's core business in Switzerland for many years. In these areas, Swiss Post aims to fulfil its universal service obligation, consolidate its strong position in Switzerland and continue to develop internationally. Swiss Post will ensure an effective and sustainable connection between the Swiss economy and international goods flows thanks to its relevant and innovative logistics services.

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Through its digital **logistics platforms**, Swiss Post facilitates logistics services and is expanding its range of value-added services.

Parcel logistics

Order products online at lunchtime and get them the same evening

The demand for fast delivery – preferably on the day of the order – is on the increase. For this reason, Swiss Post plans to reinforce its position in the growing same-day market and has acquired notime AG for this purpose.

When Lars from Zurich-Wipkingen orders a pair of trainers online at lunchtime, he'll be able to wear them the same evening. This service is enabled by notime AG, whose couriers deliver the products from Oerlikon on the day they are ordered – and by electric scooter, so delivery is also environmentally friendly.

Since August 2020, notime AG, a technology company offering bike courier services, has been a wholly-owned subsidiary of Swiss Post, which was previously the majority

shareholder. notime's platform allows online retailers to automate the entire process, from the moment goods are ordered in the online shop to the time they are delivered. "This acquisition enables us to strengthen our position in the growing same-day market," says Stefan Regli, who is responsible for the domestic letter and parcel market. "This moves us towards a model for the future that is already a reality for notime in various cities in Switzerland: thanks to optimized route planning, ordered goods are delivered on the same day by bicycle or electric scooter."



Sustainable Development Goals

- 8 Decent work and economic growth
- 11 Sustainable cities and communities

Page 61



CEC for notime employees

Swiss Post will continue to run notime as an independent company. Thanks to the new collective employment contract in place since 1 October 2020, its approximately 350 employees benefit from improved working conditions, such as a minimum wage above the industry average. The CEC also creates more security for part-time employees and makes allowance for their interests.

Last mile

When the mail carrier collects your PET bottles

From delivering library books to collecting PET bottles: mail carriers are handling more and more jobs over the last mile, making everyday life a little easier. Because they visit almost every doorstep in Switzerland six days a week, there is no need for extra rounds.

Before she leaves on her trip, Lea from Aarau wants to get herself some holiday reading: to save time, she orders the books online from the Aarau public library and has them delivered by Swiss Post. How convenient! Her vegetables also arrive at her doorstep: for the "Regional product delivery" service, Swiss Post's mail carriers collect vegetables, fruit, eggs and more from local producers early in the morning and deliver them on their regular delivery rounds. And when Lea wants to dispose of her PET bottles, she fills her 45-litre collection bag and has it picked up by Swiss Post.

"These examples show how Swiss Post uses innovative services and collaborations as a logistics partner to generate added value for our customers," says Geneviève Wüthrich, Head of Last Mile & Customer Solutions. No additional journeys are required for these services: while mail carriers are out and about, fulfilling the universal service obligation and reliably delivering letters and parcels, they visit around four million households every day on their rounds, anyway – in climate-friendly electric vehicles. As of June 2020, Swiss Post now also collects routers or TV boxes that are broken or no longer needed on behalf of UPC. Swiss Post had already been offering Swisscom customers an equivalent service, known as "Take me back", since 2019.



Sustainable Development Goals

- 11 Sustainable cities and communities
- 12 Responsible consumption and production

Page 61





70 million

francs is the amount spent by Swiss Post on implementing and integrating the new **Mix-Mail system**.

30 million

imported **small goods consignments**, including almost 22 million from Asia, were processed by Swiss Post in 2020.

I'm impressed by the **commitment** of our staff and by the **solidarity** shown by our **business customers**.

Stefan Luginbühl
Head of Acceptance,
Transport & Sorting Competence Center for
letters and parcels

Parcel logistics and mail

Millions invested in sorting

Online retail is flourishing, and consumer demands are rising: Swiss Post is investing in new technologies in order to continue guaranteeing services of the highest quality. This includes three new regional parcel centers and a state-of-the-art Mix-Mail system.

Whether it's tech gadgets, sporting goods or fashion accessories: the average Swiss resident is increasingly ordering items from online retailers all over the world. In 2020, more than three quarters of the 95,000 small goods consignments processed by Swiss Post every day came from Asia. To manage these volumes more quickly and cost-effectively, Swiss Post has invested around 70 million francs in a state-of-the-art Mix-Mail system at the Zurich-Mülligen letter center, where the small goods consignments, which are often non-standard shapes, are now sorted automatically instead of manually, as was previously the case. The system will also be used to process small domestic parcels. It will become fully operational this year.

New regional parcel centers shorten delivery times

Thanks to online shopping, Swiss Post has now seen new parcel records for seven years in a row. In 2020, it handled more than 191 million parcels. And the demand for faster delivery is

also growing: in 2020, 55 percent of parcels were sent as PostPac Priority; 15 years ago, the figure was less than 20 percent.

With an investment of over 190 million francs in four new regional parcel centers (RPCs) boasting state-of-the-art sorting systems, Swiss Post anticipated these trends. The RPC in Cadenazzo started operations in October 2019. The Ostermundigen location (converted into an RPC with a new sorting system) followed in March 2020, and Vétroz and Untervaz in the autumn of the same year. The RPCs, which can sort up to 40,000 parcels per day, are linked to each other and to the major parcel centers by a direct transport network. This reduces distances, helps protect the environment and ensures that consignments reach customers faster.

The new RPCs also enable Swiss Post to help create added value in different regions: local jobs are retained, or new jobs are created. In addition, the newly installed photovoltaic system also makes the Vétroz RPC the largest producer of solar electricity in Valais.



Sustainable Development Goals

- 7 Affordable and clean energy
- 8 Decent work and economic growth
- 9 Industry, innovation and infrastructure

Page 61

Parcel logistics

Record volumes: Swiss Post processed more parcels than ever before

Stay at home and order a bike or some potting soil online: when the shops closed during the lockdown, parcel volumes shot up overnight. Between March and May last year, Swiss Post processed over 40 percent more parcels than in the previous year. With an average of more than 850,000 parcels per day (around 17 million parcels in total), April set a temporary all-time monthly record for Swiss Post. This volume was exceeded only in December, when 21 million parcels were processed. At

the processing centers, staff had to protect themselves against infection with the virus by following the prescribed distancing and hygiene rules. Swiss Post coped with the exceptional parcel volumes thanks to flexibility and unconventional measures: for example, staff at the letter centers helped out by sorting more than 130,000 smaller parcels per day. And some major customers sorted their parcels in advance by size and catchment area.

Parcel logistics and mail

Milestones on the path to e-mobility

Swiss Post aims to be fully electric in the delivery of letters and parcels by 2030. In August 2020, it set a milestone in this endeavour with the “fully electric” Amriswil delivery point in the Canton of Thurgau. Efforts at CO₂-neutral parcel delivery are also gathering pace.

There are no loud engine noises to be heard from the new delivery van bearing Swiss Post’s yellow livery. Instead of petrol, it runs on electricity – as do all seven delivery vans and 16 electric scooters in the garage at the Amriswil delivery point in the Canton of Thurgau, which in August 2020 became the first environmentally-friendly fully electric delivery point. “A milestone on the path to our goal of 100 percent electromobility in delivery,” says Brigitt Hausammann, Head of Corporate Environmental Responsibility. For more than ten years, the 6,000 e-scooters used for letter delivery have been running on “naturemade star”-certified eco-electricity generated in Switzerland. Of the remaining 14,700 vehicles operated by Swiss Post, around 6,700 are powered by environmentally-friendly drive systems. By 2030, Swiss Post intends to replace all delivery vehicles running on fossil fuels with vehicles with environmentally-friendly drive

systems. “Electromobility is an important factor in improving CO₂ efficiency,” says Brigitt Hausammann. “Our measures in this area have made a significant contribution to our goal of improving CO₂ efficiency by 25 percent by the end of 2020. With a figure of around 30 percent, we exceeded this target.”

Equally climate-friendly parcel delivery

By 2025, Swiss Post also plans to use electric vehicles to deliver parcels wherever possible in urban areas: electric delivery vans are already on the roads of Basel, Geneva, Givisiez, Hinwil, Ostermundigen, St. Gallen and Zurich. From a new city logistics hub in Zurich Enge, the mail carriers deliver parcels and letters exclusively with electric vehicles. Same-day delivery provider notime also uses e-scooters, e-bikes and bicycles for its services.



From **2040**, we want to become **carbon-neutral**.

Brigitt Hausammann
Head of Corporate Environmental
Responsibility



Sustainable Development Goals

- 3 Good health and well-being
- 7 Affordable and clean energy
- 9 Industry, innovation and infrastructure
- 11 Sustainable cities and communities

Page 61

Parcel logistics

For less cardboard and filler

A camera bought online will be delivered to your home with a whole load of waste: apart from the manufacturer’s packaging, there will be the shipping box, and also often padding or filler. But there is an easier way, as is shown by two market tests conducted by Swiss Post.

In the city of Zurich, Swiss Post subsidiary notime delivers online purchases from Digitec Galaxus in nothing but their original product packaging – without even an additional address label – and on the same day the order is placed. Delivery staff can see the delivery address as soon as they scan the barcode on the item.

Shipping in reusable bags

In the second test, the “Kickbag” – a form of reusable packaging developed by Stadtland-kind and Stoff&so – is used for shipping. The empty bag, made from partially recycled PET, is returned to the retailer: just fold it up and drop it in the nearest Swiss Post letter box. The online retailer then prepares the bag for reuse.



