



Annual Report 2014

SWISS POST 
Yellow in motion.

Business activities

Communication market: Letters, newspapers, promotional mailings and document solutions in Switzerland and internationally

Logistics market: Parcels, express services and logistics solutions within Switzerland and abroad

Financial services market: Payments, savings, investments, retirement planning and financing in Switzerland as well as international payment transactions

Passenger transport market: Regional, municipal and urban transport, system services, and mobility solutions in Switzerland and in selected countries abroad

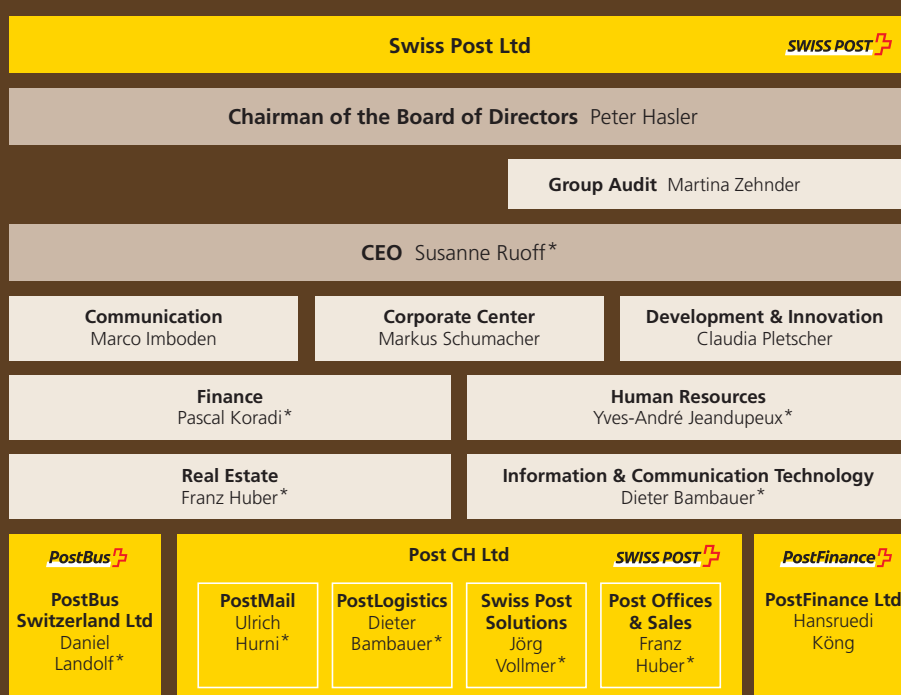
Our performance in 2014

Key figures		2014	Strategic goal
Operating income	CHF million	8,457	–
Operating profit	CHF million	803	700–900
Group profit	CHF million	638	–
Equity	CHF million	5,010	–
Degree of internal financing – investments	Percent	100	>100
Addressed letters	In millions	2,203.1	–
Parcels	In millions	111.8	–
∅ PostFinance customer assets	CHF billion	117.2	–
PostBus passengers (Switzerland)	In millions	140.6	–
Customer satisfaction	Index (scale of 0–100)	80	≥78
Headcount	Full-time equivalents	44,681	–
Employee commitment	Index (scale of 0–100)	82	>80
CO ₂ efficiency improvement since 2010	Percent	11	10*

* Target for 2016

Organization chart

as at 1 January 2015



* Member of Executive Management

MARKETS AND SEGMENTS

Communication market

PostMail offers business customers high-quality products and tailored solutions for letters, newspapers and promotional mailings, from acceptance right through to delivery. This range is complemented by its electronic services.

Key figures		2014
Operating income	CHF million	2,887
Operating profit	CHF million	334
Addressed letters – business customers	In millions	1,882
Unaddressed items	In millions	1,990
Newspapers	In millions	1,223
Headcount	Full-time equivalents	16,979

Swiss Post Solutions manages paper-based business processes with document processing solutions for its business customers, and provides support for the transition from the physical to the digital world.

Operating income	CHF million	659
Operating profit	CHF million	12
Area of activity	Number of countries	23
Headcount	Full-time equivalents	7,466

Post Offices & Sales offers products, services and tailored advice to private customers and SMEs. It has 1,562 post offices, 660 postal agencies and 1,278 home delivery services throughout Switzerland.

Operating income	CHF million	1,663
Operating profit	CHF million	– 100
Letters – private customers	In millions	321
Parcels – private customers ¹	In millions	10
Inpayments	In millions	171
Headcount	Full-time equivalents	6,508

Logistics market

PostLogistics offers business customers both standardized and customized logistics solutions for sending parcels, express items and courier consignments, as well as goods transportation and warehousing logistics.

Key figures		2014
Operating income	CHF million	1,562
Operating profit	CHF million	141
Parcels – business customers ¹	In millions	102
Express items	In millions	2
Headcount	Full-time equivalents	5,304

Financial services market

PostFinance enables its customers to manage their own finances thanks to simple, clear and inexpensive products and services for payments, savings, investments, retirement planning and financing.

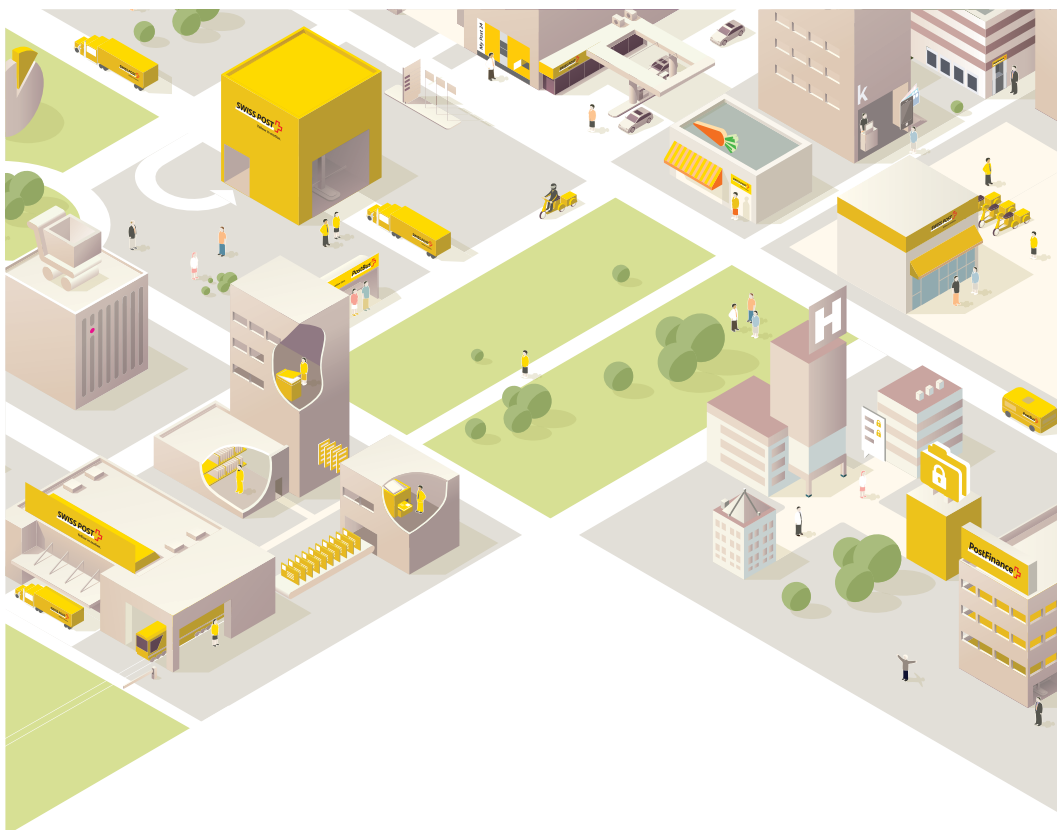
Key figures		2014
Operating income	CHF million	2,261
Operating profit	CHF million	382
Customer accounts	In millions	4.75
Inflow of new money	CHF million	2,839
Ø Customer assets	CHF billion	117.2
Headcount	Full-time equivalents	3,466

Passenger transport market

PostBus operates a network of 869 Post-Bus routes within Switzerland, covering 11,869 kilometres and 11,368 stops. The leading Swiss bus company in regional passenger transport is developing an increasingly strong presence in cities and conurbations alike.

Key figures		2014
Operating income	CHF million	835
Operating profit	CHF million	30
Domestic passengers	In millions	140.6
Domestic vehicle kilometres	In millions of km	110.3
Vehicles	Number	2,817
Headcount	Full-time equivalents	2,789

¹ 111.8 million parcels were sent in total by business and private customers in 2014.



The Swiss Post landscape

Swiss Post does a lot more than you might think.

Did you know that Swiss Post also develops e-shops? Collects return shipments of online orders from recipients' homes? Digitizes the document flow within more and more companies and manages all of the logistics involved in moving goods?

Swiss Post is often a professional partner in areas you might not have expected: many Swiss Post services are not quite as visible as the mail carrier or post office counter. Use this map to discover Swiss Post in all its diverse fields of activity.

Swiss Post's business model is market-specific and geared to its customers. To strengthen our market position in an increasingly digital and highly competitive environment and to achieve our strategic goals, we focus on six business development areas:

Direct marketing
E-commerce
Online/mobile banking

E-post
Document solutions
Mobility solutions



The folded removable map "The Swiss Post landscape" is missing here. Discover the new world of Swiss Post at www.swisspost.ch/annualreport

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Flexible and convenient

Swiss Post is continually developing new services to make receiving and returning parcels as easy as possible for its customers.



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Up-to-date and cost-effective

With its specially developed DynPaper, PostBus will in future update departure times remotely when timetables change.



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Efficient and secure

With its modular range of eHealth products, Swiss Post offers health-care professionals a comprehensive service portfolio.

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by Peter Hasler
and Susanne Ruoff

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This Annual Report is supplemented by a separate **Financial Report** (management report, corporate governance and annual financial statements), a comprehensive **table of figures** and a **GRI report**. Information on reference sources is provided on page 58.

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Digital or
physical –
it's up to
the customer.



FOREWORD

by **Peter Hasler**,
Chairman of the Board of Directors,
and **Susanne Ruoff**,
CEO

Dear Reader

In a mobile and highly networked society, people are used to accessing information, ordering goods and using services whenever and wherever they want. This trend is affecting Swiss Post too: demand for traditional postal services is falling. People have been sending fewer and fewer physical consignments for some years now, and they are also increasingly using channels other than the post office for payments. Given our customers' new requirements, our range of services needs to be developed in a flexible manner. At the same time, increasing digitization is opening up many new opportunities in our business units. Guided by this new customer behaviour and our expertise within communication, logistics, passenger transport and financial services, we are developing system solutions and services at the interface between the physical and the digital – as a one-stop shop. This makes things as easy as possible for customers.

In the coming years, we intend to focus on six business development areas, expanding our range of services to meet customer requirements, maintaining high levels of quality and improving efficiency. Last year, we invested 443 million francs in these efforts: we installed an additional ultra-modern sorting system in the existing building at the Härkingen parcel center, ordered 20,500 new scanners for our logistics staff and procured additional sorting machines capable of sorting mail automatically according to each mail carrier's delivery round. To make e-banking even easier, PostFinance

has invested in its e-finance platform. With the newly-founded subsidiary TWINT AG, PostFinance is also looking to develop innovative digital payment solutions and bring them to market quickly. You will find more information on our current developments and investments elsewhere in this Annual Report.

Swiss Post is in good shape with solid foundations and is well equipped to meet the challenges of the future. To ensure that we can finance our investment in the future ourselves and provide an excellent universal service, Swiss Post must generate a profit (EBIT) of at least 700 million francs each year. This is the only way to ensure that Swiss Post remains competitive, and to secure its long-term success.

What we have achieved in the past year has only been possible through the confidence of our customers. For that we offer our sincere thanks. On behalf of the Board of Directors and the Executive Board, we would also like to say a big thank you to all of Swiss Post's managers and employees for this good result. We appreciate their enthusiasm and passion for their work and are counting on their continued commitment in the coming year.

Peter Hasler
Chairman of the
Board of Directors

Susanne Ruoff
CEO

We create added value – Swiss Post.

reliable, value-enhancing and sustainable.



8,457 m

Operating income was slightly below the previous year.



638 m

Group profit rose slightly year-on-year.



80 points

Customer satisfaction remains high.



62,983

employees, including 8,008 abroad, help to shape Swiss Post with their ideas.



82 points

The index value for **employee commitment** is a testament to motivated and committed employees.



11 %

Swiss Post increased its **CO₂ efficiency** by 11 percent between 2010 and 2014.



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We are developing tomorrow's public service today.

INTERVIEW

with Susanne Ruoff, CEO

The Federal Council expects Swiss Post on the one hand to have an entrepreneurial spirit and on the other to fulfil its universal service obligation throughout Switzerland. How well has Swiss Post managed this balancing act in the past year?

Susanne Ruoff: Our customers are very satisfied with Swiss Post. With 80 out of 100 points, they have again rated Swiss Post's services very highly in 2014. We provide the universal service to a very high level of quality, we deliver on time and our prices are among the lowest in the world.

Why then does Swiss Post still need to change constantly?

Fewer letters and fewer inpayments at the counter, accompanied by new competitors and new technologies – the world is constantly changing, and we have to adapt to that. We intend to develop existing services further and additionally offer mobile and digital solutions. Whether digital or physical, customers should be able to choose how they want to do business with Swiss Post.

Where is the focus in the process of change?

We are focusing on e-commerce, e-post, direct marketing, digital and physical document solutions, mobility solutions, online banking and mobile banking. We are developing new services in these areas, and in doing so we are going further than required by our mandate for the universal service. All of our developments are geared towards our customers' changing requirements and based on Swiss Post's core competencies. We incorporate them across all units into new, customer-oriented solutions, and increasingly rely on integrated solutions, for example in e-commerce.

E-commerce is a subject that many companies are looking into today. What does Swiss Post offer its customers in this regard?

E-shop operators can let Swiss Post handle their entire online business, from A to Z. Swiss Post takes care of direct marketing and payment solutions, as well as storage, picking, shipping and returns. We are the only

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We intend to develop existing services further and additionally offer mobile and digital solutions.

provider in Switzerland that offers business customers tailored solutions along the entire value chain.

In the spring of 2014, we brought our comprehensive YellowCube logistics solution on stream. The centerpiece of YellowCube is a highly automated storage and picking facility. The level of automation means that the processes are very fast – even for orders made late in the day, we can deliver the parcel the next day.

What advantages do Swiss Post's new digital solutions offer to customers?

Two examples: delivery within a time slot defined by the customer and more information on consignment status are becoming increasingly important for most customers. With the introduction of “My consignments”, we are meeting exactly this requirement by providing consignment information in real time. Swiss Post is currently testing delivery within a specific time slot. The ability to choose the delivery location and time flexibly has been identified by Swiss Post as a customer requirement. E-Post Office enables customers to control their personal mail centrally through an online platform. They can decide whether they would prefer to receive mail such as account statements or the customer magazine in physical or electronic format.

Are there also benefits for major customers?

In the case of Swiss Post Solutions document solutions, we will increasingly extract data from documents. We will then use analytical tools to turn this data into knowledge, improving the customer's basis for decision-making.

Are there any new services in the mobility market?

At PostBus, we have done pioneering work with the introduction of free WiFi. Digitization is also opening up many other possibilities: for instance, at the moment the paper timetables at more than 11,000 PostBus stops have to be replaced by hand when the timetables are changed. We are currently testing an electronic timetable that can display any regional change throughout Switzerland immediately.

And what does PostFinance have in the pipeline for its customers?

It is about to launch a new service that is an absolute first in the banking industry: at customers' request, PostFinance can analyse their payments and identify them as, for example, a concert lover. They can then be offered any discounts on tickets available from the concert promoter. Customers pay the full price of the concert with the PostFinance Card, and the discount is then credited to their postal account. Customer data is always retained by PostFinance and is never passed on to third parties. Example two: PostFinance is launching TWINT, Switzerland's first integrated payment and shopping app. TWINT allows consumers to make purchases directly with their smartphone, without cash or cards.

Ms Ruoff, you are getting Swiss Post into shape for the digital age. How do you make sure your employees are on board?

Letter and parcel carriers, customer advisors, counter staff and drivers are the face of Swiss Post for our customers. They come into contact with an eighth of the Swiss population every day. This is a great opportunity for Swiss Post. We need to nurture a positive attitude towards change among our employees and let them participate in shaping the future of Swiss Post. We want to gather their experiences more systematically in the future so that we can identify trends early and gain an even better understanding of our customers' requirements. Our management relies on confidence, responsibility and flexibility. In specific terms: we act in a transparent manner, provide constructive feedback and promote a learning culture. We are committed, results-oriented and act independently. And we see change as an opportunity – because we are open-minded and act with foresight.

” —

Our employees are the face of Swiss Post for our customers.

Strategy

Swiss Post seeks to create added value for Switzerland, customers, employees and its owner by safeguarding the quality of its universal service, operating in a sustainable manner, increasing customer satisfaction and employee commitment, and meeting its owner's financial goals by achieving stable market positions.

Swiss Post plans to ensure these goals are met by means of five strategic thrusts. It is considering growth options that could be achieved through new business models in various development areas.