Sustainable Development Goal

- 12 Responsible consumption and production

Page 61



International parcel logistics and mail

Asendia: from startup to global e-commerce player

When a pair of trainers or jeans is ordered online anywhere in the world, chances are that the ordering process and shipping will be handled by Asendia. Its comprehensive range of e-commerce and logistics solutions for international mail order companies is strategically important to Swiss Post – and it's on course for success.

More and more SMEs – including Swiss SMEs – are trying to expand into international markets. But if online retailers want to deliver abroad, for example to Australia, they need to know the specifics of the market: customs regulations and payment and returns practices are important factors in ensuring smooth cross-border sales.

Asendia connects the world

This is where Asendia provides support: founded in 2012, the joint venture between Swiss Post and France's La Poste handles goods dispatch, import, customs clearance, delivery and more for business customers. With growing success: through its e-commerce services for international mail order companies, Asendia generated more than 1.8 billion euros in sales in 2020. "Our holding in Asendia is very important in terms of international growth in our core business," says Ulrich Hurni, Chairman of the Board. "With our presence in 17 countries on four continents, we are an important link for global retailers."

Transformed from a postal company into an e-commerce company

With its stake in Irish company eShopWorld, which retailers such as Nike and Victoria's Secret use to operate their online shops, Asendia has an important foothold in the digital sector of e-commerce. "Today, we generate over 50 percent of sales in this business," notes Ulrich Hurni. "We have evolved from a postal company focusing on mail into an e-commerce company." The focus on e-commerce has been systematically strengthened with the acquisition of companies such as Globe-gistics in the US and wnDirect in the United Kingdom.

Swift action taken during coronavirus crisis

Before the lockdown in spring 2020, Asendia used mainly passenger aircraft to transport consignments. When these flights were grounded, Asendia worked with partners to organize a "freight network" of chartered aircraft, which allowed small goods consignments from Europe to be transported via Zurich and Geneva airports to Swiss Post's centers for additional processing and then on to their recipients.

+ Around half of products offered by Swiss online shops are produced sustainably. This is what online retailers say in a survey conducted on behalf of Swiss Post. One challenge is the sustainable shipping of consignments. Among consumers, sustainable shipping options in particular continue to gain in importance.

[swisspost.ch/digital-commerce-studies](https://www.swisspost.ch/digital-commerce-studies)

Advertising market

When the smell of ice cream wafts out of the letter box

As it does every year, Swiss Post sent out a set of cards to 150,000 customers – in 2020, these featured fragrant summer greetings. The cards could also be ordered on Swiss Post’s microsite about all things writing. In 2020, this campaign was particularly successful.

Personal letters and cards make words palpable. They convey thoughts and moods, elicit happiness and create bonds. To encourage people to write, Swiss Post came up with a special offer in 2020: it sent out three pre-franked cards with appetizing pictures of a fresh ice cream to 150,000 customers. And the special touch? Each had a smell – one chocolate, one vanilla, one orange. A fourth card encouraged people to try out the SMS postage stamp.



Anyone looking to surprise even more people with a card greeting could order additional sets on the microsite swisspost.ch/write. Cards were also distributed in restaurants and cafés in Zurich and Bern. The response to the campaign exceeded all previous years: within approximately two months, more than 27,000 cards were sent – up 27 percent on the previous year.



What words should you use to congratulate someone on a wedding? How can a child make their birthday invitation original? On our microsite, you can find inspiration and information on everything you need to know about writing letters and cards – and ideas for the right stamps to go with them.

swisspost.ch/write

Advertising market

Print makes an impact: with targeted mailings

“How accurate are your fundraising activities?” was the question asked by Swiss Post in a mailing to 33 Swiss non-profit organizations in October 2020. The letter – a dart and a flyer in the form of a target – were sent in a shipping box with bullet holes. “As a symbol of fundraising activities that miss their target,” explains Nicole Schneider, NPO & Telco Market Manager. Various studies in 2020 have again shown that addressed letters are the best way to acquire donations: a recent study by the market research institute intervista makes it clear that messages sent as letters attract attention and stick in the memory. This is also confirmed by the Swissfundraising donation barometer: 57 percent of those surveyed said they had made a donation as a result of a direct request by addressed letter. “Given that almost two billion francs in dona-



tions are made in Switzerland every year, it is worthwhile planning targeted campaigns with physical mailings,” says Nicole Schneider. Swiss Post supports NPOs in this endeavour, from the concept and address maintenance to delivery.

Physical mailings are highly relevant for **effective marketing.**

Nicole Schneider
NPO & Telco Market Manager

Communication Services

Swiss Post assumes the role of a trustworthy, independent intermediary between the physical and digital worlds, focusing on four market areas:

With **trust-based information services**, Swiss Post transports data in a secure, unalterable and traceable manner, and ensures that the sender and recipient are authorized to receive and send the information. Swiss Post is therefore applying the principle of mail secrecy to the digital world.

With **digital assistant services**, Swiss Post ensures that the interfaces between the physical

and digital worlds function smoothly. The company helps Swiss SMEs and the general public to navigate the digitized world securely and easily.

Swiss Post is expanding its position as an established provider of secure and legally compliant **digital services for public authorities**, strengthening its key role in digitizing processes for the Confederation, cantons and municipalities and simplifying the dialogue between citizens and the state.

In the market area of **digital health**, Swiss Post is continuing to reinforce its leading role as a one-stop provider in the healthcare sector and tapping into new business areas, focusing in particular on creating a network of all stakeholders and, in turn, helping to simplify processes.

Trust-based information services

From Switzerland, for Switzerland

The cantons have identified a growing need among the public for an electronic voting system. Swiss Post is therefore continuing to develop its future e-voting system at its IT site in Neuchâtel – independently of its former technology partner ScytL. In 2021, it plans to offer the cantons a fully verifiable system.

In April 2020, Swiss Post acquired all rights to the source code required for independent further development from its former technology partner ScytL. “We have taken the concerns expressed in the public debate about international suppliers seriously,” says Denis Morel, Head of E-voting, explaining this move. “This allows us to offer the cantons a future solution that was developed in Switzerland and for Switzerland.”

Cantons to decide on launch

The system is intended to be ready for use by the cantons and to meet the Confederation’s requirements in full during the course of 2021.



Swiss Post’s new e-voting system will be the first system in Switzerland in which votes are entirely verifiable (universal verifiability). The cantons themselves will decide if and when to provide their voters with the electronic voting solution.



Sustainable Development Goal

9 Industry, innovation and infrastructure

Page 61



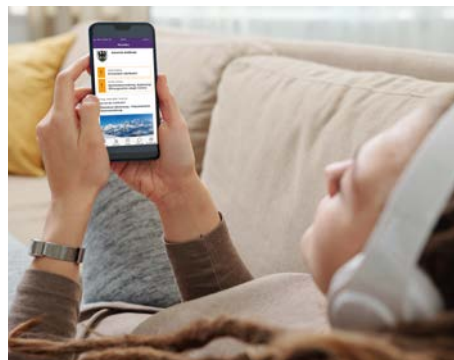
Transparency and outside perspective

Swiss Post is continuing to develop the e-voting system with its own resources at its IT site in Neuchâtel. At the same time, Swiss Post is strengthening its collaboration with Swiss universities of applied sciences, traditional universities and independent experts. The IT community is also closely involved, performing a critical review of the system and reporting improvements. Swiss Post will publish source code, logs and system documentation for this purpose in 2021.

Digital services for public authorities

Well informed thanks to municipality app

When will organic waste be collected after the public holiday? Has that closed access road been reopened? What’s on offer from local businesses? The “My Local Services” app brings information like this directly to residents’ smartphones. Take the village of Adelboden: “We put a good deal of effort into using traditional information channels such as press releases and our website to keep our 3,500 residents informed,” says Jolanda Lauber, Adelboden’s municipal clerk. “With Swiss Post’s municipality app as a supplement, we can reach them quickly through information on their smartphones.” And it works the other way around, too: if someone in the community notices a broken street lamp, they can report it to the municipality with a photo and a short message.



“My Local Services” pulls **communities together** – especially in times of crisis.



Digital health

Swiss Post connects the healthcare system



Swiss Post operates bug bounty programme

To improve the security of its digital products, Swiss Post is one of the first Swiss companies to operate a Group-wide bug bounty programme. As part of the programme, ethical hackers look for security vulnerabilities in online services and receive a reward for doing so. Through participatory collaboration with Swiss Post staff, information security is updated and “digital trust” is established. “This method is efficient and creative, and it is the ideal supplement to our existing security tests,” explains Marcel Zumbühl, Chief Information Security Officer. “Security is an ongoing, participatory process that Swiss Post is continuing to develop with committed people from inside and outside the company.”

Swiss Post works to develop digital solutions for an advanced healthcare system. It offers Switzerland’s core communities an electronic patient record and is developing “Cuore – the Swiss health platform”.

The X-ray results are in a ring binder, the vaccination record is in a box, and where’s that prescription for the pharmacy again? To allow access to all health information anytime and anywhere, Swiss Post operates an electronic patient record (EPR). And the company is ideally qualified for the task: Swiss Post’s hallmark is the secure and trustworthy transport of information, and it is using this expertise to create a networked healthcare system. At the end of 2020, the electronic patient record went online in a “family & friends” phase within the eHealth Aargau core community, followed by large parts of Eastern Switzerland through the association eSANITA. The other core communities will see its introduction soon. “For us, the introduction of the EPR is a strategic highlight that we’ve been working very hard to achieve,” says Martin Fuchs, Head of Digital Health. “We are establishing ourselves as a trustworthy provider of digital data in the healthcare sector and contributing to its digitization.”

Sign up for an electronic patient record at Swiss Post branches

Swiss Post’s branches are playing an important role in the introduction of the EPR: they act as a sign-up point alongside hospitals,

pharmacies and public authorities. In the cantons of Aargau and Graubünden, people can sign up for an EPR at their local branches from April 2021. The service will gradually be expanded to the whole of Switzerland.

“Cuore – the Swiss health platform” connects stakeholders

As a trustworthy provider of data logistics, Swiss Post wants to connect everyone involved in the healthcare sector efficiently and is expanding its platform into a competition-neutral digital ecosystem for all stakeholders. “Cuore – the Swiss healthcare platform” brings together specialists, health insurers, medtech companies, system providers, logistics companies and patients, and it covers the entire treatment path – the initial consultation with a family doctor, an operation in a hospital, rehabilitation with a physiotherapist and medication at the pharmacy. Thanks to their connection to Cuore, logistics companies can provide the required material, such as medication or prostheses, on demand. A network of this kind enables all stakeholders to create benefits together – for the good of their patients.



Sustainable Development Goals

- 3 Health and well-being
- 9 Industry, innovation and infrastructure

Digital assistant services

KLARA makes office work easy

KLARA Business Ltd automates and simplifies administrative processes with digital assistants. In September 2020, Swiss Post acquired a majority stake in this innovative Lucerne-based company. Together, the two companies are now getting SMEs and private customers into shape for the digital age.

KLARA's digital assistants save SMEs and private customers time, effort and bureaucracy: they manage salary payments, take care of the bookkeeping and make sure you can be found on the Internet. This benefits the smallest SMEs in particular: how convenient to book an appointment with a hairdresser online and get an SMS reminder. Or for a company in the hospitality sector to keep a constant eye

on its online reviews, or launch promotional campaigns. Or for trade businesses to create quotations and reports with KLARA.

"The digital transformation affects thousands of SMEs. With KLARA, administrative processes are automated and all areas of the company are linked on a uniform data basis," says Renato Stalder, CEO of KLARA Business Ltd. As a result of the collaboration, SMEs can now also benefit from E-Post services such as sending, receiving, processing and storing documents.



Sustainable Development Goal

9 Industry, innovation and infrastructure

Page 61



Trust-based information services

Blockchain made entirely in Switzerland

Whether for digital energy billing or to provide reliable proof of temperature measurements during the transport of medicines – with Swiss Trust Chain, Swiss Post offers SMEs, insurance companies and financial service providers an innovative solution for handling digital business processes securely and verifiably. The service is based on 100 percent Swiss infrastructure, which Swiss Post operates jointly with Swisscom. This offers special advantages: all data stays in Switzerland, and the service meets industry-specific regulatory requirements, including those governing banks and the pharmaceutical industry. This private-permissioned blockchain also requires much less energy than other blockchains, such as the one behind Bitcoin, because no proof-of-work consensus mechanism is used. Swiss Trust Chain has an efficient consensus mechanism and offers greater security and scalable performance.

Trust-based information services

Provider of verified customer data

When Lara opened the bank account for her export-oriented machine factory, she proved her identity in person, providing many documents to do so. The bank verified her details. Now Lara wants to apply for a loan from another bank – and has to have her SME verified again. For legal reasons, banks and other companies have to complete the complex process of identifying all new customers. They are prohibited by the regulators from sharing verified customer data directly among themselves. The result is extra work – not only for the banks, but also for Lara. For this reason, Swiss Post is taking on the role of a trustworthy and neutral intermediary. It is setting up a network for this purpose that provides verified customer data securely – and internationally where necessary.

Swiss Post contributes its **trustworthiness** and **neutrality**.

Daniel Gerber
Head of Innovation



PostalNetwork

Swiss Post's physical presence in all regions of Switzerland reflects our view of a nationwide universal service. Swiss Post is **continuing to expand its network, which currently totals more than 4,700 access points**, with innovations such as terminals and services at home. Swiss Post is investing some 40 million francs in modernizing over 300 self-operated branches. It is also **strengthening the quality of its branches with partners** through local support from Swiss Post staff, training for partner staff and customer-friendly infrastructure. The network will be stabilized from 2021, when a figure of around 800 self-operated branches has been reached.

Swiss Post is now **opening its premises to large service providers and public authorities**, enabling them to remain close to their customers. By taking this step, Swiss Post is establishing new service centers in all regions of Switzerland with products and services that are relevant to everyday life.

Network opening

Health insurance innovations at Swiss Post branches

Customers can now test services offered by Groupe Mutuel at three Swiss Post branches. This is part of a market test on opening up the postal network to third parties. Policyholders can get specific assistance – and people interested in insurance can obtain professional advice on-site.

Nico wants to get to know Groupe Mutuel's insurance solutions better – so he goes to his Swiss Post branch in Geneva and gets advice from an insurance specialist. The Groupe Mutuel employee answers the young man's questions and explains to him what the app can do. "That may come as a surprise," says Thomas Baur, Head of PostalNetwork. "But it's a good example of how we plan to open up our network of self-operated branches in the future and make them available to third parties."



Wide range of collaborations possible

This joint market test between Swiss Post and Groupe Mutuel, which offers personal and health insurance, has been running since October 2020. At the Geneva 1 Mont-Blanc, Geneva 4 Plainpalais and Dietikon branches, customers benefit from the advice and services offered on-site. Swiss Post employees offer Groupe Mutuel policyholders support with changing master data or using digital applications such as the Groupe Mutuel app. They can also put customers in touch with Groupe Mutuel sales staff on-site if further advice or detailed information is needed. The test will initially run until the end of June. Further collaborations are already planned – for instance, with banks, other insurance companies and public authorities.

Regional service centers in place of a service desert

"We want to offer added value to the people in our communities and towns and make their everyday lives easier and more straightforward," says Thomas Baur, explaining the motivation behind the decision to open up the postal network to third parties. "The main focus is on people who want personal contact." With its approximately 900 self-operated branches, Swiss Post is the natural choice to operate service centers in the different regions. "We also see great potential for additional revenue in service provision, which will help us to reduce our deficit in the network in the future – and enable us to maintain the network in the long term."



Certified green power for the branches

When the lights are turned on at Swiss Post branches, the power comes from sustainable sources. Since 2019, the new-look branches and My Post 24 terminals have been supplied with "naturemade star"-certified eco-electricity. In addition to the use of renewable energy, LED lighting also contributes to improved energy efficiency at the branches. Swiss Post obtains its electricity from 100 percent renewable energy sources from Switzerland, 20 percent of which is already eco-electricity.



Sustainable Development Goals

- 7 Affordable and clean energy
- 8 Decent work and economic growth



 Network development

Wide range of access points for postal services



More responsibility for the base

Be closer to customers and provide them with more flexible and better advice: that's the goal of the new team organization in the self-operated branches. This means that staff are given more competencies and that they support one another. The teams, who work across multiple branches, now decide for themselves how to organize their day-to-day business, and they manage all access points in their catchment area collectively – from branches with partners to My Post 24 terminals. "With shorter decision-making processes and the involvement of staff, we can respond to changes more quickly and effectively," says Ueli Lüdi, Head of Network Management. As of November 2020, there are 304 teams grouped into 48 areas and seven regions throughout Switzerland.

Stabilizing the network at around 800 self-operated branches, increasing the number of access points to more than 5,000 and improving the quality of branches with partners: this is how Swiss Post plans to be physically present with its access points in all regions of Switzerland – and also available outside traditional opening hours.

Whether at the front door, on the move or digitally, Swiss Post wants to offer the best possible universal service for all regions and generations. It is working to create a balanced mix of access points: self-operated branches, the well-established branch with partner, and other service points.

Swiss Post committed to self-operated branches

Swiss Post is explicitly committed to its own branch network, even though digitization means fewer and fewer customer visits: the decline in over-the-counter postal transactions from 2000 to 2020 was 75 percent for letters, 25 percent for parcels and 57 percent for payments. In 2021, Swiss Post will continue with the conversion of around 100 remaining branches, which was already planned

and is an economic necessity. It then plans to stabilize the network at around 800 branches. "Physical sites remain essential for us," says Thomas Baur, Head of PostalNetwork. That's why Swiss Post will also invest around 40 million francs in modernizing 300 of its branches by 2022.

Developing branches with partners and access points

The strategy of branches with partners – which number approximately 1,200 – is proving successful for both sides. To ensure that this remains the case, Swiss Post is providing more local support, organizing training for partner staff and investing in more customer-friendly infrastructure. "We cooperate successfully with major partners, but also with small retailers," says Martin Widmer, Head of Network Development. "A good example of this is the Linden pharmacy in Unterentfelden, where top-quality, conscientious and customer-focused work has been taking place since the end of 2017."

A partnership with LANDI Albis, which operates Volg shops in the Affoltern district and Dietikon, has been in place since as early as



904

branches

1,194

branches with partners

1,797

home delivery services

502

service points
at third parties

162

business customer points

2010. Eight village shops offer postal services that people use every day – in some cases, from as early as 6 a.m. all the way through until 8.30 p.m. “We really value the open and honest cooperation with village shops. Their staff always give their best and are well acquainted with their customers.”

Since 2016, Swiss Post has expanded its network of other access points, such as service points, business customer points and My Post 24 terminals, from 4,200 to over 4,700. By 2024, that number is expected to be more than 5,000. “These supplementary service points – now also in more than 400 Migros Group branches – ensure that the most popular postal services are available locally, and they meet a growing customer requirement for flexibility in terms of time,” says Martin Widmer.