We create added value for:

Our owner



Finance

Annual profit of
700 to 900 million francs

Switzerland



Universal service

Regulatory audit certification



Market position

Leading market position
in Switzerland and in e-commerce



Sustainability

Improve CO₂ efficiency by
10 percent compared with 2010
by the end of 2016

Our customers



Customer satisfaction

At least 78 points (scale of 0–100)

Our employees



Employee commitment

At least 80 points (scale of 0–100)

TRENDS

The challenge of the future: acting with foresight in a dynamic environment

Digitization and new technological possibilities are rapidly changing customers' requirements and habits with respect to mobility, consumption and communication, and are therefore directly shaping Swiss Post's markets.



Customers expect simple, well-coordinated services and solutions from Swiss Post.

Swiss Post generates its income in an environment influenced by political, technological and social change. The physical and digital worlds are merging. The digital lifestyle is creating new customer requirements and the demand for personalized services that make daily life easier is growing. Swiss Post's challenge is to adapt its products and services to meet its customers' expectations.

Communication market: increasing digitization

Electronic services are increasingly competing with the letter and the post office, raising the pressure on letter market volumes in general. Around 70 percent of the letters market is already deregulated. The residual monopoly on domestic letters up to 50 grams is an important pillar for Swiss Post's financing of the universal service.

Logistics market:

intense competition through e-commerce

With the boom in e-commerce, the logistics market is continuing to grow. The attractiveness of the market is giving rise to intense – and international – competition. Business customers are sensitive to changes in price, but at the same time have high expectations as regards quality and processing times. The demand is for flexible recipient services and system-based all-round solutions, including cross-border services. The boundaries between parcel logistics and goods logistics are merging.

Financial services market: mobile services in demand

The digital lifestyle and the growing information needs of customers are reinforcing demand for financial services that are available anytime and anywhere. New and innovative market operators are creating additional competition, challenging the existing players with new solutions for payment transactions. Low interest rates on the money and capital markets are also having a significant impact on the earnings of retail banks.

Passenger transport market: trend towards shared mobility

People today are increasingly forgoing their own cars, expect integrated public transport services and are taking advantage of options such as bike sharing and carpooling networks. Vehicles are required to be more and more environmentally friendly. There are fewer and fewer resources available to the Confederation and cantons to meet increasing mobility requirements, raising the pressure on settlements.



STRATEGIC THRUSTS

Systematically creating added value

Swiss Post creates added value for Switzerland, its customers, its employees and its owner by operating in a sustainable manner, holding its ground in its markets and meeting its financial requirements.

With its strategic goals, Swiss Post determines how it intends to meet the challenges of its operating environment and achieve the top-level stipulations of the Federal Council. Swiss Post intends to maintain high performance levels in the provision of the universal service, customer satisfaction and employee commitment, increase its CO₂ efficiency, and consolidate its positions in e-commerce and personal mobility. Another key benchmark defined by Swiss Post is the EBIT it intends to achieve. To meet these goals, Swiss Post is pursuing five strategic thrusts:

Exploit and help shape regulatory conditions

Since 2013, Swiss Post has been a company limited by shares subject to a special statutory regime with a Group structure. To enable each unit to continue to develop sustainably in the long term, it is crucial to make optimal use of the new regulatory conditions, particularly with a view to focusing even more closely on customer requirements and boosting competitiveness.

Defend and develop our core business

Swiss Post performs services for private and business customers to a high standard. This begins during product development and can also be

seen in its daily contact with customers across all channels. It is customer-oriented, improves its services and processes continuously, and develops new and innovative products to high levels of quality that are continually monitored.

Grow in selected markets

Swiss Post works for sustained and profitable growth. It plans its growth in Switzerland and abroad consistently over the long term and proceeds with this step by step, allowing it to manage and safeguard the profitability of its growth.

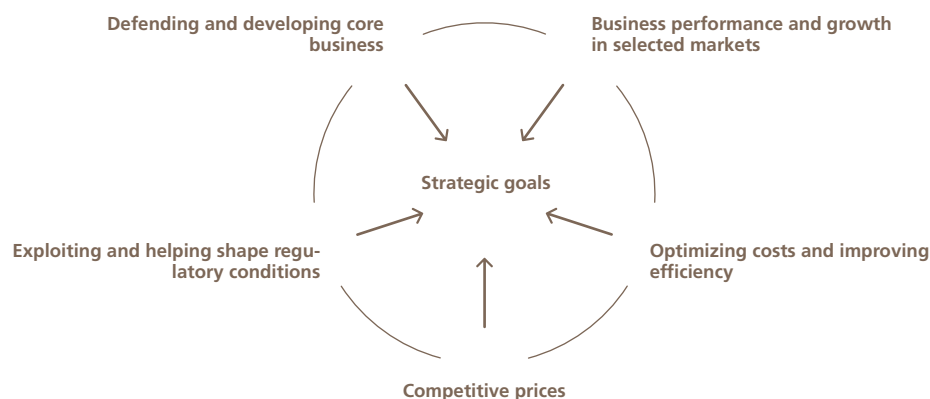
Optimize costs and improve efficiency

Given the challenging competition and the far-reaching changes – particularly in the communication market – ongoing optimization of costs and improvements in efficiency are essential for the long-term success of Swiss Post. Swiss Post will continue to confront these changes with balanced, socially responsible solutions.

Ensure competitive prices

In the future as in the past, Swiss Post depends on its ability to charge competitive prices in order to provide high-quality services. By doing so, it also seeks to fund a well-functioning universal service.

” —
Swiss Post creates added value for Switzerland, its customers, its employees and its owner.



DEVELOPMENT AREAS

Successful customers thanks to Swiss Post's integrated solutions

Swiss Post is pursuing a customer-oriented and market-specific business model. To strengthen its market position in an increasingly digital and highly competitive environment and to achieve its strategic goals, Swiss Post focuses on six business development areas.

Swiss Post has defined the following six business development areas as a strategic compass for development, growth and innovation:

E-commerce

In the booming e-commerce sector, Swiss Post combines its expertise in logistics, finance and communication processes and supplements modular services with integrated solutions along the entire value chain. For online retailers, Swiss Post and its systems take care of marketing, operating e-shops, nesting, picking and distributing parcels, as well as payment processing and accounts receivable management.

Direct marketing

Direct marketing is one of the most effective marketing tools for customer acquisition and customer retention. Swiss Post supports business customers with a broad range of products and services related to promotional letters and to digital channels.

Mobile banking

Swiss Post is continually developing its range of products for customers who want to manage their own finances. With its online banking platform, the PostFinance App, e-cockpit, e-bill and TWINT, it offers a wide range of new services.

E-post

With e-post, Swiss Post links communication media from the physical and digital worlds. It establishes hybrid systems such as E-Post Office, the intelligent online letter box that lets recipients decide how they would like to receive their mail: on paper or in electronic form. In the eHealth market, Swiss Post offers the service

portfolio vivates, used by hospitals, physicians, pharmacies and other healthcare professionals to exchange patient data securely.

Physical and digital document solutions

Companies are outsourcing more and more business processes. Swiss Post provides them with solutions for document management and document-based processes, helping to optimize business processes. For interested customers, Swiss Post will in future offer more services for extracting data from the digitized documents and using analytical tools to turn this data into knowledge, generating added value for the customer.

Mobility solutions

Mobility requirements are growing steadily. Sharing schemes are gaining acceptance. With its broad customer base in the passenger transport sector and its experience in fleet management, Swiss Post intends to play a pioneering role in this area, with flexible, well-functioning mobility chains across all means of transport. It is promoting new mobility solutions such as bike sharing and web-based carpooling networks. It is also developing system services such as operational control systems, passenger information systems and sales systems.



Swiss Post is and will remain an innovative company

"Development & Innovation" is the name of the new unit Swiss Post has established to combine and expand its innovation activities. Its task is to foster innovation in the core markets as well as to identify new business ideas and develop them into a business area. The unit draws on the innovative capacity of around 63,000 employees, connects units within Swiss Post and drives forward Group-wide projects. Swiss Post already uses collaborative web platforms and intends to further intensify the use of social software in the future. The partner management system within the new unit is bringing external knowledge and partners into the company to ensure that companies such as innovative startups have an interest in getting Swiss Post involved as a partner in their projects.



To ensure successful growth, Swiss Post has defined six business development areas.

Business performance

With a Group profit of 638 million francs, Swiss Post achieved a solid annual result in 2014 → [Page 13](#). Trends in the four markets varied, but all contributed to the good result → [Page 14](#). To ensure that letter deliveries remain reliable and affordable in the future, Swiss Post is investing in modern equipment → [Page 15](#). Customers continue to be very satisfied with Swiss Post → [Page 15](#).



638 million

Group profit rose slightly year-on-year.



80 points

Customer satisfaction remains high.



2,203.1 million

addressed letters were posted in Switzerland in 2014.



117.2 billion

francs represents the level of **average customer assets** held by PostFinance.



111.8 million

parcels were delivered in Switzerland in 2014.



140.6 million

passengers were transported by PostBus in 2014.

Group

Digitization is permeating the daily lives of many people, changing their consumption patterns, lifestyles and working habits. The dynamics of change involved in this process are considerable. Swiss Post understands that today's world is interconnected, and builds bridges between the physical and digital worlds. With its expertise in communication, logistics, passenger transport and financial services, it increasingly develops integrated solutions and continues to offer individual products and services in modular form. It intends to win over customers by offering them products that are both easy to access and easy to use, giving them greater scope to succeed. This will enable Swiss Post to develop and maintain a high-quality universal service, while at the same time meeting its owner's goals.

Group		2014
Operating income	CHF million	8,457
Group profit	CHF million	638
Equity ¹	CHF million	5,010
Economic value added	CHF million	207
Headcount	Full-time equivalents	44,681

1 As at 31 December 2014



Owner's goals
achieved

KEY FIGURES

Operating income

8.5 bn

A slight decline in
operating income

Group profit

638 m

Group profit up slightly
year-on-year

Economic value added

207 m

Positive change in
economic value added

Equity

5.0 bn

Remeasurements
affect equity

GROUP RESULT

A solid result for Swiss Post

With a Group profit of 638 million francs and an operating profit (EBIT) of 803 million francs, Swiss Post once again generated a solid result in 2014. It is increasingly gearing its services to changing customer needs, and invested 443 million francs last year in the quality of the universal service and forward-looking services.

Swiss Post recorded a Group profit of 638 million francs in 2014 (previous year normalized: 626 million francs). All four markets contributed to this positive result (see page 14). The increase of 12 million francs in Group profit is attributable to lower financial and tax expenses.

With economic value added of 207 million francs, Swiss Post met the Federal Council's financial goal. The increase year-on-year is primarily due to lower capital costs arising from interest rates in the past financial year.

Operating profit (EBIT) fell by 11.9 percent to 803 million francs (previous year normalized: 911 million francs). This decline is mainly due to higher portfolio impairment charges on financial assets. Operating income fell slightly to 8,457 million francs (previous year normalized: 8,575 million francs). The operating profit margin dropped from 10.6 to 9.5 percent. Operating expenses declined by 10 million francs year-on-year to 7,654 million francs (previous year normalized: 7,664 million francs). Staff costs in relation to total operating expenses remained stable and stood at around 54 percent in 2014.

Total assets now stand at 125 billion francs (previous year: 120 billion francs). At the General Meeting, the Board of Directors will propose paying a dividend of 200 million francs to the Confederation. As at 31 December 2014, total equity stood at 5 billion francs (before appropriation of profit).

Maintaining and developing the universal service

In the past year, Swiss Post has invested 443 million francs in measures for improving the efficiency and assuring the quality of the universal service as well as in new products and services. Thanks to the expansion of automatic sequencing and the procurement of new handheld scanners, it was able to continue improving efficiency in delivery services. Continued growth in online retail is another focus for Swiss Post. To this end, sorting capacity has been increased in the parcel centers and the network of My Post 24 terminals has been expanded. The YellowCube logistics solution was brought on stream to meet the requirements of business customers. The new system allows Swiss Post to handle entire logistics processes for online retailers.

Overcoming the challenges ahead

Swiss Post is meeting the challenges that lie ahead by following a strategy of long-term, gradual growth, by further optimizing costs in a socially responsible manner, and by pursuing market-driven pricing policies. Swiss Post depends on increases in profitability in all its markets and on solid profits.

SEGMENT RESULTS

Positive results in all four markets

Swiss Post achieved a positive result in all four markets. Trends varied from market to market.

” —
Margins increased in the logistics and communication markets.

Communication market

In the communication market, the three Group units PostMail, Swiss Post Solutions and Post Offices & Sales together generated an operating profit of 246 million francs (previous year normalized: 238 million francs). The volume of addressed letters fell by 2.5 percent, while the number of unaddressed items was up 2.6 percent.

With operating income of 2,887 million francs (previous year: 2,959 million francs), PostMail is the strongest pillar in the communication market, registering operating profit of 334 million francs (previous year normalized: 324 million francs). Lower volumes led to a decrease in income, which was more than offset by the reduction in operating expenses.

Swiss Post Solutions generated operating income of 659 million francs (previous year: 616 million francs). Operating profit rose to 12 million francs (previous year normalized: 5 million francs). This increase was due to significantly improved business performance in Germany, the UK and the USA, its core markets.

With operating income of 1,663 million francs (previous year normalized: 1,697 million francs), Post Offices & Sales recorded an operating loss of –100 million francs (previous year normalized: –91 million francs). Letter and parcel volumes and the number of inpayments by private customers continued to decline in 2014.

Logistics market

PostLogistics recorded an operating profit of 141 million francs (previous year normalized: 133 million francs), with operating income of 1,562 million francs (previous year: 1,581 million francs). The improved result was mainly due to cost savings achieved through process optimization and to improved results in fleet management and value logistics solutions. Parcel volumes rose by 1.6 percent.

Passenger transport market

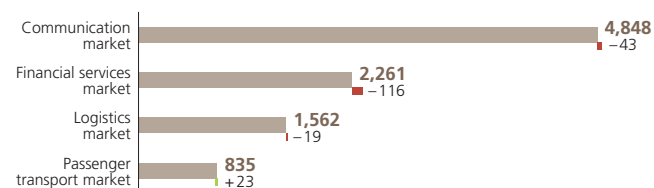
PostBus recorded an operating profit of 30 million francs (previous year normalized: 28 million francs). Operating income rose to 835 million francs (previous year: 812 million francs). The sale of system services, increased income from networked traffic and a higher number of kilometres travelled had a positive impact.

Financial services market

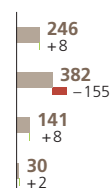
PostFinance recorded an operating profit of 382 million francs (previous year normalized: 537 million francs). The drop of 155 million francs mainly resulted from the recognition of portfolio impairment charges. Net interest income before impairment rose by 21 million francs due to interest rate changes. The inflow of new money totalled 2,839 million francs, and average customer assets amounted to 117 billion francs in December.

Margin increase in the communication and logistics markets

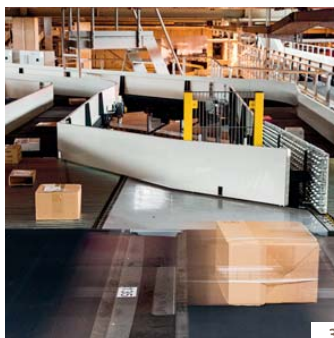
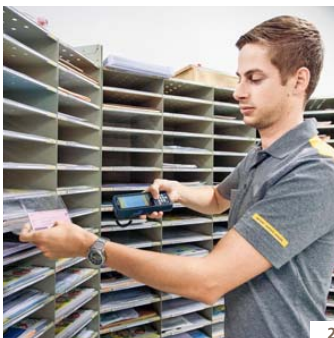
Operating income (before consolidation)
2014 showing change from previous year
CHF million



Operating profit
2014 showing change from previous year
CHF million



Scale: 100 million francs = 1.25 mm



1 – The new scanners look like rugged smartphones, and work just like smartphones too: with apps.

2 – After reading the barcode, the app shows the employee the next steps.

3 – The new sorting system at the Härkingen parcel center is currently the most efficient run by Swiss Post.

INVESTMENTS

Swiss Post is investing in efficiency, quality and capacity

To ensure that physical consignments continue to reliably reach their recipients in the future, Swiss Post is investing in advanced technologies. It is purchasing new scanners, expanding automatic sequencing and increasing the capacity of its parcel centers.

A Swiss Post worker delivers a parcel or registered letter and the recipient acknowledges receipt on the scanner. But these scanners are outdated. Since spring 2015, Swiss Post has equipped its delivery staff with new devices and modern software. The new scanners work with apps. One app, for example, shows all addresses within a radius of one kilometre, helping delivery staff to find addresses. Another can be used to find the important items pending for the day.

Today, machine-sortable letters are sorted automatically for each delivery round in the order of letter boxes, in a process known as sequencing. In 2014, Swiss Post brought additional letter sorting equipment on stream, extending its au-

tomatic sequencing capacities for standard sized consignments and P.O. Box deliveries. Currently, around 75 percent of machine-processable letters are sorted by sequencing, equivalent to about one billion letters a year.