Sustainable Development Goal

9 Industry, innovation and infrastructure

Home delivery service

Call the mail carrier at the push of a button

Send a parcel or pay bills: customers in areas that offer home delivery can do these things on their doorstep. They can now also order the services digitally, online or with the order pen on a tip card – and without any need for an Internet connection.

Géraldine wants to send her niece some homemade biscuits for her birthday. She picks up the Swiss Post order pen and holds it on the “Send letters and parcels” icon on her tip card. This sends a notification to the mail carrier. The next day, Géraldine hands him the parcel on her doorstep – and her niece receives the present in time for her party.

Géraldine lives in the village of Belmont-sur-Yverdon in the Canton of Vaud, one of the areas where Swiss Post’s home delivery service is available because there are no branches or branches with partners in the immediate vicinity. The service allows customers to send letters and parcels, order stamps, withdraw cash or pay bills from their home. Swiss Post has now digitized the home delivery service, allowing the services to be requested with the online solution (via smartphone, tablet or PC) or with the order pen. The online solution enables customers to use many other solutions in addition to the home delivery service. Géraldine, who has no Internet connection, is one of those who benefits, because the pen operates via Swisscom’s LoRaWAN low-frequency wireless network. As of autumn 2020, the digital home delivery service is being introduced in stages in all municipalities with the home delivery service.



400,000

Swiss households now carry out their postal transactions conveniently from home with the home delivery service.



Mobility Services

PostBus is number one in **road-based public passenger transport** in Switzerland. PostBus intends to continue strengthening this position, as the Swiss public transport system needs to remain attractive and meet customer requirements in the future. To achieve this goal, PostBus is systematically forging strategic partnerships – including with other public transport companies – to develop customer-friendly, environmentally-friendly and affordable services for all residents of Switzerland. Because half of regional passenger transport is publicly funded, PostBus does everything it can to ensure that the compensatory payments from the Confederation, cantons and municipalities are used as efficiently as possible.

Swiss Post supplements its services in the mobility market with Post Company Cars, Switzerland's biggest manufacturer-independent **full-service fleet management company**, and with PubliBike, the largest **bike sharing service provider** in Switzerland. It operates bike sharing networks in various Swiss cities and serves both private and business customers.

The companies operating in the mobility services sector wish to jointly leverage cross-company synergies – for example, by developing new **multimodal solutions**. These are intended to be simple, efficient, sustainable and digitally connected.

Public passenger transport

PostBus – a systems leader in the coronavirus crisis

As the systems leader for road transport, PostBus is for the first time playing an active role as coordinator on behalf of the Swiss Confederation during the coronavirus crisis. The project management team is in close contact with 150 Swiss transport companies.

In March 2020, PostBus was confronted with an unexpected challenge: when the Federal Council called on people to stay at home where possible, the company had to draft and implement a scaled-back timetable within a very short time. In normal times, the timetable change takes place once a year and requires months of preparation. As the systems leader for road transport, PostBus also worked with SBB to develop a protection plan for public transport.

Where is it compulsory to wear a mask? What about group travel? Should drivers still sell tickets? "Every day brought new questions," recalls Christa Hostettler, Head of Sales at PostBus. "As a systems leader, however, we are well connected and prepared for any potential crisis, and this allowed us to quickly establish a dialogue with the federal offices, intercantonal conferences and purchasers." As the point of contact for all buses, trams, boats and cable cars, PostBus is in continual dialogue with 150 transport companies that together operate 1,500 public transport routes. After a period of calm in the summer, this role again became very important starting in autumn 2020.

Crisis management in top gear

In agreement with the Federal Council and the Federal Office of Transport, PostBus issues orders on scaling back the timetable and protecting drivers and passengers. At the beginning of the crisis, PostBus published a daily



bulletin of the latest developments. Alongside SBB, it holds telephone conferences with up to 400 participants. In addition, PostBus also provides practical support and on-screen displays, posters and announcements for customer information.

"Public transport performed well, even in the most difficult phases," says Christa Hostettler. "The industry has pulled together during the crisis. This will help us to overcome challenges together – for example, when it comes to digitization – and to develop even more strongly networked mobility solutions."



Systems leadership by PostBus and SBB

PostBus and SBB are the organizations tasked with so-called systems leadership in rail- and road-based public transport. In consultation with the Federal Office of Transport (FOT), they ensure that the recommendations issued by the Federal Office of Public Health (FOPH) to companies in the public transport sector are implemented and, where necessary, impose additional uniform measures throughout Switzerland.

The transport companies **share their ideas and experiences** with each other in a straightforward manner and in a **spirit of solidarity**.

Christa Hostettler
Head of Sales at PostBus

On-demand transport

Individually on the road together

PubliCar, Kollibri, PubliBike – PostBus continues to expand its range of individual public transport services. Even a British taxi has come along for the ride. What these services have in common is the idea of sharing.



On-demand services and sharing solutions make it possible to book individual journeys on public transport and share them with others. "In poorly connected regions in particular, on-demand solutions can be a useful supplement to the existing range of scheduled services and offer added value," says Martina Müggler, Head of Strategy & Innovation at PostBus. That is why PostBus is developing and testing a wide range of services for on-demand transport.

On the road with a door-to-door shuttle or by bike

Following the positive response to the Kollibri pilot project around Brugg, PostBus conducted further tests in 2020, introducing the ability to order the door-to-door shuttle by smartphone app in July. This was initially available in the Verzasca valley, and from August in the Brig region, and allowed other passengers to board en route. The vehicle: a London taxi with an electric drive, in the PostBus livery and offering seating for six people. The experience gained with the Kollibri software was also harnessed to modernize the PubliCar

service: in the Appenzell region, the PubliCar on-demand bus system introduced for sparsely populated areas in 1995 now allows journeys to be booked with an app.

Another of Swiss Post's mobility sharing services is PubliBike. The company has established itself in eight regions of Switzerland, with a total of 500 stations for the self-hire of 5,000 bicycles and e-bikes. The PubliBike App and website show where and how many two-wheelers are available at any given time. "In conjunction with public transport, PubliBike covers the last mile in the transport chain," says CEO Markus Bacher. The service is also popular with companies that encourage employee mobility.

Alternative drive systems

PostBus on the path to electromobility

In September 2020, the electric Postbus in Interlaken took to the roads for the last time. In the previous three years, the rented vehicle had covered 100,000 kilometres, saving 100 tonnes of CO₂ emissions. Thanks to this project in the Bernese Oberland, PostBus was able to gain valuable experience in operating electric vehicles.

But the end of the electric Postbus in Interlaken is not the end of electromobility at PostBus.

On the contrary, the ambition is clear: by 2024, PostBus plans to have a total of 100 battery or fuel cell Postbuses in operation. The aim is for all 2,400 Postbuses to be emission-free by 2040. To reach this goal, PostBus now wants to move away from individual projects and towards converting entire routes to alternative drive systems. This calls for intelligent approaches to charging, partners for infrastructure and energy supply, and secure financing of the additional costs.



PubliBike promotes the professional and social integration of those who are unemployed: in various networks, job seekers carry out bicycle repairs or replace batteries for PubliBike.

publibike.ch



Sustainable Development Goals

- 3 Good health and well-being
- 7 Affordable and clean energy
- 9 Industry, innovation and infrastructure
- 11 Sustainable cities and communities

Page 61



Fleet management

Electromobility getting smarter all the time

Post Company Cars Ltd manages more than 24,000 vehicles. Just like Swiss Post, many external companies also benefit from its great expertise. The subsidiary is actively developing its skills in the e-mobility sector.

For tourists, the car-free spa resort of Braunwald, situated at 1,256 metres above sea level in the Canton of Glarus, can only be reached by funicular railway. The only motor vehicles on the roads of the village belong to farmers and tradespeople – and Swiss Post. Until 2020, postal deliveries were made with a diesel vehicle. Now, an electric quad bike is in use. Post Company Cars evaluated this model on behalf of PostMail.

“Because the roads in Braunwald are very steep, and snowy in winter, the replacement vehicle had to have the advantages of an off-road vehicle,” says Nigel Storny, Managing Director of Post Company Cars Ltd. While the market does offer various models with powerful electric motors that represent a real alternative to diesel vehicles, Post Company Cars still had one change made to the standard version of the quad bike: “To facilitate its use in difficult terrain, the lithium batteries were retrofitted with a temperature management system,” says Nigel Storny.

More than traditional fleet management

The electric quad bike introduced in Braunwald is an example of the special skills that Post Company Cars can offer its customers: proven expertise when it comes to the available drive technologies and flexibility for customer-specific solutions. “In addition to our role as fleet managers, we also see ourselves as mobility consultants,” says Nigel Storny.

Issues that Post Company Cars is currently including in its customer consultations are car sharing within companies and telematics: “The ‘smartification’ of vehicles will continue to change the market for efficient and sustainable mobility solutions,” believes Nigel Storny.



Manufacturer-independent full service

In total, Post Company Cars manages more than 24,000 vehicles, ranging from small motorcycles to articulated trucks. The Swiss Post subsidiary operates independently of any manufacturer, allowing it to provide customers with the right service for each case. As a full-service fleet manager, Post Company Cars offers all services from a single source, from procurement, financing, insurance, maintenance, repairs and fuel supply to the resale of vehicles via the company’s own used vehicle center in Berne. Within Swiss Post Group, Post Company Cars has positioned itself as an e-mobility competence center and has pressed ahead with expanding its e-vehicle fleet. All three-wheeled motorcycles are already electrified, and many of the vehicles run on eco-electricity.