Today, almost every second parcel is sent as PostPac PRIORITY and has to be processed overnight. To handle the growing parcel volumes reliably, even at peak times, Swiss Post is upgrading its three parcel centers with state-of-the-art sorting systems. In 2014, the first additional system in Härkingen was brought on stream. The parcel center can now handle around 25 percent more items than before.

NON-FINANCIAL RESULTS

Letters and parcels delivered on time

Last year, Swiss Post processed over 2.2 billion addressed letters. 97.7 percent of all A Mail letters were delivered on time, while 99.0 percent of all B Mail letters arrived on schedule. In 2014, Swiss Post transported more parcels than ever before: around 112 million. Nevertheless, the quality of previous years remains constant: in 2014, 97.4 percent of all PostPac PRIORITY parcels arrived on time. For PostPac ECONOMY parcels, Swiss Post delivered 97.5 percent on time.

With these results, Swiss Post takes a top position among postal companies around the world and exceeds the requirements of the new Postal Ordinance.

NON-FINANCIAL RESULTS

Swiss Post has satisfied customers

Our customers particularly appreciate the quality of services and personal advice provided by Swiss Post. In the 2014 customer survey, private and business customers rated Swiss Post's performance at 80 out of a possible 100 points. A score of 80 points or more signifies a very high level of satisfaction.

In a separate survey of private recipient customers throughout Switzerland, delivery quality scored 91 points. This is the eighth time in a row that the score achieved is higher than 90 points. Customers are particularly satisfied with the professional conduct and friendly manner of our delivery personnel. For more information, see page 39 of the Financial Report.

Communication market

Customers' behaviour and needs are changing. Swiss Post has taken account of such changes – with a wide range of services and an extended choice of access points. It is a multi-channel specialist, safely and reliably shipping consignments such as letters, promotional mailings, newspapers and confidential documents – either physically or digitally, as required. Swiss Post also digitizes documents such as incoming post for public authorities and companies, and can handle entire paper-based business processes where needed.

Communication market		2014
Operating income	CHF million	4,333
Abroad	CHF million	970
Operating profit	CHF million	246
Abroad	CHF million	48
Addressed letters	In millions	2,203
Unaddressed items	In millions	1,992
Newspapers	In millions	1,223
Headcount	Full-time equivalents	30,953



PHYSICAL AND DIGITAL

The intelligent online letter box

In the future, recipients will decide for themselves how they receive their mail: on paper through the conventional letter box or as a digital document. With E-Post Office, Swiss Post has launched an online platform that allows recipients to set their delivery preferences and retrieve electronic mail. But E-Post Office can do a lot more than that.



The app from E-Post Office turns your smartphone or tablet into a letter box.

” —
Electronic mail
will not replace
conventional mail
– our customers
want the best of
both worlds.

Christoph Bürki,
E-Post Office project manager

Swiss Post customer Yvonne G. wants to receive her bank statements in paper format, but have her health insurance invoices sent electronically. Her neighbour George S. would like to receive his mail exactly the other way round: he wants to archive his account statements electronically, but prefers to have his inpayment slips for invoices on paper. Until now, both had to notify each sender separately about the mail they wanted to receive electronically or physically – if the choice was even available in the first place.

Central control of personal mail

Yvonne and George can now easily set their delivery preferences on the online platform E-Post Office – for each sender or for document types such as invoice, newsletter or contract. They can access their electronic items directly from the online platform. Swiss Post stores all data on its servers in Switzerland.

Other functions and additional senders

The service currently available to users is a basic version with the most important functions. Users

can electronically reply to, forward or archive mail received on the online platform. They can also upload their own documents to E-Post Office and manage them there. In the future, it will also be possible to pay bills directly with E-Post Office, and Swiss Post will gradually integrate additional senders.

For business customers:

easy mailing

Participating senders simply send their outgoing mail fully electronically. Swiss Post delivers the letters electronically or on paper, as specified by the recipient. Yvonne's account statement, for example, will be printed, packaged and delivered to her private letter box. This allows senders to automatically take account of the types of communication preferred by their customers, freeing them to focus fully on their core business. E-Post Office is now also available as a printer driver version for sender customers. With the printer driver, you can send your daily mail to Swiss Post directly from the Office program installed on your PC.

→ www.swisspost.ch/epostoffice

SWISS POST BOX

Receive letters anywhere

Whether it's on their computer, smartphone or tablet, Swiss Post Box users receive all of their mail wherever they happen to be. They are sent images of the sealed envelopes and decide which letters are to be opened and scanned by Swiss Post. And the new "Premium scan" sub-

scription makes it even easier: recipients find all of their incoming mail opened and digitized in Swiss Post Box. The original physical letters can then be forwarded, archived or destroyed as required. Swiss Post Box is the solution for people who travel a lot, who have several residences, or who just generally want to work with and file their mail digitally.

→ www.swisspost.ch/swisspostbox



Creative physical advertising messages attract attention and stick in the memory.



A growing market

Direct marketing is growing in importance and the channel for addressed and unaddressed promotional mail is increasingly popular. Not least because of increasing sales, the established Intermedia study MA Strategy Direct Mail is becoming a separate media category from 2014. The MA Strategy from WEMF AG for advertising media research is an important planning tool for advertisers and advertising and media agencies.



Good direct marketing pays off for both the sender and the recipient.

Reto Brotschi,
Head of Direct Marketing at PostMail

DIRECT MARKETING

Swiss Post knows what works

Whether it's addressed or unaddressed promotional mailings, when it's done well, direct marketing works. Swiss Post is not only a bearer of creative advertising messages, it also helps advertisers to design their campaigns.

Letters work. They arouse interest, stick in the memory, influence attitudes and inspire readers to take action. This was also Nestlé's experience. The food manufacturer used materials including newspaper ads and an unaddressed mailing to promote a yoghurt called Nestlé LC1. A few weeks later, the recipients were surveyed by an independent market research institute – with clear results.

Mailings improve image and increase sales

"Can you remember the content of the LC1 advertising?" Asked this question, 29 percent more respondents remembered the mailing than remembered the ad, and were able to recall the details of the mailing correctly. This is hardly surprising, considering that a mailing almost always ends up in the hands of – and gets read by – the recipient. Ads, however, are in direct competition with the rest of the content in the newspaper or magazine, and are therefore often skipped over.

Even more pronounced was the advantage that mailings have over newspaper ads in terms of motivating people to act: the product was a full 67 percent more likely to be purchased or the discount voucher redeemed as a result of the mailing.

Swiss Post passes its knowledge on

Swiss Post passes on its years of direct marketing experience and the results of numerous studies to its customers. Under the name DirectPoint, it operates an extensive knowledge platform for marketing and communication managers.

The platform contains tips, publications, tools and more – everything from the checklist for target group definition to the template for the agency briefing. With a range of courses and seminars, Swiss Post also offers communications professionals the opportunity to develop their direct marketing skills further.

POSTCARD CREATOR APP

Send a postcard by mobile phone

"Send us a postcard!" said her colleagues on the last working day before Frances's holidays. When she gets to Copenhagen, she decides to grant their wish immediately and pulls out her smartphone. Frances takes a selfie in front of a beautiful row of houses and sends it with the PostCard Creator App, which allows registered users to design and send a postcard every day free of charge. A photo, some creative text and the recipient's address in Switzerland is all she needs. Swiss Post takes care of everything else, printing the card and delivering it by A Mail.

Advertisers use the web platform PostCard Creator, which provides additional functions, to send mailings. With a wide range of standard and custom sizes, the online tool offers numerous design possibilities. Whether it's a thank you card or an Easter gift certificate for all customers, Swiss Post prints and sends the postcards – no matter how small the run – at reasonable prices.

→ www.swisspost.ch/postcardcreator

→ www.swisspost.ch/postcardcreator-app

BECK KELLER AG

Catching customers with croissants

Successful companies grow their customer base regularly. Swiss Post helps them to do this with ideas and expertise in direct marketing, as was the case with Beck Keller AG, which attracted many new customers with a special offer on croissants.

” —
The passers-by thought: there's something going on at Keller's.

Jean-Jacques Keller,
Marketing Manager,
Beck Keller AG

Working on behalf of Beck Keller AG, Swiss Post delivered 42,000 empty croissant bags labelled "4 croissants for only 2 francs!" to letter boxes around the company's 15 sales outlets in the Zurich region. They had hardly been delivered before things took off: the customers were queuing up at the bakery with their croissant bags, even spilling out into the street at the weekend.

A complete success

Almost 4,000 people took advantage of the offer. A remarkable response considering that

nothing was on offer for free. Marketing Manager Jean-Jacques Keller recalls: "For two months after the mailing, new customers were still coming with their empty bags." Apart from the eye-catching unaddressed mailing, a core element of the campaign was the definition of the target group. Geographically, it was deliberately kept fairly local. This meant that there was little wastage, which made the campaign an economic success.

Expert advice from Swiss Post

The idea for the croissant bags came from Swiss Post's direct marketing consultant. He designed the campaign working together with Beck Keller AG. Beck Keller AG benefited from the expertise available at Swiss Post and provided the capacities required for implementation.

Offer extended in the second round

Some time later, Beck Keller got back to Swiss Post, looking to build on the success of the croissant promotion. In the second campaign, there were four croissants along with the daily or Sunday newspaper, all for a total of three francs. The offer was again printed on the croissant bags and distributed in the neighbourhoods around the sales outlets. Posters advertising the bakery were also put up in these areas, reinforcing the impact of the mailing. Swiss Post helped not only with the design of the bags, but also made contact with the newspaper partner Tamedia and coordinated the mailing and poster campaign.

→ www.swisspost.ch/promopost



EHEALTH

Swiss Post connects healthcare professionals

Hospitals, physicians, pharmacies and others in the healthcare sector use vivates to exchange patient medical data among themselves securely, efficiently, transparently and in compliance with the law.

Surgical reports, X-rays, prescriptions – illness or accidents quickly generate a lot of medical data that needs to be exchanged between physicians, hospitals, laboratories and insurance companies. With vivates, Swiss Post offers products and services that simplify the flow of electronic data between the service providers in the healthcare system, and therefore also simplify the administrative procedures. Patients can also view their current data at all times and decide for themselves who can access it.

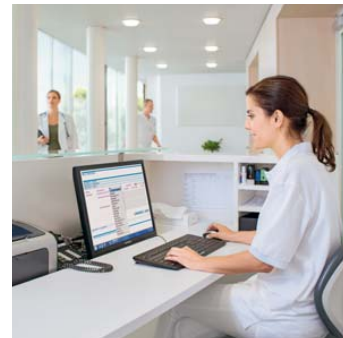
Modular structure

The eHealth service from Swiss Post features a comprehensive, modular service portfolio. The vivates modules meet specific requirements from the various professionals in the healthcare system, from a straightforward hospital referral to the effective coordination of care measures to reliable medication and secure access to patient data. Swiss Post uses high-quality technology and complies fully with the legal requirements, ensuring that data protection and access security are guaranteed at all times.

Interested cantons

Working with the canton of Geneva, Swiss Post developed the electronic patient record now available to all citizens of Geneva at MonDossierMedical.ch. Back in 2011, it was the first Swiss attempt to link all healthcare professionals in the treatment chain. The canton of Vaud has been relying on Swiss Post's medication plan and secure electronic data transfer since 2013. In January 2014, the canton of Ticino introduced the electronic patient record for oncology patients as part of its reTIsan project.

In addition to these projects, which are run by the cantons, Swiss Post also won a public tender directly from the hospitals for the first time in 2014: the cantonal hospitals of Aarau and Baden now use the "vivates Referral" service module, allowing them to standardize and optimize their interface processes for patient referrals or transfers.



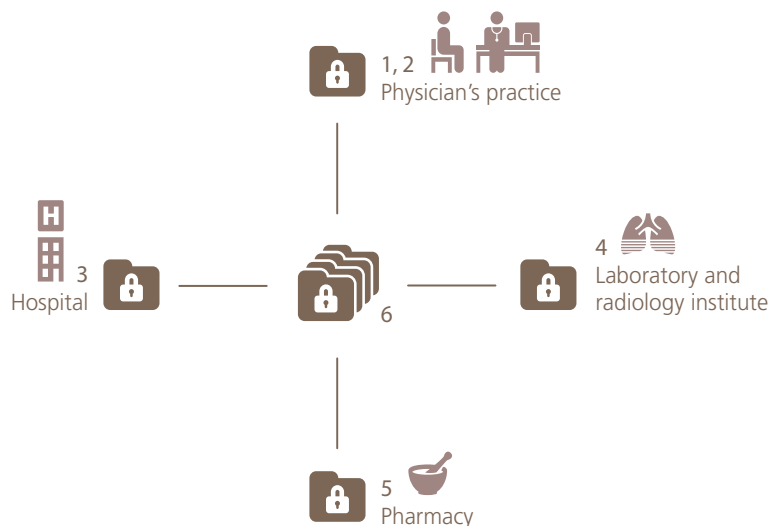
With vivates, the patient's medical data is available where you need it.

With vivates, Swiss Post now has extensive experience in and proven solutions for eHealth.

Renato Gunc,
Head of eHealth

The electronic medical record vivates provides the required patient data quickly and securely.

- 1 Patient record opened: registration and activation of the health insurance card
- 2 Physician adds data to the record
- 3 Hospital adds reports to the record
- 4 Laboratory makes results available
- 5 Pharmacist adds medication data to the record
- 6 Data can be retrieved by service providers after approval by patients



INTERVIEW WITH SERGIO BAUMANN

“Together with Swiss Post, we simplify patient referrals by physicians to the hospital”

Since 2014, the cantonal hospitals of Aarau and Baden have relied on vivates. Sergio Baumann, Head of Operations and Member of the Executive Board of Aarau hospital explains why his hospital trusts Swiss Post eHealth.



” —
vivates offers our referring physicians a uniform and user-friendly platform.

Sergio Baumann,
Head of Operations and Member
of the Executive Board of the
cantonal hospital of Aarau

Could you describe what your project is about?

Physicians often send their patients to a specialist at the hospital for a particular examination or treatment and then continue to treat them afterwards. Appointments and resources have to be planned and patient data has to be exchanged. We now accelerate and optimize these processes using an electronic referral system. At the same time, we are laying the foundations for electronic patient records, which we have to implement in the next few years.

Why did you choose Swiss Post as your partner?

Both cantonal hospitals decided in favour of Swiss Post in independent tendering processes. The “vivates Referral” service module offers us the technically superior and most flexible solution. Swiss Post also won us over with its customer focus. We can discuss the issues with its specialists as equals. That is very important to us.

How does the Swiss Post solution work?

The “vivates Referral” module is a communication platform for physicians and hospitals that allows them to exchange patient data securely, arrange appointments easily and schedule resources efficiently. Physicians decide themselves how they refer their patients to the hospital: by post, by fax or electronically. The data is digitized and flows into the hospital information system. Referring physicians receive their patients’ records after their stay in hospital in the format they require.

What role does your project play in the development of eHealth in the canton of Aargau?

We have coordinated the solution with the physicians and pharmacists association, home carers, acute care hospitals and other stakeholders in the healthcare market. Our project forms a basis for further eHealth projects in the canton of Aargau. The important thing now is to work together with Swiss Post to implement the solution cleanly. I am very confident that we can do that.

ELECTRONIC DATA TRANSFER

Mail and sign securely

Signing your tax returns with a pen? That’s a thing of the past. Taxpayers in the canton of Jura not only submit their tax returns fully electronically, but now also sign them digitally. This is made possible by Swiss Post’s qualified Signing Service, a solution that enables legally valid digital signing of PDF documents over the Internet. The process is simple, fast and inexpensive, and confidentiality is protected at all times. With IncaMail, the canton of Aargau uses another Swiss Post product for secure data transfer: the tax authorities use it to encrypt and send all data

between the cantonal tax office, around 220 financial administration offices and 160 municipal tax offices.

The highest levels of security for data traffic are also required by the Fédération vaudoise des entrepreneurs (FVE), the largest trade association in the canton of Vaud, which relies on SuisseID for access to confidential company and personal data. A PIN, which together with SuisseID enables unique authentication and selective access to the FVE portal, ensures optimum security. Swiss Post provides the FVE with the means of authentication and is responsible for running the hotline.

INTERVIEW WITH DR RUEDI KUBAT

Outsourcing is based on trust

Insurance, retirement planning and assets: this is the core business of Allianz Suisse, one of the leading insurance companies in Switzerland. Some 4,000 employees attend to customers' concerns.

” —

In document solutions, Swiss Post is known as a trusted partner and specialist.

Dr Ruedi Kubat,
COO of Allianz Suisse

Dr Kubat, which services has Allianz Suisse outsourced to Swiss Post Solutions?

Swiss Post Solutions takes care of incoming mail processing for Allianz Suisse – from the physical mailroom and the digitization of business mail to the extraction of the information required for processing by our staff. This involves up to 50 pieces of data per document, either read out automatically by intelligent text recognition systems or manually by the specialists from Swiss Post Solutions during post-processing. Swiss Post Solutions also prints and processes around four million consignments per year for Allianz Suisse.

Why did Allianz Suisse choose Swiss Post Solutions as a service provider?

When it comes to document solutions, Swiss Post is known as a trusted partner and specialist. Swiss Post Solutions specialized in this market at an early stage and has many years of

experience. After they had successfully taken over the mailroom, the choice of Swiss Post Solutions for digitization was obvious, and also allowed us to take advantage of synergies and get the services from a single source. As far as the printing is concerned, the successful collaboration of recent years and the trust it created were key. In addition, Swiss Post Solutions provides the best possible security by carrying out processing directly in the fail-safe letter centers.

How are the services rated within Allianz Suisse?

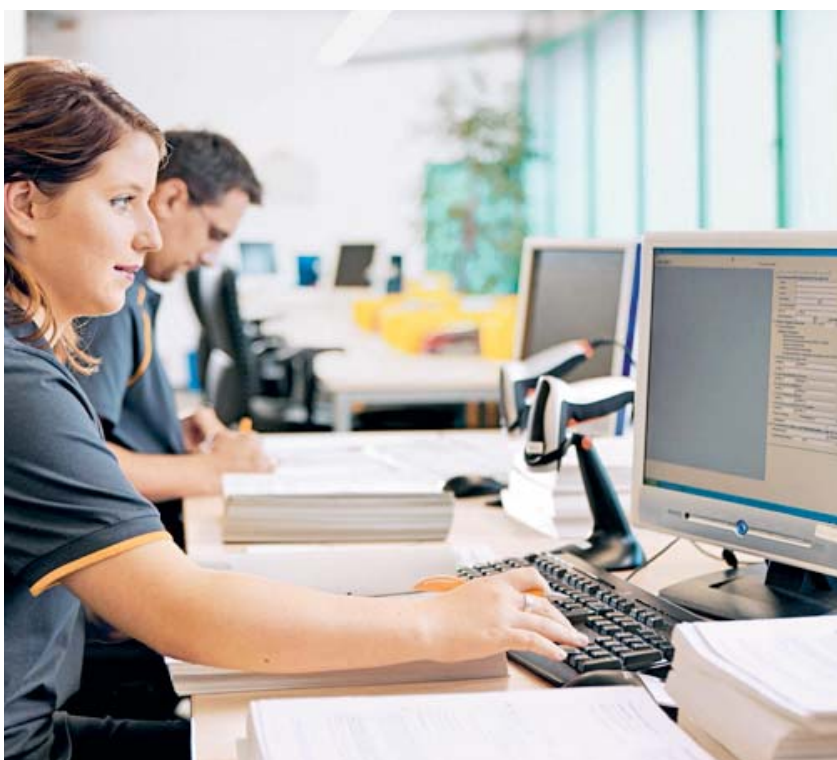
Swiss Post Solutions' provision of the services has been very reliable in recent years. And this is exactly what our employees depend on, because if Swiss Post Solutions was to grind to a halt, our staff would not be able to provide customer services to the levels we expect. We also value the pragmatic and solution-oriented approach of Swiss Post Solutions staff.

What are the benefits of working with Swiss Post Solutions for Allianz Suisse?

In addition to the cost benefits, it is important for us to be able to focus fully on our core business – and for Swiss Post Solutions to do the same. We complement each other extremely well and our relationship is one of equal partners.

How will the collaboration evolve in the future?

In the future, we want to move the development of solutions increasingly towards electronic channels. We expect Swiss Post Solutions to actively support this development and introduce new technologies.



Swiss Post Solutions employees digitize incoming mail and extract important data for the customer.



Swiss Post Solutions employees answer their clients' customer enquiries.



More than 7,400 employees work for Swiss Post Solutions worldwide.



In ten countries, 22 document processing centers handle 756 million pages every year.



With 333 mailrooms around the world, Swiss Post Solutions is the largest provider in the market.



1.2 billion pages, or 1,200 truckloads, are produced by document output centers in Switzerland, Germany and the UK each year.

GERMANY: EMPLOYEE BENEFITS INSTITUTION VBL

Serving customers professionally

Whether it's your insurance or your pension – everyone calling VBL is served by the first level support team from Swiss Post Solutions. Headquartered in Karlsruhe, VBL is the largest German supplementary pension institution for employee pensions in the public sector, serving approximately 5,400 employers, 4.4 million insureds and 1.2 million pensioners. Swiss Post Solutions runs first level support for VBL, answering customers' phone enquiries. 65 employees at Swiss Post Solutions ensure seamless customer processes and can also make individual offers to insureds in direct campaigns. In addition, Swiss Post Solutions prints the daily mail for VBL and implements major shipping promotions and mailing campaigns. All in all, Swiss Post Solutions processes some 10 million consignments and 30 million pages annually. Thanks to the efforts of Swiss Post Solutions, VBL was able to quickly optimize the operation of the service hotline and reduce the cost of printing and mailing its documents.

CEMBRA MONEY BANK

Rigorous processing of sensitive correspondence

Receiving, assigning, forwarding and tracking credit card applications: processing internal mail – regardless of whether it is physical or digital – is a sensitive issue that requires reliable and accurate work. Cembra Money Bank wants to focus on its core business and entrusts this responsibility to a professional partner like Swiss Post Solutions. "We often have large fluctuations in the volume of our incoming and outgoing mail, for example as a result of specific marketing activities," says Doris De Luca, Head of Vendor Management. "We therefore have to rely on the ability of the team from Swiss Post Solutions to handle varying volumes to an impeccable level of quality. This is the only way we can serve our customers quickly at all times."

Swiss Post Solutions also scans all incoming documents and makes them available digitally to the individual departments on Cembra's IT platform. The physical originals are archived by Swiss Post Solutions in a 2,000 square metre archive and destroyed using a secure process after the archiving period.

JONES LANG LASALLE (JLL)

Customer and strategic partner in one

Singapore, Hong Kong, Australia, India: in the last three years, Swiss Post Solutions has signed agreements in these countries with well-known companies that wanted to outsource their in-house mail to a competent external partner. Swiss Post Solutions relies on Jones Lang LaSalle (JLL) when acquiring new customers in Asia-Pacific Economic Cooperation (APEC) countries.

The real estate consulting company is not only a strategic partner but also uses Swiss Post Solutions services itself: Swiss Post Solutions staff sort and scan all incoming invoices for JLL Singapore on-site. These are processed in SPS's own document processing centers in Vietnam, where Swiss Post Solutions indexes the documents and extracts the relevant data based on the customer's requirements. The data is then entered into JLL's computer system in Singapore. This solution, tailor-made for JLL, is geared perfectly to the company's processes and takes account of their strict requirements for handling confidential data.

NETWORK DEVELOPMENT

Densest network of branches in Switzerland

Swiss Post maintains one of the densest and most efficient branch networks in Switzerland for private and business customers.



At post offices, customers can avail themselves of a wide range of products and services and professional advice.

1,562 post offices, 660 agencies with partners, 1,278 home delivery services, 29 My Post 24 terminals and more than 727 PickPost points: Swiss Post offers its services and products nationwide and close to customers, opening up attractive presentation and sales options for business customers.

Jazz concerts, theatre, sporting events

Whether it's for concerts, plays or sporting events – Swiss Post's post office network is the largest official supplier of event tickets from Ticketcorner, Starticket and Ticketino in Switzerland.

Start the holidays relaxed

Getting insurance for your trip just before the holidays is easy and fast at the post office counter. In partnership with AXA Winterthur, Swiss Post offers a range of coverage options for the

best days of the year, as well as comprehensive insurance solutions such as household, vehicle or legal expenses cover.

Brand presence with gift cards

Swiss Post has the largest range of gift cards in Switzerland, selling around one million cards in 2014. This allows business customers to easily position their brand through Swiss Post's branch network, and to create new revenue channels and win new customers.

Independent telecommunications provider

In the sale of mobile phones and subscriptions, Swiss Post is among the market front-runners, and it is the number one in Switzerland in the prepaid market. Swiss Post customers benefit from independent and professional advice to help them find the products and services best suited to their needs at the best price.



Post office format for businesses

Business customers can hand in letters and parcels flexibly and conveniently at business customer points operated by Swiss Post employees at third-party premises or at unattended closed areas that can be accessed around the clock seven days a week with a badge.

CONVENIENCE

New services – at the counter or online

Frank a letter by SMS or app, top up your mobile phone credit, buy a gift card or order an extract from the debt collection register – Swiss Post does a lot more than you might think:

Buy stamps by SMS

If you don't have any stamps to hand, you can get an SMS postage stamp by SMS or with the Post-App: just send the word "STAMP" to the number "414", write the code you receive at the top right of the envelope and head off to the nearest letter box. The SMS postage stamp is available around the clock and is valid for all A Mail standard letters in Switzerland.

Registered Prepaid

You no longer have to go to the post office to send a registered letter. Now you can also purchase Registered Prepaid online and drop your mail into the nearest letter box whenever it suits you. The consignment is only handed over to the recipient against signature, can be tracked and has liability coverage up to 500 francs.

A plus for important letters

For valuables up to 100 francs: A Mail Plus combines the customary A Mail delivery with the "plus" of electronic tracking and liability of up to 100 francs in the event of loss or damage.

Extracts from the debt collection register and criminal records

Criminal records extracts are now available at any post office. Excerpts from the debt collection register are already available in the cantons of Geneva and Neuchâtel, with other cantons planned to follow.

ON-SITE VISIT TO VOLG

The postal agency – a success story

Sending parcels and letters, collecting consignments, buying stamps, making cashless payments, withdrawing cash: everyday postal transactions can now increasingly be done while shopping – for example, in the postal agency at the Volg branch in Unterbäch, canton of Valais.

Twenty to eight in the morning at the Volg branch in Unterbäch. Brilliantly coloured tomatoes, peppers and lettuce on display, the smell of fresh bread in the air. A young woman buys two croissants and a yoghurt on her way to the office – but before she goes to work she quickly sends two letters and a parcel – at the postal agency right here in the shop, where there is a unit in Swiss Post yellow with a weighing scale, similar to the self-service for fruits and vegetables. It can be used to weigh letters or parcels and then print the postage using a simple and intuitive display. Payment is later, at the checkout with the other purchases. And that's exactly what the young woman does three minutes later.

Appreciated: longer opening times

"It couldn't be easier," says Dieter Krähenbühl, Head of Sales at the Volg Group. He says that

customers understood the system immediately, and are particularly happy about the opening times that the postal agency in Volg can offer them: "Quickly pick up a parcel before school or after work, make a payment or hand in a consignment – you can do that here in Unterbäch from 7.30 in the morning to 6.30 in the evening. On Saturday, the branch is open until 5 p.m." Older people also very much appreciate being able to do their errands in a shop. For Krähenbühl, the partnership with Swiss Post is clearly a success story. And the cooperation with partners is being steadily expanded: Swiss Post has already established a total of more than 660 postal agencies by the spring of 2015, with more planned to follow.

” —
The postal agency safeguards the public service.

Franz Horn,
Manager of Network Development
at Swiss Post

POSTAL AGENCY FULFILS UNIVERSAL SERVICE

Postal transactions made easy

A grocery, a tourist office, a bakery or a municipal administration integrates a postal agency as a contractor on its own premises. "A solution that strengthens both partners – and the infrastructure in the village," notes Franz Horn, Manager of Network Development at Swiss Post. "The shop gains a second solid foothold and new customers. And Swiss Post retains its presence. In terms of postal services, the agency is on an equal footing with the post office, and rather than representing a cutback in the public service, it actually safeguards it, particularly in smaller, more remote communities." Customer satisfaction surveys have shown that even customers who were initially sceptical about the postal agencies because of the inability to make



cash inpayments are very satisfied today. No wonder, considering that postal agencies offer decisive advantages: longer opening times, simple processes and of course the combination with the services offered by the partner.

A postal agency guarantees the universal postal service and strengthens the infrastructure in the village.

Logistics market

Competent and reliable partners are key to achieving business success, particularly in logistics. At Swiss Post, a leading logistics provider, customers are in good hands and enjoy major advantages. Shippers simplify their business processes with us, save resources and strengthen relationships with their customers. Swiss Post offers forward-looking products and services that make receiving and managing consignments easy and convenient. Swiss Post has just what its customers need: from a simple basic service with or without extras to efficient standard solutions and complex logistics or individual and flexible fleet solutions.

Logistics market		2014
Operating income	CHF million	1,562
Abroad	CHF million	196
Operating profit	CHF million	141
Abroad	CHF million	21
Parcels	In millions	102
Express items	In millions	2
Headcount	Full-time equivalents	5,304





1



2

1 _
With evening delivery, senders such as e-shop operators can be sure that the goods reach their customers when they are at home.

2 _
Drop off and pick up parcels around the clock – that's what My Post 24 is all about.

RECIPIENT SERVICES

More flexibility for customers

Gone are the days when you had to wait at home for the parcel carrier so that you could receive parcels in person. Swiss Post now offers many services to make receiving and returning parcels as easy as possible for your customers.

With the new free service "My consignments", recipients are notified in advance of all parcels that are on their way to them. Even parcels they are not expecting. Depending on your preference, you are notified of the impending delivery by SMS or e-mail, and Swiss Post provides helpful information about the delivery, such as whether the consignment will fit into the storage compartment of the mailbox, whether a signature is required or whether a COD charge is due. If the delivery cannot be made, recipients can go online immediately to request a second delivery free of charge on another day or have it forwarded to another address, a PickPost point or a My Post 24 terminal.

Collect parcels around the clock

Smart online shoppers have their goods delivered directly to one of more than 700 PickPost collection points at locations such as train stations or petrol stations, where they can pick up their parcel on the way home. The advantage: they get the goods on the delivery day even though they are not at home during the delivery round. The My Post 24 terminals offer even more independence. If you have your parcel delivered there, you don't have to worry about opening times: almost all of the terminals are accessible day and night. Swiss Post is working to create a nationwide network of terminals in the medium term.

Evenings and Saturdays too

Business customers can now also offer their customers delivery of their parcels in the evening between 5 p.m. and 8 p.m. and on Saturday, allowing senders such as e-shop operators to be sure that the goods reach their customers when they are at home.

Manage collections from home while on the move

If the trousers from the online shop don't fit, they have to go back to the sender. Returns can also be handed in and franked if necessary at My Post 24 terminals. With pick@home, Swiss Post offers another very convenient solution: customers specify their preferred collection point online, and the parcel carrier picks up the parcel from there during the delivery round, for example from the customer's home, at the office or from a neighbour. pick@home is now integrated into the free Post-App for iPhone and Android, allowing users to place their collection order on the road and immediately pay the applicable fees electronically.

Manage missed consignments

If a consignment cannot be managed in advance and the parcel recipient finds a collection note in the letter box, she can request a second delivery for the missed consignment online (including Saturdays), extend the collection period, or have the parcel forwarded to a different address (e.g. the office), to a PickPost point or to a My Post 24 terminal.

PRECON SERVICES AG

A shake from the robot warehouse

PreCon AG sells diet products by mail order. And to do so, it relies on YellowCube, Swiss Post's all-in logistics solution. PreCon's customers also benefit from receiving their order even faster.



YellowCube

The core element of YellowCube is a highly automated storage and picking facility: 35 robots manage 32,000 containers for small items, and the parcels are made ready for shipment with many value-added services at ten picking stations. With YellowCube, Swiss Post takes care of all aspects of logistics for small and medium-sized online retailers, including storage and picking, packaging and shipping, and returns processing. YellowCube has enabled Swiss Post to close the last gap in its range of e-commerce services.

Matthew B. wants to finally lose weight, and this time he wants it to work. He goes to the online shop www.precon.ch and orders the diet shakes, soups and bars he wants to replace some of his meals. Matthew is motivated and hoping for a quick delivery.

Fast delivery

What Matthew doesn't see: just seconds after his order, robots spring into action and fetch the products he wants from the warehouse. A Swiss Post employee takes over and puts the parcel together, because PreCon AG has outsourced its entire logistics to YellowCube. The diet products are stored in a highly automated storage and picking facility at Swiss Post's Oftringen center. For each order, robots bring the ordered products to an employee, who prints and attaches both the delivery note and the invoice. The parcel then goes immediately to the nearby Härkingen parcel center. Thanks to these fast processes, the parcel carrier is already ringing Matthew's doorbell two days later.

Returns are available again immediately

In the event that a customer is not satisfied and returns the parcel, it goes directly to Swiss Post at Oftringen. Here, too, everything moves quickly: Swiss Post checks the quality of the returns on receipt and places undamaged products back into storage immediately. PreCon is connected to YellowCube via an IT interface,

so it can access information such as the inventory electronically at any time.

Calculable costs

Swiss Post currently sends more than 200,000 products in about 25,000 consignments on behalf of PreCon each year. If demand grows, PreCon AG does not have to build a new warehouse, nor does it have to employ new staff. Thanks to YellowCube, it always has the right logistics solution at calculable costs, and can focus fully on its core business.

→ www.swisspost.ch/yellowcube

MORE CAPACITY IN PARCEL CENTER

Härkingen sorts 500,000 parcels per day

If you order a new camera online today, you want to receive it tomorrow. For Swiss Post, this means that almost every second parcel is sent as PostPac PRIORITY and has to be processed overnight. To handle the growing parcel volumes reliably, even at peak times, Swiss Post is upgrading its three parcel centers with state-of-the-art sorting systems. In 2014, after a year-long construction phase, the first additional system in Härkingen was brought on stream. The parcel center can now handle around 25 percent more volume, processing up to 500,000 parcels in two shifts per day. "The new sorting system is currently the most efficient run by Swiss Post," says Stefan Luginbühl, Head of Parcels National/International. Because parts of the sorting system can now be switched off when utilization is low, Swiss Post is also making energy savings of up to 80 percent in Härkingen.