18,000

vehicles are managed by Post Company Cars for Swiss Post.

6,000

vehicles are managed by Post Company Cars on behalf of business customers.

75

staff members are employed by Post Company Cars.



Sustainable Development Goals

- 3 Good health and well-being
- 7 Affordable and clean energy
- 9 Industry, innovation and infrastructure
- 11 Sustainable cities and communities



Swiss Post Solutions

The subsidiary Swiss Post Solutions supports companies on their path to digital transformation, offering solutions for **outsourcing complete business processes**, innovative **document management** services and the latest technologies for secure, efficient **digitization of information processing**.

Its approximately 7,800 employees and specialist partners serve customers in various sectors – and in 25 countries. It focuses on banks, insurance providers and the health-care sector.

By pursuing its growth strategy, Swiss Post Solutions has successfully increased its market share and profitability for many years. Swiss Post Solutions is encouraged to develop autonomously, with Swiss Post Ltd as its umbrella holding company.

Digital postal delivery

Digital mailroom services for flexible working

When everyone can choose a workplace in the office spontaneously, and so many people are working from home or out on the road, how exactly is mail delivered? This is where the digitization concepts provided by Swiss Post Solutions come into play. Location-independent back office processes will be crucial to companies' success in the working environment of tomorrow.

Working from home: for millions of people around the world, the coronavirus crisis has made this a reality. "This global experiment, forced upon us reluctantly, will have profound, lasting effects," says Jörg Vollmer, Head of Swiss Post Solutions. "Now is the time for organizations to push forward with digital innovation, and the crucial change has to happen in companies' back office processes."

Digitizing incoming mail

How this can work is illustrated by the example of a large German company that provides desks for only 70 percent of its 35,000 employees in its new administrative building. After all, more and more employees are working from home or on the road. Employees from consulting and sales are almost never to be found in the office, and on top of that, many workplaces are unoccupied because of holidays or illness. To ensure that all employees still receive their mail without delay, Swiss Post Solutions developed a comprehensive approach to digitization that has been implemented gradually since 2020. The core element is the digital delivery of mail by Swiss Post Solutions. Letters are opened, scanned and sent to employees by e-mail. Physical mail such as magazines and parcels can be collected securely from so-called smart lockers in the building using an access code.



Time-saving on-demand services

The digital post office offers additional services: for outgoing mail, for example, solutions from Swiss Post Solutions can be used to directly control where printing, enveloping and mailing take place. These more efficient processes lead to faster response times and a better customer experience. "The post office is evolving into a service center for a very wide range of services," says Jörg Vollmer. "And the decoupling of back office processes from the company's location allows companies to respond dynamically to disruptions, ensuring business continuity." Another benefit is savings in costs for office space and technical infrastructure. "In addition, digital processes can be precisely tracked, checked and controlled," says Jörg Vollmer. "This gives companies far more insight into and control over their business without the need for rigid centralization."



Trend towards decentralized work

Various recent studies show that many people would like to continue working from home in the future – and will do so. The management consultancy firm McKinsey advises using the great "working from home experiment" during the pandemic to do some creative new thinking about how work should be done in the future – and what role the office will play. Companies with "hybrid-virtual" work practices and business processes that function independently of location are not only more crisis-resistant. For futurologist Tom Cheesewright, flexible working options are also a must when it comes to attracting and retaining motivated employees.

The critical digital transformation must now take place in companies' back office processes.

Jörg Vollmer
Head of Swiss Post Solutions

PostFinance

PostFinance is accelerating the pace of digital transformation and is focusing ever more consistently on its customers' requirements with its new "SpeedUp" strategy. It now divides its core business into four business units.

In **Payment Solutions**, PostFinance is becoming the leading reliable partner for payment and debt collection solutions for retailers and invoice issuers in Switzerland. In **Retail Banking**, PostFinance provides its private and business customers with proven solutions and advice on the smartest way to manage money – both physically and digitally. With **Digital First Banking**, it is developing a brand new service for "Banking & Beyond" geared entirely to the digital world. In **Platform Business**, PostFinance aims to build on Valuu to create an independent Swiss platform for comparing and taking out financing, insurance and pension solutions.

PostFinance hopes to be able to issue loans and mortgages independently in future. This decision lies with the Swiss Parliament.



Interview with Hansruedi K ng

With SpeedUp, we are accelerating digital transformation

The pandemic has had an impact on PostFinance's result: while income from commission business increased, trading portfolio assets and net interest income declined. With the new SpeedUp strategy, which was launched at the start of 2021, PostFinance is taking countermeasures: it is setting new digital transformation priorities to improve efficiency and stabilize its financial result.

PostFinance's result is down 58 percent year-on-year. How do you explain this decline?

The effects of the pandemic are very clear. There was a decline of 69 million francs in trading portfolio assets. Our customers have been doing significantly less travelling. This means that we are seeing no substantial conversion gains from cash withdrawals in foreign currencies and from the use of credit cards. We have also seen a plunge in revenue from over-the-counter transactions at branches and ATMs.

How have interest operations performed?

The low, and indeed largely negative, interest rates that have prevailed for years continue to erode our interest margin. As a result, net interest income, net of impairment, fell by 41 million francs. And this negative trend is set to continue, as current bonds that are comparatively profitable are due to reach maturity, but we will only be able to reinvest them for very low returns.

Did you also see any positive developments?

In the commission business, we saw growth of 18 million francs in revenue thanks to an increase in trading activities among our e-trading customers. Particularly after the global price declines on the stock markets in the spring, trading among our customers was above average.

PostFinance started a new strategy period at the beginning of 2021. What are the cornerstones of the new strategy?

We are accelerating digital transformation with the SpeedUp strategy and focusing our efforts on four key priorities. These will be driven forward in independent business units:



Hansruedi K ng
CEO of PostFinance,
Member of the Executive Board

We are well on the way to becoming a leader in digital investment for retail customers.

Payment Solutions, Retail Banking, Digital First Banking and Platform Business. Our aim is to stabilize our financial result, and we plan to achieve this by investing in new business areas and continuing to improve the efficiency of existing structures and processes.

Stabilizing the result sounds like quite a defensive approach.

In the current legal, regulatory and economic environment, it would be unrealistic to aim for significant profit growth. But SpeedUp is a very bold strategy: we have four business units that are developing their business independently of each other and at their own pace. This allows each unit to focus even more consistently on its customers' specific requirements. After all, customer expectations vary in each of the different areas of banking – for example, in terms of the type of advice or the extent to which services are digitized.

Society is demanding that banks operate more sustainably. What is PostFinance doing in this respect?

Corporate responsibility is firmly anchored in our new strategy. We are already doing a great deal in various ways. I'm thinking of work-life balance, which we strongly promote and for which we have been certified several times to date. Or of our investment business, where our customers can already invest in sustainable assets. In 2021, we will create the foundations and analyses that will be used to set the impact goals for our activities in the coming years.



 Platform Business

Valuu: digital mortgage broker with ambitions

More and more financial services are being taken out digitally. In this market, Valuu has established itself as an innovative mortgage broker. PostFinance also intends to use the platform to break into other business areas in the future.

In daydreams, buying a home of your own is child's play: you find the property you're looking for quickly, the price negotiations with the owners go well and there's sufficient capital in your savings account. Your bank then also approves a mortgage loan with dream interest rates. The reality is usually more complicated. Especially when it comes to finding the right lender with the right mortgage from the multitude of possible options.

The Valuu platform simplifies the process of comparing offers and taking out the right mortgage online – and at the best interest rates. With Valuu, users can compare mortgages from different providers and conveniently manage everything up to and including conclusion of the contract online – either on [valuu.ch](https://www.valuu.ch) or in the Valuu app. "It works for

new mortgages and mortgages that need to be switched," explains Thomas Jakob, Head of Platform Business. The benefit for customers: they save time and money, and can be sure of getting the best possible interest rates from lenders. "No further negotiation is required," says Thomas Jakob. If any questions regarding individual steps arise, customers can contact the experts at Valuu's competence center directly.

Expansion to a comprehensive platform

Valuu has so far proven successful as a digital mortgage broker, but PostFinance plans to continue expanding the platform on an ongoing basis: "Additional services for financing and insurance are under development. We are steadily adding new providers and functions, which serve to strengthen the platform," says Thomas Jakob. "Our goal is to make Valuu the comprehensive and independent Swiss comparison and sign-up platform for financing, insurance and retirement planning."

Valuu will become the **independent comparison and sign-up platform** for financing, insurance and retirement planning.

Thomas Jakob
Head of Platform Business

Coronavirus pandemic

Fast and with no red tape: COVID-19 loans for SMEs

PostFinance participated in the Federal Council's assistance programme: 17,353 business customers were granted a bridging loan of up to 500,000 francs quickly and easily in order to alleviate any liquidity and financing problems arising as a result of the COVID-19 crisis.

On 17 March 2020, from one day to the next, all hair salons had to close: for Marcel Meyer, whose company BLUE BOX Distribution AG distributes hair care products, this was an unprecedented challenge. "We had to fear losing a large portion of our revenue in one fell swoop," he recalls. The business owner applied for short-time working hours for his employees – and turned to PostFinance for a bridging loan. Marcel Meyer discussed the matter briefly on the phone with his customer advisor in the morning, spent half an hour filling out the application form and got the loan approval that afternoon. "Because we know

our customers well, we were able to approve their applications quickly in most cases," says Christian Ming. The PostFinance team had also put in a special effort, in a very short time, to ensure that the review procedures could be completed as quickly as possible – and all while working from home.