At YellowCube, 35 robots manage 32,000 containers for small items.



COST OPTIMIZATION WITH ONLINE POOLING

MoS Move Center: sharing vehicles for better utilization of capacity

Book a car from the carpool or find a suitable car sharing opportunity: Mobility Solutions Ltd manages the fleets of Swiss Post and other customers and ensures better vehicle utilization.

Antonia Stalder from the Sustainability department needs to go to the Härkingen letter center. She checks MoS Move Center, the online portal for combined mobility, where she can reserve a vehicle from the Swiss Post carpool. But before she does that, she enters some basic information about her trip into the integrated car sharing platform. And sure enough: Manuel Fuchs from Corporate Communication is leaving at the same time, driving from Berne to Olten for a meeting.

Sharing transport has benefits for everybody

Antonia sends Manuel a message asking if she can go with him. Manuel agrees, and the two meet at the arranged time at the car. Sharing the trip, they save money and do a little to help the environment. As luck would have it, Manuel is due to write soon about a sustainability project that Antonia is supervising, and they take advantage of the drive to exchange information about it. Manuel is enthusiastic and from then on books a car share whenever possible, even for commuting to and from work. When he reserves a vehicle from the carpool himself, he enters the trip into the integrated car sharing platform so that people looking to share a car can find it.

Achieving success with Internet-based tools

MoS Move Center is a service provided by Mobility Solutions Ltd. A subsidiary of Swiss Post,

it manages the fleets of all subsidiaries and of other external customers. To accomplish this task as efficiently as possible, Mobility Solutions Ltd relies on modern Internet-based tools. MoS Move Center displays the trips that employees are planning, and they can be conveniently shared by web platform or app. The vehicles in the pool are available to all employees, meaning capacity is better utilized. Together with PostBus, Mobility Solutions Ltd is also working to integrate public transport connections into the MoS Move Center (see also page 35).

MOBILITY SOLUTIONS LTD

Fleet management also for external customers

Procurement, upkeep, maintenance or breakdown service – Mobility Solutions Ltd takes care of every aspect of the approximately 19,000 vehicles in the Swiss Post fleet. But more and more companies, including SAP Switzerland, Johnson & Johnson and Air France, also benefit from Mobility Solutions Ltd's years of experience. The fleet manager advises its customers and develops individual approaches to mobility for them, such as an environmentally friendly fleet with a high proportion of electric vehicles. If required, Mobility Solutions Ltd can take care of all aspects of fleet management, from the financing of new vehicles to the charging station. Mobility Solutions Ltd is also a market leader when it comes to using modern, online-based approaches to better utilize vehicle capacities, for example by means of an internal company carpool or a car sharing platform for employees.

” —
Thanks to the Internet and mobile devices, we can now share vehicles and trips spontaneously.

Simone Leicht,
Head of Product Management and
Marketing, Mobility Solutions Ltd

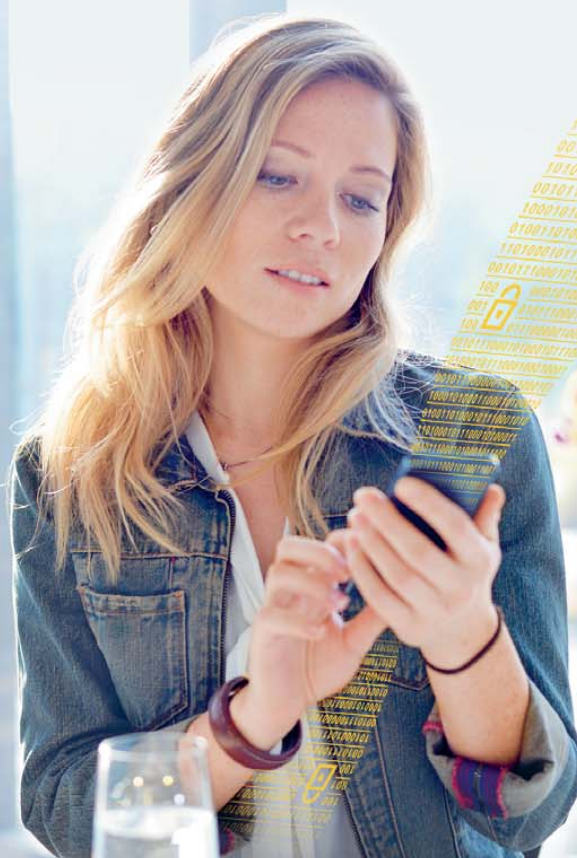


With in-house carpools and vehicle sharing platforms, Mobility Solutions Ltd optimizes companies' mobility needs.

Financial services market

PostFinance is one of Switzerland's leading financial institutions and, as number one for payment transactions, ensures a seamless flow of liquidity. It is the ideal partner for anyone who manages their own finances. Whether in payments, savings, investments, retirement planning or financing – PostFinance offers its private and business customers straightforward products at attractive conditions. PostFinance offers large business customers tailored solutions along the entire value chain.

Financial services market		2014
Operating income	CHF million	2,261
Operating profit	CHF million	382
Customer accounts	In thousands	4,752
Inflow of new money	CHF million	2,839
Ø Customer assets	CHF billion	117.2
Headcount	Full-time equivalents	3,466



DIGITAL SERVICES

E-finance: good and getting even better!

Clear, modern and intuitive: the new e-finance makes online banking even easier, showing all important information at a glance. With its responsive design, the display adjusts automatically to the screen size of the computer or tablet.



Standing together against cybercrime

At www.swiss-isa.ch, you can check your computer for security problems free of charge and get tips for optimizing it. With the goal of creating secure and trustworthy access to Internet services, PostFinance got together with other leading companies and organizations in the Swiss economy to establish the Swiss Internet Security Alliance (SISA).

Checking your account balance, approving e-bills or transferring between accounts: since October 2014, these and other important functions have been grouped together in a modern design as tiles on the e-finance homepage. Customers decide for themselves the order of tiles that suits them best. With its responsive design, the new e-finance user interface adjusts automatically to the screen size of the computer or tablet, making it even easier and more intuitive to use. Notifications such as mailbox messages, outstanding e-bills and payment approvals are now shown in a central Notification Center. The inboxes for messages about e-finance and e-trading, which used to be separate, are now grouped together in a single inbox. Login continues to be with either the yellow card reader or with Swisscom Mobile ID.

Keep your finances under control with e-cockpit

How much money do I spend on my household, leisure or insurance? With e-cockpit, you can see it at a glance. E-cockpit automatically divides expenses into categories and presents them in a clear chart. It can also be used to create

personal budgets and set savings goals with minimal effort. E-cockpit used to require registration. Now, the service is automatically available to all private customers – as a separate tile in e-finance.

COOPERATION WITH SWISSQUOTE

Strong partner in e-trading

People who want to trade their securities independently online rely on e-trading from PostFinance. With around 60,000 customers, PostFinance is currently the number two in the Swiss e-trading market. Now, it is entering into a long-term strategic partnership in online trading with market leader Swissquote. The companies plan to exploit synergies and jointly develop the e-trading sector in the future. They intend to focus their services specifically on customers who manage their own finances. Swissquote will act as a trading platform for PostFinance, handling stock exchange orders submitted by PostFinance customers in e-trading.



More clarity, more functionality and more individuality – that's what you get from the new e-finance from PostFinance.

THE FUTURE OF PAYMENT TRANSACTIONS

Payment transactions made easier

Seven types of documents and around ten procedures and standards for credit transfers and direct debits – these will soon be a thing of the past. By 2018, all banks in Switzerland will have introduced international standards.



We accompany our customers on the route towards harmonized payment transactions.

Dieter Goerdten,
Project Manager

From 2018, payment transactions in Switzerland will have simplified standards, uniform formats and a new inpayment slip with a QR code. By then, all banks in Switzerland will have adjusted their payment transactions to international standards in accordance with ISO 20022, contributing to the harmonization of payment transactions in Switzerland.

PostFinance supports its customers

PostFinance wants to ensure that the implementation of the changeover is as simple as possible for its customers, and will provide them with support during the switch to ISO 20022. On the website, you will also find information and a range of options for testing software. To ensure a seamless transition, PostFinance will guarantee a parallel service for two years in 2016 and 2017.

New inpayment slip with QR code

From July 2018, the red and orange inpayment slips will be a thing of the past. They will be replaced by a new inpayment slip with a QR code. The QR code includes all important payment information, making it ideal for readers and smartphones.

IBAN to replace postal account number

In future, the sole primary identification feature used in Switzerland and Europe will be the internationally standardized and globally unique account number format: the International Bank Account Number (IBAN). Country-specific account number formats such as the postal account number will no longer be used.

TWINT

Pay easily with your smartphone

Whether it's at the supermarket checkout, a vending machine or online, paying with your smartphone will soon get even easier. This is made possible by TWINT, an app for iOS and Android. TWINT requires no credit or debit card, works independently of telecom providers and is available to everyone – regardless of whether they are a PostFinance customer.

Fast development at an agile startup

Founded in summer 2014, TWINT AG is a subsidiary of PostFinance Ltd. Within a few months, Switzerland's first integrated payment and shopping app will be designed, programmed and brought to market. Swiss Federal Railways has entered into a strategic partnership with TWINT, making the TWINT digital wallet available for purchases at train stations. The startup company, based in Berne, employs almost ten staff members. Its CEO is Thierry Kneissler, a former member of the PostFinance Ltd Executive Board. The Chairman of the Board of Directors is Hansruedi K  ng, CEO of PostFinance Ltd.



WORKING CAPITAL MANAGEMENT

Create more financial flexibility

With working capital management (WCM), PostFinance helps companies to improve their liquidity along the supply chain. In addition, PostFinance has also developed an analysis tool, established a research center and awarded the Swiss WCM Award for the first time.

” —
With our WCM solutions, companies improve their liquidity and optimize cash flow.

Adrian Brönnimann,
Head of Individual Customers

Reminding tardy payers consistently, taking advantage of supplier discounts, investing surplus capital, optimizing inventory levels – simple steps for creating financial flexibility in a company. Many large and medium-sized companies tie up too much capital in work processes. The experienced experts at Swiss Post go to companies to conduct a joint analysis of working capital processes and work together with the customer to develop tailored solutions for improving liquidity, also taking account of process-related and logistical aspects. Swiss Post offers all of the logistics, finance and IT services relevant to working capital management from a single source. These services, unique in Swit-

zerland, allow customers to coordinate processes in a timely fashion, exploit synergies and prepare themselves for future challenges.

Analysis tool developed

Working together with the University of St. Gallen, PostFinance has developed an analysis tool to measure the maturity level of companies in terms of working capital management and to measure the potential for optimization. The tool helps experts in an organization to identify strengths and weaknesses and to develop measures in response.

→ www.postfinance.ch/wcm

i —

What is WCM?

Working capital refers to the non-interest-bearing capital of a company needed for day-to-day operations. A professional working capital management (WCM) solution reduces operating costs, freeing up capital. This improves the balance sheet, strengthens the credit standing and increases the value of the company.



A focal point for WCM is the cash-to-cash cycle. This describes the commitment period of cash and cash equivalents in the value creation process of a company – from paying suppliers to receiving payment from the customers. WCM comprises four areas:

- Order-to-cash cycle: accounts receivable management
- Forecast-to-fulfil cycle: transportation and inventory management
- Purchase-to-pay cycle: accounts payable management
- Credit-to-interest cycle: cash management

Passenger transport market

Mobility requirements in the conurbations and business centers and for leisure transportation are increasing steadily, and accessible, combined mobility is growing in importance every day – innovative solutions are required. PostBus intends to further strengthen its leading market position in public bus transport in Switzerland. As a mobility and technology service provider, we are continuing to develop our system services and increasing our range of products along the mobility chain. Internationally, PostBus wants to grow in clearly defined niche areas and build up additional sources of earnings.

Passenger transport market		2014
Operating income	CHF million	835
Abroad	CHF million	109
Operating profit	CHF million	30
Abroad	CHF million	2
Domestic passengers	In millions	140.6
Domestic vehicle kilometres	In millions of km	110.3
Vehicles	Number	2,817
Headcount	Full-time equivalents	2,789



INNOVATIVE MOBILITY SOLUTIONS

Augmenting and strengthening public transport

The world of mobility is changing everywhere, including in Switzerland. As the leading bus company, PostBus offers pioneering services and solutions in an increasingly technology-driven market environment: much more than just driving a bus.

” —
The mobility sharing network PubliRide complements the PostBus services for municipalities perfectly.

Eliane Leuzinger,
Head of Mobility Management

Mobility requirements are growing steadily. At the same time, public transport customers expect its continuous expansion, and this is a challenge because the financial resources available to the cantons and municipalities for investing in this are dwindling steadily in many places.

Flexible, well-functioning mobility chains across all means of transport may offer a solution. PostBus is developing innovative and sustainable solutions in this area, such as the bike-sharing service PubliBike for the last mile, which is now an established approach that is being continually expanded. Or with the PostBus App, which offers all timetables, as well as departure schedules in many places, in real time. PostBus intends to continue playing a pioneering role. One new development is the municipal solution PubliRide, which has been successfully tested in the past year by the municipality of Blauen, a village in the canton of Basel-Land, with its pilot project “Blaue FahrMit”.

Pilot project: mobility sharing services in the PostBus App

Why sit alone in the car if your neighbour is going to the same place? That's what they asked themselves in Blauen. This community of 700 inhabitants is situated above the Laufental valley and connected by 15 PostBus services daily. For the local population, this is not enough flexibility, particularly for young people who do not yet have their driver's licence. Working with the community, Mobility Solutions Ltd and other partners, PostBus launched a pilot project in November 2013 aimed at supplementing the services PostBus provides.

It works like any other mobility sharing platform. If you're driving, you offer a seat. If you're interested, you get in touch. Offers are matched to people looking to share by app or web application, and both the driver and the passenger in question are contacted.

What's new is the special PostBus app for Blauen: when you look up a timetable, it not only shows public transport connections, but also appropriate sharing offers. Available only to registered residents at present, it will be opened up to visitors to Blauen in March 2015. What began exclusively for the people of Blauen is now being developed and optimized for other regions as the PubliRide mobility sharing network. PostBus plans to test the service with other communities.

INTERDISCIPLINARY COOPERATION

Go-ahead for mobility lab

Working together with the canton of Valais, the city of Sion, ETH Lausanne and HES-SO Valais-Wallis, Swiss Post signed a framework agreement in autumn 2014 for the establishment and operation of a mobility lab under the direction of PostBus. Swiss Post aims to contribute its experience, know-how and established mobility solutions and push forward with the development of new technologies and products in close cooperation with its partners from government, industry and research.

DYNPAPER

The timetable that updates itself

Energy-efficient, robust and easy to read: with DynPaper, PostBus has developed an electronic timetable display that may soon be coming to many PostBus stops and transport companies at home and abroad.



DynPaper is a flagship product for PostBus.

Erich Helwin,
DynPaper Project Manager

Each year, when the timetable changes in mid-December, the current departure schedules are replaced at more than 11,000 stops. This involves several dozen PostBus employees clocking up more than 100,000 kilometres throughout Switzerland over three or four days. "Can't that be done automatically?" they asked themselves at PostBus. It can, and it can be done with DynPaper, a special screen for displaying the current timetable. PostBus developed DynPaper not only to remotely update departure times when the timetable changes in the future, but also to display seasonal timetables, or to inform passengers about disruptions, delays and cancellations. The benefits are obvious: passengers are kept up to date on departures at all times, and for the timetable change, PostBus can save not only on manpower, but also the CO₂ required to drive to the 11,000 bus stops.

E-ink – the best of both worlds

The screen is based on e-ink technology, the same technology used for e-book readers. Optically, electronic ink does in fact have more in common with printed paper than with a traditional screen: the content displayed can be easily read from any angle, even in direct sunlight. In addition, the screen requires no energy most of the time, using electricity only when the screen content is changed.

Pilot project at over 20 stops

PostBus has installed DynPaper at 20 stops in Switzerland and two in France. In urban areas, they also display the next departures in real time. Stops in mountainous areas were also deliberately selected to test whether the technology works in icy and snowy conditions. According to Erich Helwin, DynPaper Project Manager, there have been no failures to date: "Everything is working better than expected."

System services for public transport

If the tests are successful, DynPaper will also be used outside PostBus as a timetable display for trains, buses and ships in Switzerland and abroad. PostBus intends to offer DynPaper to other transport companies as one of its system services. This approach is not new: many companies in the public transport sector are already using systems developed by PostBus (see next page).



With DynPaper, PostBus will in future update timetables at stops remotely.



1 _
PostBus is testing the sale of tickets by SMS in an effort to shorten waiting times.

2 _
PostBus is equipping drivers with rugged smartphones for electronic ticket inspection.

” —
SMS tickets are particularly popular among younger passengers.

René Zbinden,
Head of Distribution Systems,
PubliTransport Systems

SMS TICKET

Five seconds to buy a ticket

The process is quick and easy: you send a combination of two to four letters to the number 454, your phone vibrates and your SMS ticket appears on the screen. No more searching for change for the machine, no delayed departures because the driver is selling tickets. You don't even need a smartphone for the SMS ticket. Many regional fare networks, particularly in Western Switzerland, allow their passengers to purchase simple tickets such as one-way trips or night-time surcharges by SMS. Demand is high and the SMS ticket has become established, particularly for night-time surcharges.

Since October 2014, PostBus passengers have been able to buy their tickets by SMS on the Bus Sédunois network (Sion city bus, Valais). PostBus wants to simplify access to public transport and has launched a pilot project for SMS ticketing. This innovative solution is no more expensive than a regular ticket for passengers, and it enables drivers to shorten the waiting times at stops and keep to their timetables. If the pilot project is successful, PostBus will also offer the system to other transport companies in Switzerland.

SWISSPASS

Electronic ticket inspection – made by PostBus

Julia hands her SwissPass to the inspector. He holds the handy red card up to his reader to read the chip embedded in the card. It beeps, and the inspector sees on his screen that Julia has a valid GA travelcard stored on her account. The SwissPass can be read without contact. Technically, it works just like the turnstile at a ski lift, where the SwissPass also works if you have stored a ski pass in the system. Later in the day, Julia will also rent a PubliBike with her SwissPass.

This may be a dream for the future, but the future isn't far off: the public transport sector is introducing the SwissPass in the summer of 2015. In the first phase, you will be able to save your GA or half-fare travelcard on the account associated with the card. Because the new mobility card cannot be visually inspected by drivers, the transport company will have to use electronic devices. Drivers are therefore being equipped with rugged smartphones. These mobile devices will also be used in the future for other applications in the vehicle. PostBus will also offer the devices, the inspection software for the SwissPass and the operation of the inspection solution to other transport companies.

As part of its system services, PostBus is developing and marketing numerous similar pioneering technologies for public transport, including an automatic passenger counting system, SMS tickets and the electronic timetable display Dyn-Paper. For SwissPass, the modular range of services begins with expert advice. Where required, PostBus also procures the hardware, such as mobile readers, sets it up, operates the software and systems in the background, and handles payment collection. With training and support, PostBus passes its knowledge directly to the employees of other transport companies.

TRANSPORT PARTNERSHIP

With PostBus to the planes

AIR14 in Payerne was the largest air show in Europe, attracting more than 400,000 people over ten days. Apart from the numerous aircraft, there were also 60 Postbuses on hand, transporting up to 46,000 people a day at the weekend.



With the number of spectators expected, the logistics on the ground were as challenging as the choreography in the air: the transport plan involved three train stations and two huge car parks, with the Payerne military airfield in the middle of it all. PostBus was responsible for transportation between the different locations.

Transport without waiting times

Of the 60 vehicles and 110 drivers on hand, some came from the Western Switzerland region, with the rest from other regions including Basel, Berne and Valais. As such, planning was important, as Project Manager Célia Cressier acknowledges: "Coordination with the other transport partners and the mobilization at PostBus took about twelve months."

At the event itself, everything then went according to plan: some drivers and vehicles had to leave their depots as early as three o'clock in the morning. The meticulous preparation paid off, says Cressier: "Even on the heavily attended second weekend, hardly anyone had to wait at the stops."

Accident-free service

Whether it's an air show, the Swiss wrestling and alpine festival or an open-air concert: PostBus is always there as a transport partner for major events. The yellow buses are in a class of their own and appreciated for their dependability, as again demonstrated by the staff involved in the AIR14 operation, whose performance was as rigorous and accident-free as their colleagues in the air.

REPLACING THE TRAIN

Satisfied commuters despite line closures

For 23 days in July, commuters in the Laufental valley travelled by bus instead of by train. With construction work on the tracks between the towns of Aesch and Delémont, they fell back on the rail replacement programme set up by PostBus on behalf of SBB. 40 drivers covered the special timetable, and an additional 13 articulated buses from all over Switzerland were deployed. The drivers were also responsible for guiding customers, for example showing them the way to the departure stops or providing information about connecting trains. The feedback from passengers was overwhelmingly positive, and there was also much praise for PostBus from SBB.

To reduce construction time, SBB is increasingly opting for full closures when work on the railway network is required. The organization and operation of replacement buses is a challenge that PostBus will happily continue to accept.



1 _ Over ten days, 110 drivers and 60 vehicles were on the road for the AIR14 air show.

2 _ PostBus employees, at their posts in Payerne long before the arrival of the special trains, welcome the first passengers.

” —
A bus with a friendly driver every fifteen minutes: we really were spoiled.

Dorothea Dettli,
rail replacement passenger
from Grellingen

Employees

Around 63,000 employees from over 142 nations in more than 100 occupations contribute to Swiss Post's ongoing success. More on this in the interview with the Head of Human Resources on [→ Page 40](#). In the contest for the best talent, Swiss Post invests in human resources marketing and the development of its employees [→ Page 41](#). Every year, Swiss Post offers around 800 apprenticeships [→ Page 42](#) and encourages advanced training at all levels [→ Page 43](#). With internal networks, Swiss Post fosters a culture of diversity and promotes dialogue [→ Page 44](#).



62,983

employees, including 8,008 abroad, help to shape Swiss Post with their ideas.



142

nationalities ensure a diverse corporate culture at Swiss Post.



Over 100

occupations can be practised at Swiss Post.



24%

of **junior and middle managers** are women.



2,035

apprentices complete their vocational training at Swiss Post. That represents 5.5 percent of the workforce as a whole.



1,553

jobs are on offer at Swiss Post in **IT** alone, making it one of the biggest employers in Switzerland in this sector.

INTERVIEW WITH YVES-ANDRÉ JEANDUPEUX

“Our employees are motivated and productive”

Swiss Post is successful when its employees are motivated to put the corporate strategy to practical use in their daily work. That requires a progressive human resources policy and an appreciative corporate culture.

“ —
Swiss Post is an attractive employer – and that strengthens our competitiveness.

Yves-André Jeandupeux,
Head of Human Resources and
Member of Executive Management

Mr Jeandupeux, what are the thrusts of Swiss Post's human resources strategy?

We are strengthening our employees' performance and market-oriented activities with needs-based, socially responsible and industry-specific employment conditions. This directly supports the Group's strategy and ensures Swiss Post's competitiveness. We have approximately 63,000 employees from more than 140 countries in more than 100 different occupations, and they help keep our company on a successful path.

How does HR promote motivation and productivity among employees?

With the HR strategy, we provide the framework that allows employees to feel comfortable at their workplace, because motivation cannot be prescribed. We take a positive view of human nature, focus on appreciation and exemplary employment conditions, and provide employees with opportunities for development. Our management is continually expanding its leadership skills, leading on the principles of confidence in other people, responsibility and flexibility. This means for example providing constructive feedback, or being able to inspire a team to be enthusiastic about change.

How do you measure the commitment of Swiss Post's employees?

We use our employee satisfaction survey each year to measure how our employees feel, how satisfied they are with their working environment, and whether they have understood the strategy and have confidence in the leadership. The high response rate of almost 80 percent shows that employees appreciate the opportunity to contribute their opinion. Employees are very happy working for Swiss Post, rating their commitment at 82 out of a possible 100 points. Another indicator is the annual customer satisfaction survey, which shows the extent to which our employees are appreciated by the public as ambassadors of Swiss Post. Both surveys give us a good picture of the exact areas where there is potential for improvement.

The HR strategy encourages market-oriented activity. What does that mean exactly?

Market orientation is about keeping productivity high, being open and helping to shape change with a focus on the customer. Our employees are 45 years old on average, and this trend is set to continue. We must therefore ensure that they remain productive and innovative as they get older. In an increasingly digital world, our customers' requirements and habits are changing rapidly. We have to keep pace.

What do you currently see as the biggest challenges for HR at Swiss Post?

In the short term, the successful agreement of a new collective employment contract is certainly an important goal. Another is to recruit the talented people on the labour market we need to implement our strategy. Here, we place great emphasis on diversity. Mixed teams are more innovative and reflect our customers' diversity, and these create unique competitive advantages for us. These factors contribute directly to Swiss Post's competitiveness.



RECRUITMENT

The right person in the right role

Advertising vacancies and waiting is no longer enough. To remain competitive, Swiss Post is investing heavily in human resources marketing and in the recruitment and development of employees.

When a position becomes vacant, it should be filled by the person who is best suited to it. The calculation is simple: the better a candidate meets the requirements, the more they will carry their future colleagues, their unit and the Group as a whole forward. Implementation, however, is less simple: once the requirements that really are relevant have been identified, you need candidates that match them. Many companies still see applicants as something of a supplicant, but with this mindset, the chances of winning the most talented candidates are getting progressively worse. Swiss Post has recognized this: it seeks out potential talent and invests in forward-looking recruitment.

The application as a motivating experience

Another aspect is to ensure that the candidate's experience of the application process as a whole is positive. The job posting, the application platform and the interviews should motivate the candidate and demonstrate Swiss Post's qualities as an employer. Even the manner of rejection determines whether an applicant will apply again in the future. After all, they could be exactly the right candidate for the next position.

Recruitment in the future

The changes in society and technology are also reflected in recruitment practices. The new generation of candidates is more confident, they scrutinize the company more critically, and also draw on the experience of existing employees who rate their employer on the Internet. They are generally well connected, particularly on social media, where you are increasingly more

likely to reach them than through the traditional channels. Social recruiting is also an important issue for Swiss Post, which is why networks such as XING, LinkedIn, Facebook and other subject-specific platforms are now being included in the recruitment process. Swiss Post places tailored messages for the right target groups, and can also directly address qualified individuals and motivate them to apply.

TEMPORARY JOB CHANGE

The best cure for tunnel vision

The controller suddenly has a better understanding of his figures because he worked for four months in Corporate Procurement, and a project manager at PostMail benefits from his two-month assignment to PostBus. Swiss Post is a large Group with highly specialized employees in numerous business units and departments. Exchange between the units and specialist fields is hugely important. Executive Management therefore encourages internal mobility and has established the temporary job change programme to facilitate it.

Employees can switch to a different job within the Group for up to six months. This may be only to a different unit, but it may also be to a different role, a different hierarchical level or a different location. Participants are opened up to a new perspective that counteracts the tunnel vision affecting their original role. In addition, they promote mutual understanding within the Group and, not least, also do themselves a favour: they strengthen their flexibility and broaden their own personal network.



Judith von Moos,
Head of Recruitment/Staffing

Why is Swiss Post investing in recruitment?

Swiss Post is also affected by the shortage of skilled workers in certain areas and therefore has to attract talent. We are investing in new recruitment channels and optimizing search methods and selection tools to ensure that we continue to find the right employees in the future.

What are the important factors in the application process?

As a work psychologist, one of my main concerns is to ensure that people are perceived as a whole in the recruitment process. Professional qualifications, experience, skills and personality should be an ideal fit for the role and work environment.

Does recruiting through social media work?

Ask people who are active online, on Twitter or with their own blogs. Many of them have found their current position via social media. Social recruiting is a supplement to traditional recruitment. It reflects the trend from reactive towards proactive recruitment.



Melanie Stucki,
way-up IT Technician

Why did you choose the way-up information technology apprenticeship at Swiss Post?

After school, I wanted to go directly into professional practice. The two-year way-up apprenticeship offers exactly that, while also leaving all other options open. Swiss Post offers jobs in all sectors of the IT industry; the development opportunities are very diverse.

You now teach IT trainees at Swiss Post: a dream job?

I used to want to become a teacher. At school, I became increasingly fascinated by mathematics and logical thinking. As a trainer in information technology, I can combine my enthusiasm with my job and pass it on to young people.

What are your plans for the future?

I'm currently studying for a Bachelor's degree in iCompetence Information Technology at the University of Applied Sciences. It combines IT, design and management. At the same time, I'm working part-time at Swiss Post as a trainer in basic IT training. I can imagine going on to do a Master's degree later.

MULTI-FACETED VOCATIONAL TRAINING

Swiss Post promotes the next IT generation

Swiss Post needs outstanding specialists. As one of the largest providers of apprenticeships in Switzerland, it relies on well-grounded, contemporary vocational training. It is reinforcing its commitment, particularly in the field of IT, with additional apprenticeships and new forms of training.

In 2015, Swiss Post is offering 811 apprenticeships in 15 occupations. Four out of five apprentices stay with Swiss Post after completing their training. No question, in other words, that vocational training is of strategic importance for Swiss Post, that it is acting with foresight, and that with the introduction of the new federally recognized basic training courses, it even has a pioneering role. Examples include the apprenticeships as Call Center Agent and Mediamatics Technician. To ensure that it can continue to adapt quickly to new customer requirements and technological developments and in order to remain competitive in the market, Swiss Post has reinforced its commitment to IT training in particular. Because this is a field in which qualified professionals are increasingly hard to find in Switzerland.

Attractive career prospects

In its in-house IT alone, Swiss Post employs around 1,550 people, making it one of the biggest employers in Switzerland in this sector. To ensure that it can cover its own needs in the long term, Swiss Post is continually increasing the number of IT apprenticeships. In an effort to strengthen practical relevance, Swiss Post will also offer its IT trainees its own one-year course of basic training beginning in the summer of 2015.

Swiss Post offers different paths to the same destination: in addition to the four-year information technology apprenticeship for young people with elementary school certification, the company offers a shortened two-year way-up

apprenticeship for those with a university entrance-level qualification, which provides a balanced mix of technical theory, basic training and business practice. After graduation, the versatile all-rounders are sought not only by Swiss Post, but also by other companies. And the doors to a University of Applied Sciences are open to them. For Swiss Post, the way-up apprenticeship supplements the four-year course as an important tool in attracting sufficient numbers of trainees to this challenging training. To attract more young people to IT training, Swiss Post supports the IT-dreamjobs.ch campaign.

IT Bachelor's degree with Distance University of Applied Sciences

At Swiss Post, those looking to combine work experience and academic study can now complete a Bachelor's degree with integrated practical training (PiBS) in information technology. Swiss Post offers the four-year degree course jointly with the Swiss Distance University of Applied Sciences. From August 2015, ten places will be available in the company for this degree model, which is new in Switzerland, to school leavers with a university entrance-level qualification.

” —

After training at Swiss Post, young people are well prepared for the future.

Pierre Marville,
Head of Swiss Post Vocational Training

ADVANCED TRAINING

Swiss Post sets careers in motion

Anyone looking to develop and make a difference is in the right place at Swiss Post. As an employer, it offers committed employees real prospects – and in more than 100 occupations.



” —
Swiss Post has always supported me generously.

Beat Amacker,
Head of Strategic Procurement

Fresh from school, college graduate, switching career or a long-standing member of management? Regardless of the background with which people come to Swiss Post: more than 100 occupations and many entry-level opportunities and challenges in a modern company in demanding markets open up attractive career opportunities. Employees should be able to develop their talents and interests professionally whenever possible, which is why Swiss Post offers numerous training opportunities: from language and IT courses to coaching or certified leadership training.

Beat Amacker, you started at Swiss Post in 2000 as an SAP project manager. Now you're Head of Strategic Procurement. How did that happen?

Since I've been with Swiss Post, I've moved increasingly away from business operations and IT and towards strategic management. Initially, I completed my studies in information technology management at a higher technical school while working, and the last milestones were a Master's in Strategic Management and Leadership at the University of Applied Sciences Northwestern Switzerland and the completion of the SKU Advanced Management Program/Executive School of the University of St. Gallen. For me personally, standing still means going backwards – I'm always looking for new challenges.

How did you manage that while working?

Swiss Post has always been extremely generous in its support, both in terms of funding and of reducing working hours to take account of my courses and theses. For Swiss Post, the joint perspective on the future is important – something

I also experience as a line manager. We want to encourage our employees to keep leaving their comfort zone – not only to develop, but also to maintain employability.

What are your next educational goals?

Something much less complicated for a change: I want to beef up my foreign language skills a little! That said, I do have another possible training course in mind, but I'm not sure yet if it will materialize.

TOP MANAGEMENT PROGRAMME

Top management inspired

Under the motto “passion and inspiration”, Swiss Post has designed and implemented a programme for top management on topics such as disputes and storytelling. As part of this scheme, various personalities such as a zoo director and the CEO of a leading advertising agency have brought inspiring images of contrast to Swiss Post through their personal messages. They spoke of their own practice, revealing how they assumed responsibility in the conflict between internal and external demands and were able to effectively create appreciation for the new among their employees. This was expanded upon by so-called “facilitators”, who came from fields including psychology, theatre and martial arts. “Very inspiring!” was the unanimous opinion of the 70 senior executives who took part. Swiss Post supports them in developing their leadership skills with innovative training events such as these. The programme is designed to reinforce them in their role as leaders by example in inspiring their employees with a new vision for the corporate and social potential of Swiss Post.

LIVE DIVERSITY

Internal networks strengthen diversity

MOVE, MOSAICO or RAINBOW – with its internal networks, Swiss Post fosters a culture of diversity and promotes dialogue among like-minded people and across units and hierarchical levels. MOVE is the internal network for women and men committed to striking a healthy balance between work, family and leisure. It provides information, organizes events and prepares recommendations for the attention of Executive Management. Polish up spoken language skills with a conversation partner or by sitting down during the lunch break to have discussions in German, French, Italian or English: MOSAICO is committed to living linguistic and cultural diversity at Swiss Post. RAINBOW is the new internal network for acceptance and tolerance of the GLBT (gay, lesbian, bisexual, transgender) community at Swiss Post. It offers information, activities and events on the subject, is committed professionally and prepares recommendations for Executive Management.