And what did it all mean for Marcel Meyer? "The loan from PostFinance gave us some sense of security in March that we would be able to weather this crisis for a few months and hold on to our 20 jobs. I'm grateful that both the Confederation and the banks have been so pro-business, and ultimately pro-society, in what they did."

17,353

COVID-19 loans were granted from 26 March to 31 July, ensuring the liquidity and survival of numerous SMEs.

Retail banking

Investing money – even for smaller assets

Putting money aside – as a reserve or for a major purchase – can certainly make sense. Given the low interest rates, however, savings accounts are no longer attractive. In 2020, PostFinance presented four investment options that average earners can use to get more out of their assets in the long term, starting from as little as 2,000 francs. And at comparably low cost: the investments are primarily managed digitally, using e-finance.

"Customers can use the new solutions to invest in PostFinance Fonds, selected third-party funds or exchange-traded funds," says Daniel Mewes, Head of Investment Solutions. The

solutions differ mainly in the level of support offered: for e-asset management, PostFinance manages the investment portfolio on behalf of customers, while self-service funds are managed by customers themselves, without individual advice. People who want to invest their assets themselves but do not want forgo expert advice can avail themselves of the "Fund consulting basic" or "Investment consulting plus" services. "This means we can offer a suitable investment solution for everyone – regardless of how much time they have for investment and how much experience they have with securities," says Daniel Mewes.



+ More information:
postfinance.ch/investing

Employees

Swiss Post is forging ahead with the Group's transformation by implementing the new strategy and new organizational structure, ensuring it remains a relevant employer for 54,364 employees from 142 nations. Even better utilization of infrastructure will secure jobs in all regions of Switzerland and make the more than 100 professions available at Swiss Post even more attractive.

"Swiss Post of tomorrow" will change Swiss Post's organizational structure. The Human Resources function unit is supporting and advising the various units on the transformation to the "Swiss Post of tomorrow". Great emphasis is placed on developing the culture and related values and competencies. In particular, this entails consistent customer centricity, increased individual responsibility and eagerness to learn, and cross-unit collaboration. The transformation will be implemented in phases and in dialogue with the social partners.





Interview with Valérie Schelker

Strong employees for the Swiss Post of tomorrow

As the company continues to develop, Swiss Post wants to offer its employees in all units prospects for activities with a promising future. Human Resources is taking responsibility by creating the initiatives necessary for transformation and encouraging individual performance.

The new strategy period began on 1 January 2021. Swiss Post aims to transform its core business in order to achieve further growth and become more efficient and sustainable.

What does that mean for your unit?

We aim to enable, support and advise management and employees to ensure that they can contribute towards implementing the "Swiss Post of tomorrow" strategy. We are re-aligning the Human Resources function unit so that even greater focus is placed on the transformation and market logic of the Group.

How is HR contributing to the successful implementation of the strategy?

We're focusing on the structure of the organization and leadership. We also ensure that Swiss Post can attract and retain employees with the competencies and skills required. And we wish to act in a socially sustainable and responsible manner.

What strategic measures is HR taking in relation to the organizational structure and leadership?

Leaders play a pivotal role in all issues related to organizational and cultural development. The change of strategy means that new functions are required and leadership behaviour must adapt to meet the new demands. The leadership map outlines where priorities will lie in future. The aim is to create scope for the inclusion of new, independent ideas from our employees and to enhance the company's ability and speed to act. We are working hard on Swiss Post's culture and to deliver the success promised by the new strategy.

How do you ensure that Swiss Post has the employees required?

To make certain we have the right employees in the right place and at the right time, we must recruit the right people. We also achieve



Valérie Schelker

Head of Human Resources,
Member of Executive Management

this by being perceived as a top employer. We're currently reviewing various vocational training paths – for instance, in sales and IT. Our range of career opportunities is very broad: whether it's logistics professionals, technical specialists or university graduates – there are good prospects for many people.

What skills will be crucial for employees in future, and how will these skills be promoted?

Experience and specialist knowledge will remain invaluable. However, the changes to the strategy and job profiles will also require new competencies and skills in the digital arena. To help with this, we're providing digital learning formats and collaboration platforms. Above all, though, individual responsibility, joined-up thinking and self-reflection are needed. We will promote these skills through a well-developed culture of learning and feedback.

Sustainability also plays a key role in the new strategy.

Our role as a socially responsible employer is a vital part of Swiss Post's self-perception: this means attractive employment conditions, meaningful jobs and a culture that fosters identity and commitment. In all sectors it operates in, Swiss Post will consistently endeavour to ensure financially sustainable, fair and attractive employment conditions.

We also actively promote diversity and inclusion and do not tolerate discrimination.

We help employees to contribute towards implementing the strategy.

Culture of tomorrow

Building on proven strengths and focusing on new priorities

The Group strategy sets out what Swiss Post will do over the coming years. How it goes about this is also a key success factor: how do Swiss Post employees set about tackling things? How do they behave? How do they interact? This is where the new culture comes into play.

Reliability and process orientation, experience and safety, collective responsibility and humanity: these values have shaped Swiss Post's culture in recent times. "To make certain that Swiss Post remains on course for success in future, new priorities must be set," says Valérie Schelker, Head of HR. "Corporate culture plays a vital role in implementing the 'Swiss Post of tomorrow' strategy in the real world."

Customer-centric solutions

"We approach customer centricity with emotion, courage and reason, and we're a trustworthy and highly committed cooperation partner – no matter how big or small the job," explains Valérie Schelker, summing up the essence of the culture. Swiss Post seeks to promote resilience, initiative, openness and stronger collaboration across the entire organization. "This also means that we – as



leaders and employees – dare to question our approach, contribute our own ideas, try things out and change processes."

With a view to evolving the corporate culture, workshops were held with participants from all units and levels to discuss and analyse values and behaviour. The Culture Community network within Swiss Post aims to help the company to break away from outdated models and to inspire and accelerate the transformation.



Our three values encapsulate our culture.

Customer-centric – with emotion, courage and reason

We create new opportunities for people and companies in Switzerland with innovative, modern and relevant services. We consistently design solutions from our customers' perspective. Our actions are shaped by entrepreneurship, courage and empathy.

Trustworthy – by people and for people

We fulfil what is expected of us professionally and are a reliable partner. Our collaboration with third parties is efficient and cooperative, and our approach is appreciative and respectful. In this way, we create scope for new opportunities within and outside Swiss Post.

Committed – from small to large scale

We act responsibly and with foresight for society, companies, the environment and people. We make life easier for our customers. Our joined-up and autonomous thinking and actions are the foundations for the holistic evolution of Swiss Post.

Survey on office working

Flexible working: necessary and desirable

Until spring 2020, most office staff worked on company premises. All that changed abruptly when the coronavirus crisis began. Swiss Post benefited from the fact that it has promoted homeworking for years and already provided a secure digital workspace with cloud-based software applications to enable this.

How did staff feel about the change? In short, an employee survey indicates that the office environment is more conducive to collaborative procedures – but many staff members feel they are more productive when working from home if they have to perform individual

tasks that require concentration. Most of those surveyed would also like to see more opportunities for working from home after the crisis. In response, interdisciplinary teams are developing a new framework and tools for the collaboration of tomorrow.



- Sustainable Development Goals**
- 3 Good health and well-being
 - 8 Decent work and economic growth



 Coronavirus pandemic

Targeted protection for employees

Whether it's protective screens in branches, hygiene procedures at PostBus or team planning to cover those in quarantine: ensuring universal service provision during the lockdown and second wave was a remarkable achievement – and top priority was always given to protecting employees.

No matter if they were working at the counter, in delivery, in sorting, in passenger transport or from home: modified procedures and protective measures have required a huge effort from Swiss Post employees since March 2020. Many stepped in to do extra shifts because their colleagues were looking after children at home, belonged to at-risk groups or had fallen ill. Others temporarily performed different jobs. "At the beginning of the crisis, it was challenging to find solutions to the barrage of new questions about how to protect our teams," remarked Philip Pätzold, Head of Delivery at PostMail. "These challenges included distributing the workload." There was much more to do in parcel delivery, but much less in event organization. Swiss Post quickly set up a jobs site, which was also relaunched during the second wave. This meant that around 100 employees from various units were able to support their colleagues, mainly in acceptance, sorting and delivery.

Physical protection and new procedures

Specially developed solutions were required to protect staff: in the letter centers, Plexiglas screens were installed between consignment preparation workplaces that face each other.

Protective screens were fitted at branches with open counters, and floor markings were introduced at all branches. In total, 54,000 litres of disinfectant were distributed between the start of the COVID-19 pandemic and the end of the year.

Delivery personnel practised social distancing and signed for registered items on their hand scanners themselves in the presence of recipients. Procedures were reorganized in parcel post: delivery vans had to be loaded by only one person due to distancing rules. Bulky items that were required to be carried by two people were no longer delivered in pairs. As a precautionary measure owing to quarantine cases, many teams in Operations were also split.

PostBus also had to restructure its processes: as well as extensive changes to the timetable on all 900 routes, new hygiene measures had to be implemented. To protect drivers, the door at the front of the bus was kept closed and the first row of seats blocked off. And, as all customer zones were closed, PostFinance provided consultations by phone or live support via e-finance and the website.

Fulfilling the **universal service obligation** and **protecting** employees proved a delicate balancing act.