WORKING MODELS

Flexible working models for managers

Are reduced workloads, working from home, part-time work or gradual retirement also possible at management level? Today, only 5.2 percent of management staff benefit part-time work, while overall, almost half of all Swiss Post employees work part-time. Executive Management wants to encourage part-time work at management level, focusing in particular on the home office. Swiss Post also offers management staff peer-to-peer support: new managers of employees who work flexibly benefit from the experience of other managers for whom flexible working models are already a part of their everyday work. Mothers and fathers enjoy other benefits, such as the possibility of unpaid leave with guaranteed continued employment.



"BIKE TO WORK"

Cycling keeps employees fit

People who cycle to work have a stronger heart and less body fat. This was shown by the "bike to work" campaign organized by the Swiss cycling advocacy group Pro Velo: in July, 1,521 Swiss Post employees joined 405 teams to clock up a new record of 246,162 kilometres. During the campaign, the health management team conducted various measurements on eight employees cycling to work for the first time. The results of only one month of "bike to work" show just how effective regular cycling is for fitness: the eight participants were in better shape after the campaign and recovered measurably more quickly after being subject to stress. Their personal stress limit was 11 heartbeats higher on average than before the campaign. And "bike to work" also had a positive effect on the figure: the employees examined reduced their body fat by an average of 1.2 kilograms.

“ —
The bike rides in the morning and evening left me much more balanced.

Rolf Kohler,
Process Consulting intern
at PostMail

Sustainability and commitment

Swiss Post is aiming to improve its CO₂ efficiency by at least 10 percent by the end of 2016 → [Page 46](#). In 2014, it brought two new solar power plants on stream in Härkingen, and now feeds around 5,000,000 kilowatt hours of solar electricity into the grid each year → [Page 47](#). With eco-driving courses and electric vehicles, Swiss Post transport is environmentally sound → [Page 48](#) and with the new headquarters, it is setting standards for sustainability and workplace design → [Page 49](#).



426,304 t

of **CO₂ emissions** were generated by Swiss Post in 2014.



11 %

is the **CO₂ efficiency** improvement over 2010 achieved by Swiss Post by the end of 2014.



2,199 million

is the number of times the “**pro clima**” – **Shipment** option was used for letters, parcels and other services.



Around 1/3

of all **Swiss Post vehicles** use alternative drive technologies.



100 %

of electricity requirements are covered with “naturemade basic” certified **renewable energy** from Switzerland.



71,000

parcels were shipped free of charge by Swiss Post as part of the 2 x Christmas campaign.

SUSTAINABILITY STRATEGY OBJECTIVES

Improve CO₂ efficiency by at least 10 percent by the end of 2016

Swiss Post is looking to reduce its greenhouse gas emissions for every consignment transported, every passenger carried, every transaction and every heated square metre in its buildings. Numerous measures implemented in 2014 contributed to keeping Swiss Post on track to achieving this goal.

” —
In the environmental ranking of the International Post Corporation (IPC), Swiss Post achieved seventh place and the label “Silver” in 2014.

Swiss Post is aiming to improve its CO₂ efficiency by at least 10 percent by the end of 2016 (base year: 2010). To achieve this, it is implementing its sustainability strategy consistently: Swiss Post reduces energy consumption by exploiting potential economic and ecological efficiencies and investing in the best available technologies. It is increasing the share of renewable energy used for fuel, heating buildings and electricity. Swiss Post offers its customers environmentally sound products such as “pro clima” – Shipment. It raises awareness of sustainability issues among employees.

In order to substantially reduce its CO₂ emissions, Swiss Post has expanded emission-free delivery of letters with electric scooters. It has implemented measures to better utilize vehicle capacities and optimize routes, and trained drivers in eco-driving techniques. It has also constructed pioneering new buildings that comply with the German Sustainable Building Council's DGNB quality label and the MINERGIE® standard such as the new headquarters in Berne.

Swiss Post's sustainability strategy also includes social commitment: in the interests of employees and their safety, it has defined the specific targets of maintaining the proportion of trainees

at 5 percent and reducing occupational accidents by 3 percent by 2016 (base year: 2013). With respect to procurement, Swiss Post is examining the issues more closely and introducing new sustainability criteria. Swiss Post's accession to the United Nations Global Compact in 2014 also underscores its comprehensive understanding of sustainability: the accession commits the company to aligning its business activities and strategies with ten principles relating to human rights, employment standards, environmental protection and anti-corruption measures, and to documenting its progress annually.

THE SWISS CONFEDERATION'S ENERGY STRATEGY 2050

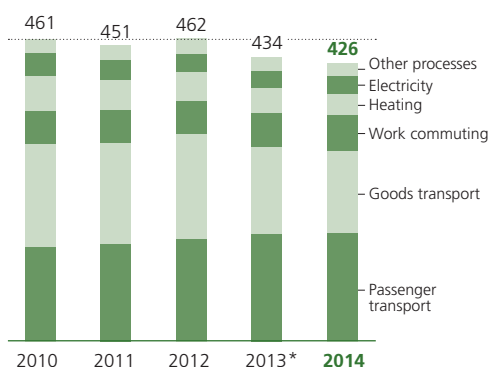
The Confederation as an energy role model: Swiss Post is on board

The “Confederation leading by example in the energy sector” initiative contributes to the implementation of the Swiss Confederation's Energy Strategy 2050. The Confederation level also includes companies affiliated with the Confederation such as Swiss Post. The primary aim is to reduce energy consumption with appropriate measures, leading by example. Starting from the base year 2006, it seeks an increase in energy efficiency of 25 percent by 2020. Areas of action include: buildings and renewable energy, mobility, data centers and green IT. This includes administrative activities, services and products, and employee behaviour. 39 measures were worked out collectively. The partners have also defined company-specific measures: in the case of Swiss Post, for example, the new guidelines on heating, ventilation, refrigeration and sanitation facilities. They contain recommendations for building technology as well as additional specifications for construction projects and equipment.

Group | Greenhouse gas emissions

1,000 t of CO₂ equivalents
(within and outside Swiss Post)

Swiss Post's greenhouse gas emissions are down slightly due to the measures implemented, despite the business growth at PostBus. Goods transport is carried out increasingly efficiently and heating requirements are being continually reduced.



* Reduction in goods transported by air because of outsourcing of air freight to Asendia

COMMITMENT TO RENEWABLE ENERGY

Environmentally friendly with solar power, wind power and biogas

Swiss Post takes responsibility for climate protection. It uses green electricity, now operates ten photovoltaic systems, is testing new drive technologies, and has also been using biogas in Swiss Post buildings since 2014.

” —
The systems in Härkingen produce up to 1,340,000 kilowatt hours of low CO₂ and renewable electrical energy each year.

With its ten photovoltaic systems, Swiss Post feeds around 5,000,000 kilowatt hours of solar electricity into the grid every year.

Swiss Post obtains its electricity from 100 percent renewable energy sources from Switzerland. It is “naturemade basic” certified. Of this electricity, 5 percent is in fact “naturemade star” certified green electricity produced by wind turbines on Mount Crosin in the canton of Jura and from farms, small businesses and small ecological hydroelectric power stations.

Two new solar power plants in Härkingen

In October 2014, Swiss Post brought two photovoltaic systems on stream on the roofs of the letter and parcel center in Härkingen. With modules covering around 10,000 square metres, they are among the largest in the Swiss plateau. The systems produce up to 1,340,000 kilowatt hours of low CO₂ and renewable electrical energy each year. This is equivalent to the electricity consumption of over 380 Swiss households over the same period.

Together with the systems in Daillens, Frauenfeld, Sion, Geneva, Locarno, Giubiasco, Yverdon and Zurich-Mülligen, Swiss Post now operates a total of ten systems feeding approximately

5,000,000 kilowatt hours of solar electricity into the grid each year. By doing so, Swiss Post is also making a contribution to implementing the Confederation's Energy Strategy 2050.

Alternative drive technologies and biogas

Hydrogen, biodiesel, green electricity or biogas are increasingly used as fuel for Swiss Post's vehicle fleet. There are now five fuel cell buses, which emit only steam, on routes operated by PostBus, the first public transport company in Switzerland to use such vehicles. There are also more than 30 PostBus diesel hybrid buses operating on Swiss roads. Since the end of 2014, Swiss Post has also been using 7 percent biodiesel made from residues from edible oil production at Mobility Solutions Ltd petrol stations, saving more than 1,500 tonnes of CO₂ annually. Swiss Post operates around 5,800 electric scooters with eco-electricity. Its gas-powered vehicle fleet is one of the largest in Switzerland. More than 120 vans deliver parcels with 100 percent Swiss biogas. Swiss Post now uses 10 percent biogas for gas heating in its buildings, reducing CO₂ emissions by around 200 tonnes annually.



“PRO CLIMA” – SHIPMENT

Swiss Post climate protection project with gold standard

With “pro clima” – Shipment, all domestic letters have been carbon neutral since 2012 at no extra charge for the customer. Now, Swiss Post is funding the construction of the first gold standard Swiss Post climate protection project in Switzerland: it consists of 30 farms that reuse farm dung, green waste, food scraps and other organic waste in biogas plants to generate electricity.

ENVIRONMENTALLY SOUND: ELECTROMOBILITY

Swiss Post expands electric fleet

There are already around 5,800 electric scooters making deliveries on Swiss roads. Swiss Post is currently testing delivery vans and buses powered by eco-electricity: how economical and environmentally sound are they on the road?

With around 5,800 two- and three-wheeled electric scooters on its delivery rounds, Swiss Post maintains one of the largest fleets of its kind in Europe. Its electricity requirements are covered with 100 percent "naturemade star" certified eco-electricity. Compared to petrol-driven scooters, the vehicles save almost 11 gigawatt hours of energy per year. By the end of 2016, Swiss Post will have around 7,000 exclusively electric scooters on the road.

Delivery vans and buses on trial

The electrification of the scooter is just the beginning: Swiss Post is also testing whether electric vans are suitable for its requirements. Post-Bus wants to further diversify its environmentally friendly bus fleet. After initial one-week trials, electric buses from three different manufacturers are now to be tested over three years on the roads in the cantons of Valais, Obwalden and Aargau.



1



2

MOBILITY IN TRANSITION

Better to share transport

Whether it's carpooling, vehicle exchange or combined transport: Swiss Post encourages innovative ideas. In May 2014, it was the sole sponsor of the mobility academy College for Collaborative Mobility, where students from Switzerland and abroad designed collaborative urban mobility strategies. In an effort to optimize corporate fleets, Swiss Post developed the carpooling and sharing platform MoS Move Center (see also page 29). Since March 2014, Swiss Post employees at nine locations have been able to easily and spontaneously enjoy the benefits of mobility sharing. A nationwide expansion is under review. For a more environmentally friendly "last mile", Swiss Post is also a supporting partner in the expansion of the self-service bicycle rental provider PubliBike.

ECO-DRIVING

Driving ecologically into the future

Anticipatory, consistent driving saves up to 5 percent of fuel, reducing CO₂ emissions – and it is more relaxed driving at the same speed. That's why Swiss Post trains employees who regularly sit behind the wheel in the environmentally friendly eco-driving style. There are refresher courses to ensure continued success. Swiss Post is also equipping its vans with on-board units that directly detect and automatically record journey and consumption data. More than half of all vehicles in Distribution have already been upgraded.

Swiss Post subcontracts a good part of its truck and van rounds out to third parties. With its 16 largest transport logistics partners, Swiss Post has been monitoring average fuel consumption since 2013. In 2014, 11 transporters succeeded in reducing fuel consumption: Swiss Post rewarded their commitment with an eco-bonus. Transport logistics partners reduced their CO₂ emissions by a total of 320 tonnes in 2014.

1 _
Swiss Post is testing the use of electric vans for mail delivery.

2 _
By the end of 2016, Swiss Post will have around 7,000 electric scooters on the road.

” —

Light, air, interior design: in this building you feel completely at ease.

SUSTAINABLE BUILDING

Swiss Post is setting the standard with its new headquarters

Ecological, energy efficient, stable in value: the new Swiss Post headquarters sets standards for sustainability and workplace design. It will be occupied in the spring of 2015.

With over 1,600 workplaces for 1,800 employees covering eight storeys and 30,000 square metres of versatile, multi-functional office space, the new headquarters is a modern office building with a spacious entrance hall, connected by three atriums that channel natural light into the offices. The building, right beside the Wankdorf S-Bahn station in Berne, will be occupied in the spring of 2015. The old headquarters, the 40-year-old Schönburg building, is in need of renovation and has been sold by Swiss Post.

DGNB and MINERGIE certification

From planning and implementation to operation and maintenance, Swiss Post's focus with the new headquarters is on sustainability down to the very last detail. The building was designed to the standards of the German Sustainable Building Council (DGNB). For the DGNB certification when construction is complete, all of the companies involved in construction are seeking the DGNB Gold Label, which is awarded to buildings and urban neighbourhoods in which the central focus is on the well-being of users and that meet sustainability criteria in an outstand-

ing way. The new headquarters also fulfils the MINERGIE standard.

All of the construction and working materials used can be used again. The offices are heated and air conditioned by an extensive geothermal system: 69 probes driven up to 140 metres into the ground use geothermal heat to heat the building. Or they channel off heat and convert it to cool the air in the room when required. Not only in the literal sense is there a good working atmosphere: the workplaces in the new headquarters offer a great deal of comfort, while at the same time providing the greatest possible flexibility.

SUSTAINABILITY AWARENESS

When employees become ambassadors

Major events across all units and hierarchical levels, workshops with specialists in small groups, series of articles, a film and a comprehensive range of materials on the intranet: "Last year, we reinforced the focus on raising awareness of sustainability issues among employees," notes Anne Wolf, Head of Sustainability, explaining Swiss Post's commitment. "To achieve our ambitious goals, we rely on everyone's dedication." All the more important with respect to everyday life. "Because that's where simple measures can be implemented easily," she says. "I'm thinking here for example of efficient ventilation or the correct tyre pressure for a more fuel-efficient driving style." Swiss Post employees can become ambassadors for more complex topics, too – for example, by explaining why all Swiss Post delivery staff will soon be driving electric scooters.

In spring 2015, 1,800 employees are moving into the new Swiss Post headquarters in Berne.



SOCIAL COMMITMENT

Swiss Post does its bit to help

Year after year, Swiss Post supports numerous foundations and charitable organizations. In the Santa Claus campaign, Swiss Post, playing the role of Santa Claus, answered 18,699 children's letters and delighted them with a small gift. Thanks to "2 x Christmas", a joint campaign by Swiss Post, the broadcaster SRG SSR and the Swiss Red Cross, people in need in Switzerland and eastern Europe received a Christmas gift: 71,000 parcels were sent free of charge. The foundations Pro Patria and Pro Juventute are supported by Swiss Post with the surcharge on special stamps.

FAIR PROCUREMENT

Leader status at the Fair Wear Foundation

In 2014, Swiss Post attained Leader status at the Fair Wear Foundation (FWF), a position held by only six more of the 80 FWF members globally who act particularly responsibly and achieve their goals exceptionally well. Swiss Post has been an FWF member since 2012 in order to ensure the socially responsible production of its work clothes. The globally active organization strives to ensure that workers receive fair wages and are not exposed to unhealthy working conditions.

→ www.swisspost.ch/fwf



For Swiss Post, ensuring that work clothes are produced in a socially responsible manner is important.

SUSTAINABLE PROCUREMENT AND USE

A second lease of life for shoes

Swiss Post delivery staff can hand back their old work shoes. In the second-hand warehouses of the Swiss Red Cross in the Bern-Mittelland district, they get a second lease of life.

They've been down many roads, the work shoes, they've climbed stairs, got on and off the scooter. In time, you can see it. The cushioning is also not what it used to be – and at that point they're no longer suitable for miles and miles of daily deliveries. But do they have to be thrown away? No, says Swiss Post. In 2014, it launched a collection campaign to make sure that old work shoes don't end up in the bin or gathering dust in the basement.

As part of the shoe collection campaign "A second lease of life for shoes", Swiss Post hands over used work shoes to the Swiss Red Cross in the Bern-Mittelland district. The Red Cross employees – often job seekers who are preparing for a return to work – sort the shoes: if they are clearly used but still in good shape, a mountain

family is happy to get them for free. If the shoes are in mint condition, the Red Cross offers them for sale at reasonable prices in its "La Trouville" second-hand warehouses, where work shoes are very popular. The profits go to social projects. Heavily worn shoes are sent abroad, where they are mended and worn again. If none of these options is possible, the shoes are disposed of.

Pilot project for work clothes

In 2014, Swiss Post also launched the pilot project "A second lease of life for Swiss Post clothes", in which 1,000 offices in seven cantons systematically collect discarded Swiss Post clothes. Collaboration with the Swiss Red Cross in the Bern-Mittelland district on the reuse of these clothes is planned.

” —
Our used work shoes are a valuable resource: much too good to throw away!

Olivier Crettenand,
Sustainability Project Manager,
PostMail



For more detailed information on sustainability, please refer to the comprehensive GRI report.

→ www.swisspost.ch/gri2014

Corporate governance

In their role as leaders by example, those in management must adhere consistently to laws and directives and behave impeccably, both morally and ethically. For Swiss Post, the tone at the top – the behaviour and communication of its management – is of the utmost importance → [Page 52](#). Under the title of Swiss Post Courage, Swiss Post operates an internal reporting office for economic crime → [Page 52](#). To ensure that employees know how to behave in specific situations, Swiss Post is committed to a modern compliance system → [Page 53](#).



45%

is the **maximum performance-related component for the remuneration** of members of Executive Management.



33%

of the members of the Board of Directors are **women**.

TONE AT THE TOP: LIVED CODE OF CONDUCT

Managers are role models

Complying with legal frameworks, provisions and rules, living up to moral and ethical principles: for Swiss Post, the tone at the top – the behaviour and communication of its management – is of the utmost importance.

Those in management roles must comply with and consistently implement laws and directives, set an example of their company's values, vision and strategy, and behave impeccably, both morally and ethically. Exemplary behaviour of this kind is expected at Swiss Post from members of management, and it is expected at all levels. "As a business person, it is important to me that we set an example at the highest levels of Swiss Post of what we expect from others," says Myriam Meyer, member of the Board of Directors.

” —

It is important to me that we set an example at the highest levels of Swiss Post of what we expect from others.

Myriam Meyer,
Member of the Board of Directors

Exemplifying the Code of Conduct

If a manager behaves incorrectly, the news will spread quickly, both inside and outside the company. The damage to the company and to the individual quickly becomes enormous and is sometimes difficult to repair. Role models are needed to show how to behave correctly in situations where the rules are not clearly defined. In a company, these should be found among managers. Employees recognize the lived values of people in management roles and the behaviour they exhibit. They pass on these values to colleagues, further accelerating their propagation and acceptance. Managers reach many people and have great influence, which means they also have a significant influence on the culture of the entire company. It is therefore essential that they support the company's values, both internally and externally. "In dealing with customers and suppliers, ethical behaviour is also key: legal and other requirements must be adhered to, and they provide the basis for sustainable partnerships," stresses Nadja Lang, member of the Board of Directors.

Raising awareness of grey areas

The management staff at Swiss Post have many skills and competencies, and therefore assume a great responsibility. But this scope always entails grey areas. Managers must recognize these grey areas and appreciate that compliance with written provisions alone is sometimes not enough – for example, when it comes to distinguishing between business and personal interests.

SWISS POST COURAGE

Internal reporting office for economic crime

Falsifying the balance sheet and income statement or diverting money into one's own pockets: illegal transactions of this nature can cause great damage to a company. If Swiss Post employees are confronted with unlawful activity or suspect that it may be occurring, they can choose to report it without revealing their identity. This is made possible by the electronic whistleblowing system Swiss Post Courage. Since its introduction four years ago, Swiss Post Courage has received 59 reports, of which 90 percent were anonymous. However, most reports did not concern cases of economic crime such as balance sheet offences or corruption, but were instead related to management decisions, staff problems or customer complaints. These reports are forwarded to the relevant departments and included in internal audits where applicable.

→ www.swisspostcourage.ch

STRATEGIC CORPORATE GOVERNANCE

Compliance: a guideline for good corporate governance

The Swiss Post Board of Directors is responsible for ensuring that Swiss Post Group complies with the relevant standards and provisions. This also includes rules for ethically correct behaviour. To ensure that employees know how to behave in specific situations, Swiss Post is committed to a modern compliance system.

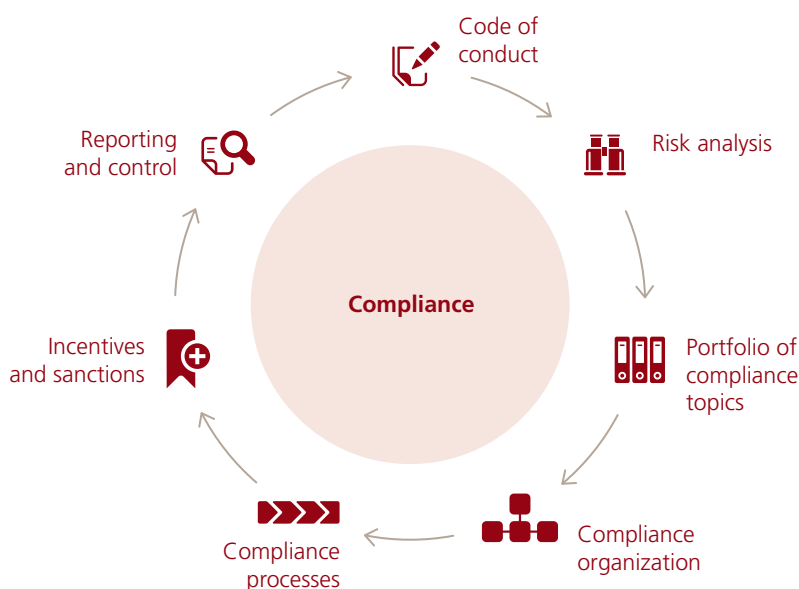
Does the purchase of a new computer have to be put out to tender? Should the counter staff at a post office accept 10,000 francs in cash? Should a project manager accept the wine that a business partner brings round at Christmas? Employees have to find answers to delicate questions quickly and reliably in the course of their everyday work. That employees at all levels act in accordance with the law and ethical standards is to the credit of an effective compliance system.

Anchored at the highest level

Swiss Post is continually developing its compliance system and adapting it to changing needs. With the introduction of the new Group structure, Swiss Post's Board of Directors took the opportunity to anchor compliance management at the highest level. "A functioning compliance system is part of good corporate governance. It is just as important for Swiss Post as a company with a universal service obligation as for a listed public company," says Adriano P. Vassalli, Vice-Chairman of the Board of Directors and Head of the Audit, Risk & Compliance Committee.

The right measures for each unit

For Swiss Post as a diversified company, the biggest challenge with respect to compliance is to define and anchor the right measures for each unit. After all, the requirements in the financial services market are different from those that apply in the logistics or passenger transport markets. Compliance management at Swiss Post is therefore based on the business activities of the Group, its subsidiaries and their units of activity, and the associated risks.



” —
A functioning compliance system is part of good corporate governance.

Adriano P. Vassalli,
Vice-Chairman of the Board of Directors and
Head of the Audit, Risk & Compliance Committee

COMPOSITION OF THE BOARD OF DIRECTORS

Board of Directors



Peter Hasler,
Chairman of the Board of Directors



Adriano P. Vassalli,
Member of the Board of Directors,
Vice-Chairman



Myriam Meyer,
Member of the Board of Directors



Andreas Schläpfer,
Member of the Board of Directors,
Vice-Chairman



Philippe Milliet,
Member of the Board of Directors



Michel Gobet,
Member of the Board of Directors, Human
Resources Representative



Nadja Lang,
Member of the Board of Directors



Susanne Blank,
Member of the Board of Directors,
Human Resources Representative



Marco Durrer,
Member of the Board of Directors



Kerstin Büchel,
General Secretary

REMUNERATION 2014

Remuneration to Board of Directors and Executive Management

The Federal Council determines the level of remuneration for members of the Board of Directors. In 2014, the nine members of the Board² received remuneration (fees and fringe benefits) totalling 986,867 francs. The fringe benefits totalling 219,367 francs are shown in the total remuneration. In 2014, the Chairman of the Board's fee totalled 225,000 francs. The fringe benefits amounted to 27,000 francs.

The paid members of Executive Management⁵ and the CEO received remuneration totalling 4,445,716 francs in 2014. The fringe benefits of 326,777 francs are shown in the total remuneration. The performance-related component effectively payable to members of Executive Management in 2015, which is based on attainment of targets in 2013 and 2014, amounts to 1,197,689 francs.

The base salary of the CEO totalled 570,000 francs, the additional performance-related component amounted to 207,328 francs.

” —
The Federal Council determines the level of remuneration for members of the Board of Directors.

Remunerations	
2014, CHF	Total
Chairman of the Board of Directors	
Fees	225,000
Fringe benefits	
Expenses and representation allowances	22,500
First-class GA travelcard	4,500
Total remuneration	252,000
Other members of the Board of Directors (8)¹	
Fees	542,500
Fringe benefits	
Expenses and representation allowances	67,000
Additional fringe benefits	125,367
Total remuneration	734,867
Entire Board of Directors (9)²	
Fees	767,500
Fringe benefits	219,367
Total remuneration	986,867
CEO	
Fixed base salary	570,000
Performance-related component (payable 2015)	207,328
Fringe benefits	
Expenses and representation allowances	30,000
Additional fringe benefits ³	17,257
Additional payments ⁴	0
Total remuneration	824,585
Other members of Executive Management (8)⁵	
Fixed base salary	2,351,250
Performance-related component (payable 2015)	990,361
Fringe benefits	
Expenses and representation allowances	124,800
Additional fringe benefits ³	154,720
Additional payments ⁴	0
Total remuneration	3,621,131
All members of Executive Management (9)⁶	
Fixed base salary and performance-related component	4,118,939
Fringe benefits	326,777
Total remuneration	4,445,716

1 Eight active members and one member who stepped down in 2014.

2 Including the one member who stepped down in 2014.

3 Other fringe benefits include: first-class GA travelcard, company car, mobile phone, tablet computer and premiums for risk insurance policies.

4 No agreements exist regarding possible severance payments.

5 Six active members and one member who stepped down in 2013 and in 2014 respectively.

6 Including the members who stepped down in 2013 and 2014.

COMPOSITION OF EXECUTIVE MANAGEMENT

Executive Management



Susanne Ruoff,
CEO



Pascal Koradi,
Head of Finance



Jörg Vollmer,
Head of Swiss Post Solutions (from 1.1.2015)



Ulrich Hurni,
Head of PostMail, Deputy CEO



Daniel Landolf,
Head of PostBus



Dieter Bambauer,
Head of PostLogistics



Hansruedi Köng,
CEO of PostFinance Ltd *



Franz Huber,
Head of Post Offices & Sales



Yves-André Jeandupeux,
Head of Human Resources

* The CEO of PostFinance Ltd is not a member of Executive Management. He attends Executive Management meetings in order to coordinate joint topics.

For detailed curriculum vitae and more information on key posts, see page 58 of the Financial Report.

REMUNERATION POLICY

Determination of remuneration

Corporate risk, scope of responsibility and the Ordinance on Executive Pay are taken into account by the Board of Directors when determining the remuneration due to members of Executive Management. The Federal Council determines the level of remuneration for members of the Board of Directors.

Remuneration for members of Executive Management is comprised of a fixed base salary plus a variable performance-related component. This may be a maximum of 45 percent of the gross annual base salary (55 percent in the case of the CEO). At Group level, the variable component is calculated from economic value added (28 percent) and Group customer satisfaction (12 percent). At Group unit level, a distinction is made between qualitative benchmarks (20 percent) and financial key figures (20 percent) such as EBIT. For PostFinance Ltd, return on equity is used instead of EBIT. The payment of a third of the variable remuneration will be deferred over a three-year period.

Members of Executive Management also receive a first-class GA travelcard, a company car, a mobile phone, a tablet computer and a monthly expense account. Swiss Post also pays the insurance premiums for a risk insurance policy. Individual bonuses may be paid to reward special personal contributions.

Neither the members of Executive Management nor persons closely linked to them received any additional fees, remuneration, guarantees, advances, credits, loans or benefits in kind during the financial year.

Both the base salary and the performance component are insured for members of Executive Management up to a maximum of 336,960 francs in the Swiss Post pension fund (defined contribution plan); higher income is covered by a management insurance scheme (defined contribution plan). The employer contributes disproportionately to the contributions for employee benefits. Employment contracts are based on the Swiss Code of Obligations. Since 1 July 2010, the notice period for members of Executive Management has been six months. For members appointed before that date, the previous notice period of 12 months applies. No agreements on severance payments are in place.

” —
Remuneration for members of Executive Management is comprised of a fixed base salary plus a variable performance-related component.

REPORTING

Reporting structure

The Swiss Post annual reporting documents for 2014 include:

- 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
- PostBus Switzerland Ltd Performance Report
- Table of figures (comprehensive set of key figures)
- GRI report (report in accordance with the guidelines of the Global Reporting Initiative)

These documents are available in electronic form at www.swisspost.ch/annualreport. The Swiss Post Ltd Annual Report and Financial Report, the PostFinance Ltd Annual Report and the PostBus Switzerland Ltd Performance Report are also available in printed form.

Languages

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

Ordering

Reports can be ordered online at www.swisspost.ch/order-annualreport. Swiss Post employees may order copies through the usual channels.

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Publisher and point of contact

Swiss Post Ltd
Wankdorfallee 4
P.O. Box
3030 Berne
Switzerland

Tel. +41 58 338 11 11
Media relations +41 58 338 13 07
www.swisspost.ch

Concept and project management

Corinne Santschi, Swiss Post Communication, Berne
Dr Andreas Sturm, Sturm Consulting, Riehen

Text

Swiss Post Finance, Berne
Sandra Schindler, Mareike Fischer, Markus Tschannen,
Klarkom AG, Berne

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Swiss Post Finance, Berne
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FIVE-YEAR OVERVIEW OF KEY FIGURES

		2014	2013	2012	2011	2010
Result						
Operating income	CHF million	8,457	8,575 ¹	8,576 ³	8,599	8,736
Generated in competition	% of operating income	85.7	85.6 ¹	84.1 ³	84.0	83.2
Generated abroad	% of operating income	14.6	13.2	12.0 ³	12.7	13.9
Operating profit	CHF million	803	911 ¹	860 ³	908	930
Generated abroad	% of operating profit	9.0	5.2 ¹	4.1 ³	5.7	2.6
Group profit	CHF million	638	626 ¹	772 ³	904	910
Equity	CHF million	5,010	5,637	3,145 ³	4,879	4,224
Value generation						
Economic value added	CHF million	207	125	269 ³	390	452
Added value generated	CHF million	5,220	5,328 ¹	5,314 ³	5,187	5,268
to employees	CHF million	4,108	4,131 ¹	4,161 ³	4,026	4,076
to creditors	CHF million	57	93	82 ³	14	20
to public sector	CHF million	79	94	34	13	12
to owner	CHF million	200	180	200	200	200
to company	CHF million	776	830	837 ³	934	960
Jobs						
Headcount (excluding trainees)	Full-time equivalents	44,681	44,105	44,605	44,348	45,129
Trainees in Switzerland	Persons	2,035	2,024	2,015	1,942	1,824
Jobs in peripheral regions	Persons	19,106	19,494	20,172	20,418	20,603
Turnover rate (voluntary departures)	As % of average headcount	4.1	3.6	3.7	3.9	3.5
Notice given by employer for economic reasons	Persons	168	180	315	95	116
Employment conditions and remuneration						
Employment in accordance with Swiss Post CEC	Full-time equivalents as %	61.1	62.8	62.7	64.3	65.4
Swiss Post CEC minimum salary	CHF per annum	47,620	45,047	45,047	44,823	44,379
Average salary for employees	CHF per annum	83,039	82,695	82,554	81,293	81,082
Average remuneration paid to members of Executive Management	CHF per annum	477,719	499,281	515,441	504,986	495,590
Salary bandwidth ²	Factor	5.8	6.0	6.2	6.2	6.1
Health management						
Occupational accidents	Number per 100 FTEs	5.9	6.6	7.2	6.9	7.5
Days lost to illness and accidents	Days per employee	11.8	11.6	11.0	10.8	10.5
Diversity						
Women	% of employees	48.7	48.5	48.4	47.7	47.9
Nationalities represented	Number	142	144	140	140	133
Women on Board of Directors	%	33.3	22.2	22.2	22.2	22.2
Women in Executive Management	%	12.5	12.5	11.1	–	–
Women in senior management posts	%	11.0	9.3	8.0	7.6	8.2
Women in middle and lower management roles	%	23.6	23.7	23.0	23.2	22.6
Demographics						
Average age of workforce	Years	45.1	44.8	44.7	44.4	44.2
Resource consumption						
Energy consumption	Gigajoules	4,069,464	4,107,713	4,100,747	4,115,225	4,267,560
Energy consumption within Swiss Post	Gigajoules	3,158,565	3,143,002	3,202,797	3,136,258	3,218,983
Renewable share	%	2.7	1.8	1.8	1.7	1.8
Energy consumption outside Swiss Post	Gigajoules	910,899	964,711	897,950	978,968	1,048,577
Carbon footprint (scope 1–3)						
Carbon footprint	t CO ₂ equivalent	426,304	433,763	461,937	451,058	461,483
CO ₂ efficiency increase since 2010 ⁴	%	11	10	3	2	–

¹ Normalized figure. See the section "One-off items in 2013" in the Financial Report on page 32.

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

³ Figures have been adjusted (see Notes to Group annual financial statements under Note 2, Basis of accounting, Accounting changes).

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.).

Swiss Post Ltd
Wankdorfallee 4
P.O. Box
3030 Berne
Switzerland

Tel. +41 58 338 11 11

www.swisspost.ch