Valérie Schelker
Head of Human Resources



Sustainable Development Goals

- 3 Good health and well-being
- 8 Decent work and economic growth

 Swiss Post collective employment contract

Modern and family-friendly

Thanks to its collective employment contract, Swiss Post is playing a pioneering role as an employer: family-friendly employment conditions and a good work-life balance are key elements. Paid maternity leave of 18 weeks has been supplemented by the right to six weeks of unpaid holiday, while paid paternity leave has been doubled from two to four weeks – this also applies to adoption and to the female partner of a mother. The right to non-reachability promotes a healthy work-life balance. Part-time employees who work according to a shift plan have the opportunity to set their days off, making it easier for them to organize commitments outside the office. As a public service company, Swiss Post represents the full spectrum of the population. It is committed to equal pay and has significantly extended the article on equality and discrimination protection in the new CEC. Long-serving staff benefit from a higher loyalty bonus. The Swiss Post CEC entered into



force on 1 January 2021 for Swiss Post Ltd, Post CH Ltd, Post CH Network Ltd and Post CH Communication Ltd.



Sustainable Development Goals

- 3 Good health and well-being
- 8 Decent work and economic growth

 Page 61

The new **CEC**:
fair for everyone in our
diverse workforce.

 Information & Communication Technology (ICT)

ICT specialists: Swiss Post promotes new talent

A study conducted by ICT-Berufsbildung Schweiz points to soaring demand for ICT professionals. This sphere is growing four times faster than the average of all careers. As Switzerland's third-largest IT employer offering a wide variety of exciting job profiles, Swiss Post is heavily exposed to the impending shortage of specialists.

"Cutting-edge technologies are opening up the pathway to the future," explains Laetitia Henriot Arsever, Head of Technology. "Online customer services, data science, smart city, Internet of things, blockchain – to meet our universal service obligation in the digital world, we rely on outstanding ICT professionals 24/7."

To avoid a staff shortage in this field, Swiss Post is investing in training and education, providing 65 ICT apprenticeships a year. Swiss Post's ICT Campus and ICT Academy and PostFinance's Competence Center for Young Professionals (CCYP) provide a talent pool and serve to enhance career prospects. Through its bug bounty programme, Swiss Post also ensures transparency and engages in cooperation with the IT community. The company also launched an employer branding campaign in 2020 to raise the profile of its IT unit.



Sustainable Development Goal

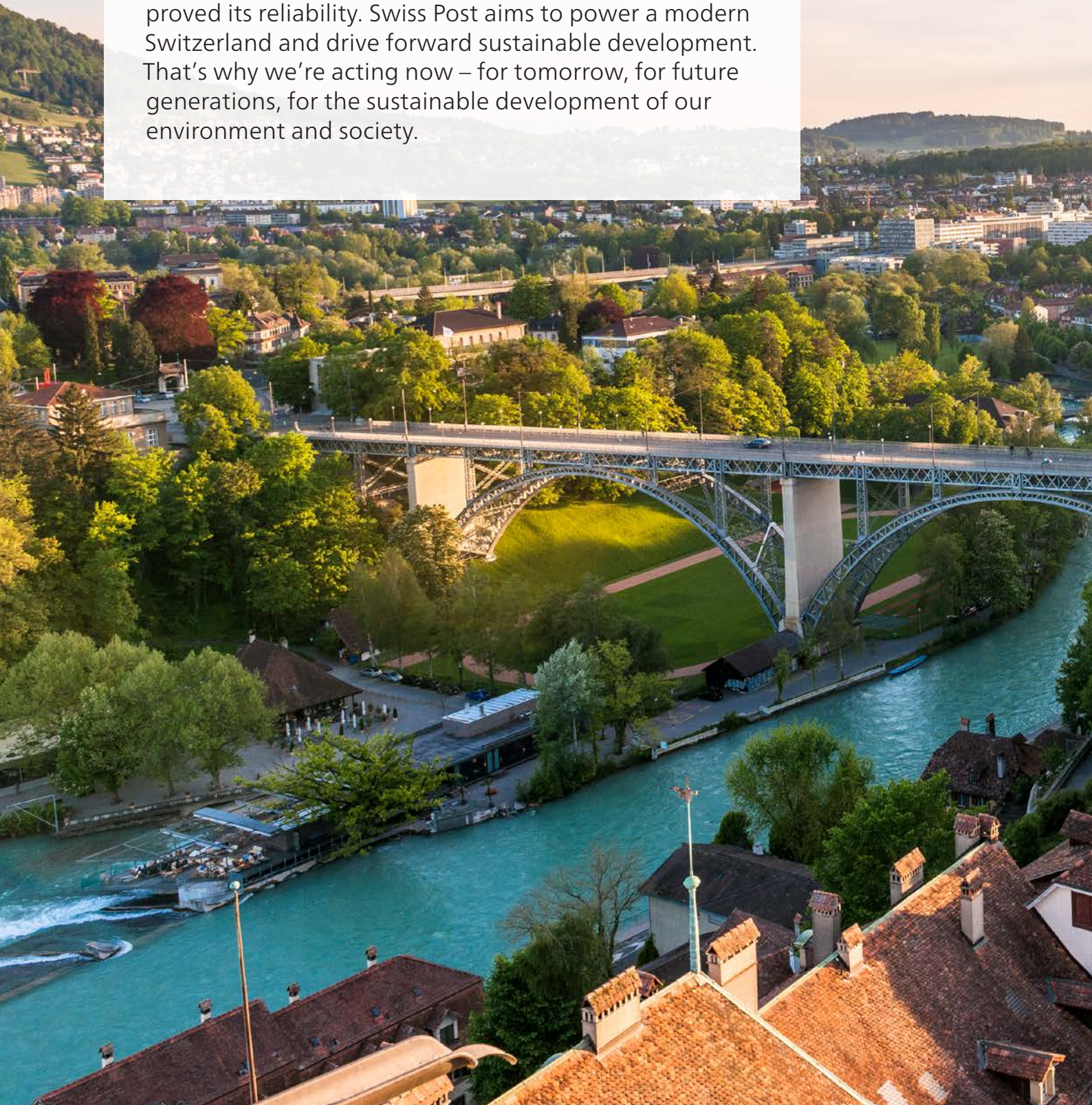
- 8 Decent work and economic growth

 Page 61


Swiss Post provides
65 ICT apprenticeships a year.

Public service, society and the environment

Swiss Post creates added value for the Swiss economy and society and provides high-quality public services funded from its own resources. During the 2020 crisis, it proved its reliability. Swiss Post aims to power a modern Switzerland and drive forward sustainable development. That's why we're acting now – for tomorrow, for future generations, for the sustainable development of our environment and society.







Public service

Crisis-proof infrastructure for Switzerland

Swiss Post is ever present in all regions – including more remote ones – and provides the same services at the same prices everywhere. Swiss Post's infrastructure makes a major contribution to ensuring everyday life runs smoothly, even during times of crisis.

Bicycles, compost and new jeans are just a few of the items that could only be purchased online after Switzerland went into a seven-week lockdown on 17 March 2020. All shops, restaurants and leisure facilities closed. Many Swiss residents bought their goods via mail order. A large number of small shops worked tirelessly to set up webshops as quickly as possible and ensure their survival.

Here for everyone – anytime and anywhere

Without Swiss Post's smooth-running infrastructure network, goods would have remained in warehouses and shops. During the seven-week lockdown, Swiss Post ensured that bicycles from the cycling shop in Emmental reached customers in Poschiavo and that jeans arrived in Zurich Seefeld. On average, Swiss Post sorted more than 850,000 parcels a day and then delivered them to recipients. Despite the fact that some employees fell ill or had to quarantine, and despite the restrictions caused by social distancing and hygiene rules, the company successfully maintained its processing and delivery operations. Swiss Post continued to cover all four million house-

25 million parcels generated three percent of economic output during lockdown¹

	Revenue	Economic value creation	Jobs
Mail order sector	CHF 2.5 billion	CHF 1.8 billion	34,000
Upstream services in other sectors	CHF 1.2 billion	CHF 500 million	5,000
		CHF 2.3 billion	39,000

¹ Swiss Post estimate based on FSO, without induced effects.



holds – including those far from large towns and those able to carry out their postal transactions conveniently on their doorstep thanks to the home delivery service.

For the most part, Swiss Post's branches also remained open. Staff practised social distancing while carrying out postal and payment transactions, but otherwise, they performed their duties as normal and were there for customers in person. As the systems leader on the roads, PostBus continued providing transport services for the remaining passengers across the whole network, including peripheral areas – albeit with a reduced timetable.

Vital support for mail order sector

The goods ordered and delivered enabled the mail order sector to generate revenue of around 2.5 billion francs. The value created by Swiss Post for mail order companies and their suppliers during lockdown stood at 2.3 billion francs, which is around three percent of GDP. Swiss Post also helped to secure around 34,000 jobs in the mail order sector and 5,000 jobs in downstream sectors.



Sustainable Development Goal

9 Industry, innovation and infrastructure

Page 61

Solidarity

COVID-19 stamp: a resounding success

With its "COVID-19 Solidarity" stamp, Swiss Post has been sending out a message of solidarity and trust since 6 April 2020. The individual stamp costs five francs and is available as a 10-stamp sheet for 50 francs. Swiss Post is bearing the cost of the stamps' face value.

Half of all proceeds go to Swiss Solidarity, and half to the Swiss Red Cross. The charities are using the funds to support initiatives such as delivery services or transport and respite services for at-risk groups and families, and soup kitchen projects.

Swiss Post customers showed tremendous solidarity: by the end of 2020, proceeds of 2.8 million francs had been generated.

560,000 stamps made their way across Switzerland on envelopes, highlighting the spirit of togetherness from Geneva to St. Gallen and from Chiasso to Basel.

"Featuring Switzerland in the middle of a shining globe, the stamp also symbolizes the solidarity shown during the pandemic," explains Alexandra Steiner from the Nulleins communication design studio in Bern, which designed the stamp. The motif was created in just six days: several graphic designers worked on the stamp, each from home – together but distanced.



2.8 million

francs were generated from sales of the COVID-19 stamp in 2020.



 Election and voting consignments

Swiss Post delivers for democracy

20 million

election and voting envelopes are transported by Swiss Post each year.

5 million

voting envelopes are processed by Swiss Post within a week during federal elections.

2,000 tonnes

of **voting materials** are delivered by Swiss Post during federal elections.

Election and voting consignments are vital to direct democracy. Swiss Post transports 20 million of these consignments to voters each year. A remarkable logistical feat: all consignments must be accepted, sorted and delivered throughout Switzerland within a very short space of time.

The electorate decides political issues in Switzerland by casting their ballots. And Swiss Post ensures the envelopes containing the documents arrive safely. It provides the "Election and voting consignment" service – which is specially designed for official election and referendum documents – for municipalities and cantons. The service minimizes the risk of the special two-way envelopes being damaged.

Two weeks of non-stop sorting

Transporting the election and voting consignments on top of all the other letters and parcels is an incredible logistical feat – at the last federal elections, over five million voting

envelopes had to be processed within a week. To achieve this, the sorting machines at Swiss Post run day and night for almost two weeks. The mail carriers also did a remarkable job. They delivered the voting documents – which weigh up to half a kilo for parliamentary elections – to recipients. All told, around 2,000 tonnes of voting materials were delivered on time, which equates to 400 truckloads of envelopes. But for Swiss Post, the work does not end with the delivery. Over half of votes are cast by post – which means that around a million envelopes are transported to ballot boxes by Swiss Post on polling day.



Sustainable Development Goal

9 Industry, innovation and infrastructure



Sustainability

Supporting the UN's Sustainable Development Goals

We're acting now – for tomorrow, for future generations, for the sustainable development of our environment and society. As a universal provider and the backbone of mobility, Swiss Post makes a significant contribution to achieving the Sustainable Development Goals (SDGs) set by the UN as part of its 2030 Agenda for Sustainable Development.

The aim is to achieve the 17 goals and 169 targets by 2030, helping to resolve the most critical challenges facing the world.

Swiss Post focuses its efforts on six goals where it can have the greatest impact (see table below).



Focus on six Sustainable Development Goals



Good health and well-being

Ensure healthy lives and promote well-being for all at all ages.

Our performance in 2020

- 46 percent of all vehicles use quiet and low-emission alternative drive systems.
- Safety training for drivers reduces traffic accidents.
- Swiss Post uses preventative measures to keep the accident rate low and also raises awareness for when employees are outside the office.



Affordable and clean energy

Ensure access to affordable, reliable, sustainable and modern energy for all.

Our performance in 2020

- Swiss Post improved its CO₂ efficiency by 29.8 percent compared to 2010. Swiss Post aims to become carbon-neutral from 2040.
- Swiss Post's fleet of approximately 6,000 three-wheeled scooters, 97 electric delivery vans and 58 hybrid Postbuses use eco-electricity. At the Amriswil site, nothing but electric vehicles is used, and the city logistics hub in Zurich Enge carries out deliveries completely CO₂-free.



Decent work and economic growth

Promote sustained, inclusive and sustainable economic growth, full employment and decent work for all.

Our performance in 2020

- 19,000 jobs in remote areas
- 1,863 apprenticeships
- Inclusive measures for people with disabilities
- Ten collective employment contracts with high standards in terms of non-discrimination, health and equal pay. The unexplained pay gap stands at -2.2 percent. 44.1 percent of all employees are women.



Industry, innovation and infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

Our performance in 2020

- The Universal Postal Union declared Swiss Post the world's best postal service for the fourth time. It is expanding digital services, such as WebStamp, bread delivery, regional product delivery and its 183 My Post 24 terminals.
- PostBus transports around 350,000 passengers a day on 936 routes.



Sustainable cities and communities

Make cities and human settlements inclusive, safe, resilient and sustainable.

Our performance in 2020

- PostBus is increasingly using vehicles with alternative drive systems.
- Around 50 percent of its vehicles use alternative drive systems, and all consignments in Switzerland are delivered with carbon offsetting. At the Amriswil site, nothing but electric vehicles is used, and the city logistics hub in Zurich carries out deliveries completely CO₂-free.
- Swiss Post promotes recycling and regional delivery.



Responsible consumption and production

Ensure sustainable consumption and production patterns.

Our performance in 2020

- Swiss Post recycles used company clothing and collects coffee capsules, routers, PET bottles and packaging materials, enabling them to be reused properly.
- In an independent evaluation of its corporate management, EcoVadis awarded Swiss Post the best-possible rating of "Platinum".
- Swiss Post provides transparent and comprehensive information about sustainability.

Reporting

Document structure

The Swiss Post annual reporting documents for 2020 consist of:

- Swiss Post Business Report:
 - Swiss Post Annual Report
 - Swiss Post Financial Report (management report, corporate governance, annual financial statements for the Group, Swiss Post Ltd and PostFinance Ltd)
- PostFinance Ltd Annual Report
- Business Report key figures
- Global Reporting Initiative Index

These documents are available in electronic format in the online version of the Business Report at swisspost.ch/annualreport. The Swiss Post Annual Report and the PostFinance Ltd Annual Report are also available in printed form.

Languages

The Swiss Post Business Report is available in English, German, French and Italian. The German version is authoritative.

Ordering

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Five-year overview of key figures

		2016	2017	2018	2019	2020
Result						
Operating income	CHF million	8,188	8,064	7,254	7,168 ¹	7,054
Generated in competition	% of operating income	85.8	85.7	85.4	84.8	85.9
Generated abroad and crossborder	% of operating income	13.7	14.3	14.8	14.6	14.2
Operating profit	CHF million	704	718	505	450	272
Generated in competition	% of operating profit	93.5	86.7	72.5	75.1	69.9
Generated abroad and crossborder	% of operating profit	9.1	11.4	18.0	14.9	22.8
Group profit	CHF million	558	527	404	255	178
Equity	CHF million	4,744	6,583	6,759	6,834	6,906
Value generation						
Economic value added	CHF million	122	102	-24	-17	-101
Added value generated	CHF million	5,145	5,143	4,613	4,616	4,521
to employees	CHF million	4,034	3,989	3,802	3,764	3,833
to creditors	CHF million	64	48	48	75	52
to public sector	CHF million	118	63	42	32	33
to owner	CHF million	200	200	200	50	50
to company	CHF million	729	843	521	695	553
Jobs						
Headcount (excluding trainees)	Full-time equivalents	43,485	42,316	39,932	39,670	39,089
Trainees in Switzerland	Persons	2,118	2,115	2,001	1,894	1,863
Jobs in peripheral regions	Persons	18,176	17,640	16,765	16,073	15,655
Turnover rate (voluntary departures)	As % of average headcount	4.0	4.8	5.5	5.1	4.1
Notice given by employer for economic reasons	Persons	84	161	152	105	73
Employment conditions and remuneration						
Employment in accordance with Swiss Post CEC	Full-time equivalents as %	85.6	85.6	85.2	86.1	85.8
Swiss Post CEC minimum salary	CHF per annum	47,620	47,620	47,620	47,620	47,820
Average salary for employees	CHF per annum	82,231	83,178	83,383	82,741	83,636
Average remuneration paid to members of Executive Management	CHF per annum	588,377	559,044	588,916	582,289	575,822
Salary bandwidth ²	Factor	7.2	6.7	7.1	7.0	6.9
Health management						
Occupational accidents	Number per 100 FTEs	5.9	6.5	6.0	6.4	6.1
Days lost to illness and accidents	Days per employee	12.5	12.9	13.1	13.3	13.3
Diversity						
Women	% of employees	48.1	47.5	46.3	45.0	44.1
Nationalities represented	Number	143	140	138	140	142
Women on Board of Directors	%	33.3	33.3	33.3	33.3	33.3
Women in Executive Management	%	11.1	20.5	22.9	11.1	11.1
Women in senior management roles	%	12.3	13.4	16.0	17.1	19.8
Women in middle and lower management roles	%	24.2	23.9	23.2	23.8	22.3
Demographics						
Average age of workforce	Years	45.6	46.0	46.1	46.1	46.0
Resource consumption³						
Energy consumption	GWh	1,491	1,453	1,479	1,420	1,388
Energy consumption within Swiss Post	GWh	905	887	902	826	799
Renewable share	%	19.3	19.6	20.4	21.0	22.0
Energy consumption outside Swiss Post	GWh	586	567	578	594	589
Carbon footprint (scope 1 – 3)³						
Carbon footprint	t CO ₂ equivalent	446,151	436,550	439,955	422,748	408,405
CO ₂ efficiency increase since 2010 ⁴	%	16.5	19.6	20.4	27.6	29.8

¹ The figure has been adjusted (see Note 2, Basis of accounting, Accounting changes).

² Factor = average remuneration paid to Members of Executive Management vs. average employee salary.

³ Adjusted figures for 2019: factual data from subsidiaries acquired between 2013–2019 was recorded with retroactive effect for 2019 as 2019 serves as the base year for the 2024/2030 objectives. No figures for the years 2013 to 2018 were subsequently recorded.

⁴ The rise in CO₂ efficiency is measured as the change in CO₂ equivalents per core service in the year under review compared with the base year. Each core service is defined by unit (consignment, transaction, passenger kilometre, kilometre, full-time equivalent, etc.).

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